

PROSPECTUS

2018

For an initial public offer of up to 22,500,000 Shares at an issue price of \$0.20 each to raise up to \$4,500,000 (before costs).

This Replacement Prospectus has been issued to replace a prospectus dated 6 September 2018 and to provide information on the offer of up to 22,500,000 Shares to be issued at a price of \$0.20 per Share to raise a total of up to \$4,500,000 (before costs) (Public Offer).

This Prospectus also incorporates the following secondary offers:

1. an offer of 1,000,000 Options to the Lead Manager (or its nominees) in consideration for capital raising services provided to the Company (Lead Manager Offer);
2. an offer of 1,250,000 Shares and 325,000 Options (Consideration Options) to the Vendors (Consideration Offer); and
3. an offer of 2,000,000 Options to participating brokers (Broker Offer),

(together, Secondary Offers).

The Public Offer and Secondary Offers (together, Offers) pursuant to this Prospectus are subject to a number of conditions precedent as outlined in Section 1.3 of this Prospectus.

It is proposed that the Offers will close at 5.00pm (WST) on 3 November 2018. The Directors reserve the right to close the Offers earlier or to extend these dates without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Investment in the Securities offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 3 for a summary of the key risks associated with an investment in the Securities.

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IMPORTANT INFORMATION

Replacement Prospectus

This Replacement Prospectus is dated, and was lodged with ASIC on, 2 November 2018. This Replacement Prospectus replaces the Original Prospectus dated 6 September 2018 that was issued by the Company and lodged with ASIC on that date. For the purposes of this document this Replacement Prospectus will be referred to as either the 'Replacement Prospectus' or 'Prospectus'. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Replacement Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Replacement Prospectus is 5.00pm WST on that date which is 13 months after the date that the Original Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Replacement Prospectus after that expiry date.

This Replacement Prospectus has been issued to, amongst other things:

- acknowledge the Company's change in Board structure since the Original Prospectus;
- provide updated disclosure in the form of the Company's independent expert reports; and
- clarify the relationship between the Company and its solicitor.

As the content of this Replacement Prospectus is not considered by the Company to be materially adverse to investors, no action needs to be taken by investors who have already submitted applications for Shares under the Replacement Prospectus. Accordingly, there are no withdrawal rights offered pursuant to this Replacement Prospectus.

Application was made to ASX within 7 days of the date of the Original Prospectus for Official Quotation of the Shares the subject of the Offers.

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

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

Conditional Offers

The Offers contained in this Prospectus are conditional on certain events occurring. If these events do not occur, the Offers will not proceed and investors will be refunded their Application Monies without interest. Please refer to Section 1.3 for further details on the conditions attaching to the Offers.

Electronic Prospectus and Application Form

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.capriceresources.com. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office by contacting the Company as detailed in the Corporate Directory. The Offers constituted by this Prospectus in electronic form are only available to persons receiving an electronic version of this

Prospectus and the relevant Application Form within Australia.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus. The Corporations Act prohibits any person from passing on to another person any Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Securities under the Offers should complete the relevant Application Form. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

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

Offer outside Australia

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

Speculative Investment

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

Prospective investors should carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 3 for details relating to the key risks applicable to an investment in the Securities.

Using this Prospectus

Persons wishing to subscribe for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus. If persons considering subscribing for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors of the Company. Key risk factors associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

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

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

Competent Persons Statements

The information in this Prospectus that relates to technical assessment of the mineral assets, exploration targets and exploration results is based on, and fairly represents, information and supporting documentation prepared by Mr Robert Wason, who is a senior consultant with Mining Insights Pty Ltd (**Mining Insights**), a global provider of technical, environmental and commercial services for exploration and mining companies. Mr Wason is a member of the Australasian Institute of Mining and Metallurgy and is employed by Mining Insights.

Mr Wason has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity for which he has undertaken, to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets' and as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wason consents to the inclusion of the matters based on his information in the form and context in which it appears in this Prospectus and has not withdrawn his consent before lodgement of this Prospectus with ASIC.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Miscellaneous

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$" or "A\$" are references to Australian dollars.

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 9.

CORPORATE DIRECTORY

Directors

Mr Scott Patrizi	Executive Director
Mr Bryn Hardcastle	Non-Executive Chairman
Mr David Church	Non-Executive Director

Company Secretary

Ms Oonagh Malone

Registered and Principal Office

Level 1, 50 Ord Street
WEST PERTH WA 6005

Phone: +61 8 6142 0987

Email: info@capriceresources.com
Website: www.capriceresources.com

Proposed Securities Exchange Listing

Australian Securities Exchange (ASX)
Proposed ASX Code: CRS

Share Registry*

Automic Pty Ltd
Level 2, 267 St Georges Terrace
PERTH WA 6000

Phone (within Australia): 1300 288 664
Phone (outside Australia): +61 2 9698 5414

Auditor*

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
PERTH WA 6000

Solicitors

Bellanhouse
Level 19, Alluvion
58 Mounts Bay Road
PERTH WA 6000

Independent Geologist

Mining Insights Pty Ltd
109 Delaney Circuit
CARINDALE QLD 4152

Investigating Accountant

Pitcher Partners BA&A Pty Ltd
Level 1, 914 Hay Street
PERTH WA 6000

Lead Manager and Corporate Advisor

Discovery Capital Partners
Level 1, 50 Ord Street
WEST PERTH WA 6005

Co-Lead Manager

Nascent Capital Partners Pty Ltd
Level 2, 55 Carrington Street
NEDLANDS WA 6009

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

LETTER FROM THE BOARD

Dear Investor

On behalf of my fellow Directors, it is with great pleasure that I present to you this Prospectus and invite you to become a shareholder of Caprice Resources Ltd (**Company**).

The Company is a newly incorporated mineral exploration company committed to increasing shareholder wealth through the acquisition, exploration and development of mineral resource projects throughout Australia.

The Company's assets consist of 4 exploration licences covering two projects being the Wild Horse Hill Project, located 115km southeast of Darwin and 18km east of Adelaide River in the Northern Territory, and the Northampton Project, located 40km north of Geraldton, Western Australia. The Company was attracted to these projects due to their prospective geological setting within proven mineralised belts, and their lack of modern exploration as the Tenements were previously held by private prospectors or companies focused on other commodities.

The Wild Horse Hill Project covers an area of over 231km² and is situated in the Pine Creek mineralogical terrain, which is considered to be highly prospective for gold highlighted by the presence of established and historical gold mining areas. The Company's primary focus at Wild Horse Hill will be to evaluate and test the 2,500m strike that includes the Reid, Fisher and Cook prospects for their potential to host a high grade gold resource.

The Northampton Project hosts a large number of historic silver, lead and copper producing mines that date back to 1850. The Company plans to target extensions to the historical mines in the area with the help of modern exploration techniques in the hope of proving up a maiden resource. With its initial Public Offer, the Company is seeking to raise up to \$4,500,000 (before associated costs) to provide funds to achieve its objectives in the next two years.

This Prospectus contains detailed information about the Offers and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (detailed in Section 3).

It is therefore with great excitement and confidence that we look forward to welcoming you as a shareholder of the Company.

Yours sincerely

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

Scott Patrizi
Executive Director

KEY OFFER DETAILS

Pro forma capital structure ¹	Shares	Options
Shares offered under the Public Offer for \$0.20 each	22,500,000	-
Existing Securities on issue	9,000,003	-
Securities to be issued to the Vendors ²	1,250,000	325,000
Options to be issued to the Directors ³	-	2,650,000
Options offered under the Lead Manager Offer ⁴	-	1,000,000
Options to be offered under the Broker Offer ⁵	-	2,000,000
Total Securities on issue on completion of the Offers⁵	32,750,003	5,975,000

Notes:

1. Please refer to Section 1.5 for further details relating to the proposed capital structure of the Company.
2. Pursuant to the Acquisition Agreements, the Vendors have agreed to sell the Tenements to the Company for the consideration under the Consideration Offer on the terms set out in Section 6.2.
3. The Company intends to issue an aggregate total of 2,650,000 Options to the Directors (**Director Options**) at an issue price of 0.001 cents per Option with each being exercisable at \$0.25 on or before the date that is 4 years from Admission, and otherwise will be issued on the terms and conditions set out in Section 7.2. See Sections 6.7 for further details regarding the agreements with these parties and Section 2.2 for further details of the current capital structure of the Company.
4. The terms of the Options to be issued to the Lead Manager are set out in Section 7.2 pursuant to the Discovery Mandate as summarised in Section 6.4.
5. The Company intends to issue an aggregate total of 2,000,000 Options to Discovery (or its nominees) to allocate to brokers participating in the Public Offer pursuant to the terms of the Discovery Mandate as summarised in Section 6.4.
6. Assuming no further Securities are issued and none of the above Options are exercised.

INDICATIVE TIMETABLE

Event	Date
Lodgement of this Prospectus with ASIC	2 November 2018
Closing Date for the Offers	3 November 2018
Issue Date of Securities	6 November 2018
Despatch of holding statements	7 November 2018
Expected date for Official Quotation on ASX	20 November 2018

Note:

The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Closing Dates without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their relevant Application Form and deposit the Application Monies as soon as possible after the Opening Date if they wish to invest in the Company.

INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

Topic	Summary	More information
Introduction		
Who is the Company and what does it do?	The Company is an Australian company incorporated on 20 March 2018 for the purpose of pursuing various mining opportunities in the resources sector designed to add shareholder value by acquiring, exploring, evaluating and exploiting mineral resource project opportunities and, other than as disclosed in this Prospectus, has not undertaken any activities since incorporation. Since incorporation, the Company has entered into the following acquisition agreements: (a) An agreement with Excedo Exploration Pty Ltd (NT Vendor) to acquire 100% legal and beneficial ownership of two exploration licences in the Northern Territory (EL 30951 and EL 30964) comprising the Wild Horse Hill Project which is considered to be prospective for gold (NT Tenements). (b) An agreement with Red Field Pty Ltd (WA Vendor) to acquire 100% legal and beneficial ownership of two exploration licences in Western Australia (E 66/98 and E 66/99) comprising the Northampton Project which is considered to be prospective for lead, zinc and copper (WA Tenements).	Section 2.1
What are the Company's projects?	Following completion of the Offers and the Acquisition Agreements, the Tenements will be 100% legally and beneficially owned by the Company. The Wild Horse Hill Project comprises two granted exploration licences, EL 30951 and EL 30964, covering 231km² of the established mineralogical terrain of Pine Creek which has established gold mining operations. The Northampton Project comprises two granted exploration licences E66/98 and E66/99, covering an area of 130km² of the established mineralogical terrain of the Northampton Complex.	Sections 2.1 and 2.4

Topic	Summary	More information
What is the Company's financial position?	The Company was incorporated in March 2018 and has not traded, therefore the Company has not earned any revenue or incurred any expenses from its activities (other than the expenses of the Offers). An Investigating Accountant's Report is included in Section 4 which contains financial information for the Company. The Board is satisfied that upon completion of the Offers, the Company will have sufficient working capital to meet its stated objectives.	Section 4
What is the proposed use of funds raised under the Offers?	The Company proposes to use the funds raised from the Offers to acquire and undertake exploration on the Tenements, pay expenses of the Offers, and towards general administration fees and working capital.	Section 1.4
What is the proposed capital structure of the Company?	Following completion of the Offers under this Prospectus and completion of the Acquisition Agreements, the proposed capital structure of the Company is as set out in Section 1.5.	Section 1.5
What is the Company's strategy?	Following completion of the Offers under this Prospectus and completion of the Acquisition Agreements, the Company intends to undertake exploration on each of the granted Tenements and to pursue new projects and opportunistic acquisitions in the resource sector in various jurisdictions to create additional Shareholder value.	Section 2.5
Summary of key risks		
Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks. The risk factors set out in Section 3, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises the key risks which apply to an investment in the Company and investors should refer to Section 3 for a more detailed summary of the risks.		
Limited history	The Company was incorporated on 20 March 2018 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Projects. Until the Company is able to realise value from the Projects, it is likely to incur operational losses.	Section 3.1(a)

Topic	Summary	More information
Conditionality of Offers	The obligation of the Company to issue the Securities under the Offers is conditional on certain matters, as set out in Section 1.3. If the conditions are not satisfied, the Company will not proceed with the Offers. Failure to complete the Offers may have a material adverse effect on the Company's financial position.	Section 3.1(b)
Contractual risk	Pursuant to the Acquisition Agreements (summarised at Section 6.2 and paragraph 10 of the Solicitor's Report) the Company has agreed to acquire 100% legal and beneficial ownership of the Tenements from the Vendors subject to the fulfilment of certain conditions precedent. If any of the conditions precedent under either of the Acquisition Agreements are not met, completion of the acquisition of the relevant Tenements may be deferred or not occur. If the condition precedent in relation to Ministerial consent in either of the Acquisition Agreements is waived, the Company will complete the relevant acquisition and pay the consideration prior to receiving a legal interest in the Tenements. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreements. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.	Section 3.1(c)
Future capital requirements	The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Public Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus. In order to successfully develop the Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Public Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Public Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.	Section 3.1(f)

Topic	Summary	More information
Title risk	The Company does not have a registered legal interest in the WA Tenements at the date of this Prospectus. It only holds an equitable interest under the conditional WA Acquisition Agreement to acquire a 100% legal and beneficial interest in each of the WA Tenements. There is a risk that if the outstanding conditions to completion under the WA Acquisition Agreement are not satisfied or waived, the Company will not acquire a legal interest in the WA Tenements. If the condition in relation to Ministerial consent is waived by the Company, the Company will complete the acquisition and pay the consideration prior to receiving a legal interest in the WA Tenements. The Company is the registered holder of the NT Tenements. However, Excedo remains the beneficial owner of the NT Tenements pending completion under the NT Acquisition Agreement. There is a risk that if the outstanding conditions to completion under the NT Acquisition Agreement are not satisfied or waived, Excedo will remain the beneficial owner of the NT Tenements and the Company will not acquire fully legal and beneficial ownership of the WA Tenements.	Section 3.2(a)
Exploration and development risks	Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk. In respect of the Projects, the reliability of the data used to produce the Independent Geologists Report in this regard is limited as it is historical in nature and could not be independently verified by the Independent Geologist. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing funding, adverse government policy, geological conditions, commodity prices or other technical difficulties. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.	Section 3.2(b)

Topic	Summary	More information
Metals and currency price volatility	The Company's ability to proceed with the development of its projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of gold and base metals. Consequently, any future earnings are likely to be closely related to the price of this commodity and the terms of any off-take agreements that the Company enters into. The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for gold and base metals that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Metals are principally sold throughout the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.	Section 3.2(f)
Private Land Risk	The WA Tenements have not been granted in respect of any private land that is considered protected private land under the <i>Mining Act 1978</i> (WA). Accordingly, the Company will have no rights to explore or mine on the surface, and for the 30 metres below the surface, of any part of the WA Tenements covered by protected private land. The Company may apply for the grant of rights over the surface of protected private land, however this is subject to the prior consent of the owner and occupier of the land. The Company has made desktop enquiries to identify the location of Protected Private Land or the extent to which it overlaps the WA Tenements. Investors should be aware that the existence of Protected Private Land within the boundaries of the WA Tenements, and/or any delay in obtaining the necessary consents in respect of the grant of tenure over such areas, may preclude, limit	Section 3.2(h)

Topic	Summary	More information
	or delay the Company undertaking its exploration activities in certain areas of the WA Tenements. The Company cannot commence activities on the surface or within a depth of 30 metres from the surface of any private land until compensation has been agreed with the relevant owner and occupier or paid in accordance with the WA Mining Act. Investors should be aware that any delay in obtaining agreement in respect of compensation may adversely impact the Company's ability to carry out exploration or mining activities within private land on the WA Tenements.	
Native title and Aboriginal heritage risks	Both WA Tenements lie within the Hutt River registered native title claim and one of the WA Tenements (E66/98) also lies within the Southern Yamatji registered native title claim. The existence of native title and/or native title claims in relation to the land the subject of the Tenements may affect the Company's ability to obtain the grant of future tenure over the Tenements or in their vicinity. If the Tenements have not been validly granted in compliance with the <i>Native Title Act 1993</i> (Cth), this may have an adverse impact on the Company's activities. Refer to paragraph 7 of the Solicitor's Report for more detail. The Company is aware that there is one sacred site and three other sites recorded on the NT Tenements and three Aboriginal Sites and one other heritage place recorded on the WA Tenements. There also remains a risk that additional Aboriginal sites or Aboriginal archaeological places (in respect of the WA Tenements), additional sacred sites (in respect of the NT Tenements) and/or other heritage objects may exist on the land the subject of the Tenements. The existence of such items may preclude or limit mining activities in certain areas of the Tenements (refer to paragraph 8 of the Solicitor's Report in Schedule 2).	Sections 3.2(i) and 3.2(j)
Third party risks	Under Northern Territory, Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third party interests which overlay areas within the Tenements, including private land, native title claims, pastoral leases and/or petroleum tenure, in respect of exploration or mining activities on the Tenements. In addition to the private land overlapping the WA Tenements discussed at Section 3.2(h), the Company's investigations indicate that: (a) the NT Tenements overlap pastoral leases, a registered native title claim and (in the case of	Section 3.2(k)

Topic	Summary	More information
	EL30951) petroleum tenure (see paragraphs 9.1 and 7.12 of the Solicitor's Report for details); and (b) the WA Tenements overlap two registered native title claims (see paragraph 7.14 of the Solicitor's Report for details). The Company acknowledges that exploration success may result in extended work programs on the Tenements that may require further third party consents and/or compliance with compensation obligations with respect to the private landholders, underlying petroleum tenure, native title processes and pastoralist activities.	
Environmental risk	The operations and proposed activities of the Company are subject to state and federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability. The Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities.	Section 3.2(l)
Licences, permits and approvals	On completion of the Acquisition Agreements, the Company will hold all material authorisations required to undertake the exploration programs described in this Prospectus. However, many of the mineral rights and interests to be held by the Company are subject to the need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.	Section 3.2(m)
Reliance on key personnel	The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.	Section 3.2(n)

Topic	Summary	More information						
	It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.							
Conflicts of interest	Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. These engagements are summarised in Section 5.2. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company in first instance. Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.	Section 3.2(o)						
Directors, Related Party Interest and Substantial Holders								
Who are the Directors?	The Directors are: (a) Mr Scott Patrizi - Executive Director; (b) Mr Bryn Hardcastle - Non-Executive Chairman; and (c) Mr David Church - Non-Executive Director.	"Corporate Directory" and Section 5.1						
What benefits are being paid to the Directors?	Mr Patrizi has entered into an executive services agreement with the Company, pursuant to which he will receive an executive services fee of \$36,000 per year (plus GST) for services provided as Executive Director of the Company. The remuneration only accrues and becomes payable upon the Company's admission to the Official List. See Section 6.7(a). Messrs Hardcastle and Church have entered into non-executive director letters of appointment with the Company, pursuant to which each will receive remuneration of up to \$24,000 per year (exclusive of superannuation) for services provided to the Company as Non-Executive Directors. The remuneration only accrues and becomes payable from the date of the Company's Admission.	Sections 5.6 and 6.7						
What interests do Directors have in the securities of the Company?	The Directors and their related entities hold the following interests in Securities in the Company as at the date of this Prospectus: <table border="1"> <thead> <tr> <th>Director</th><th>Shares</th><th>% Shareholding¹</th></tr> </thead> <tbody> <tr> <td>Mr Scott Patrizi</td><td>nil</td><td>nil</td></tr> </tbody> </table>	Director	Shares	% Shareholding ¹	Mr Scott Patrizi	nil	nil	Section 5.5
Director	Shares	% Shareholding ¹						
Mr Scott Patrizi	nil	nil						

Topic	Summary	More information																		
	<table> <tr> <td>Mr Bryn Hardcastle</td><td>nil</td><td>nil</td></tr> <tr> <td>Mr David Church</td><td>62,500²</td><td>0.69</td></tr> </table> Notes: 1. Assuming that there are 9,000,003 Shares on issue and no further Shares are issued or Options exercised. 2. Mr Church indirectly holds 62,500 Shares through an associated entity, Highland Company Pty Ltd.	Mr Bryn Hardcastle	nil	nil	Mr David Church	62,500 ²	0.69													
Mr Bryn Hardcastle	nil	nil																		
Mr David Church	62,500 ²	0.69																		
What important contracts with related parties is the Company a party to?	The Company has entered into the following related party transactions on arms' length terms: (a) executive services agreement or letters of appointment with each of its Directors on standard terms (refer to Section 6.7 for details); (b) engagement with Bellanhouse (of which Mr Bryn Hardcastle is a principal) to act as the Company's legal adviser and prepare the Solicitor's Report set out in Schedule 2 (refer to Section 7.5(f) for the fees to be paid to Bellanhouse); and (c) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 6.9 for details).	Sections 5.7, 6.7 and 6.9																		
Who will be the substantial holders of the Company?	Shareholders (and their associates) holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are set out in the table below. See Section 2.2 for further details on each of the Shareholders' holdings as listed in the tables below. <table> <tr> <th>Name</th><th>Shares</th><th>%</th></tr> <tr> <td>Discovery Services Pty Ltd</td><td>1,250,000</td><td>13.89</td></tr> <tr> <td>PRW Investments Pty Ltd</td><td>750,000</td><td>8.33</td></tr> <tr> <td>Shrewsbury Ltd</td><td>750,000</td><td>8.33</td></tr> <tr> <td>Rod Dog Pty Ltd</td><td>625,000</td><td>6.94</td></tr> <tr> <td>UBS Nom Pty Ltd</td><td>698,750</td><td>7.76</td></tr> </table> Based on the information known as at the date of this Prospectus, on Admission no persons will have an interest in 5% or more of the Shares on issue.	Name	Shares	%	Discovery Services Pty Ltd	1,250,000	13.89	PRW Investments Pty Ltd	750,000	8.33	Shrewsbury Ltd	750,000	8.33	Rod Dog Pty Ltd	625,000	6.94	UBS Nom Pty Ltd	698,750	7.76	Section 7.4
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Rod Dog Pty Ltd	625,000	6.94																		
UBS Nom Pty Ltd	698,750	7.76																		

Topic	Summary	More information
What are the Offers?		
What are the Offers?	The Public Offer is for a conditional initial public offering of up to 22,500,000 Shares at an issue price of \$0.20 each to raise up to \$4,500,000 (before associated costs). The Lead Manager Offer is the offer of up to 1,000,000 Options to the Lead Manager, Discovery (or its nominees), at an issue price of 0.001 cents per Option with each being exercisable at \$0.25 on or before the date that is 3 years from the issue date and otherwise on the terms set out in Section 7.2. The Broker Offer is the offer of up to 2,000,000 Options to Discovery (or its nominees) to allocate to brokers who participate in the Public Offer. The Broker Options will be issued at 0.001 cents per Option with each being exercisable at \$0.25 on or before the date that is 3 years from the issue date, and otherwise on the terms set out in Section 7.2. Pursuant to the Consideration Offer and in consideration of the acquisition of the Tenements, the Company has agreed to issue the following consideration: (a) 375,000 Shares at the Public Offer Price and 325,000 Consideration Options to the NT Vendor (or its nominees); and (b) 875,000 Shares at the Public Offer Price to the WA Vendor (or its nominees).	Sections 1.1 and 1.2
What is the Public Offer Price?	\$0.20 per Share.	Section 1.1
What is the Minimum Subscription amount under the Public Offer?	There is no minimum subscription amount under the Public Offer.	Section 1.1
Will the Shares be quoted?	The Company has applied to the ASX for its admission to the Official List and quotation of Shares on the ASX. On and from Admission, the Shares are expected to be quoted under the code "CRS".	"Corporate Directory" and Section 1.9
What is the purpose of the Public Offer?	The purpose of the Public Offer is to: (a) raise up to \$4,500,000 pursuant to the Public Offer (before associated costs of the Offers); (b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List; and	Section 1.1(b)

Topic	Summary	More information
	(c) position the Company to seek to achieve the objectives detailed in Section 2.	
What are the conditions of the Offers?	The Offers under this Prospectus are conditional upon the following events occurring: (a) the Acquisition Agreements becoming unconditional; and (b) ASX granting in-principle approval to admit the Company to the Official List on conditions which the Directors are confident can be satisfied. If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Offers in accordance with the Corporations Act.	Section 1.3
Are there any escrow arrangements?	Yes, there are compulsory escrow arrangements under the ASX Listing Rules. None of the Shares issued pursuant to the Public Offer are expected to be restricted securities. All of the Securities issued to the Lead Manager (or its nominees), brokers, and to the Vendor are expected to be restricted securities. The Company anticipates that upon Admission approximately 8,150,000 Shares will be classified as restricted securities by ASX, which comprises approximately 24.89% of the issued share capital on an undiluted basis, and approximately 21.05% on a fully diluted basis (assuming all Options are exercised and that no other securities are issued).	Section 1.14
What is the Offers period?	An indicative timetable for the Offers is set out on page vii of this Prospectus.	"Indicative Timetable"
Are the Offers underwritten?	The Offers are not underwritten.	Section 1.15
Additional information		
Will the Company be adequately funded after completion of the Public Offer?	The Board believes that the funds raised from the Public Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.	Section 1.4
What rights and liabilities attach to the Securities on issue?	All Shares issued under the Public Offer will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 7.1. The terms and conditions of the Options are set out in Section 7.2.	Sections 7.1 and 7.2

Topic	Summary	More information
Who is eligible to participate in the Offers?	The Public Offer is open to all investors with a registered address in Australia. The Lead Manager Offer is open to the Lead Manager, Discovery (or its nominees). The Broker Offer is open to Discovery (or its nominees) to allocate to brokers who participate in the Public Offer. The Consideration Offer is open to the WA Vendor and the NT Vendor (or their nominees). No action has been taken to register or qualify the Securities, or the Offers, or otherwise to permit the offering of the Securities, in any jurisdiction outside of Australia.	Section 1.13
How do I apply for Securities under the Offers?	Applications for Securities under the Offers can only be made using the relevant Application Form accompanying this Prospectus or otherwise provided by the Company. For further information on how to complete the Application Form, Applicants should refer to the instructions set out on the form.	Sections 1.7 and 1.10
What is the allocation policy?	The Directors, in conjunction with the Lead Manager, will allocate Securities under the Public Offer at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward (subject to any regulatory requirements). There is no assurance that any Applicant will be allocated any Securities, or the number of Securities for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Securities than those applied for. Where the number of Securities issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the relevant Closing Date. Subject to the satisfaction of the conditions to the Offers outlined in Section 1.3, Securities under the Offers are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Securities issued under the Offers. Applicants who sell Securities before they receive their holding statements do so at their own risk.	Section 1.11
When will I receive confirmation that my Application has been successful?	It is expected that holding statements will be sent to successful applicants by post on or about 7 November 2018.	"Indicative Timetable"

Topic	Summary	More information
What is the Company's dividend policy?	The Company does not expect to pay dividends in the near future as its focus will primarily be on exploration of the Projects and future acquisitions.	Section 2.7
How can I find out more about the Prospectus or the Offers?	Questions relating to the Offers and the completion of an Application Form can be directed to the Company Secretary on +61 8 6142 0987.	Section 1.20

1. Details of Offers

1.1 Public Offer

(a) Public Offer

This Prospectus invites investors to apply for up to 22,500,000 Shares at an issue price of \$0.20 each to raise up to \$4,500,000 (before associated costs) (**Public Offer**).

The Shares to be issued pursuant to the Public Offer are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 7.1.

Applications for Shares under the Public Offer must be made on the IPO Application Form accompanying this Prospectus and received by the Company on or before the relevant Closing Date. Persons wishing to apply for Shares under the Public Offer should refer to Section 1.7(a) for further details and instructions.

There is no minimum subscription amount under the Public Offer.

(b) Purpose of the Public Offer

The purpose of the Public Offer is to:

- (i) raise up to \$4,500,000 pursuant to the Public Offer (before associated costs of the Offers);
- (ii) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List; and
- (iii) position the Company to seek to achieve the objectives detailed in Section 2.

1.2 Secondary Offers

(a) Lead Manager Offer

The Company has agreed to offer up to 1,000,000 Options to the Lead Manager, Discovery (or its nominees) (**Lead Manager Options**), at an issue price of 0.001 cents per Option with each being exercisable at \$0.25 on or before the date that is 3 years from the issue date and otherwise on the terms set out in Section 7.2 (**Lead Manager Offer**). The Options are being issued in part-consideration for capital raising services Discovery provided to the Company under the Discovery Mandate which is summarised in Section 6.4.

The Lead Manager Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale of any Options (or any Shares issued upon exercise of those Options) that are issued under the Lead Manager Offer.

The rights and liabilities attaching to the Lead Manager Options are described in Section 7.2. If the Lead Manager Options are exercised, the resultant Shares

will be of the same class and will rank equally in all respects with the existing Shares in the Company. The Company does not intend for the Options to be quoted.

Only Discovery (or its nominees) may accept the Lead Manager Offer. A personalised Lead Manager Offer Application Form will be issued to the Lead Manager together with a copy of this Prospectus.

(b) Broker Offer

The Company has agreed to offer up to 2,000,000 Options (**Broker Options**) to Discovery (or its nominees) to allocate to brokers who participate in the Public Offer. The Broker Options will be issued at 0.001 cents per Option with each being exercisable at \$0.25 on or before the date that is 3 years from the issue date, and otherwise on the terms set out in Section 7.2 (**Broker Offer**). Further details of the Discovery Mandate are set out in Section 6.4.

The Broker Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale of any Broker Options (or any Shares issued upon exercise of those Options) that are issued under the Broker Offer.

The rights and liabilities attaching to the Broker Options are described in Section 7.2. If the Broker Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

A personalised Broker Offer Application Form will be issued to participating brokers in the Public Offer in consultation with the Lead Manager, together with a copy of this Prospectus.

(c) Consideration Offer

The Company has entered into the following acquisition agreements:

- (i) an agreement with Excedo Exploration Pty Ltd (**NT Vendor**) to acquire 100% legal and beneficial ownership of two exploration licences in the Northern Territory (EL 30951 and EL 30964) that comprise the Wild Horse Hill Project which is considered to be prospective for gold (**NT Tenements**); and
- (ii) an agreement with Red Field Pty Ltd (**WA Vendor**) to acquire 100% legal and beneficial ownership of two exploration licences in Western Australia (E 66/98 and E 66/99) that comprise the Northampton Project which is considered to be prospective for lead, zinc and copper (**WA Tenements**),

(together, **Tenements**).

In consideration of the acquisition of the Tenements, the Company has agreed to issue the following consideration:

- (i) (**NT Tenements**) 375,000 Shares at the Public Offer Price and 325,000 Consideration Options to the NT Vendor (or its nominees); and

- (ii) **(WA Tenements)** 875,000 Shares at the Public Offer Price to the WA Vendor (or its nominees).

For a summary of the terms of the Acquisition Agreements, refer to Section 6.2.

The Shares issued under the Consideration Offer, and resultant Shares issued upon exercise of the Consideration Options, will be of the same class and rank equally in all respects with the existing Shares in the Company. The rights and liabilities attaching to the Shares and Consideration Options are described in Section 7.1 and 7.2 respectively.

Only the Vendors (or their respective nominees) may accept the Consideration Offer. A personalised Consideration Offer Application Form will be issued to Vendors together with a copy of this Prospectus.

1.3 Conditional Offers

The Offers under this Prospectus are conditional upon the following events occurring:

- (a) the Acquisition Agreements becoming unconditional; and
- (b) ASX granting in-principle approval to admit the Company to the Official List on conditions which the Directors are confident can be satisfied.

If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Offers in accordance with the Corporations Act.

1.4 Proposed use of funds

Following the Offers, it is anticipated that the following funds will be available to the Company:

Source of funds	Full Subscription \$
Existing cash as at the date of this Prospectus	200,000
Proceeds from Public Offer	4,500,000
TOTAL FUNDS AVAILABLE	4,700,000

The following table shows the intended use of funds in the two year period following Admission:

Proposed use of funds -	Year 1		Year 2	
	\$	%	\$	%
Geological mapping, geophysics and heritage surveys	440,000	10	110,000	3
Soil and rock chip sampling and RC drilling	380,000	9	1,140,000	26

Proposed use of funds -	Year 1		Year 2	
	\$	%	\$	%
Diamond drilling	-	-	500,000	11
Metallurgy	-	-	300,000	7
General administration fees and working capital	504,696	11	553,700	13
Estimated expenses of the Offers	465,671	10	-	-
Total Expenditure	1,790,367	41	2,603,700	59
TOTAL FUNDS ALLOCATED				4,394,067

Notes:

1. See Section 2.6 and the Independent Geologist's Report in Schedule 3 for further information on the Company's proposed exploration budget.
2. Please refer to Sections 2.1 and 6.2 for further details relating to the Acquisition Agreements.
3. See Section 5.6 and 6.7 for further details of the Directors' remuneration.
4. Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent, any surplus funds and other associated costs.
5. Expenses paid or payable by the Company in relation to the Offers are set out in Section 7.7.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 3), and actual expenditure levels, may differ significantly from the above estimates.

The Company proposes to actively pursue further acquisitions which complement its existing focus. If and when a viable investment opportunity is identified, the Board may elect to acquire or exploit such opportunity by way of acquisition, joint venture or earn-in arrangement which may involve the payment of consideration in cash, equity or a combination of both.

The Board believes that the funds raised from the Public Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

The use of further equity funding may be considered by the Board where it is appropriate to accelerate a specific project or strategy.

Based on the intended use of funds detailed above, the amounts raised pursuant to the Public Offer will provide the Company sufficient funding for only 2 years' operations. As the Company has no operating revenue, the Company will require further financing in the future. See Section 3.1(f) for further details about the risks associated with the Company's future capital requirements.

1.5 Capital Structure on Admission

On the basis that the Company completes the Offers on the terms in this Prospectus and assuming no further Securities are issued or Options exercised, on Admission the Company's capital structure will be as follows:

	Shares	%	Options	%
On issue as at the date of this Prospectus ¹	9,000,003	27.48%	-	-
To be issued under the Public Offer	22,500,000	68.70%	-	-
To be issued to Discovery under the Lead Manager Offer ²	-	-	1,000,000	16.74%
To be issued to Discovery (or its nominees) to allocate to brokers pursuant to the Broker Offer ³	-	-	2,000,000	33.47%
To be issued to the Vendors under the Consideration Offer ⁴	1,250,000	3.82%	325,000	5.44%
To be issued to Directors ⁵	-	-	2,650,000	44.35%
Total	32,750,003	100%	5,975,000	100%

Notes:

1. Please refer to Section 2.2 for further details relating to the Company's current capital structure.
2. The Company intends to issue up to 1,000,000 Lead Manager Options to the Lead Manager (or its nominees) under the Discovery Mandate at an issue price of 0.001 cents per Option with each being exercisable at \$0.25 on or before the date that is 3 years from the issue date and otherwise on the terms set out in Section 7.2.
3. The Company intends to issue up to 2,000,000 Broker Options to Discovery (or its nominees) to allocate to brokers that participated in the Public Offer (or their nominees) in accordance with the Discovery Mandate. The Broker Options will be issued at 0.001 cents per Option with each being exercisable at \$0.25 on or before the date that is 3 years from the issue date and otherwise on the terms set out in Section 7.2.
4. Pursuant to the Acquisition Agreements, the Vendors have agreed to sell the Tenements to the Company for the consideration outlined in Section 2.1 with the Consideration Options exercisable at \$0.25 each and expiring 3 years after their issue date and otherwise on the terms set out in Section 7.2. Please refer to Sections 2.1 and 6.2 for further details relating to the Acquisition Agreements.
5. Prior to Admission the Company intends to issue an aggregate total of 2,650,000 Director Options to Messrs Patrizi, Hardcastle and Church at an issue price of 0.001 cents per Option with each being exercisable at \$0.25 on or before the date that is 4 years from Admission, and otherwise will be issued on the terms and conditions set out in Section 7.2. Please refer to Sections 6.7(a) and 6.7(b) respectively for further details regarding the agreements with these parties.

1.6 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Sections 2.1 and 2.5 for further information in respect to the Company's proposed activities.

1.7 Applications

(a) General

Applications for Securities under the Offers can only be made using the relevant Application Form accompanying this Prospectus or otherwise provided by the Company. For further information on how to complete the Application Form, Applicants should refer to the instructions set out on the form.

No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account. Applicants wishing to provide Application Monies via electronic funds transfer should follow the instructions on the Application Form or contact the Company.

(i) Option 1: Submitting an Application Form with a cheque

Investors may complete an Application Form which accompanies and forms part of this Prospectus. Investors must enclose a cheque, made payable to "Caprice Resources Ltd" and crossed "Not Negotiable" and mail or deliver both the Application Form (completed in accordance with the terms set out in the Application Form) and the cheque to the address set out on the Application Form by no later than the Closing Date.

(ii) Option 2: Submitting an Application Form and paying with BPAY

For online applications, Investors can apply online with payment made electronically via BPAY®. Investors applying online will be directed to use an online Application Form and make payment by BPAY®. Investors will be given a BPAY® biller code and a customer reference number unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Investors must:

- (A) access their participating BPAY® Australian financial institution either via telephone or internet banking;

- (B) select to use BPAY® and follow the prompts; enter the biller code and unique customer reference number that corresponds to the online Application;
- (C) enter the amount to be paid which corresponds to the value of Shares under the online Application;
- (D) select which account payment is to be made from;
- (E) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (F) record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution:

- (i) whether there are any limits on the Investor's account that may limit the amount of any BPAY® payment; and
- (ii) the cut off time for the BPAY® payment.

Investors can apply online by following the instructions at <https://automic.com.au/capriseresourcesltd.html> and completing a BPAY® payment. If payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

Completed Application Forms and any accompanying cheques or confirmation of electronic funds transfer must be received by the Company before 5.00pm WST on the relevant Closing Date by either being posted or delivered to the following addresses:

By post	By hand delivery
Caprice Resources Ltd C/- Automic PO Box 2226 STRAWBERRY HILLS NSW 2012	Caprice Resources Ltd C/- Automic Level 5, 126 Philip Street SYDNEY NSW 2000

An original, completed and lodged Application Form together with a cheque or confirmation of electronic funds transfer for any Application Monies (for applications under the Public Offer), constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final; however an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque or electronic funds transfer for the Application Monies.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Securities pursuant to this Prospectus. The return of a completed Application Form with the requisite Application

Monies (for applications under the Public Offer) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- (i) agrees to be bound by the terms of the relevant Offer;
- (ii) declares that all details and statements in the Application Form are complete and accurate;
- (iii) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- (iv) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Securities to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (v) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Securities are suitable for them given their investment objectives, financial situation or particular needs; and
- (vi) acknowledges that the Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

The Offers may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offers or accept late Applications.

(b) Public Offer

Applications under the Public Offer must be for a minimum of 10,000 Shares (\$2,000) and then in increments of 2,500 Shares (\$500).

1.8 CHESS and issuer sponsorship

The Company will apply to participate in CHESS. All trading on the ASX will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of Securities.

Under CHESS, the Company will not issue certificates to Security holders. Rather, holding statements (similar to bank statements) will be sent to Security holders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Security holders who elect to hold Securities on the CHESS sub-register) or by the Company's Share Registry (for Security holders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of existing Securities (where applicable) and the number of new Securities allotted under this Prospectus and provide details of a Security holder's holder identification number (for

Security holders who elect to hold Securities on the CHESS sub-register) or Security holder reference number (for Security holders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each Security holders at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

1.9 ASX Listing and Official Quotation

The Company has applied to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities). The Company will not apply for quotation of the Options on the ASX.

If ASX does not grant permission for Official Quotation within three months after the date of the Original Prospectus (or within such longer period as may be permitted by ASIC) none of the Securities offered under the Offers will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable or the Company will issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Securities offered pursuant to this Prospectus.

1.10 Application Monies to be held in trust

Application Monies will be held in trust for Applicants until the allotment of the Securities under the Offers. Any interest that accrues will be retained by the Company.

No allotment of Securities under this Prospectus will occur unless ASX grants conditional approval for the Company to be admitted to the Official List (refer to Section 1.9).

1.11 Allocation and issue of Shares

The Directors, in conjunction with the Lead Manager, will allocate Securities under the Public Offer at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward (subject to any regulatory requirements).

There is no assurance that any Applicant will be allocated any Securities, or the number of Securities for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Securities than those applied for. Where the number of Securities issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the relevant Closing Date.

Subject to the satisfaction of the conditions to the Offers outlined in Section 1.3, Securities under the Offers are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Securities issued under the Offers. Applicants who sell Securities before they receive their holding statements do so at their own risk.

1.12 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 3 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

1.13 Overseas Applicants

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

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

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

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

1.14 Escrow arrangements

ASX will classify certain existing Securities on issue in the Company as being subject to the restricted securities provisions of the Listing Rules. Classified Securities would be required to be held in escrow for up to 24 months and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX. During the period in which these Securities are prohibited from being transferred, trading in Securities may be less liquid which may impact on the ability of a Security holder to dispose of their Securities in a timely manner.

None of the Shares issued pursuant to the Public Offer are expected to be restricted securities. All of the Securities issued to the Lead Manager (or its nominees), brokers, and to the Vendor are expected to be restricted securities.

The Company anticipates that upon Admission approximately 8,150,000 Shares will be classified as restricted securities by ASX, which comprises approximately 24.89% of the issued share capital on an undiluted basis, and approximately 21.05% on a fully diluted basis (assuming all Options are exercised and that no other securities are issued).

Prior to the Company's Shares being admitted to Official Quotation on the ASX, the Company will enter into escrow agreements with the recipients of any restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow.

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

1.15 Underwriting

The Offers are not underwritten.

1.16 Commission

The Company reserves the right to pay a commission of up to 6% (exclusive of GST) of amounts subscribed through any Australian financial services licensee in respect of any Applications lodged and accepted by the Company and bearing the stamp of the Australian financial services licensee. Payment will be made subject to the receipt of a proper tax invoice from the Australian financial services licensee.

1.17 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

1.18 Privacy disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Securities, to provide facilities and services to Security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.19 Paper copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the relevant Application Form to investors upon request and free of charge. Requests for a paper copy from should be directed to the Company Secretary on + 61 8 6142 0987.

1.20 Enquiries

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

Questions relating to the Offers and the completion of an Application Form can be directed to the Company Secretary on +61 8 6142 0987.

2. Company Overview

2.1 Company and Business Overview

The Company is an Australian company incorporated on 20 March 2018 for the purpose of pursuing various mining opportunities in the resources sector designed to add shareholder value by acquiring, exploring, evaluating and exploiting mineral resource project opportunities and, other than as disclosed in this Prospectus, has not undertaken any activities since incorporation.

Since incorporation, the Company has entered into the following acquisition agreements:

- (a) an agreement with Excedo Exploration Pty Ltd (**NT Vendor**) to acquire 100% legal and beneficial ownership of two exploration licences in the Northern Territory (EL 30951 and EL 30964) comprising the Wild Horse Hill Project which is considered to be prospective for gold (**NT Tenements**); and
- (b) an agreement with Red Field Pty Ltd (**WA Vendor**) to acquire 100% legal and beneficial ownership of two exploration licences in Western Australia (E 66/98 and E 66/99) comprising the Northampton Project which is considered to be prospective for lead, zinc and copper (**WA Tenements**),

(together, **Tenements**).

In consideration of the acquisition of the Tenements, the Company has agreed to issue the following consideration:

- (a) (**NT Tenements**) 375,000 Shares at the Public Offer Price and 325,000 Consideration Options to the NT Vendor (or its nominees); and
- (b) (**WA Tenements**) 875,000 Shares at the Public Offer Price to the WA Vendor (or its nominees).

Neither of the Vendors are related parties of the Company. See Section 6.2 for further information on the Acquisition Agreements.

The Company has undertaken a two-tranche seed capital raising (**Seed Raising**) of Shares to sophisticated and institutional investors to raise a total of \$420,000 (before costs) in order to capitalise the Company and facilitate the proposed listing on ASX, as follows:

- (a) on 6 June 2018, the Company issued 5,000,000 Shares at \$0.02 each to raise \$100,000; and
- (b) on 10 July 2018, the Company issued 4,000,000 Shares at \$0.08 each to raise a further \$320,000.

The Company's Board comprises Messrs Scott Patrizi (Executive Director), Bryn Hardcastle and David Church (both whom are Non-Executive Directors). The Company Secretary is Ms Oonagh Malone. Further information on the Board is set out in Section 5.

2.2 Current Capital Structure of the Company

As at the date of this Prospectus, the capital structure of the Company, and particulars of its current Security holders (and their related entities), are as follows:

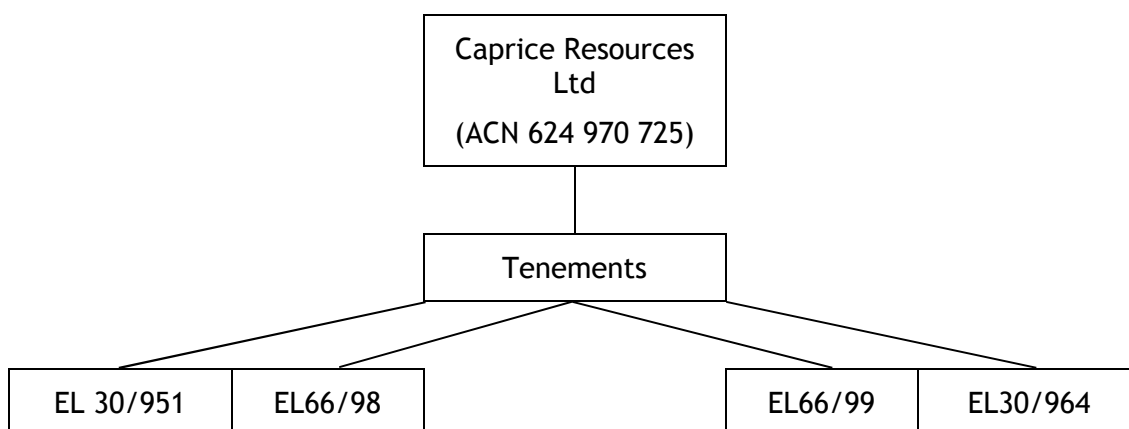
Security holder ¹	Shares ²	%
Mr Scott Patrizi	Nil	Nil
Mr Bryn Hardcastle	Nil	Nil
Mr David Church ³	62,500	0.69
Discovery Services Pty Ltd	1,250,000	13.89
Non-related party Security holders	8,937,503	99.31
Securities on issue as at the date of this Prospectus	9,000,003	100

Notes:

1. Messrs Patrizi, Hardcastle and Church are Directors.
2. Refer to Section 7.1 for a summary of the rights attaching to the Shares.
3. Mr Church indirectly holds 62,500 Shares through an associated entity, Highland Company Pty Ltd.

2.3 Corporate Structure

Upon the Company's admission to the Official List, its corporate structure will be as set out in the following diagram:



The Company does not have any related bodies corporate (as defined by the Corporations Act).

2.4 Overview of the Projects

(a) Tenements

A comprehensive summary of regional and local geology, historical mining and historical exploration pertaining to the Tenements is contained in the Independent Geologist's Report in Schedule 3. A comprehensive summary of

the status of the Tenements can be found in the Solicitor's Report in Schedule 2 of this Prospectus.

Following completion of the Offers and the Acquisition Agreements, the granted Tenements will be 100% legally and beneficially owned by the Company.

The projects are located in the Northern Territory and Western Australia, as shown in Figure 1 and 2 below.

Figure 1: Project location

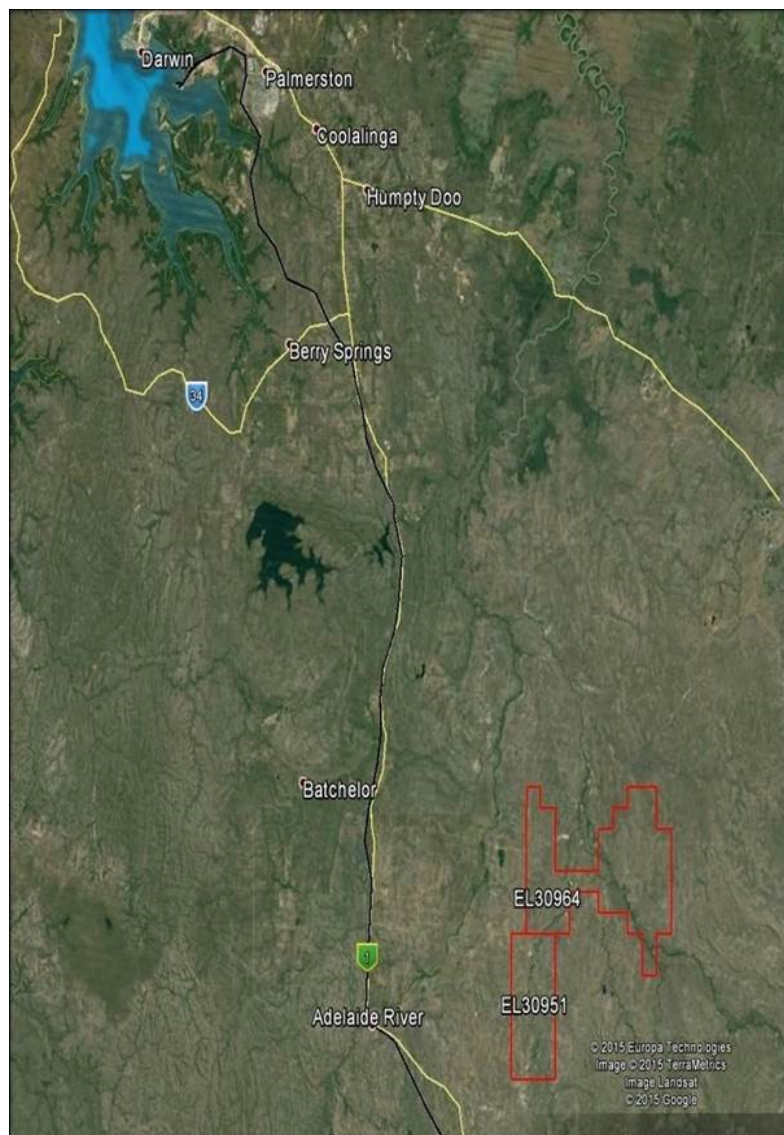
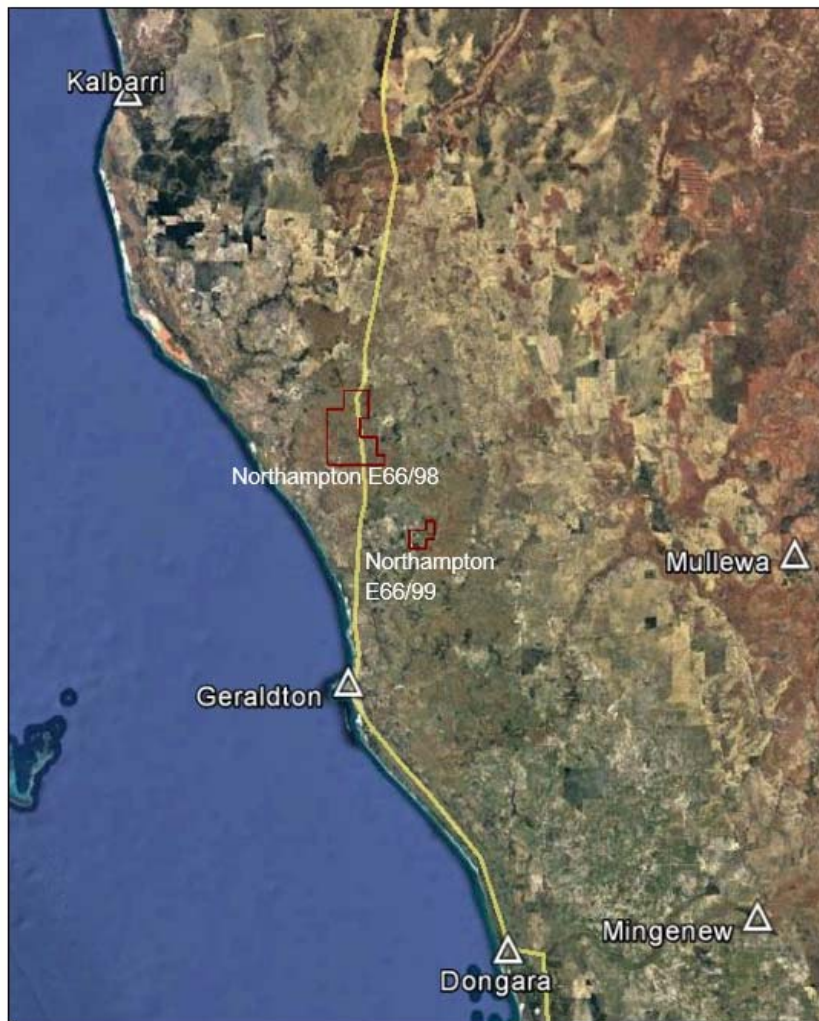


Figure 2: Project location map



(b) Wild Horse Hill Project

The Wild Horse Hill Project comprises two granted exploration licences, EL 30951 and EL 30964, covering 231km² of the established mineralogical terrain of Pine Creek which has established gold mining operations.

The Wild Horse Hill Project is located approximately 115km southeast of Darwin and 18km east of Adelaide River in Northern Territory. The tenements are accessible from Darwin via the Stuart Highway to Adelaide River, then via station tracks to the Mount Keppler yards on Mount Ringwood station. Station tracks provide good access within the tenements.

The geological setting of the Wild Horse Hill Project is in the Pine Creek Orogen, a folded and metamorphosed sequence of Palaeoproterozoic pelitic and psammitic sediments, with interlayered cherty tuff units. These rocks have been intruded by the late-orogenic Palaeoproterozoic granites, causing wide spread contact metamorphism and associated thermal aureole which contains gold mineralisation in the Orogen.

For further information on the Wild Horse Hill Project please see section 2 of the Independent Geologist's Report in Schedule 3.

(c) **Northampton Project**

The Northampton Project comprises two granted exploration licences E66/98 and E66/99, covering an area of 130km² of the established mineralogical terrain of the Northampton Complex.

The Northampton Project covers the town of Northampton in Western Australia. Geraldton is 40km to the south and Kalbarri is 75km to the north-north-east. The area is easily accessed using the North West Coastal Highway.

The geological setting of the Northampton Project is in the Northampton Complex, which is generally described as an area of basement consisting of granite, granulite and migmatites. The Northampton Complex is intersected by a closely spaced swarm of dolerite dykes striking north-north east.

For further information on the Northampton Project please see section 3 of the Independent Geologist's Report in Schedule 3.

2.5 Business strategy/objectives of the Company

Following Listing, the Company's primary focus will be on establishing a drill program on the Tenements to prove and classify the project to JORC Code standards in order to assess development options.

The objectives of the Company are to:

- (a) undertake exploration on each of the Projects as follows:
 - (i) the Company plans to commence a systematic exploration program to advance both projects over the next 12 months comprising;
 - (A) ongoing desktop evaluation including the re-interpretation of historical geophysical data and further target generation at Wild Horse Hill and Northampton Projects;
 - (B) soil sampling and quartz vein sampling along-strike and between the Cook, Fisher and Reid prospects comprising the Wild Horse Hill Project. A major infill soil sampling program will be conducted to confirm the continuity between these three prospects and to follow up on anomalous gold and arsenic in soils results that were collected by Salisbury Resources Limited in 2009;
 - (C) soil sampling program at E66/99 at the Northampton Project, to assess the continuity of key structures and follow up anomalous lead and copper rock chip samples that were previously collected; and
 - (D) systematic longitudinal sampling of exposed quartz veins along strike of known structures at both Wild Horse Hill and Northampton Projects to build on the current understanding of the grade distribution and grade continuity of these target structures;
 - (ii) at the Wild Horse Hill Project, the Company envisages a program of 7,500 m of first pass RC drilling program consisting of 50 exploration holes to an average depth of 150 m;

- (iii) at the Northampton Project, the Company envisages a program of 5,000 m of first pass RC drilling program consisting of 50 exploration holes to an average depth of 100 m;
 - (iv) a detailed in-fill drilling program will be developed for both Projects based on the outcome of the first stage of RC drilling program; and
- (b) pursue new projects and opportunistic acquisitions in the resource sector in various jurisdictions to create additional Shareholder value. If and when a viable investment opportunity is identified, the Board may elect to acquire or exploit such opportunity by way of acquisition, joint venture, and/or earn-in arrangement which may involve the payment of consideration in cash, equity or a combination of both. The Board will assess the suitability of investment opportunities by utilising its experience in evaluating projects. There are uncertainties in the process of identifying and acquiring new and suitable projects.

2.6 Proposed exploration budgets

The Company proposes to fund its intended activities as outlined in the tables below from the proceeds of the Public Offer. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration undertaken. This will involve an ongoing assessment of the Company's project interests and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the following budgets are proposed which takes into account the proposed expense over the next 2 years to complete initial exploration of the Tenements. As budgeted below, the Company's exploration expenditure will exceed the expenditure requirements for each of the Tenements:

Expenditure	Year 1 (\$)	Year 2 (\$)	Total (\$)
Wild Horse Hill Project			
Geological mapping, geophysics and heritage surveys	140,000	20,000	160,000
Soil and rock chip sampling and RC drilling	230,000	810,000	1,040,000
Diamond drilling	-	500,000	500,000
Metallurgy	-	300,000	300,000
Sub-total	370,000	1,630,000	2,000,000
Northampton Project			
Historical data compilation, geological mapping, geophysics and heritage surveys	300,000	90,000	390,000
Soil and rock chip sampling and RC drilling	150,000	330,000	480,000
Sub-total	450,000	420,000	870,000

Expenditure	Year 1 (\$)	Year 2 (\$)	Total (\$)
TOTAL	820,000	2,050,000	2,870,000

2.7 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on exploration of the Projects and future acquisitions.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

3. Risk Factors

As with any investment in securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Security holders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Securities.

Any investment in the Company under this Prospectus should be considered highly speculative.

3.1 Risks specific to the Company

(a) **Limited history**

The Company was incorporated on 20 March 2018 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Projects. Until the Company is able to realise value from the Projects, it is likely to incur operational losses.

(b) **Conditionality of Offers**

The obligation of the Company to issue the Securities under the Offers is conditional on certain matters, as set out in Section 1.3. If the conditions are not satisfied, the Company will not proceed with the Offers. Failure to complete the Offers may have a material adverse effect on the Company's financial position.

(c) **Contractual risk**

Pursuant to the Acquisition Agreements (summarised at Section 6.2 and paragraph 10 of the Solicitor's Report) the Company has agreed to acquire 100% legal and beneficial ownership of the Tenements from the Vendors subject to the fulfilment of certain conditions precedent. If any of the conditions precedent under either of the Acquisition Agreements are not met, completion of the acquisition of the relevant Tenements may be deferred or not occur. If the condition precedent in relation to Ministerial consent in either of the Acquisition Agreements is waived, the Company will complete the relevant acquisition and pay the consideration prior to receiving a legal interest in the Tenements.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreements. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(d) Potential for dilution

On completion of the Offers and the subsequent issue of Shares, the number of Shares in the Company will increase from 9,000,003 to up to 32,750,003, assuming the Public Offer is fully subscribed. This means the number of Shares on issue will increase by approximately 264% on completion of the Offers. On this basis, existing Shareholders should note that if they do not participate in the Public Offer (and even if they do), their holdings may be considerably diluted (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

(e) New projects and acquisitions

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from the Projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(f) Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Public Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.

In order to successfully develop the Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Public Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Public Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material

adverse effect on the Company's activities including resulting in the Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

3.2 Mining Industry Risks

(a) Title risk

The Company does not have a registered legal interest in the WA Tenements at the date of this Prospectus. It only holds an equitable interest under the conditional WA Acquisition Agreement to acquire a 100% legal and beneficial interest in each of the WA Tenements.

There is a risk that if the outstanding conditions to completion under the WA Acquisition Agreement are not satisfied or waived, the Company will not acquire a legal interest in the WA Tenements. If the condition in relation to Ministerial consent is waived by the Company, the Company will complete the acquisition and pay the consideration prior to receiving a legal interest in the WA Tenements.

The Company is the registered holder of the NT Tenements. However, Excedo remains the beneficial owner of the NT Tenements pending completion under the NT Acquisition Agreement.

(b) There is a risk that if the outstanding conditions to completion under the NT Acquisition Agreement are not satisfied or waived, Excedo will remain the beneficial owner of the NT Tenements and the Company will not acquire fully legal and beneficial ownership of the WA Tenements. **Exploration and development risks**

Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource.

Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk. In respect of the Projects, the reliability of the data used to produce the Independent Geologists Report in this regard is limited as it is historical in nature and could not be independently verified by the Independent Geologist.

Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing funding, adverse government policy, geological conditions, commodity prices or other technical difficulties.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process,

changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of its projects.

(c) Operating risk

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its projects. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(d) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(e) Payment obligations

Pursuant to the Tenements comprising the Projects, the Company will become subject to payment and other obligations. In particular, holders are required to expend the funds necessary to meet the minimum work commitments attaching to the Tenements. Failure to meet these work commitments may render the Tenements subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in the Projects. Further details of these conditions and obligations are set out in paragraph 6 in the Solicitor's Report.

(f) **Metals and currency price volatility**

The Company's ability to proceed with the development of its projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of gold and base metals. Consequently, any future earnings are likely to be closely related to the price of this commodity and the terms of any off-take agreements that the Company enters into.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for gold and base metals that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Metals are principally sold throughout the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

(g) **Competition risk**

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

Some of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(h) **Private Land**

(i) **Surface rights to Protected Private Land**

The WA Tenements have not been granted in respect of any private land that is:

- (A) in *bona fide* and regular use as a yard, stockyard, garden, orchard, vineyard, plant nursery or plantation or is land under cultivation or within 100m of that site;

- (B) the site of a cemetery or burial ground or within 100 metres of that site;
- (C) the site of a dam, bore, well or spring or within 100 metres of that site;
- (D) on which there is erected a substantial improvement or within 100 metres of that improvement; or
- (E) a parcel of land with an area of 2,000 square metres or less,

(Protected Private Land) within 30 metres from the natural surface of the land. Accordingly, the Company will have no rights to explore or mine on the surface, and for the 30 metres below the surface, of any part of the WA Tenements covered by Protected Private Land. The Company may apply for the grant of rights over the surface of Protected Private Land, however this is subject to the prior consent of the owner and occupier of the land.

The Company has made desktop enquiries to identify the location of Protected Private Land or the extent to which it overlaps the WA Tenements. Investors should be aware that the existence of Protected Private Land within the boundaries of the WA Tenements, and/or any delay in obtaining the necessary consents in respect of the grant of tenure over such areas, may preclude, limit or delay the Company undertaking its exploration activities in certain areas of the WA Tenements.

(ii) **Compensation**

The Company cannot commence activities on the surface or within a depth of 30 metres from the surface of any private land (including, but not limited to, Protected Private Land) until compensation has been agreed with the relevant owner and occupier or paid in accordance with the WA Mining Act. Investors should be aware that any delay in obtaining agreement in respect of compensation may adversely impact the Company's ability to carry out exploration or mining activities within private land on the WA Tenements.

(i) **Native title risks**

The *Native Title Act 1993* (Cth) (**Native Title Act**) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

Native title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native title is not usually extinguished by the grant of mining tenements, although a valid mining tenement prevails over native title to the extent of any inconsistency for the duration of the title.

Both WA Tenements lie within the Hutt River registered native title claim and one of the WA Tenements (E66/98) also lies within the Southern Yamatji registered native title claim.

The existence of native title and/or registered native title claims in relation to the land the subject of the Tenements may affect the Company's ability to obtain the grant of future tenure over the Tenements or in their vicinity. If the Tenements have not been validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities. Refer to paragraph 7 of the Solicitor's Report for more detail.

Enquiries undertaken by the Company have not uncovered anything to indicate that the Tenements have not been validly granted in compliance with the procedures set out in the Native Title Act.

(j) Aboriginal Heritage Risk

The Company must comply with Commonwealth, Northern Territory and Western Australia Aboriginal heritage legislation which (inter alia) prescribe offences related to interfering with certain Aboriginal sites or objects with heritage significance.

The Company is aware that there is one sacred site and three other sites recorded on the NT Tenements and three Aboriginal Sites and one other heritage place recorded on the WA Tenements. There also remains a risk that additional Aboriginal sites or Aboriginal archaeological places (in respect of the WA Tenements), additional sacred sites (in respect of the NT Tenements) and/or other heritage objects may exist on the land the subject of the Tenements. The existence of such items may preclude or limit mining activities in certain areas of the Tenements (refer to paragraph 8 of the Solicitor's Report in Schedule 2).

The Company proposes to take assignment of the Heritage Agreements, which contain a heritage protection regime, to address these Aboriginal heritage risks in relation to the WA Tenements (see summary of Aboriginal heritage agreements in Section 6.3 and paragraphs 10.3 and 10.4 of the Solicitor's Report).

(k) Third party risks

Under Northern Territory, Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third party interests which overlay areas within the Tenements, including private land, native title claims, pastoral leases and/or petroleum tenure, in respect of exploration or mining activities on the Tenements.

In addition to the private land overlapping the WA Tenements discussed above, the Company's investigations indicate that:

- (i) the NT Tenements overlap pastoral leases, a registered native title claim and (in the case of EL30951) petroleum tenure (see paragraphs 9.1 and 7.12 of the Solicitor's Report for details); and
- (ii) the WA Tenements overlap two registered native title claims (see paragraph 7.14 of the Solicitor's Report for details).

The Company acknowledges that exploration success may result in extended work programs on the Tenements that may require further third party consents and/or compliance with compensation obligations with respect to the private landholders, underlying petroleum tenure, native title processes and pastoralist activities. As part of the process of submitting a program of works for any ground disturbing activities, pastoralists and other third parties will be notified and the Company will work to minimise disturbance in relation to the proposed activities in accordance with applicable law. The Directors acknowledge that delays may be caused to commencement of exploration programs.

(l) Environmental risk

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

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

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

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

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

(m) Licences, permits and approvals

On completion of the Acquisition Agreements, the Company will hold all material authorisations required to undertake the exploration programs described in this Prospectus. However, many of the mineral rights and interests to be held by the Company are subject to the need for ongoing or

new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.

(n) Reliance on key personnel

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(o) Conflicts of interest

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. These engagements are summarised in Section 5.2. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company in first instance. Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.

(p) Complex underlying land usage

The WA Tenements are located over and in the vicinity of the town of Northampton, being an inhabited area of relatively intense land use. As a consequence the WA Tenements are subject to various endorsements and conditions relating to competing land uses, for example "C" class reserves, highways, geodetic survey equipment and water reserves.

Some conditions preclude exploration activities in certain areas of the WA Tenements and/or require the Company to obtain prior consents or additional approvals prior to commencing activities. The existence of such restrictions may preclude, limit or delay exploration and mining activities in certain areas of the Tenements. Refer to the Solicitor's Report for details of these restrictions.

The Directors consider the above risks to be low due to the location of the Company's proposed activities, the previous exploration activities in the areas and the low impact on the proposed exploration works.

(q) State heritage risks

Western Australia legislation protects certain places on the basis of their cultural heritage significance. There are 15 State heritage places recorded on E66/99. The existence of these State heritage places may preclude or limit mining activities in certain areas of the Tenements. See paragraph 9.2(b) of the Solicitor's Report for further details.

The Directors consider the above risks low due to the location of the Company's proposed activities, the previous exploration activities in the areas and the low impact on the proposed exploration works.

3.3 General Risks

(a) Economic risks

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

As with any exploration or mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for minerals, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

(b) Market conditions

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

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

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Force majeure

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

(d) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect the Projects. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its projects. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(e) **Litigation risks**

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

(f) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(g) **Taxation**

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

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

3.4 Speculative investment

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

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

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

4. Financial Information

4.1 Financial information

The Investigating Accountant's Report contained in Schedule 1 sets out:

- (a) the statement of financial position as at 30 June 2018; and
- (b) the statement of changes in equity for the period 20 March 2018 (date of incorporation) to 30 June 2018.

Investors are urged to read the Investigating Accountant's Report in full.

4.2 Forecast financial information

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

5. Board, Management and Corporate Governance

5.1 Board of Directors

As at the date of this Prospectus, the Board comprises of:

- (a) Mr Scott Patrizi - Executive Director;
- (b) Mr Bryn Hardcastle - Non-Executive Chairman; and
- (c) Mr David Church - Non-Executive Director.

5.2 Directors' Profiles

The names and details of the Directors in office at the date of this Prospectus are:

(a) **Mr Scott Patrizi - Executive Director**

Mr Patrizi is a corporate director and was previously employed with Deloitte. Mr Patrizi holds a Bachelor of Commerce from the University of Western Australia and is currently a Non-Executive Director of Clancy Exploration Limited (ASX: CLY) and Elixir Petroleum (ASX: EXR). More recently, Mr Patrizi was the Executive Director at Matador Mining Limited (ASX: MZZ). During his time at Deloitte, Mr Patrizi worked across a wide range of industries including mining, oil and gas, healthcare, education and private equity providing merger and acquisition, valuation and due diligence services.

Prior to Deloitte, Mr Patrizi worked for Argonaut, a full service advisory, stockbroking and research and investment house focused on clients in the natural resources sector where he gained significant equity capital market experience.

(b) **Mr Bryn Hardcastle - Non-Executive Chairman**

Mr Hardcastle is principal of Perth-based law firm, Bellanhouse, specialising in corporate, commercial and securities law. Mr Hardcastle advises on equity capital markets, takeovers, schemes and corporate acquisitions, reconstructions and disposals predominantly in the energy and resources sector. Mr Hardcastle is also Non-Executive Director of New Century Resources Limited (ASX:NCZ).

(c) **Mr David Church - Non-Executive Director**

Mr David Church is a consultant to Regent Pacific Group Limited, a company whose securities are listed on The Stock Exchange of Hong Kong Limited, providing services as Head of Mergers & Acquisitions as well as General Counsel. Mr Church has more than 19 years' experience in corporate finance in Australia, the UK, Europe and Asia with particular experience in resources and financial services. Mr Church has worked on domestic and international corporate transactions as well as major international equity offerings for corporates and investment banks. Mr Church has over 13 years' experience in Asia including transactions in Hong Kong, Korea, the Peoples Republic of China, Singapore, Indonesia, Malaysia and the Philippines. Mr Church has acted and advised on high-profile merger and acquisition transactions in Europe and

Asia. Mr Church is a qualified solicitor and has practiced in Australia with Clayton Utz, and in the UK and Hong Kong with Linklaters.

5.3 Company Secretary

Oonagh Malone - Company Secretary

Ms Oonagh Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. Ms Malone has over 9 years' experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia and Australian Institute of Company Directors. Ms Malone currently acts as company secretary for ASX-listed Boss Resources Limited, Carbine Resources Limited, Clancy Exploration Limited, Hawkstone Mining Limited and New Century Resources Limited. Ms Malone is also currently a director of Carbine Resources Limited and Hawkstone Mining Limited.

5.4 Interests of Directors

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

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

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (a) any Director to induce him or her to become, or to qualify as, a Director; or
- (b) any Director of the Company for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers.

5.5 Security holdings of Directors

The Directors and their related entities have the following interests in Securities as at the date of this Prospectus:

Director	Shares	% Shareholding ¹
Mr Scott Patrizi	nil	nil
Mr Bryn Hardcastle	nil	nil
Mr David Church	62,500 ²	0.69

Notes:

1. Assuming that there are 9,000,003 Shares on issue and no further Shares are issued or Options exercised.
2. Mr Church indirectly holds 62,500 Shares through an associated entity, Highland Company Pty Ltd.

Based on the intentions of the Directors at the date of this Prospectus in relation to the Offers, the Directors and their related entities will have the following interests in Securities on Admission:

Director	Shares	% Shareholding ¹	Options ²
Mr Scott Patrizi	nil	nil	2,000,000
Mr Bryn Hardcastle ³	250,000	0.76	325,000
Mr David Church ⁴	162,500	0.50	325,000

Notes:

1. Assuming there are 32,750,003 Shares on issue and no further Shares are issued or Options exercised, other than as described in this Prospectus.
2. The Company intends to issue 2,650,000 Options to Directors at an issue price of 0.001 cents per Option with each being exercisable at \$0.25 on or before the date that is 4 years from Admission, and otherwise on the terms and conditions set out in Section 7.2. See Section 6.7 for further details of the Directors' agreements.
3. Director Bryn Hardcastle intends to subscribe for 250,000 Shares under the Public Offer.
4. Director David Church intends to subscribe for 100,000 Shares under the Public Offer through an associated entity, Highland Company Pty Ltd.

5.6 Remuneration of Directors

None of the Directors has received any remuneration since incorporation of the Company.

Mr Patrizi was appointed as a Director on 12 June 2018. On 12 June 2018, Mr Patrizi entered into an executive services agreement with the Company, pursuant to which he will receive an executive services fee of \$36,000 per year (plus GST) for services provided as Executive Director of the Company. The remuneration only accrues and becomes payable upon the Company's admission to the Official List. See Section 6.7(a).

Mr Hardcastle was appointed as Director on incorporation of the Company and Mr Church was appointed as Director on 18 October 2018. On 20 March 2018 and 18 October 2018 respectively, Messrs Hardcastle and Church entered into non-executive director letters of appointment with the Company, pursuant to which each will receive remuneration of up to \$24,000 per year (exclusive of superannuation) for services provided to the Company as Non-Executive Directors. The remuneration only accrues and becomes payable from the date of the Company's Admission. See Section 6.7(b) for further details.

5.7 Related Party Transactions

The Company has entered into the following related party transactions on arms' length terms:

- (a) executive services agreement or letters of appointment with each of its Directors on standard terms (refer to Section 6.7 for details);
- (b) engagement with Bellanhouse (of which Mr Bryn Hardcastle is a principal) to act as the Company's legal adviser and prepare the Solicitor's Report set out in Schedule 2 (refer to Section 7.5(f) for the fees to be paid to Bellanhouse); and

- (c) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 6.9 for details).

At the date of this Prospectus, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

5.8 ASX Corporate Governance Council Principles and Recommendations

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

To the extent applicable, the Company has adopted the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below. The Company's full Corporate Governance Plan will be available in a dedicated corporate governance information section of the Company's website at www.capriceresources.com.au.

(a) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the Executive Directors;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;
- (v) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (vi) approving operating budgets and major capital expenditure;

- (vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;
- (viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's Securities;
- (ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and
- (x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and the Company has in place written agreements with each Director which detail the terms of their appointment.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of one Executive Director, and two Non-Executive Directors. The Board considers that Messrs David Church (Non-Executive Director) and Scott Patrizi (Executive Director) are both independent.

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

(c) Identification and management of risk

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

(d) Ethical standards

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

(e) Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) Remuneration arrangements

The remuneration of any Executive Director will be decided by the Board and must not be calculated as a commission on, or percentage of, operating revenue.

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director

performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as Options).

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Board reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(g) Securities trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of Securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

(h) Diversity policy

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. However, given the current stage of the Company's operations and number of employees the Company has determined at this stage not to formally adopt a diversity policy. The Company will re-assess this as the Company grows.

(i) Audit and risk

The Company will not have a separate audit or risk committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

(j) External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

(k) **Social media policy**

The Board has adopted a social media policy to regulate the use of social media by people associated with the Company or its subsidiaries to preserve the Company's reputation and integrity. The policy outlines requirements for compliance with confidentiality, governance, legal, privacy and regulatory parameters when using social media to conduct Company business.

5.9 Departures from Recommendations

Following Admission, the Company will be required to report any departures from the Recommendations in its annual financial report.

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

Principles and Recommendations	Explanation for Departures
1.5 A listed entity should have a diversity policy and disclose that policy at the end of each reporting period	The Company does not comply with Recommendation 1.5. The Company has not formally established a diversity policy given the current stage of its operations and small number of employees.
2.1 The board of a listed entity should have a nomination committee.	The Company does not comply with Principle 2.1. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed. Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to Security holders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.
2.2 The board of a listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The Board does not maintain a formal Board Matrix as the Board considers that such a matrix is not necessary given the current size and scope of the Company's operations. The Board may adopt such a matrix at a later time as the Company's operations grow and evolve.
2.4 A majority of the board of a listed entity	Given the Company's present size and scope, it is currently not the Company's policy to have a majority of independent Directors. Directors have been selected to

Principles and Recommendations	Explanation for Departures
should be independent directors.	bring specific skills and industry experience to the Company. The Board has an expansive range of relevant industry experience, financial, legal and other skills and expertise to meeting its objectives. The Board currently comprises one independent Director.
2.5 The chair of the board of a listed entity should be independent.	The Company does not comply with Principle 2.5. The Board will seek to appoint an independent chair with the appropriate experience at a time that is appropriate for the situation of the Company.
4.1 The board of a listed entity should have an audit committee of at least three members that are non-executive.	The Board has not established a separate audit committee. The full Board carries out the duties that would ordinarily be assigned to the audit committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate audit committee.
7.1 The board of a listed entity should have a risk committee.	The Board has not established a separate Risk Management Committee. The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are considered by the Board. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk committee.
8.1 The board of a listed entity should have a remuneration committee of at least three members, a majority of whom are independent.	The Board as a whole performs the function of the Remuneration committee which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board. The Board may obtain external advice from independent consultants in determining the Company's remuneration practices, including remuneration levels, where considered appropriate. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate remuneration committee.

6. Material Contracts

6.1 Introduction

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for Securities under the Offers. The provisions of such material contracts are summarised in this Section.

6.2 Acquisition Agreements

The Company has entered into the following acquisition agreements in relation to the acquisition of the NT Tenements and WA Tenements.

(a) Wild Horse Hill Project

The Company and the NT Vendor have entered into an agreement (**NT Agreement**) for the sale and purchase of two exploration licences in Northern Territory, being EL 30951 and EL 30964 (**NT Tenements**) dated on or about 22 May 2018 as amended by letter variation on 25 July 2018. In consideration for the NT Tenements, the Company will issue to the NT Vendor:

- (i) 375,000 Shares at the Public Offer Price; and
- (ii) 325,000 Options exercisable at \$0.25 each and expiring on the date that is 3 years after the issue date and otherwise on the terms and conditions set out in Section 7.2.

(b) Northampton Project

The Company and the WA Vendor have entered into an agreement (**WA Agreement**) for the sale and purchase of two exploration licenses in Western Australia, being E 66/98 and E 66/99 (**WA Tenements**) dated 5 July 2018 as amended by letter variation on 10 August 2018. In consideration for the WA Tenements, the Company will issue 875,000 Shares at the Public Offer Price to the WA Vendor or its nominees.

The conditions precedent for the completion of the Acquisition Agreements include:

- (a) all necessary governmental consents and approvals to the matters set out in the Acquisition Agreements under the applicable Law, including the consent of the Minister under the relevant Mining Act to transfer the Tenements in accordance with the Acquisition Agreements;
- (b) the Company completing the Public Offer; and
- (c) ASX granting the Company conditional approval for its Shares to be listed on the ASX on terms satisfactory to the Company's directors, acting reasonably.

Specific to the WA Agreement:

- (a) the Company must obtain all necessary regulatory and shareholder approvals or waivers or modifications in relation to the Company's entry to the Official List, pursuant to the Listing Rules and Corporations Act; and

- (b) the conditions precedent may be waived by either party by providing written notice to the other party.

Specific to the NT Agreement, the conditions precedent may only be waived, or an extension of time for the conditions may only be granted, by the Company in writing on or before 1 December 2018.

Other material terms of the Acquisition Agreements are summarised in paragraphs 10.1 and 10.2 of the Solicitor's Report in Schedule 2.

6.3 Aboriginal Heritage Agreements

The WA Vendor has entered into two Aboriginal heritage agreements with the Yamatji Marlpa Aboriginal Corporation in respect of both WA Tenements:

- (a) a heritage agreement dated 3 May 2018 covering E66/98 in respect of the Yamatji Claimant Group; and
- (b) a heritage agreement dated 1 May 2018 covering both WA Tenements in respect of the Hutt River Claimant Group,

(together, **Aboriginal Heritage Agreements**).

Following completion of the WA Agreement, the Company will enter into deeds of assignment and assumption in respect of the Aboriginal Heritage Agreements.

For a summary of the terms under the Aboriginal Heritage Agreements refer to paragraphs 10.3 and 10.4 of the Solicitor's Report in Schedule 2.

6.4 Corporate Adviser Mandate

On 9 April 2018, the Company entered into a mandate with Discovery to act as corporate adviser in relation to the Seed Raising and the Public Offer (**Discovery Mandate**).

Discovery's performance of the corporate advisory services pursuant to the Discovery Mandate will be supported by Mr Adam Miethke (a director of Discovery).

Mr Miethke is a geologist with over 16 years' experience in the metals and mining industry, including funds management and corporate advisory. Mr Miethke initially worked for Rio Tinto's iron ore division before joining Snowden Mining Consultants where he worked across all commodities in Australia, Africa, Eastern Europe and South America. After completing an MBA in 2008, he joined Regent Pacific Group in Hong Kong as technical director, overseeing the group's investment portfolio. Between 2011 and 2016, Mr Miethke was a director of the corporate finance team at Argonaut Capital Limited and led Argonaut's metals and mining division. Mr Miethke is also Non-Executive Director of Calidus Resources Limited (ASX:CAI).

Pursuant to the Discovery Mandate, the following terms apply.

- (a) **Term:** The term of the Discovery Mandate commenced on 9 April 2018 and will continue for a period of at least 12 months, or such longer period on a rolling basis as required.
- (b) **Fees:** The Company will pay Discovery the following fees which are subject to the Company being admitted to the Official List:

- (i) a monthly fee of \$5,000 for the performance of corporate advisory services (**Corporate Adviser Fee**);
- (ii) following admission to the Official List, the Corporate Adviser Fee will increase to \$10,000 per month for a minimum of 12 months post-listing on the Official List;
- (iii) the right to subscribe for up to 1,000,000 Lead Manager Options at an issue price of 0.001 cents per Option, exercisable at \$0.25 each and expiring on the date that is 3 years after the issue date and otherwise on the terms in Section 7.2; and
- (iv) a capital raising success fee of 6% of all funds raised.

Discovery has confirmed that it wishes to take up all 1,000,000 Lead Manager Options.

- (c) **Termination:** The Discovery Mandate will terminate on 9 April 2019 unless extended by mutual agreement or where either party gives seven days written notice to the other party of its termination.

Pursuant to the Discovery Mandate, the Company will also issue 2,000,000 Broker Options to Discovery (or its nominees) to allocate to participating brokers in the Public Offer. The Broker Options will be issued at 0.001 cents per Option with each being exercisable at \$0.25 on or before the date that is 3 years from the issue date, and otherwise on the terms set out in Section 7.2 and in the Discovery Mandate summarised in Section 6.4.

The Discovery Mandate contains additional provisions considered standard for agreements of this nature.

6.5 Joint Lead Manager Mandate

Discovery and Nascent Capital Partners Pty Ltd (**Nascent**) entered into an agreement with the Company dated 18 June 2018 to provide co-lead manager and related services for the Company in relation to the Public Offer (**Joint Lead Manager Mandate**).

Nascent is entitled to 5% of the funds raised from subscriptions to the Public Offer which can be directly attributed to Nascent's lead manager services. Nascent (or its nominees) will also receive a pro rata share of the Broker Options.

The Joint Lead Manager Mandate otherwise contains terms standard for a mandate of this nature.

6.6 Konkera Agreement

The Company entered into an agreement with Konkera Corporate (**Konkera**) on 22 May 2018 for the provision of book-keeping and accounting services, together with company secretarial services to the Company (**Services**) (**Konkera Agreement**). A summary of the key terms of the Konkera Agreement is set out below.

- (a) **Term:** The Konkera Agreement is deemed to commence on or about 15 May 2018 and will continue until terminated in accordance with its terms.
- (b) **Fees:** The Company will pay Konkera a total of \$7,000 (plus GST) per month for the performance of its Services. For any service performed outside the agreed scope of Services, an hourly fee of \$100 (plus GST) will apply.

The Konkera Agreement contains additional provisions considered standard for agreements of this nature.

6.7 Director agreements

(a) Executive Services Agreement - Mr Scott Patrizi

On 12 June 2018, the Company entered into an executive services agreement with Mr Scott Patrizi through Mr Patrizi's entity, Valtellin Pty Ltd (**Patrizi Agreement**).

Under the Patrizi Agreement, Mr Patrizi is engaged by the Company to provide executive services to the Company as Executive Director on a part-time basis, commencing from the date of Admission. The Company will remunerate Mr Patrizi for his services with an executive remuneration package comprising the following:

- (i) a base salary of \$36,000 (plus GST) per year; and
- (ii) reimbursement for reasonable expenses necessarily incurred by Mr Patrizi in the performance of his services as Executive Director.

The parties have agreed that the above remuneration will not accrue and, as such, will only become payable to Mr Patrizi following Admission.

In addition, following Admission, Mr Patrizi will be issued with 2,000,000 Director Options issued at 0.001 cents per Option, exercisable at \$0.25 each and expiring four years from the issue date. These Director Options will be escrowed for a period of 24 months in accordance with the Listing Rules. Mr Patrizi is also entitled to participate in bonus and/or other incentive schemes that may be implemented in the future.

The Patrizi Agreement is for an indefinite term, continuing until terminated by either the Company or Mr Patrizi giving 1 months' written notice of termination to the other party (or shorter period in limited circumstances).

As Executive Director, Mr Patrizi shall (amongst other things):

- (i) be engaged as a part-time employee of the Company and during usual business hours and such other hours as the exigencies of business may from time to time require, shall devote as much of his time, attention and skill to the duties of his position and to the business of the Company, and such related corporations of the Company, as required and as the Company may from time to time direct; and
- (ii) obey all directions given to him by or under the authority of the Board, and use his best endeavours to promote the interests of the Company and of such related corporations of the Company as the Company may from time to time direct.

Mr Patrizi is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company, on terms which are otherwise considered standard for agreements of this nature.

The Patrizi Agreement contains additional provisions considered standard for agreements of this nature.

(b) Non-Executive Director Agreements - Messrs Bryn Hardcastle and David Church

The Company has entered into a non-executive director letter agreement with each of Messrs Hardcastle and Church pursuant to which the Company has agreed to pay \$24,000 (excluding superannuation) per year to each of Messrs Hardcastle and Church for services provided to the Company as Non-Executive Directors, with remuneration only accruing and payable on, and from, the date of the Company's Admission.

Pursuant to the relevant agreements Messrs Hardcastle and Church will each be issued with 325,000 Director Options at an issue price of 0.001 cents per Option, exercisable at \$0.25 on or before the date that is 4 years from the issue date and otherwise on the terms and conditions set out in Section 7.2. These Director Options will be escrowed for a period of 24 months in accordance with the Listing Rules.

6.8 Consultancy agreement - Tracking Group Pty Ltd

On 24 April 2018, the Company entered into consultancy services agreement with Mr Sam Moyle through Mr Moyle's entity, Tracking Group Pty Ltd (**Consultancy Agreement**).

Under the Consultancy Agreement, Mr Moyle will provide geologist consultancy services (**Services**) to the Company for twelve months from the Admission date. The Company will remunerate Mr Moyle \$3,000 per month (plus GST) for the performance of Services. The Company will remunerate Mr Moyle for the performance of any additional services at an additional fee of \$80 per hour (plus GST).

The Consultancy Agreement contains additional provisions considered standard for agreements of this nature.

6.9 Deeds of indemnity, insurance and access

The Company is party to a deed of indemnity, insurance and access with each of the Directors and the Company Secretary. Under these deeds, the Company indemnifies each Director and the Company Secretary to the extent permitted by law against any liability arising as a result of the Director or Company Secretary acting as a director or company secretary of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director or Company Secretary and must allow the Directors and Company Secretary to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.

7. Additional information

7.1 Rights attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

- (a) **(Ranking of Shares):** At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
 - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
 - (ii) has one vote on a show of hands; and
 - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

- (f) **(General meetings):** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

- (g) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

7.2 Terms of Options

The terms of the Options (comprising the Director Options, Lead Manager Options, Broker Options and Consideration Options) are as follows:

- (a) **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Issue Price):** The Options have the following issue prices:

Options	Issue Price
Director Options	0.001 cents per Option
Lead Manager Options	
Broker Options	
Consideration Options	Nil

- (c) **(Exercise Price):** The Options have an exercise price of \$0.25 per Option.
- (d) **(Expiry Date):** The Options have the following expiry dates:

Options	Expiry date
Director Options	At 5:00pm (WST) on the date that is 4 years after the issue date
Lead Manager Options	At 5:00pm (WST) on the date that is 3 years after the issue date
Broker Options	
Consideration Options	

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

- (e) **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (f) **(Quotation of the Options):** The Options will be unquoted.
- (g) **(Transferability of the Options):** The Options are not transferable, except with the prior written approval of the Company.
- (h) **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (i) **(Lodgement instructions):** Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Share Registry.
- (j) **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then Shares of the Company.
- (k) **(Quotation of Shares on exercise):** Application will be made by the Company to ASX, on the business day the Shares are issued, for quotation of the Shares issued upon the exercise of the Options.
- (l) **(Timing of issue of Shares):** Within 15 business days after the later of the following:
 - (i) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,the Company will:
 - (i) issue the Shares pursuant to the exercise of the Options;
 - (ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (m) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will

be at least 3 business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (n) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (o) **(Adjustment for entitlements issue):** If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph (p) will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.
- (p) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holders will be varied in accordance with the Listing Rules.

7.3 Summary of the Company's Employee Securities Incentive Plan

The Caprice Resources Incentive Plan (**Plan**) was adopted by the Board on 20 August 2018. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that:
 - (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Purpose):** The purpose of the Plan is to:
 - (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

- (d) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

- (e) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (g) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (h) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (j) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (k) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (l) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (m) **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (o) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (p) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (q) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those

Securities may be cancelled in the manner agreed between the Company and the Participant.

7.4 Effect of the Offers on control and substantial Shareholders

Shareholders (and their associates) holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are set out in the table below. See Section 2.2 for further details on each of the Shareholders' holdings as listed in the tables below.

Name	Shares	%
Discovery Services Pty Ltd	1,250,000	13.89
PRW Investments Pty Ltd	750,000	8.33
Shrewsbury Ltd	750,000	8.33
Rod Dog Pty Ltd	625,000	6.94
UBS Nom Pty Ltd	698,750	7.76

Based on the information known as at the date of this Prospectus, on Admission no persons will have an interest in 5% or more of the Shares on issue.

7.5 Interests of Promoters, Experts and Advisers

(a) **No interest except as disclosed**

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offers.

(b) **Share Registry**

Automic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

(c) **Auditor**

RSM Australia Partners has been appointed to act as auditor to the Company. The Company has paid a fee of \$3,500 (excluding GST) for services in

connection with the audited accounts of the Company for the year ended 30 June 2018. During the 24 months preceding lodgement of this Prospectus with ASIC, RSM Australia Partners has not received any other fees from the Company.

(d) Investigating Accountant

Pitcher Partners has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Schedule 1 of this Prospectus. The Company estimates it will pay Pitcher Partners a total of \$15,000 (excluding GST) for these services, of which \$11,506 has been paid. During the 24 months preceding lodgement of this Prospectus with ASIC, Pitcher Partners has not provided any other services to the Company.

(e) Independent Geologist

Mining Insights has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Schedule 3 of this Prospectus. The Company has paid Mining Insights a total of \$39,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Mining Insights has not provided any other services to the Company.

(f) Solicitors

Bellanhuse has acted as the Solicitors to the Company in relation to the Offers and has prepared the Solicitor's Report which is included in Schedule 2 of this Prospectus. The Company estimates it will pay Bellanhuse a total of \$50,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Bellanhuse has not provided any other services to the Company.

(g) Lead Manager and Corporate Advisor

Discovery has acted as lead manager to the Seed Raising and Public Offer and as corporate advisor to the Company and for this is entitled to be paid fees in accordance with the Discovery Mandate summarised in Section 6.4. During the 24 months preceding lodgement of this Prospectus with ASIC, Discovery has not provided any other services to the Company.

(h) Co Lead Manager

Nascent has acted as co lead manager to the Public Offer and for this is entitled to be paid fees in accordance with the Joint Lead Manager Mandate summarised in Section 6.5. During the 24 months preceding lodgement of this Prospectus with ASIC, Nascent has not provided any other services to the Company.

7.6 Consents

(a) General

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the

Prospectus, with regard to misleading and deceptive statements made in the Prospectus.

Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to below:

- (i) does not make the Offers;
- (ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- (iii) only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

(b) Share Registry

Automic Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

(c) Auditor

RSM Australia Partners has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company in the form and context in which it is named.

(d) Investigating Accountant

Pitcher Partners has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Investigating Accountant's Report in the form and context in which it is included.

(e) Independent Geologist

Mining Insights has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Independent Geologist to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Geologist's Report in the form and context in which it is included.

(f) **Solicitors**

Bellanhouse has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Solicitors to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Solicitor's Report in the form and context in which it is included.

(g) **Lead Manager and Corporate Advisor**

Discovery has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the lead manager to the Public Offer and corporate advisor to the Company in the form and context in which it is named.

(h) **Co Lead Manager**

Nascent has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the co lead manager to the Public Offer in the form and context in which it is named.

7.7 Expenses of Offers

The total approximate expenses of the Offers payable by the Company are:

Items of expenditure	(\$)
ASX quotation and ASIC lodgement fee	76,171
Legal fees	50,000
Investigating Accountant fees	15,000
Independent Geologist fees	39,500
Tenement transfer fees and stamp duty	5,000
Capital raising fees ¹	270,000
Printing, postage and administration fees	10,000
TOTAL	465,671

Notes:

1. Refer to Section 6.4.

7.8 Continuous Disclosure Obligations

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to

Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

7.9 Litigation

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

7.10 Electronic Prospectus

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

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

7.11 Documents available for inspection

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

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 7.5 of this Prospectus.

7.12 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the Investigating Accountant's Report in Schedule 1, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

8. Authorisation

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

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

Mr Scott Patrizi
Executive Director
Dated: 2 November 2018

9. Glossary of Terms

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

\$ means Australian dollars.

Aboriginal Heritage Agreements has the meaning ascribed in Section 6.3.

Acquisition means the acquisition of the Tenements in accordance with the Acquisition Agreement.

Acquisition Agreements means the NT Agreement and the WA Agreement.

Admission means admission of the Company to the Official List, following completion of the Offers.

Applicant means a person who submits an Application Form.

Application means a valid application for Securities pursuant to this Prospectus.

Application Form means the IPO Application Form, Lead Manager Offer Application Form or the Consideration Offer Application Form, as the context requires.

Application Monies means application monies for Securities under the Offers received and banked by the Company.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Rules means ASX Settlement Operating Rules of ASX Settlement.

Bellanhouse means Bellanhouse Pty Ltd ACN 164 886 088.

Board means the board of Directors of the Company as at the date of this Prospectus.

Broker Offer means the offer of 2,000,000 Broker Options to Discovery (or its nominees) to allocate to brokers participating in the Public Offer in accordance with the Discovery Mandate set out in Section 6.4.

CHESS means the Clearing House Electronic Sub-register System operated by ASX Settlement.

Closing Date means the date that the Public Offer closes which is 5.00pm (WST) on 3 November 2018 or such other time and date as the Board determines.

Company means Caprice Resources Ltd ACN 624 970 725.

Company Secretary means the secretary of the Company.

Consideration Offer Application Form means the Application Form accompanying this Prospectus in respect of the Consideration Offer.

Consideration Offer has the meaning ascribed in Section 1.2(c).

Consideration Options means the 325,000 Options to be issued to the NT Vendor on the terms set out in Section 7.2.

Constitution means the constitution of the Company.

Consultancy Agreement has the meaning ascribed in Section 6.8.

Corporate Adviser Fee has the meaning ascribed in Section 6.4(b).

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

Department means Department of Primary Industry and Resources, Government of the Northern Territory or the Department of Mines and Petroleum, Government of Western Australia (as the context requires).

Directors means the directors of the Company.

Director Options means the Options issued at 0.001 per Option and exercisable at \$0.25 each on or before the date that is 4 years from issue and otherwise on the terms set out in Section 7.2.

Discovery means Discovery Capital Partners Pty Ltd ACN 615 635 982.

Discovery Mandate has the meaning ascribed in Section 6.4.

Electronic Prospectus means the electronic copy of this Prospectus located at the Company's website www.capriceresources.com.

GST means Goods and Services Tax.

Independent Geologist or Mining Insights means Mining Insights Pty Ltd ACN 623 973 311.

Independent Geologist's Report means the report contained in Schedule 3 prepared by the Independent Geologist.

Indicative Timetable means the indicative timetable for the Offers on page viii of this Prospectus.

Investigating Accountant means Pitcher Partners BA&A Pty Ltd ACN 601 361 095.

Investigating Accountant's Report means the report contained in Schedule 1.

IPO Application Form means the Application Form accompanying this Prospectus in respect of the Public Offer.

Issue Date means the date, as determined by the Directors, on which the Securities offered under Public Offer are issued, which is anticipated to be the date identified in the Indicative Timetable.

Joint Lead Manager Mandate has the meaning ascribed in Section 6.5.

Konkera means Konkera Corporate ACN 057 245 342.

Konkera Agreement has the meaning ascribed in Section 6.6.

Lead Manager means Discovery.

Lead Manager Offer means the offer of up to 1,000,000 Options on the terms set out in Section 7.2 to the Lead Manager (or its nominees) in consideration for capital raising services provided to the Company.

Lead Manager Offer Application Form means the Application Form accompanying this Prospectus in respect of the Lead Manager Offer.

Lead Manager Options means 1,000,000 Options at an issue price of 0.001 cents to be issued to the Lead Manager (or its nominees), exercisable at \$0.25 and expiring 3 years from the date of issue on the terms and conditions set out in Section 7.2.

Listing Rules means the listing rules of ASX.

Mining Act means the *Minerals Titles Act* (NT) or the *Mining Act 1978* (WA) (as the context requires), or any amendment or statutory replacement of that Act and includes the regulations and orders made under that Act.

Nascent means Nascent Capital Partners Pty Ltd ACN 154 848 469.

Northampton Project means the project described in Section 2.1 that comprises the WA Tenements.

NT Agreement has the meaning ascribed in Section 6.2.

NT Tenements means exploration licences EL30951 and EL30964 located in the Northern Territory.

NT Vendor means Excedo Exploration Pty Ltd ACN 607 686 322.

Offers means the Public Offer and the Secondary Offers.

Official List means the official list of ASX.

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

Opening Date means the date specified as the opening date of the Offers in the Indicative Timetable.

Option means an option to acquire a Share.

Original Prospectus means the prospectus dated 6 September 2018.

Projects means the Wild Horse Hill Project and the Northampton Project described at Section 2.4.

Pitcher Partners means Pitcher Partners BA&A Pty Ltd ACN 601 361 095

Prospectus or Replacement Prospectus means this prospectus dated 2 November 2018.

Protected Private Land has the meaning ascribed in paragraph 9.2(a)(iv) of the Solicitor's Report in Schedule 2.

Public Offer means the offer of up to 22,500,000 Shares at \$0.20 each to raise up to \$4,500,000 (before costs).

Public Offer Price means \$0.20 per Share under the Public Offer.

Revenue Office means the Territory Revenue Office, Northern Territory or the Commission of State Revenue, Western Australia (as the context requires).

Secondary Offers means the Lead Manager Offer, Broker Offer and Consideration Offer.

Section means a section of this Prospectus.

Securities means any securities, including Shares and Options, issued or granted by the Company.

Seed Raising has the meaning ascribed in Section 2.1.

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

Share Registry means Automic Pty Ltd ACN 152 260 814 trading as Automic.

Shareholder means a holder of one or more Shares.

Solicitor's Report means the report contained in Schedule 2.

Solicitors means Bellanhouse Lawyers.

Tenements means the NT Tenements and the WA Tenements.

Vendors means the NT Vendor and the WA Vendor.

WA Agreement has the meaning ascribed in Section 6.2(b).

WA Mining Act means the *Mining Act 1978* (WA).

WA Tenements means exploration licenses E 66/98 and E 66/99 located in Western Australia.

WA Vendor means Red Field Pty Ltd ACN 009 260 682.

Wild Horse Hill Project means the project described in Section 2.1 that comprises the NT Tenements.

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

Schedule 1 - Investigating Accountant's Report



PITCHER PARTNERS

Pitcher Partners BA&A Pty Ltd

ABN 76 601 361 095

Level 11, 12-14 The Esplanade
Perth WA 6000

Postal Address
PO Box 5622
St Georges Terrace
Perth WA 6831

Tel +61 8 9322 2022

Fax +61 8 9322 1262

www.pitcher.com.au

Ref: PM:jj

2 November 2018

The Directors
Caprice Resources Limited
C/- Discovery Capital
Level 1, 50 Ord Street
WEST PERTH WA 6005

Dear Directors

LIMITED ASSURANCE REPORT ON CAPRICE RESOURCES LIMITED HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

Pitcher Partners BA&A Pty Ltd ('Pitcher Partners') have been engaged to report on the Historical Financial Information and Pro Forma Historical Financial Information of Caprice Resources Limited (the 'Company', or 'Caprice') as at and for the period from 20 March 2018 (date of incorporation) to 30 June 2018. The Historical Financial Information has been prepared for inclusion in the Prospectus dated on or about 2 November 2018 in connection with the proposed issue of up to 22,500,000 fully paid ordinary shares ('Shares') at an issue price of \$0.20 per share to raise up to \$4,500,000 before costs (the 'Prospectus').

Expressions and terms defined in the Prospectus have the same meaning in this report.

1. Background

Caprice was incorporated on 20 March 2018 with a primary focus on the exploration and development of mining tenements in Australia.

On 22 May 2018 Caprice executed a tenement sale agreement with Excedo Exploration Pty Ltd ('Excedo Exploration') as amended by letter variation on 17 July 2018, to acquire 100% legal and beneficial ownership of two exploration licences in the Northern Territory (EL30951 and EL30964) together comprising the 'Wild Horse Hill Project', which is considered to be prospective for gold. The tenements are located in Pine Creek, 115 kilometres south east of Darwin and 90 kilometres North West of Katherine.

On 6 June 2018, the Company issued 5,000,000 shares at \$0.02 per share to raise \$100,000. This was undertaken as part of two-tranches of seed capital raising ('Seed Raising') of Shares to sophisticated and institutional investors to raise a total of \$420,000 (before costs) in order to capitalise the Company and facilitate the proposed listing on Australian Securities Exchange ('ASX').

On 5 July 2018 Caprice executed a tenement sale agreement with Red Field Pty Ltd ('Red Field') as amended by letter variation on 6 August 2018, to acquire 100% legal and beneficial ownership of two exploration licences in Western Australia (E66/98 and E66/99) together comprising the 'Northampton Project', which is considered to be prospective for lead, zinc and copper. The tenements are located in the Shire of Chapman Valley, approximately 440 kilometres north of Perth and immediately northeast of Geraldton.

Further information surrounding the Acquisition Agreements above can be located within section 2.4 of the Prospectus. Caprice has issued a Prospectus in order to further fund the exploration and development of the Tenements.

2. Scope

Historical Financial Information

The Historical Financial Information of the Company included in the Prospectus comprises:

- the Statement of Financial Position as at 30 June 2018;
- the Statement of Profit or Loss and Other Comprehensive Income for the period 20 March 2018 (date of incorporation) to 30 June 2018;
- the Statement of Changes in Equity for the period 20 March 2018 (date of incorporation) to 30 June 2018; and
- the Statement of Cashflows for the period 20 March 2018 (date of incorporation) to 30 June 2018.

(collectively, the 'Historical Financial Information').

The Historical Financial Information of the Company has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Historical Financial Information has been extracted from the financial report of Caprice for the period 20 March 2018 (date of incorporation) to 30 June 2018, which was audited by RSM Australia Partners in accordance with Australian Auditing Standards. RSM Australia Partners issued an unmodified audit opinion on the financial report. The Historical Financial Information has not been audited by Pitcher Partners however has been subject to audit review.

The Historical Financial Information of the Company is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested Pitcher Partners to review the following:

- the Pro Forma Statement of Financial Position of the Company as at 30 June 2018; and
- the Pro Forma Statement of Changes in Equity of the Company for the period 20 March 2018 (date of incorporation) to 30 June 2018.

(collectively, the 'Pro Forma Historical Financial Information').

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of Caprice, after adjusting for the effects of pro forma adjustments described in section 4 and 5 of this report.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 4 and 5 of this report, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

Directors' responsibility

The directors of Caprice are responsible for the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal control as the directors determine are necessary to enable the preparation of the Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Auditing Standards.

Our review consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

3. Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in Appendices 1-4 of this report, and comprising:

- the Statement of Financial Position as at 30 June 2018;
- the Statement of Profit or Loss and Other Comprehensive Income for the period 20 March 2018 (date of incorporation) to 30 June 2018;
- the Statement of Changes in Equity for the period 20 March 2018 (date of incorporation) to 30 June 2018; and
- the Statement of Cashflows for the period 20 March 2018 (date of incorporation) to 30 June 2018.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies as described in Appendix 5 of this report.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in Appendices 1-4 of this report and comprising:

- the Statement of Financial Position as at 30 June 2018; and
- the Statement of Changes in Equity for the period 20 March 2018 (date of incorporation) to 30 June 2018.

are not presented fairly in all material respects, in accordance with the stated basis of preparation being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies as described in Appendix 5 of this report.

4. Subsequent Events Prior to the Prospectus

- a) On 10 July 2018, the Company raised an additional \$320,000 through the issue of 4,000,000 Ordinary Shares at an issue price of \$0.08 per share, under the second tranche of Seed Raising to professional investors. \$285,200 of the \$320,000 raised had been received and was held in trust as at 30 June 2018.
- b) On 6 September 2018, the Company lodged a prospectus and supplementary prospectus, with the ASIC in relation to an initial public offering with a view to listing on the ASX.

5. Assumptions Adopted in Compiling the Pro Forma Adjustments

The following transactions and events are related to the issue of Securities under the Prospectus dated on or about 2 November 2018:

- a) The issue of 22,500,000 Shares at an issue price of \$0.20 per share to raise \$4,500,000 pursuant to this Prospectus before costs.
- b) Expenses of the Offers estimated at \$465,671, assuming \$4,500,000 is raised. The amount is to be expensed against equity as a cost of capital issued.
- c) The Company to issue 375,000 Shares at an issue price of \$0.20 per share, and 325,000 Options. The Options are exercisable at \$0.25 each and expire 3 years from the issue date. The above Shares and Options issued form consideration paid to Excedo Exploration Pty Ltd for the acquisition of the NT Tenements.
- d) The Company to issue 875,000 Ordinary Shares at an issue price of \$0.20 per share to be paid as consideration to Red Field Pty Ltd for the acquisition of WA Tenements.
- e) Directors to receive 2,650,000 Options at an exercise price of \$0.25 each with an expiry date that is 4 years from the issue date, as part of remuneration.
- f) The issue of 3,000,000 Options at an exercise price of \$0.25 each with an expiry date that is 3 years from the issue date, to participating brokers pursuant to the Broker Offer and Lead Manager Offer in part consideration for services provided in connection with the Public Offer.

6. Restriction on Use

Without modifying our conclusions, we draw attention to section 4 of the Prospectus, which describes the purpose of the financial information prepared, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for another purpose.

7. Liability

Pitcher Partners has consented to the inclusion of this report in the Prospectus in the form and context in which it is included. The liability of Pitcher Partners is limited to the inclusion of this report in the Prospectus. Pitcher Partners makes no representation regarding, and has no liability for, any other statement or other material in, or any omissions from, the Prospectus.

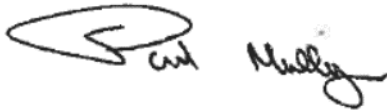
8. Declaration of Interest

Pitcher Partners does not have any interest in the outcome of the Offers other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director



CAPRICE RESOURCES LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

		Caprice Resources Limited Reviewed	Subsequent Event	Pro Forma Adjustments	Pro Forma After Issue
	Notes	30 June 18	Adjustments	\$4.5m	\$4.5m
ASSETS		\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	2	379,483	34,800	4,039,979	4,454,262
Trade receivables		2,111	-	-	2,111
Total Current Assets		381,594	34,800	4,039,979	4,456,373
Non-Current Assets					
Exploration and evaluation expenditure	3	-	-	292,873	292,873
Total Non-Current Assets		-	-	292,873	292,873
TOTAL ASSETS		381,594	34,800	4,332,852	4,749,246
LIABILITIES					
Current Liabilities					
Trade payables	4	336,868	(285,200)	-	51,668
Total Current Liabilities		336,868	(285,200)	-	51,668
NET ASSETS		44,726	320,000	4,332,852	4,697,578
EQUITY					
Contributed equity	5	100,003	320,000	4,284,329	4,704,332
Reserves	6	-	-	875,552	875,552
Retained earnings / (Accumulated losses)	7	(55,277)	-	(827,029)	(882,306)
TOTAL EQUITY		44,726	320,000	4,332,852	4,697,578

The reviewed Pro Forma Statement of Financial Position after the Prospectus is as per the Statement of Financial Position of the Company before the Prospectus adjusted for the subsequent events and Pro Forma transactions outlined in sections 4 and 5 of this report. The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Historical and Pro Forma Historical Financial Information set out in Appendix 5.



CAPRICE RESOURCES LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 20 MARCH 2018 (DATE OF INCORPORATION) TO 30 JUNE 2018

	Caprice Resources Limited Reviewed 30 June 18
	\$
Revenue	73
Administration expense	(11,001)
Consultants & management expenses	(11,267)
Legal expenses	(2,100)
Exploration expenses	(4,906)
Transaction costs	(26,076)
Total expense	<u>(55,350)</u>
Loss before income tax	<u>(55,277)</u>
Income tax expense	-
Loss after income tax for the period	<u>(55,277)</u>
Total comprehensive loss for the period	<u>(55,277)</u>
Loss attributable to:	
Members of the Company	<u><u>(55,277)</u></u>

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with notes to and forming part of the Historical and Pro -Forma Consolidated Historical Financial Information set out in Appendix 5.



CAPRICE RESOURCES LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 20 MARCH 2018 (DATE OF INCORPORATION) TO 30 JUNE 2018

	Caprice Resources Limited Reviewed 30 June 18 \$	Subsequent Event Adjustments \$	Pro Forma Adjustments \$4.5m \$	Pro Forma After Issue \$4.5m \$
Opening Balance 20 March 2018: *	-	-	-	-
- Contributed equity	100,003	320,000	4,284,329	4,704,332
- Options reserve	-	-	875,552	875,552
- Accumulated losses	-	-	-	-
	100,003	320,000	5,159,881	5,579,884
Comprehensive income for the period:				
Loss for the period	(55,277)	-	(827,029)	(882,306)
Total comprehensive loss attributed to members	(55,277)	-	(827,029)	(882,306)
Closing Balance 30 June 2018	44,726	320,000	4,332,852	4,697,578

* Caprice Resources Ltd was incorporated on 20 March 2018

The reviewed Pro Forma Statement of Changes in Equity after the Prospectus is as per the Statement of Changes in Equity of the Company before the Prospectus adjusted for the subsequent events and Pro Forma transactions outlined in sections 4 and 5 of this report. The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the Historical and Pro Forma Historical Financial Information set out in Appendix 5.



CAPRICE RESOURCES LTD
STATEMENT OF CASHFLOWS
FOR THE PERIOD 20 MARCH 2018 (DATE OF INCORPORATION) TO 30 JUNE 2018

	Notes	Caprice Resources Limited Reviewed 30 June 18 \$
Cash Flows from Operating Activities		
Payments to suppliers and employees		(5,793)
Interest received		73
Net cash from operating activities		<u>(5,720)</u>
Cash Flows from Investing Activities		
Net cash from investing activities		<u>-</u>
Cash Flows from Financing Activities		
Proceeds from issuance of shares		100,003
Application funds received		<u>285,200</u>
Net cash flows from financing activities		<u>385,203</u>
Cash and cash equivalents at the beginning of the year		<u>-</u>
Net increase/(decrease) in cash and cash equivalents		<u>379,483</u>
Cash and cash equivalents at the end of the year	2	<u>379,483</u>

The Statement of Cash Flows is to be read in conjunction with notes to and forming part of the Historical and Pro Forma Consolidated Historical Financial Information set out in Appendix 5.

CAPRICE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE HISTORICAL
AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. REPORTING ENTITY

The significant accounting policies adopted in the preparation of the Historical Financial Information and Pro Forma Historical Financial Information included in this report have been set out below.

A. Basis of Preparation of Historical and Pro Forma Historical Financial Information

The Historical and Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement, but not all the presentation and disclosure requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

The Historical and Pro Forma Historical Financial Information has been prepared on a historical cost basis and except where stated does not take in to account changing money values or current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

Accounting policies and methods of computation adopted in the preparation of this Historical and Pro Forma Historical Financial Information are set out below.

Going concern

The Financial Information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The directors believe that the Company will continue as a going concern. As a result, the Financial Information has been prepared on a going concern basis. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

(a) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. All revenue is stated net of the amount of goods and services tax (GST).

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. Revenue is recognised for the major business activities as follows:

Interest revenue

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

(b) Share-based payments

Equity-settled share-based payments to employees and others providing services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

(c) Taxation

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(d) Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit and loss.

Classification and Subsequent Measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amounts due less provision for doubtful debts. Loans and receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

(e) Impairment of financial assets

At each reporting date, the Company assesses all financial assets, other than those held at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or Company of financial assets has been impaired. For amounts due to the Company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments, are all considered indicators of impairment.

Impairment losses are recognised in profit or loss, and are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset, at the date that the impairment is reversed, shall not exceed what the carrying amount would have been had the impairment not been recognised. Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write-off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables in the statement of financial position are recognised inclusive of GST.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, other short-term highly liquid investments with original maturities of three (3) months or less, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(h) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Tests are conducted annually by the Company to determine whether the carrying value of Technology rights and capitalised patent expenditure has suffered any impairment.

(i) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Comparative amounts

Where necessary, comparative figures have been reclassified and repositioned for consistency with current year disclosures.

(k) Exploration and evaluation expenditure

Exploration and evaluation expenditure, including the costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

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

Exploration and evaluation assets are assessed for impairment if

- (i) sufficient data exists to determine technical feasibility and commercial viability; and
- (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned, or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

Significant accounting estimates and judgements

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payments transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

NOTE 2. CASH AND CASH EQUIVALENTS	Caprice Resources Limited 30 June 18 \$ Reviewed	Pro Forma Adjustments \$4.5m \$
CASH AND CASH EQUIVALENTS	379,483	4,454,262
Caprice Resources Ltd Reviewed balance at 30 June 2018		379,483
<i>Subsequent events (Caprice Resources Ltd):</i>		
Remaining funds received for second tranche of Seed		
Raising - 4 million shares at \$0.08 per share		34,800
<i>Adjustments arising in the preparation of the pro forma balance is summarised as follows:</i>		
Issue of 22,500,000 Shares in the Company at an issue price of \$0.20 per Share		4,500,000
Share issue costs		(465,671)
Consideration received for Broker & Director options		5,650
Pro Forma Balance		4,454,262

NOTE 3. EXPLORATION & EVALUATION EXPENDITURE	Caprice Resources Limited 30 June 18 \$ Reviewed	Pro Forma After Issue \$
EXPLORATION & EVALUATION EXPENDITURE	-	292,873
Caprice Resources Ltd Reviewed balance at 30 June 2018		-
<i>Adjustments arising in the preparation of the pro forma balance is summarised as follows:</i>		
Acquisition of exploration licenses: EL30951 & EL30964		117,873
Acquisition of exploration licenses: E66/99 & E66/98		175,000
Pro forma Balance		292,873

NOTE 4. TRADE & OTHER PAYABLES		Caprice Resources Limited 30 June 18 \$ Reviewed	Pro Forma After Issue \$
TRADE & OTHER PAYABLES		336,868	51,668
Caprice Resources Ltd Reviewed balance at 30 June 2018			336,868
<i>Subsequent events (Caprice Resources Ltd):</i>			
Second tranche of Seed Raising - 4 million shares at \$0.08 per share. Funds held in trust prior to year end.			(285,200)
Pro forma Balance			51,668

NOTE 5. CONTRIBUTED EQUITY		Caprice Resources Limited 30 June 18 \$ Reviewed	Pro Forma After Issue \$
CONTRIBUTED EQUITY		100,003	4,704,332
		<u>Number of Ordinary Shares</u>	
Caprice Resources Ltd Reviewed balance at 30 June 2018		5,000,003	100,003
<i>Subsequent events (Caprice Resources Ltd):</i>			
Second tranche of Seed Raising - 4 million shares at \$0.08 per share		4,000,000	320,000
<i>Adjustments arising in the preparation of the pro forma balance is summarised as follows:</i>			
Proceed from Shares issued under this Prospectus		22,500,000	4,500,000
Prospectus transaction costs		-	(465,671)
Shares given as consideration to Excedo Exploration for the acquisition of exploration licenses: EL30951 & EL30964		375,000	75,000
Shares given as consideration to Redfield for the acquisition of exploration licenses: E66/99 & E66/98		875,000	175,000
Pro Forma Balance		32,750,003	4,704,332

NOTE 6. RESERVES	Caprice Resources	
	Limited	Pro Forma
	30 June 18	After Issue
	\$ Reviewed	\$
RESERVES	-	875,552
Caprice Resources Ltd Reviewed balance at 30 June 2018		-
<i>Adjustments arising in the preparation of the pro forma balance is summarised as follows:</i>		
Director & Broker options in lieu of services		832,679
Options issued as consideration to Excedo Exploration for the acquisition of exploration licenses: EL30951 & EL30964		42,873
Pro Forma Balance		875,552

NOTE 7. ACCUMULATED LOSSES	Caprice Resources	
	Limited	Pro Forma
	30 June 18	After Issue
	\$ Reviewed	\$
RETAINED EARNINGS / (ACCUMULATED LOSSES)	(55,277)	(882,306)
Caprice Resources Ltd Reviewed balance at 30 June 2018		(55,277)
<i>Adjustments arising in the preparation of the pro forma balance is summarised as follows:</i>		
Director & Broker options in lieu of services		(827,029)
Pro Forma Balance		(882,306)

NOTE 8. OPTIONS

The fair value of options to be issued under the Prospectus have been calculated using the following inputs:

Inputs into valuation	Director Options	Broker Options	Lead Manager Options	Consideration Options
Number of options to be issued	2,650,000	2,000,000	1,000,000	325,000
Option Strike Price	\$0.25	\$0.25	\$0.25	\$0.25
Underlying Share Price	\$0.20	\$0.20	\$0.20	\$0.20
Term to Expiry	4 years	4 years	4 years	3 years
Risk Free rate (Representing the 3-year Australian Government Bond Rate)	2.18%	2.18%	2.18%	2.18%
Volatility	116%	116%	116%	116%
Fair value of option	\$0.1474	\$0.1474	\$0.1474	\$0.1319

Based on the above, the fair value of each option to be issued to Directors, Brokers and Lead Manager has been calculated at \$0.1474 with the total value ascribed to the 5,650,000 unlisted options being \$832,679.

The fair value of each option to be issued as consideration to the NT Vendor has been calculated at \$0.1319 with the total value ascribed to the 325,000 unlisted options being \$42,873.

For further details surrounding the above outlined options which will be issued, refer to section 7.2 of the Prospectus.

NOTE 9. RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in sections 5.7 & 6.7 of the Prospectus.

The Directors of the Company at the date of this report are:

- Scott Patrizi;
- Brynmor Hardcastle; and
- David Church

Directors' holdings of Shares, Directors' remuneration and other Directors' interests are set out in sections 5.5 and 5.6 of the Prospectus.

Schedule 2 - Solicitor's Report

Matter Number: 18048
Email: mb@bellanhouse.com

2 November 2018

The Directors
Caprice Resources Limited
Level 1, 40 Ord Street
West Perth WA 6005

Dear Sirs

Caprice Resources Limited
Solicitor's Report - Mining Tenements

This report has been prepared by Bellanhouse for Caprice Resources Limited (**Company**) for inclusion in the Company's prospectus (**Prospectus**) issued in connection with the Company's application for the admission of the ordinary shares of the Company to the Official list of the ASX.

Bellanhouse notes that Mr Bryn Hardcastle, non-executive director of the Company, is also managing partner at Bellanhouse.

1. Scope

We have been requested to report on:

- (a) two exploration licences located in Northern Territory; and
- (b) two exploration licences located in Western Australia,

that the Company has acquired, or intends to acquire, pursuant to the Acquisition Agreements.

Key details of the Tenements are set out in Schedule 1 of this Report and must be read in conjunction with this Report.

2. Searches

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

- (a) searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use

agreement and national land use agreements as maintained by the NNTT for any native title claims (registered or unregistered), native title determinations and ILUAs that overlap or apply to the Tenements on 8 October 2018 (**NNTT Searches**).

- (b) in respect of the NT Tenements:
 - (i) Minister's Certificates obtained from the NT Department pursuant to the NT Mining Act run on 9 October 2018;
 - (ii) searches of underlying pastoral tenure and petroleum tenure through the online STRIKE system maintained by the NT Department on 9 October 2018;
 - (iii) Abstracts of Records from the Register of Sacred Sites maintained by the Authority under the Sacred Sites Act dated 11 October 2018; and
 - (iv) the First and Second Schedules of Conditions attaching to the grant of the NT Tenements.
- (c) In respect of the WA Tenements:
 - (i) searches of the register maintained by the WA Department pursuant to the WA Mining Act on 8 October 2018 (**DMIRS Searches**);
 - (ii) quick appraisal user searches of the Tengraph system maintain by the WA Department on 8 October 2018 (**Tengraph Searches**); and
 - (iii) searches from the online Aboriginal Heritage Inquiry System (**AHIS**) maintained by the Department of Aboriginal Affairs for any Aboriginal sites registered on the WA Register of Aboriginal Sites and other heritage places over the WA Tenements on 8 October 2018.

3. Definitions

In this Report:

Aboriginal people has the meaning given in paragraph 7.2(a).

Acquisition Agreements means the NT Acquisition Agreement and the WA Acquisition Agreement.

Authority means the Aboriginal Areas Protection Authority.

Commonwealth Heritage Act means the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth).

Company means Caprice Resources Limited ACN 624 970 725.

DMIRS Searches has the meaning given in paragraph 2.

EL30951 means exploration licence 30951 located in Northern Territory.

EL30964 means exploration licence 30964 located in Northern Territory.

E66/98 means exploration licence 66/98 located in Western Australia.

E66/99 means exploration licence 66/99 located in Western Australia.

Excedo means Excedo Exploration Pty Ltd ACN 607 686 322.

Federal Court means the Federal Court of Australia.

Good Standing means, in relation to a Tenement, that all applicable requirements of the NT Mining Act, WA Mining Act, NT Mining Regulations and the WA Mining Regulations (as relevant) have been observed, including:

- (a) annual rent has been paid;
- (b) annual rates have been paid to the local shire;
- (c) any royalties on production have been paid; and
- (d) the expenditure conditions applicable to the tenement have been observed or exemptions validly applied for on the permitted grounds for exemption.

Heritage Agreements means the Hutt River Heritage Agreement and the Southern Yamatji Heritage Agreement.

Hutt River Heritage Agreement means the heritage agreement summarised in paragraph 10.3.

ILUA has the meaning given in paragraph 7.6(c).

Material Contracts means the Acquisition Agreements and the Heritage Agreements.

Minister means the relevant Minister under the WA Mining Act or the NT Mining Act, as applicable.

Minister's Certificates means the certificate obtained from the NT Department pursuant to section 128 of the Mining Act.

Native Title Act means the *Native Title Act 1993* (Cth).

Negotiation Parties has the meaning given in paragraph 7.9(a)(ii).

NNTR has the meaning given in paragraph 7.3(a).

NNTT means the Australian National Native Title Tribunal.

NNTT Searches has the meaning given in paragraph 2.

NT Department means the Northern Territory Department of Primary Industry and Resources.

NT Mining Act means the *Mineral Titles Act (NT)*.

NT Mining Regulations means the *Mineral Titles Regulations (NT)*.

NT Acquisition Agreement means the agreement summaries in paragraph 10.1.

NT Heritage Act means the *Northern Territory Heritage Act (NT)*.

NT Tenements means EL30951 and EL30964.

Prospectus has the meaning given in the opening paragraph of this document.

Protected Private Land has the meaning given in paragraph 9.2(a)(iv).

Red Field means Red Field Pty Ltd.

Report means this document, including any schedule or annexure to this document.

RNTC has the meaning given in paragraph 7.3(a).

Sacred Sites Act means the *Aboriginal Sacred Sites Act* (NT).

S29 Notice has the meaning given in paragraph 7.9(a)(i).

Searches means the searches referred to in paragraph 2.

Sothorn Yamatji Heritage Agreement means the heritage agreement summarised in paragraph 10.4.

Tenements means the NT Tenements and the WA Tenements.

Tengraph Searches has the meaning given in paragraph 2.

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

WA Heritage Act means the *Aboriginal Heritage Act 1972* (WA).

WA Mining Act means the *Mining Act 1978* (WA).

WA Mining Regulations means the *Mining Regulations 1981* (WA).

WA Acquisition Agreement means the agreement summarised in paragraph 10.2.

WA Tenements means E66/98 and E66/99.

4. Opinion

As a result of the searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches, this Report provides an accurate statement as to:

- (a) **Company's Interest:** the Company's interest in the Tenements;
- (b) **Good Standing:** the validity and good standing of the Tenements; and
- (c) **Third party interests:** third party interests, including encumbrances, in relation to the Tenements.

5. Risk factors

- (a) **Title risks**
WA Tenements

The Company does not have a registered legal interest in the WA Tenements at the date of this Report. It only holds an equitable interest under the conditional WA Acquisition Agreement to acquire a 100% legal and beneficial interest in each of the WA Tenements.

There is a risk that if the outstanding conditions to completion under the WA Acquisition Agreement (which is summarised in paragraph 10.2) are not satisfied or waived, the Company will not acquire a legal interest in the WA Tenements. If the condition in relation to Ministerial consent is waived by the Company, the Company will complete the acquisition and pay the consideration prior to receiving a legal interest in the WA Tenements.

NT Tenements

The Company is the registered holder of the NT Tenements. However, Excedo remains the beneficial owner of the NT Tenements pending completion under the NT Acquisition Agreement.

There is a risk that if the outstanding conditions to completion under the NT Acquisition Agreement (which is summarised in paragraph 10.1) are not satisfied or waived, Excedo will remain the beneficial owner of the NT Tenements and the Company will not acquire fully legal and beneficial ownership of the WA Tenements.

(b) Private Land

Surface rights to Protected Private Land

The WA Tenements have not been granted in respect of any Protected Private Land within 30 metres from the natural surface of the land. Accordingly, the Company will have no rights to explore or mine on the surface, and for the 30 metres below the surface, of any part of the WA Tenements covered by Protected Private Land.

The Company may apply for the grant of rights over the surface of Protected Private Land, however this is subject to the prior consent of the owner and occupier of the land.

Although our Searches indicate a significant portion of the WA Tenements overlap private land (see paragraph 9.2(a) for details), our Searches are not able to identify the location of Protected Private Land or the extent to which it overlaps the WA Tenements. We recommend the Company make its own enquiries in this regard.

The existence of Protected Private Land within the boundaries of the WA Tenements, and/or any delay in obtaining the necessary consents in respect of the grant of tenure over such areas, may preclude, limit or delay exploration activities in certain areas of the WA Tenements.

Compensation

The Company cannot commence activities on the surface or within a depth of 30 metres from the surface of any private land (including, but not limited to, Protected Private Land) until compensation has been agreed with the relevant owner and occupier or paid in accordance with the WA Mining Act. The Searches indicate that private land overlaps a significant portion of the WA

Mining Tenements (91% of E66/99 and 83% of E66/98). See paragraph 9.2(a) for details.

Any delay in obtaining agreement in respect of compensation may adversely impact the Company's ability to carry out exploration or mining activities within private land on the WA Tenements.

(c) Complex underlying land usage

The WA Tenements are located over and in the vicinity of the town of Northampton, being an inhabited area of relatively intense land use. As a consequence the WA Tenements are subject to various endorsements and conditions relating to competing land uses, for example "C" class reserves, highways, geodetic survey equipment and water reserves.

Some conditions preclude exploration activities in certain areas of the WA Tenements and/or require the Company to obtain prior consents or additional approvals prior to commencing activities. Details of particular conditions and endorsements are set out in Schedule 1 however the Company should consult the WA Department register and Tengraph system to obtain a proper understanding of the overlapping land usages and restrictions on its rights under the WA Tenements.

The existence of such restrictions may preclude, limit or delay exploration and mining activities in certain areas of the Tenements.

(d) Other third party tenure risks

Under Northern Territory, Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third party interests which overlay areas within the Tenements, including private land, native title claims, pastoral leases and/or petroleum tenure, in respect of exploration or mining activities on the Tenements.

In addition to the private land overlapping the WA Tenements discussed above, our Searches indicate that:

- (i) the NT Tenements overlap pastoral leases, a registered native title claim and (in the case of EL30951) petroleum tenure (see paragraphs 9.1 and 7.11 for details); and
- (ii) the WA Tenements overlap two registered native title claims (see paragraph 7.11 for details).

Any delay in obtaining necessary consents or in respect of compensation obligations may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

(e) Native title risks

The Searches indicate that:

- (iii) both WA Tenements lie within the Hutt River registered native title claim; and

- (iv) one of the WA Tenements (E66/98) also lies within the Southern Yamatji registered native title claim.

The existence of native title and/or registered native title claims in relation to the land the subject of the Tenements may affect the Company's ability to obtain the grant of future tenure over the Tenements or in their vicinity. If the Tenements have not been validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities. See paragraph 7 below for further details.

(f) Aboriginal Heritage risks

Our Searches indicate there is:

- (i) one sacred site and three other sites recorded on the NT Tenements; and
- (ii) three Aboriginal Sites and one other heritage place recorded on the WA Tenements.

There also remains a risk that additional Aboriginal sites (in respect of the WA Tenements), additional sacred sites or Aboriginal archaeological places (in respect of the NT Tenements) and/or other heritage objects may exist on the land the subject of the Tenements.

The existence of such items may preclude or limit mining activities in certain areas of the Tenements. See paragraph 8 below for further details.

The Company proposes to take assignment of the Heritage Agreements, which contain a heritage protection regime, to address these risks in relation to the WA Tenements. There is some uncertainty as to whether the Heritage Agreement are binding on the Native Title Claimants because they fail to properly identify the relevant native title claim group on whose behalf the agreements have been entered into (see paragraphs 10.3 and 10.4). We have recommended that the agreements be amended to address this.

The Hutt River Heritage Agreement which relates to both WA Tenements contains exclusion zones on E66/99 around certain areas of heritage significance within which the tenement holder is prohibited from conducting exploration (see paragraphs 10.3 for details). The existence of these exclusions zones will preclude the Company from undertaking exploration or other otherwise accessing certain areas of the WA Tenements.

(g) State heritage risks

Our Searches indicate there are 15 State heritage places recorded on E66/99.

The existence of these State heritage places may preclude or limit mining activities in certain areas of the Tenements. See paragraph 9.2(b) below for further details.

6. Tenements

6.1 Northern Territory Mining Tenements

The NT Tenements are two exploration licences granted under the NT Mining Act. The following section provides a description of the nature and key terms of the types of mining tenements (including potential successor tenements) that may be granted under the NT Mining Act.

(a) Exploration Licence

(i) Application

In accordance with the NT Mining Act, an application for a mineral exploration licence (or "EL") must be made to the Minister in the approved form. An application must include a description of the blocks comprising the proposed title area of the exploration licence and a technical work program (which includes the proposed expenditure for carrying out technical work) for the first two operational years of the exploration licence.

(ii) Rights

The holder of a mineral exploration licence has the right to occupy the land and conduct exploration for minerals on the land.

The following activities may be conducted by the title holder on an exploration licence:

- (A) digging pits, trenches and holes and sinking bores and tunnels, in the title area;
- (B) activities for ascertaining the quality, quantity or extent of ore or other material in the title area by drilling or other methods; and
- (C) the extraction and removal of samples of ore and other substances in amounts reasonably necessary for the evaluation of the potential for mining in the area.

Larger samples of ore may be removed with the authorisation of the Minister.

(iii) Area

The title area of an exploration licence may comprise a minimum of 4 adjoining blocks and a maximum of 250 blocks. The Minister may grant an exploration licence with a title area smaller than 4 adjoining blocks if there are circumstances that justify the smaller area.

(iv) Compulsory surrender

Unless the Minister decides otherwise, the title area of an exploration licence must be reduced by half at the end of each period of 2 operational years. "Operational Year" is defined in the Mining Act to mean the period of 12 months immediately after the title comes into

force and each subsequent period of 12 months. This includes the last operational year if the title holder applies for a renewal of the exploration licence.

The Minister has broad discretion to decide, on his own initiative or on application of the title holder, that a reduction is not required, the size of the reduction and to defer the timing of the reduction. However, if the title holder has failed to comply with the expenditure conditions of the licence, the Minister is not required to consider any such application made by the holder.

The first 2 year operational period of the NT Tenements ended on 28 February 2018. The Minister's Certificates indicate that on application from the holder, the Minister has determined to waive the reduction of the NT Tenements at the end of the first 2 year operational period. The Company has confirmed that this waiver was approved on 20 April 2018. The Minister's Certificates indicate that the reduction of the NT Tenements is now due on 28 February 2020.

(v) Term

The Minister may grant an exploration licence for a term not exceeding 6 years. Prior to the end of the term of an exploration licence, the title holder may apply to the Minister for the renewal of the exploration licence for all or some of the blocks in the title area. The Minister may renew the exploration licence for a term not exceeding 2 years but the exploration licence may not be renewed more than once.

(vi) Retention Status

The holder of an exploration licence may apply to the Minister to have the exploration licence, or part of the exploration licence, designated as an exploration licence in retention (ELR). The application may only be made where there is an ore body or anomalous zone of possible economic potential in the title area and mining is not currently commercially viable or may be currently commercially viable but further work is required to assess its feasibility.

If an ELR is granted the area of the ELR will be excluded from the area of the exploration licence, unless the ELR is issued for all of the title area of the exploration licence in which case the ELR will replace the exploration licence.

The ELR may be issued for a term not exceeding 5 years and renewals may be sought for further periods of 5 years. The rights of the holder of an ELR include the right to occupy the title area and to continue conducting the activities authorised for an exploration licence.

An ELR gives the holder an exclusive right to apply for a mineral lease over all or part of the title area.

If the Minister is satisfied that the mining and processing of minerals on an ELR is commercially viable, the Minister may issue a notice to the title holder requiring the title holder to either apply for a mineral lease over all or part of the area of the ELR or give reasons why the

title holder has not so applied. The Minister may cancel the ELR if the title holder fails to provide reasons or apply for a mineral lease within the time specified in the notice or, if reasons are provided by the title holder, the Minister is satisfied that it is the interests of the Territory that the ELR should be cancelled.

(vii) Conditions

Exploration licences are granted subject to the following statutory conditions:

- (A) before conducting authorised activities on an exploration licence, the title holder must give notice to any landowners (which include, among others, holders of pastoral leases and native title holders) or occupiers of land in the title area;
- (B) the holder of an exploration licence must:
 - (1) carry out exploration work in accordance with the technical work program and the expenditure requirements for the exploration licence;
 - (2) give notice to the Minister within 28 days of discovery of a mineral that may be of economic or commercial interest;
 - (3) notify the Minister and provide such samples and data as the Minister requires within 28 days of finding underground water during the conduct of authorised activities; and
 - (4) provide the Minister with a technical work program for the authorised activities to be conducted on the title in the next operational year; and
- (C) the holder of an exploration licence must not:
 - (1) extract or remove ore, except for sampling purposes or as otherwise authorised by the Minister; and
 - (2) sell a mineral discovered in the title area, unless the sale has been approved by the Minister.

Exploration licences are also subject to the conditions specified in the First Schedule (General Conditions of Grant) and Second Schedule Conditions that are scheduled to the notice of intention to grant the licences and any conditions imposed upon renewal of the licence. See Schedule 1 for details of the conditions in respect of the NT Tenements.

(viii) Authorisations

Before carrying out any exploration activities or works involving substantial disturbance on the licence area, the holder must obtain a valid authorisation granted under Part 4, Division 2 of the *Mining Management Act* (NT).

The Minister's Certificates indicate that no authorisations under the *Mining Management Act* (NT) have been granted in respect of the NT Tenements.

(ix) Priority to apply for mineral lease

The holder of an exploration licence has an exclusive right to apply for a mineral lease for all or part of the title area.

(x) Amalgamation

The Minister may decide to amalgamate all or part of 2 or more adjoining title areas if the exploration licences are held by the same person and authorise the same activities. An amalgamation may be done on the Minister's own initiative (after consulting with the title holder) or on application by the holder of the original titles. The effect of an amalgamation is that the original titles are cancelled and a new exploration licence issued in replacement.

(xi) Transfer

The holder of a mineral title (which includes an exploration licence) must apply to the Minister for approval and registration of transfer a legal or equitable interest in the title.

It is a condition to completion under the NT Acquisition Agreement that Ministerial approval for the transfer of the NT Tenements to the Company is obtained.

(xii) Cancellation

The Minister may cancel an exploration licence if the holder has contravened a condition of the mineral title, has failed to pay an amount due to the Territory under the Mining Act, has not used good work practices in conducting its authorised activities, no longer has the financial resources to carry out the work program or has not conducted authorised activities on the title area for a continuous period of 2 years.

(b) Mineral Lease

(i) Applications

A person may apply in accordance with the NT Mining Act to the Minister for the grant of a mineral lease, however a holder of an exploration licence or retention licence over the relevant area has priority.

An application for a mineral lease must include a description of the land comprising the proposed area of the mineral lease, evidence of an ore body or anomalous zone of likely economic value in the proposed area of the mineral lease (unless the mineral lease is granted for purposes ancillary to a mining operation being carried out by the title holder on another mineral lease) and a summary of the work proposed to be carried out on the mineral lease.

(ii) Rights

A mineral lease gives the holder the exclusive right to, among other things, mine, process and remove minerals from the area of the lease. A mineral lease may also be granted for the purpose of conducting activities ancillary to mining conducted on another mineral lease granted to the title holder. The holder has exclusive rights to occupy the land comprised of the mineral lease.

(iii) Term

The Minister may grant a mineral lease for the term the Minister considers appropriate. The mineral lease may be renewed more than once for a term the Minister considers appropriate.

(iv) Conditions

The title holder is required to comply with all contractual arrangements entered into with the Territory and to conduct activities in relation to the area of the mineral lease in a way that interferes as little as possible with the rights of other occupiers of land in the vicinity of the lease area.

(v) Transfer

The holder of a mineral lease must apply to the Minister for approval and registration of transfer a legal or equitable interest in the title.

6.2 Western Australia Mining Tenements

The WA Tenements comprise of two granted exploration licences (prefixed "E") pursuant to the WA Mining Act. The following provides a description of the nature and key terms of the types of mining tenements (including potential successor tenements) that may be granted under the WA Mining Act.

(a) Exploration Licences

(i) Licence area and authority

An exploration licence permits the holder to explore over land up to a maximum 200 graticular blocks in designated areas of WA and a maximum of 70 graticular blocks elsewhere. Graticular blocks range in area from approximately 2.8km² to 3.3km². There is no limit to the number of exploration licences which may be held by any one person.

An exploration licence authorises the holder to enter land to explore using vehicles, machinery and equipment as may be necessary or expedient for the purpose of exploring for minerals in, on or under the land. The holder of an exploration licence may excavate, extract or remove earth, soil, rocks, stone, fluid or mineral-bearing substances not exceeding 1,000 tonnes over the term of the licence.

An exploration licence will not be granted over land the subject of an existing mining tenement (other than a miscellaneous licence). E66/99 is subject to an overlapping application for exploration licence E66/101 lodged by Hurricane Prospecting Pty Ltd on 7 July

2017. The application for E66/101 covers a total of 6 graticular blocks (4 graticular blocks falling within the area of E66/99 and 2 falling outside but adjacent to the south west corner of E66/99).

E66/101 will not be granted in respect of the overlap with E66/99 and will not affect the Company's tenure under E66/99. However, E66/101 may nonetheless be granted in respect of the 2 blocks falling outside but adjacent to E66/99. If E66/101 is granted over this adjacent area, this may adversely impact on the Company's ability to obtain future tenure in the vicinity of the south western corner of E66/99.

(ii) Term and extension

Exploration licences are granted for a term of 5 years. The Minister has discretion to extend the exploration licence for one further period of 5 years and then by further 2 year periods if satisfied that a prescribed ground for extension exists.

'Prescribed grounds' for extension include circumstances when the holder experienced difficulties or delays arising from governmental, legal, climatic or heritage reasons, where work carried out justifies further exploration, or where the Minister considers the land has been unworkable for whole or a considerable part of any year of the term.

(iii) Relinquishment requirement

Exploration licences of more than 10 blocks applied for after 10 February 2006 are subject to a requirement that the holder relinquishes 40% of the tenement area at the end of the sixth year that the licence is held. A failure to lodge the required partial surrender could render the exploration licence liable to forfeiture.

(iv) Retention status

The holder of an exploration licence applied for after 10 February 2006 may apply for retention status for the whole or part of the land the subject of the exploration licence which may be approved if there is an identified mineral resource located in the land and mining of that identified mineral resource is impractical for economic or marketing reasons or if there are political, environmental or other difficulties in obtaining requisite approvals. On approval of retention status, the holder of an exploration licence may have to comply with a specified programme of work. The Minister may ask the holder of a exploration licence with retention status to show cause why a mining lease or leases should not be applied for over the land.

(v) Transfer during first year

During the first year of grant of an exploration licence, a legal or equitable interest in or affecting the exploration licence cannot be transferred or otherwise dealt with, whether directly or indirectly, without the prior written consent of the Minister.

Both the WA Tenements are currently within their first year of grant (having been granted on 24 April 2018 and 21 May 2018 respectively). It is a condition to completion under the WA Acquisition Agreement

that Ministerial approval for the transfer of the Tenements to the Company is obtained.

(vi) Right to apply for mining lease

During the term of an exploration licence, the holder may apply for and have granted subject to the WA Mining Act, one or more mining leases over any part of land subject to the exploration licence. Where an application for a mining lease is made, and the term of the exploration licence is due to expire prior to the mining lease application being determined, the exploration licence will continue in force over the land subject to the mining lease application pending the outcome of that mining lease application.

(vii) Rent and expenditure requirements

Annual rent for an exploration licence (graticular) is \$136.00 per block for years 1 to 3 of the term of the licence (\$341.00 if for only 1 block), \$220.00 per block for years 4 and 5, \$300.00 per block for years 6 and 7, and \$567.00 per block for year 8 and each subsequent year of the term of the licence (based on rental rates current as at the date of this Report).

Exploration licences are subject to minimum annual expenditure requirements which are calculated at not less than:

- (A) \$1,000 per block for years 1 to 3 of the term of the licence (subject to minimums of \$10,000 for licences of 1 block only, \$15,000 for licences of 2 to 5 blocks and \$20,000 for licences of 6 or more blocks);
- (B) not less than \$1,500 per block for years 4 and 5 of the term of the licence (subject to minimums of \$10,000 for licences of 1 block only, \$20,000 for licences of 2 to 5 blocks and \$30,000 for licences of 6 or more blocks);
- (C) not less than \$2,000 per block for years 6 and 7 of the term of the licence (subject to minimums of \$15,000 for licences of 1 block only, \$30,000 for licences of 2 to 5 blocks and \$50,000 for licences of 6 or more blocks); and
- (D) not less than \$3,000 per block for years 8 and each subsequent year of the term of the licence (subject to minimums of \$20,000 for licences of 1 block only, \$50,000 for licences of 2 to 5 blocks and \$70,000 for licences of 6 or more blocks),

(based on expenditure requirements current as at the date of this Report).

The holder of an exploration licence may apply for exemption from compliance with minimum expenditure requirements on certain grounds set out in the WA Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless exempted, renders the exploration licence liable to forfeiture.

(viii) Forfeiture

The Minister may make an order for the forfeiture of an exploration licence for any of the following reasons:

- (A) failure to comply with a condition of an exploration licence such as payment of rent or statutory royalty, or lodgement of a report as required by the Mining Act;
- (B) failure to comply with certain provisions of the Mining Act;
- (C) failure to satisfy expenditure conditions;
- (D) failure by the holder to satisfy a request of the Minister; or
- (E) if the holder is convicted of an offence under the Mining Act.

Rather than forfeiting the exploration licence, the Minister may impose a penalty not exceeding \$150,000 if the holder is a body corporate, or award the whole or part of any such penalty to any person or impose no penalty on the holder.

(ix) Other conditions

Exploration licences are subject to standard conditions that must be complied with, including rent payments, annual expenditure requirements and the requirement to lodge annual technical reports. Standard conditions also stipulate that a tenement holder obtain the consent of an officer of the WA Department prior to conducting any ground disturbing work, basic environmental and rehabilitation conditions (such as the removal of all waste, capping of drill holes, etc.) and prohibitions or restrictions on disturbing existing infrastructure such as roads, powerlines, aerial landing ground, airstrips and geodetic survey stations.

In addition to these standard conditions, particular conditions affecting the WA Tenements are set out in Schedule 1.

The WA Tenements are located on and in the vicinity of built up areas and in particular, E66/99 overlaps the Northampton Townsite. The WA Tenements accordingly overlay quite complex land tenure and are subject to various conditions restricting the holder's activities in certain areas.

Particular conditions affecting the WA Tenements include conditions restricting exploration activities, or requiring prior written consent of the Minister before commencing exploration activities, on various "C" Class Reserves which overlap the WA Tenements and on the Northampton Townsite. There are also conditions restricting activities in the vicinity of certain roads, water reserves and geodetic survey stations. These conditions are further particularised in Schedule 1.

On the basis of the Searches, we are not aware of any non-compliance with the conditions.

(b) **Mining Leases**

(i) Application for a mining lease

Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The grant of mining leases under the WA Mining Act lies with the Minister on recommendation of the Mining Registrar or Warden. Since 11 February 2011, the area over which a mining lease may be granted is unrestricted.

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

In 2017, the High Court of Australia handed down a decision, *Forrest & Forrest Pty Ltd v Wilson* [2017] HCA 30, that called into question the validity of a number of mining leases in Western Australia. In overturning the WA Court of Appeal decision, the High Court held that strict compliance with s74 of the WA Mining Act was a pre-condition to the grant of a mining lease. Specifically in this case, it was held that the failure to lodge a mining proposal or a mineralisation report at the same time as the Mining Lease application meant that the application was invalid. The fact that a mineralisation report was subsequently lodged, prior to the Warden's consideration of the application, made no difference to the validity of the original application. On 28 November 2017, the Minister announced that Cabinet had given approval to draft and introduce the Mining Legislation Amendment and Validation Bill 2017 that will validate those mining leases where the mineralisation report was not submitted concurrently with the mining application. However, at the date of this report the validating bill is yet to be introduced to parliament.

(ii) Authority

A mining lease entitles the holder to use, occupy and enjoy the land for the purposes of mining. The holder may work and mine the land for any minerals, extract and dispose of such minerals and do all acts and things necessary in order to carry out mining operations on the land the subject of that mining lease, conditional on a programme of work being approved by the WA Department.

(iii) Term and extension

A mining lease remains in force for up to 21 years from the date of grant. The holder has an option to renew for a further 21 years and then for a further 21 years with Ministerial consent.

(iv) Transfer

It is a condition of a mining lease that the holder not transfer or mortgage a legal interest in the land or any part of the land without

the prior written consent of the Minister or an officer of the WA Department acting on the authority of the Minister.

(v) Rent and expenditure requirements

Annual rent for a mining lease is \$18.70 per hectare (based on rental rates current as at the date of this Report).

Mining leases are subject to minimum annual expenditure requirements of not less than \$100 for each hectare, with a minimum of \$10,000 per year during each year of the term of the lease. If the mining lease does not exceed 5 hectares the minimum annual expenditure will be \$5,000 (based on expenditure requirements current as at the date of this Report).

(vi) Other conditions

Mining leases are granted subject to various other standard conditions, including conditions relating to the survey of the land, and the observance of environmental protection and reporting requirements. A failure to comply with the conditions (including expenditure conditions) may lead to forfeiture of the mining lease or the Minister imposing a penalty not exceeding \$50,000 as an alternative.

(vii) Royalty

Where minerals of economic significance are discovered, the holder of a mining lease is obliged to report this to the Minister promptly. A royalty is payable to the State of Western Australia in relation to minerals obtained from the land that is the subject of a mining lease granted under the WA Mining Act. This is particularly relevant where native title agreement royalties are calculated by reference to the royalty payable to the State of Western Australia. The royalty rates vary according to the product concerned. Western Australia has a three-tiered royalty system which applies one of three royalty rates depending on the form in which the mineral is sold (ore, concentrate or final form), and the extent to which it is processed. In Western Australia, there are two systems used to collect mineral royalties:

specific rate - calculated as a flat rate per tonne produced and generally applies under legislation to low value construction and industrial minerals. The rates on production between 1 July 2015 and 30 June 2020 are 73 cents per tonne and 117 cents per tonne; and

ad valorem - calculated as a percentage of the 'royalty value' of the mineral, which applies under the WA Mining Regulations. The royalty value is broadly calculated as the quantity of the mineral in the form in which it is first sold, multiplied by the price in that form, minus any allowable deductions. The ad valorem royalty rate takes into account price fluctuations and material grades as follows:

- (A) bulk material (subject to limited treatment) - 7.5% of the royalty value;
- (B) concentrate material (subject to substantial enrichment through a concentration plant) - 5% of the royalty value; and

- (C) metal - 2.5% of the royalty value.

The 'royalty value' components used to calculate the 'royalty value' are defined under the WA Mining Regulations. In some cases, for example in the case of nickel, an alternative value applies.

- (viii) Mining Rehabilitation Fund

- (A) The Mining Rehabilitation Fund (**Fund**) is a pooled fund to which Western Australian mining operators contribute. Money in the Fund will be used to rehabilitate abandoned mine sites in Western Australia.
- (B) The holders of all mining tenements, except those tenements covered by special agreements with the State of Western Australia not listed in the *Mining Rehabilitation Fund Regulations 2013* (WA), are required to participate in the Fund. This involves reporting disturbance data and contributing annually to the Fund. Holders of tenements with a rehabilitation liability estimate below a threshold of \$50,000 are required to report disturbance data but are not required to pay into the Fund.

7. Native title

7.1 General

- (a) The law in Australia recognises native title. In particular, it recognises that Aboriginal people may hold native title rights and interests in respect of their land. Native title exists where Aboriginal people have maintained a traditional connection to their land and waters, provided it has not been extinguished.
- (b) The grant of a mining tenement also creates rights in respect of land. Those mining tenement rights may *affect* (ie be inconsistent with) any native title rights and interests. As a general statement, those mining tenement rights will be invalid as against any native title rights, unless made valid by certain procedures in the Native Title Act.

7.2 An explanation: Native title

- (a) On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. Native title rights and interests to land are recognised where the claimants (**Aboriginal people**) can establish that they have maintained a continuous connection with their land in accordance with their traditional laws and customs, and that their native title rights and interests have not been lawfully extinguished. Native title rights can be lawfully extinguished in different ways, including voluntary surrender, death of the last survivor of a community entitled to native title, abandonment of the land or the grant of incompatible title (such as the grant of freehold land).
- (b) The Native Title Act came into effect on 1 January 1994, largely in response to the decision in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1.

7.3 Native title claims

- (a) The Native Title Act sets out a process by which Aboriginal people may seek a determination by the Federal Court that they hold native title rights and interests. Whilst the Federal Court is assessing the claimed native title rights and interests, a Registrar of the NNTT will assess whether the native title claim meets certain registration requirements set out in the Native Title Act, and if so, the native title claim will be entered on the Register of Native Title Claims (RNTC). If the Federal Court determines that the claimed native rights and interests exist, details of the determined native title claim (and the determined native title rights held) are then entered on the National Native Title Register (NNTR).
- (b) If a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR, the Native Title Act provides the claimants / holders with certain rights, including procedural rights where a "future act" is proposed. An example of a "future act" is the grant of a mining tenement.

7.4 Validation of acts (i.e. grant of a mining tenement)

The Native Title Act sets out when "acts" will be "valid" in the event they *affect* (i.e. are inconsistent with) native title, however, this process need only apply where native title exists (a determined native title claim entered on the NNTR) or is claimed to exist (a native title claim entered on the RNTC). The "acts" can be a proposed activity or development on land and waters. A common example in Western Australia is the proposed grants of mining tenements by the WA Department.

7.5 "Past Acts" (i.e. grants of mining tenements): Prior to 1 January 1994

The Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain "acts" which were done before 1 January 1994. In Western Australia, that legislation is the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* (WA). It provides that all "acts" (e.g. grants of mining tenements) prior to 1 January 1994 are valid to the extent they affect native title.

7.6 "Future Acts" (i.e. proposed grants of mining tenements): After 1 January 1994

- (a) Generally, a "future act" is an "act" (e.g. grant of mining tenement) occurring after 1 January 1994 which affects native title.
- (b) The Native Title Act sets out the circumstances in which, and procedures by which, "future acts" will be valid should that "act" affect native title.
- (c) Such circumstances include if the "act" was done in certain circumstances between 1 January 1994 and 23 December 1996 (called "Intermediate Period Acts"), or if the "act" is permitted by an Indigenous Land Use Agreement (ILUA), or if certain procedures are to be followed where a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR. Such procedures include the "Right to Negotiate Procedure" and the "Expedited Procedure".

7.7 Future Acts Between 1 January 1994 and 23 December 1996

Similarly to Past Acts, the Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain Intermediate Period Acts (e.g.

grants of mining tenements) done between 1 January 1994 and to 23 December 1996 over land or water where a freehold estate or lease (including a pastoral lease but not a mining lease) had been validly granted.

7.8 ILUA

An ILUA is an agreement which has been authorised by the native title claimant group and has been registered with the NNTT. If the ILUA provides that any one or more mining tenements may be granted, then the relevant mining tenement(s) may be granted without following any other procedures, including the Right to Negotiate Procedure or the Expedited Procedure.

7.9 Right to Negotiate Procedure

(a) General

- (i) The Right to Negotiate Procedure commences with the relevant State or Territory giving notice of the proposed future act (i.e. proposed grant of a mining tenement) (**S29 Notice**).
- (ii) Then any native title party whose details are registered on the RNTC or NNTR, the applicant for the mining tenement and the relevant State or Territory (collectively, the **Negotiation Parties**) are required to negotiate in good faith with a view to the native title party agreeing to the proposed future act.

(b) Scope of negotiations

- (i) The scope of the negotiations includes any matters relating to the effect of the grant of the future act on the claimed or determined native title rights and interest. The scope can include any matters about which the parties are willing to negotiate. Where the future act is the proposed grant of an exploration or prospecting licence, usually an agreement is reached which aims to protect Aboriginal heritage. This is because exploration licences confer only limited rights to the registered holder of the licence, conferring rights to conduct exploration and disturb the land for that purpose.
- (ii) Where the future act is the proposed grant of a mining lease, the negotiations and resulting agreement are usually more complex, as the nature of rights granted for a mining lease contemplates substantial ground disturbance over a portion of the area granted. Such a right may be incompatible with the exercise of some or all native title rights and interest over that portion. It is usual for the resulting agreement to address employment and training, environmental rehabilitation, Aboriginal heritage protection, cultural awareness and the payment of compensation to the native title party.

(c) What if negotiations break down?

- (i) If the Negotiation Parties negotiate in good faith but cannot reach agreement as to the doing of the future act, then provided at least 6 months have elapsed since the S29 Notice, any party (in most cases the applicant for the mining tenement) may apply to the NNTT for a determination as to whether the future act may be done, and if so, on what conditions.

- (ii) Accordingly, the doing of a future act (i.e. granting of the mining tenement) is dependent on the Negotiation Parties reaching agreement, or the NNTT making a determination that the future act may be done.

7.10 Expedited Procedure

- (a) If the relevant State or Territory believes the future act will have minimal impact on native title rights, it may in the S29 Notice elect to use the Expedited Procedure. If the relevant State or Territory gives such notice, any native title party whose details are registered on the RNTC or NNTR may object to the use of the Expedited Procedure.
- (b) If no objection is lodged, the mining tenement can be granted without delay. If an objection is lodged, the NNTT must determine the validity of the objection. If the objection is dismissed, the tenement can be granted without delay. If the objection is not dismissed, the Right to Negotiate Procedure outlined at paragraph 7.9 applies.
- (c) In Western Australia, current WA Department policy is that it will process applications for exploration and prospecting licences through the Expedited Process of the Native Title Act only once the applicant for the mining tenement provides evidence by way of a statutory declaration/affidavit that a regional standard heritage agreement (**RSHA**) exists or has been signed by the proponent and sent to an affected registered Native Title Claimant (**NTC**) group or that an alternative heritage agreement exists between the NTC group and the explorer. If the explorer either refuses to enter into a RSHA or an alternative heritage agreement or fails to advise DMIRS that an agreement has been signed, the WA Department will process the exploration application under the Right to Negotiate Procedure.
- (d) In Western Australia, the Right to Negotiate Procedure is generally always used for the processing of mining lease applications, as well as most general purpose lease applications

7.11 Compensation

- (a) In certain circumstances holders of native title (a determined native title claim that is registered on the NNTR) may be entitled to apply under the Native Title Act to the Federal Court for compensation for any effect on their native title. The Mining Act provides that holders of mining tenements are liable for such compensation where awarded by reason of their mining tenements having affected native title. Consequently, if it has been, or is in the future, determined that native title exists over any of the land the subject of a mining tenement (or granted future act) and the holders of the native title apply to the Federal Court for compensation, the holder of the tenement may be liable and directed to pay any compensation determined. To date, few claims have been lodged with the Federal Court for compensation and until recently no award for compensation has been made by the Federal Court. It is due to this potential risk that the applicant for a mining lease will agree to the inclusions of payment of compensation provisions during the negotiations that lead to the grant of the mining lease, as the applicant is able to restrict the level of compensation payable.
- (b) On 24 August 2016, the Federal Court handed down the first ever judicial assessment of native title compensation in Australia, in *Griffiths v Northern Territory (No 3)* [2016] FCA 900 (Timber Creek). The Federal Court ordered

the Northern Territory Government to pay over \$3.3 million to the Ngaliwurru and Nungali Peoples, as compensation for the impact of certain acts on their native title rights and interests in the town of Timber Creek.

- (c) Importantly, as this case is the first ever litigated native title compensation determination, the Federal Court established new principles for valuing native title compensation in accordance with the Native Title Act.
- (d) The Federal Court in Timber Creek held that the compensation to be awarded to the Ngaliwurru and Nungali Peoples for the extinguishment and impairment of their native title rights and interests comprised of three distinct components:
 - (i) \$512,400 for economic loss;
 - (ii) \$1.3 million for non-economic loss; and
 - (iii) \$1,488,261 for interest on the economic loss component of the compensation.
- (e) Although the area in which compensation was claimed in Timber Creek (approximately 23km²) is relatively small having regard to other areas in relation to which native title has been extinguished in Australia, the Federal Court has made it clear that the potential liability arising out of specific acts will be determined on a case by case basis. It is difficult to predict how much compensation will be awarded in other cases, although the Federal Court has offered general guiding principles for valuing native title compensation.
- (f) This decision was appealed to the Full Court of the Federal Court, which handed down its decision on 20 July 2017 in *Northern Territory of Australia v Griffiths [2017] FCAFC 106*. The Full Federal Court largely upheld the primary judge's decision although some of the grounds of appeal were upheld, namely that the discount factor should have been 65% of freehold value (down from 80%), interest on damages awarded for prior extinguishment will not be payable on and from the date of revival and damages for trespass for three invalid future acts should not be awarded. Although this appeal reduces the amount of compensation payable, the figure remains significant.
- (g) Applications for special leave to appeal to the High Court from the decision in Timber Creek have recently been granted for each of the claim group, the Northern Territory, and the Commonwealth. These applications seek to re-open effectively all aspects of the Full Court's decision and will be the first time the High Court has considered a question of native title compensation. The High Court heard the matter in September 2018 and has reserved its decision. It may be several months before a decision is handed down.
- (h) Notwithstanding the outcome of the High Court appeal of the Timber Creek case, native title compensation is an evolving area of law and it is likely that the Full Federal Court or High Court will be required to consider and determine another compensation matter.

7.12 Registered native title claims and determinations affecting the NT Tenements

Our enquiries indicate that both of the NT Tenements lie within the discontinued Mount Keppler registered native title claim, the details of which are as follows:

NNTT No.	Federal Court No.	Application Name	Registered	Status
DC2000/030	NTD6032/2000	Mount Keppler	Registered from 16 February 2001 to 30 July 2018	Discontinued

The Mount Keppler claim was registered at the time the NT Tenements were granted, however there is no current native title claim over the area covered by the NT Tenements.

The existence of a registered native title claim over the area covered by the NT Tenements at the time of grant, does not impact the rights and interests of the holder under those licences if the licences have been validly granted.

7.13 Validity of NT Tenements

- (a) The Minister's Certificates indicate that each of the NT Tenements was granted on 29 February 2016.
- (b) As the NT Tenements were both granted after 23 December 2006, they were therefore granted subject to the Native Title Act. Provided that the NT Tenements were validly granted in accordance with the Native Title Act, they will be valid as against native title rights and interests. There is nothing in our enquires to indicate that the NT Tenements were not validly granted in accordance with the Native Title Act.

7.14 Registered native title claims and determinations affecting the WA Tenements

The NNTT Searches indicate that the WA Tenements lie within registered native title claims, the details of which are as follows:

NNTT No.	Federal Court No.	Application Name	Registered	Status	Tenement(s) affected
WC2000/001	WAD6001/2000	Hutt River	7 July 2000	Active	E66/98 E66/99
WC2017/002	WAD6002/2004	Southern Yamatji	27 October 2017	Active	E66/98

The existence of a registered native title claim over the area covered by the WA Tenements, or a subsequent determination of native title over the area, does not impact the rights and interests of the holder under those licences if they have been validly granted.

However, the existence of the registered native title claims over the area covered by the WA Tenements will mean that the grant of any future tenure over that same area or over areas in the vicinity that are also covered by the claim will require engagement with the applicants for the Hutt River and/or the Southern Yamatji Claim as relevant in accordance with the NTA.

7.15 Validity of WA Tenements

- (a) The WA Tenements were both granted after 23 December 2006, and were therefore granted subject to the Native Title Act.

- (b) The DMIRS Searches indicate that both WA Tenements were granted through the Expedited Procedure. Aboriginal heritage agreements are in place in respect of both WA Tenements as summarised in paragraphs 10.3 and 10.4. The Heritage Agreements provide the relevant native title party's consent to the grant of the WA Tenements.
- (c) Provided that the WA Tenements were validly granted in accordance with the Native Title Act, they will be valid as against native title rights and interests. There is nothing in our enquiries to indicate that the WA Tenements were not validly granted in accordance with the Native Title Act.
- (d) If the Company wishes to apply for any additional tenure over the land affected by the WA Tenements or over land in the vicinity that this covered by a registered native title claim it will need to comply with the Right to Negotiate or Expedited Procedure (as applicable).

8. Aboriginal heritage

8.1 General

Aboriginal heritage is protected by both Commonwealth legislation as well as legislation in each State and Territory of Australia.

8.2 Commonwealth Legislation

The Commonwealth Heritage Act is aimed at the preservation and protection of any Aboriginal objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

We have not undertaken any searches in respect of the Commonwealth Heritage Act for the purposes of this Report.

8.3 Northern Territory Legislation

Sacred Sites Act

- (a) Sacred sites in the Northern Territory are protected by the Sacred Sites Act. Under the Sacred Sites Act, it is an offence for a person to enter or remain on a sacred site or to carry out work on or use a sacred site. "Sacred site" has the definition given to it in the *Aboriginal Land Rights (Northern Territory) Act* (NT) which is "a site that is sacred to Aboriginals or is otherwise of significance according to Aboriginal tradition, and includes any land that, under a law of the Northern Territory, is declared to be sacred to Aboriginals or of significance according to Aboriginal tradition."
- (b) A person who proposes to use or carry out work on land must apply to the Authority for an Abstract of Records for the area on which operations are proposed. The Abstract of Records identifies both registered and recorded

sacred sites on the tenements. Registered sacred sites are those that Aboriginal custodians have asked the Authority to protect and that have subsequently been documented and evaluated by the Authority and entered on the Register of Sacred Sites. Recorded sacred sites have not been evaluated or placed on the Register of Sacred Sites but there is information indicating that they are nonetheless significant according to Aboriginal tradition and therefore "sacred sites" within the meaning of the Sacred Sites Act.

- (c) If the area of proposed operations is proximate to one of the recorded or registered sites described on the Abstract of Records, and steps cannot be taken to avoid these sites, a tenement holder may elect to apply for an Authority Certificate from the Authority. Once an application has been received the Authority is required to consult with the custodians of sacred sites on or in the vicinity of the land to which the application relates that are likely to be affected by the proposed works. The applicant for an Authority Certificate may also request the Authority to arrange a conference between the applicant and the custodians of the sacred sites.
- (d) The processing times for Authority Certificate applications can take between 3 and 4 months' and vary in cost depending on the complexity of the consultation process with the custodians. For this reason it is recommended to limit any Authority Certificate to confined areas where the exploration activities will be undertaken.
- (e) The Authority is required to issue an Authority Certificate to the applicant if the Authority is satisfied that the work or use of the land proposed by the applicant could proceed without there being a substantive risk of damage to or interference with a sacred site on the vicinity of the land or an agreement has been reached between the custodians of the sacred site and the applicant.
- (f) An Authority Certificate will:
 - (i) describe the part or parts of the land on which the work proposed may be carried out (or not carried out, as the case may be) with sufficient particularity to enable the land and part or parts to be identified; and
 - (ii) setting out the conditions, if any, on which the work may be carried out.
- (g) The holder of an Authority Certificate will be indemnified against prosecution under the offence provisions of the Sacred Sites Act, provided that the holder has complied with the conditions of the certificate.

NT Heritage Act

Aboriginal skeletal remains are considered Aboriginal archaeological places and objects, which are deemed to be heritage places under the *Northern Territory Heritage Act (NT Heritage Act)*. The NT Heritage Act sets up various offences in respect of interference with heritage places without authorisation under the NT Heritage Act.

8.4 Aboriginal heritage on the NT Tenements

Sacred sites

- (a) The Abstract of Records obtained in respect of EL30951 identified a number of records within EL30951 as shown on the map in Schedule 2, being one sacred site and three other sites. This does not mean that there are no other sacred sites within the area of EL30951 and it is only an indication that those seven sites have been registered or recorded in the area.
- (b) The Abstract of Records obtained in respect of EL30964 did not identify any sacred sites. This does not mean that there are no sacred sites within the area of EL30964 it is only an indication that no sacred sites have been registered or recorded in the area.
- (c) The Abstract of Records states that the Authority highly recommends an Authority Certificate be applied for in respect of any proposed works on or near EL30951 and EL30964.

Burial Sites

An Abstract of Records obtained in respect of EL30951 and EL30964 dated 25 July 2018 contains further information stating that during consultations for previous Authority Certificates reference was made by Aboriginal custodians to the possibility of burial sites being located within EL30951 and/or EL30964. The Abstract of Records notes that archaeological places or objects may exist within the area.

8.5 Aboriginal heritage agreements affecting the NT Tenements

The Company has advised us that is it not aware of any heritage agreements affecting the Tenements.

8.6 Western Australian legislation

- (a) The WA Heritage Act provides for the establishment of a Register of Aboriginal sites in Western Australia and the assessment and registration of Aboriginal sites on that Register.
- (b) The WA Heritage Act protects all Aboriginal sites in Western Australia which meet the criteria in section 5 of the WA Heritage Act whether the Aboriginal Site is entered on the Register or not.
- (c) The Register includes information on registered Aboriginal sites (which meet the criteria in section 5 of the WA Heritage Act) and "other heritage places". Other heritage places include places in respect of which information has been lodged but no assessment completed to determine if it meets section 5 of the WA Heritage Act and also places that have been assessed as not meeting section 5 of the WA Heritage Act.
- (d) It is an offence under the WA Heritage Act to excavate, destroy, damage, conceal or in any way alter an Aboriginal site or any object on or under an Aboriginal site, unless the person or company is acting with the authority of the Registrar or the consent of the relevant Minister. The offence applies regardless of whether the Aboriginal site has been entered on the Register of Aboriginal sites. It is a defence if the person (or company) charged can prove that he did not know and could not reasonably be expected to have known, that the place or object was protected by the WA Heritage Act.

- (e) The WA Heritage Act accordingly applies to activities on a mining tenement. Tenements in Western Australia are granted subject to an endorsement reminding the tenement holder of its obligation to comply with the requirements of the WA Heritage Act.
- (f) A holder of a Western Australian mining tenement has the legislative right to submit an application under the WA Heritage Act seeking approval to disturb or destroy an Aboriginal site.

8.7 Aboriginal sites and other heritage places on the WA Tenements

The AHIS Searches identified three Aboriginal sites and one "other heritage place" within the WA Tenements, as set out in the following table and as shown on the maps attached in Schedule 2:

Registered Aboriginal Sites				
Tenement affected	Place ID	Name	Status	Type
E66/99	5191	Racecourse Paddock 1	Registered Site	Artefacts/ Scatter Skeletal Material / Burial, Other: PA NE
E66/99	24416	Bowes River	Registered Site	Mythological, Natural Feature
E66/98	30063	Chapman River (Geraldton)	Registered Site	Historical, Mythological, Birth Place, Water Source
Other Heritage Sites				
E66/99	4939	Racecourse Paddock 2	Lodged	Artefacts / Scatter

The AHIS searches indicate the above "other heritage place" is yet to be assessed to determine whether it meets the criteria for Aboriginal sites in section 5 of the WA Heritage Act.

The AHIS search results summarised above do not mean that there are no other Aboriginal sites or other heritage places within the area of the WA Tenements. It is only an indication that no other Aboriginal sites have been registered, or other heritage places recorded, in the area to date.

8.8 Aboriginal Protected Area 26

Under section 19 of the WA Heritage Act, the Governor of Western Australia, on recommendation of the Minister responsible for the administration of the WA Heritage Act may declare an Aboriginal site to be a "protected area". The Minister responsible for the administration of the WA Heritage Act may by notice prohibit access to any protected area generally or in relation to any specified person or class of persons.

There is one Aboriginal protected area (designated as Aboriginal protected area 26) located within the boundaries of E66/99, which relates to 2.77 hectares of land covering registered Aboriginal site 5191 (Racecourse Paddock 1).

The DMIRS Search in respect of E66/99 confirms that the land covered by Aboriginal protected area 26 is excluded from the grant of E66/99. A TENGAPH map showing the location of Aboriginal protected area 26 on the south western corner of E66/99 is Schedule 3 to this Report.

8.9 Aboriginal heritage agreements affecting the WA Tenements

- (a) As discussed above at paragraph 7.10, WA Department policy provides that applications for exploration licences will not be processed for grant through the Expedited Procedure unless the applicant for the licence provides evidence that an appropriate Aboriginal heritage agreement has been entered into with the relevant native title party.
- (b) Such Aboriginal heritage agreements will include a process of engagement between the parties to protect Aboriginal heritage. This process includes the undertaking of heritage surveys to identify Aboriginal site. A procedure is usually included for the parties to consider the proposed works on the tenements, and decide on the best course of action given any potential impacts the proposed works may have on Aboriginal sites.
- (c) The entry into Aboriginal heritage agreements is not a requirement of the WA Heritage Act but is an industry standard means of managing the risk of contravention of the WA Heritage Act.
- (d) The Company is a party to the Hutt River Heritage Agreement (in respect of both WA Tenements) and the Southern Yamatji Heritage Agreement (in respect of E66/98) which deal with Aboriginal heritage and which are further summarised in paragraphs 10.3 and 10.4.

9. Land access

9.1 NT Tenements

- (a) **Mining and Petroleum Tenure**
 - (i) The Mining Act does not permit overlapping mineral tenements except those provided in the NT Mining Regulations.
 - (ii) Petroleum is specifically excluded from the definition of "mineral" in the Mining Act and, as such:
 - (A) an exploration or mining permit granted under the Mining Act will confer no rights to explore for or mine petroleum; and
 - (B) certain mineral tenements may overlap with certain petroleum tenements.
 - (iii) The Department's STRIKE Database indicates that the following petroleum tenement overlaps EL30951:

Tenement	Status	Holder
Onshore Pipeline No 4 (PL 4)	Current	APT Pipelines (NT) Pty Limited

- (iv) The general conditions of grant applying to EL30951 provide that the titleholder must not, without obtaining prior written approval of the Minister responsible for the *Energy Pipelines Act* (NT) and the pipeline operator, carry out any exploration activities or works (including significant disturbance or blasting) within a distance of 200 metres either side of the centreline of a gas or oil pipeline (see Schedule 1).
- (v) If exploration activities are likely to occur within proximity to PL 4, the titleholder must also ensure compliance with section 66 of the *Energy Pipelines Act* (NT) which creates offences for interference with pipelines and the adjacent land.

(b) **Pastoral Leases**

- (i) The Department's STRIKE Database indicates that the following Tenements overlie Perpetual Pastoral Leasehold land as set out below:

Tenement Affected	Lease Name	Parcel Number	Location Code	Status	Type
E30964 & E30951	Mount Keppler Station	2850	000	Privately owned as Mount Keppler Station	Perpetual Pastoral Lease
E30951 & E30964	Bridge Creek Station	6299	000	Privately owned as Bridge Creek Station	Perpetual Pastoral Lease
E30964	Old Mount Bunday Station	4937	000	Privately owned as Old Mount Bunday Station	Perpetual Pastoral Lease
E30964	Mount Ringwood Station	6298	000	Privately owned as Mount Ringwood Station	Perpetual Pastoral Lease

- (ii) The Mining Act requires, as a condition of each exploration licence, that the title holder follow the procedure set out in the NT Mining Regulations for giving notice to landowners before starting to conduct authorised activities under an exploration licence. "Landowners" is defined in the Mining Act to include, among other things, a person recorded in the land register as a person entitled to a lease from the Crown under the *Pastoral Land Act* (NT).
- (iii) Under the NT Mining Regulations, the title holder is required to give written notice of its intention to commence conducting authorised activities on the land at least 14 days before the proposed commencement. The notice must include the name and contact details of the title holder, the name and contact details of the person conducting the authorised activities, the nature of the exploration to be conducted, the intended start date and an estimate of the duration of the program, a map of the land on which the exploration is to be conducted and the details of the proposed place of entry onto the land.

- (iv) After entering the land, the title holder is also required to take all reasonable steps to advise the occupiers of the land of its entry before it starts to conduct authorised activities.
- (v) The holder of a mineral title is not permitted to conduct authorised activities on pastoral land within:
 - (A) 200m of a building that is not enclosed by a fence; or
 - (B) 50m of a fence that encloses a building.
- (vi) We are advised that the Company is not aware of any current access or compensation agreements in place with the pastoral lessees in relation to the Tenements.
- (vii) While it is not a statutory requirement that access agreements be entered into, before the titleholder can commence substantial land disturbing activities on any of the Tenements, a Mining Management Plan (**MMP**) must be approved under the *Mining Management Act* (NT). As part of the MMP approval process the titleholder will need to engage the pastoral lessee to reach an access agreement or apply to the Land Access Assessment Panel for a determination on access conditions to apply in respect of the relevant Tenement.

9.2 WA Tenements

(a) Private Land

- (i) Generally and subject to certain exceptions and limitations, private land which is not already subject to a mining tenement is considered open for mining under the WA Mining Act, and a mining tenement may be issued in relation to such land.
- (ii) "Private land" for the purposes of the WA Mining Act will (generally) include freehold and leasehold land. Notably, private land does not include pastoral leases or leases for the use and benefit of Aboriginal inhabitants).
- (iii) Our Tengraph Searches indicate that the WA Tenements overlap private land as follows:
 - (A) E66/99 overlaps 996 parcels of freehold land and four leases totalling an encroachment on approximately 91% of the tenement; and
 - (B) E66/98 overlaps 49 parcels of freehold land and one lease totalling an encroachment on approximately 83% of the tenement.
- (iv) A tenement may not be granted in respect of private land which is:
 - (A) in *bona fide* and regular use as a yard, stockyard, garden, orchard, vineyard, plant nursery or plantation or is land under cultivation or within 100m of that site;
 - (B) the site of a cemetery or burial ground or within 100 metres of that site;

- (C) the site of a dam, bore, well or spring or within 100 metres of that site;
- (D) on which there is erected a substantial improvement or within 100 metres of that improvement; or
- (E) a parcel of land with an area of 2,000 square metres or less,

(Protected Private Land) unless the written consent of the private landholder and any other occupier is obtained or the tenement is only granted in respect of the land below 30 metres from the surface of the private land. The Searches are not able to confirm what proportion of the area covered by the WA Tenements are affected by Protected Private Land. We recommend the Company make its own enquiries in this regard.

- (v) Both WA Tenements are only granted in respect of the land below 30 metres from the surface of Protected Private Land.
- (vi) Where a tenement is only granted in respect of the land below 30 metres from the surface of Protected Private Land, the tenement holder can apply to the Minister for the land between the surface and 30 metres depth to be included in the tenement, which application will be granted provided that the owner and occupier of the Protected Private Land has consented to such land being included in the tenement.
- (vii) The owners and occupiers of any private land (including but not limited to Protected Private Land) where mining takes place are entitled to compensation for all loss and damage suffered or likely to be suffered by them resulting or arising from the mining, whether or not lawfully carried out. The tenement holder may not commence mining on the surface or within a depth of 30 metres from the surface of any private land (not just Protected Private Land) until compensation has been agreed with the private landowner or paid in accordance with the Mining Act. Compensation may be determined by agreement between the tenement holder and private landowner or occupier, or by the warden.
- (viii) The owner and any other occupier of private land may be entitled to compensation for:
 - (A) deprivation of the possession or use of the natural surface or any part of the land;
 - (B) damage to the land or any part of the land;
 - (C) severance of the land or any part of the land from other land of, or used by, the owner or occupier;
 - (D) loss or restriction of a right of way or other easement or right;
 - (E) loss of, or damage to, improvements;
 - (F) social disruption;

- (G) in the case of private land that is land under cultivation, any substantial loss of earnings, delay, loss of time, reasonable legal or other costs of negotiation, disruption to agricultural activities, disturbance of the balance of the agricultural holding, the failure on the part of a person concerned in the mining to observe the same laws or requirements in relation to that land as regards the spread of weeds, pests, disease, fire or erosion, or as to soil conservation practices, as are observed by the owner or occupier of that land; and
- (H) any reasonable expenses properly arising from the need to reduce or control the damage resulting or arising from the mining.

(b) **State Heritage**

- (i) The *Heritage of Western Australia Act 1990* (WA) (**State Heritage Act**) establishes the State Register of Heritage Places (**State Heritage Register**). The Register is a list of places in Western Australia that are protected due to their cultural heritage significance. The State Heritage Register is compiled and maintained by the Heritage Council.
- (ii) “Cultural heritage significance” means, in relation to a place, the relative value which that place has in terms of its aesthetic, historic, scientific or social significance for the present community and future generations.
- (iii) Once a place is listed in the State Heritage Register, the place is protected in a number of ways. Controls include:
 - (A) it is an offence for a person to damage or despoil the place or remove anything from that place, or to authorise anyone else to do so, without approval from the Heritage Council;
 - (B) the Minister for Heritage, Heritage Council or any person may apply for an injunction to the Supreme Court or the District Court to prevent damage to the place in contravention of the State Heritage Act; and
 - (C) development approval and building licences cannot be granted without the decision making authority first referring the matter to the Heritage Council for its advice.
- (iv) Our Searches indicate that E66/99 overlaps various places listed on the State Heritage Register, as set out below:

Place Number	Place Name
01902	Church and Cemetery, Gwalla
01903	Covent of the Sacred Heart (Former)
01904	St Mary in Ara Coeli Church
01906	Former Northampton Police Station, Quarters and Courthouse

Place Number	Place Name
01907	Northampton Roads Board Building (FMR)
01909	Holy Trinity Anglican Church
01912	Chiverton House Complex
01913	Alma School Building
03270	Bowes Homestead (Knockback)
04658	Wanerenooka Mine Site
04658	Wanerenooka Mine Site
05114	Nothampton State Battery
08922	Brookside, Hillview & Surrounds
08922	Brookside, Hillview & Surrounds
08924	Baddera Mines

10. Summary of material contracts

10.1 NT Acquisition Agreement

The Company and Excedo are party to an agreement dated on or about 22 May 2018, as amended by a deed of amendment dated 25 July 2018, providing for the sale and purchase of the NT Tenements (**NT Tenement Acquisition Agreement**).

As consideration for the acquisition of the NT Tenements, the Company will issue to Excedo at completion:

- (a) 375,000 fully paid ordinary shares in the Company (**Shares**) at a deemed issue price of \$0.20 per Share for a total value of \$75,000; and
- (b) 325,000 options exercisable at \$0.25 each and expiring on the date that is three years after the issue date.

Excedo acknowledges that the securities issued as consideration under the Acquisition Agreement will be issued subject to any escrow provisions imposed by ASX and agrees to execute a restriction agreement to give effect to those escrow restrictions.

The completion under the NT Acquisition Agreement is conditional on the following outstanding conditions (**Conditions**):

- (a) the Company receiving subscriptions for an issue of Shares in the amount of at least \$4,500,000 pursuant to the Prospectus;
- (b) ASX granting the Company conditional approval for its Shares to be listed on the ASX on terms satisfactory to the Company's directors, acting reasonably; and

- (c) the Company obtaining all necessary regulatory and shareholder approvals or waivers or modifications in relation to the Company's entry to the Official List, pursuant to the Listing Rules and Corporations Act.

The Conditions may only be waived by the Company. If the Conditions are not satisfied (or waived) on or before 1 December 2018 the NT Acquisition Agreement will terminate and be of no further force or effect.

The Acquisition Agreement contains other terms and conditions that are considered usual for a tenement sale and purchase agreement of this nature including warranties given by Excedo in favour of the Company in respect of the Tenements.

10.2 WA Tenement Acquisition Agreement

The Company and Red Field are party to an agreement dated 5 July 2018, as amended by a deed of amendment dated 10 August 2018, providing for the sale and purchase of the WA Tenements (**WA Tenement Acquisition Agreement**).

As consideration for the acquisition of the WA Tenements, at completion the Company will issue to Red Field (or its nominee) 875,000 fully paid ordinary shares in the Company (**Shares**) at a deemed issue price of \$0.20 per Share for a total value of \$175,000.

Red Field acknowledges that the securities issued as consideration under the WA Tenement Acquisition Agreement will be issued subject to any escrow provisions imposed by ASX and agrees to execute a restriction agreement to give effect to those escrow restrictions.

Completion under the WA Tenement Acquisition Agreement is conditional on the following conditions outstanding (**Conditions**):

- (a) all necessary governmental consents and approvals to the matters set out in the WA Acquisition Agreement under the applicable Law, including the consent of the Minister under the WA Mining Act to transfer the Tenements in accordance with the WA Acquisition Agreement;
- (b) the Company receiving subscriptions for an issue of Shares in the amount of at least \$4,500,000 pursuant to the Prospectus;
- (c) ASX granting the Company conditional approval for its Shares to be listed on the ASX on terms satisfactory to the Company's directors, acting reasonably; and
- (d) the Company obtaining all necessary regulatory and shareholder approvals or waivers or modifications in relation to the Company's entry to the Official List, pursuant to the Listing Rules and Corporations Act.

The Conditions may only be waived by the Company. If the Conditions are not satisfied (or waived) on or before 1 December 2018 the WA Tenement Acquisition Agreement will terminate and be of no further force or effect. If the Company has to waive the condition in relation to the consent of the Minister to the transfer of the WA Tenements, it will have to pay the consideration prior to the transfer of the WA Tenements.

At settlement of the sale and purchase of the WA Tenements, Red Field must deliver to the Company executed deeds of assignment and assumption (which are between the Company and Red Field) in respect of the Heritage Agreements.

The WA Acquisition Agreement contains other terms and conditions that are considered usual for a tenement sale and purchase agreement of this nature including warranties given by Red Field in favour of the Company in respect of the Tenements.

10.3 Hutt River Heritage Agreement

The Company and the Yamatji Marlpa Aboriginal Corporation (YMAC) entered into a heritage agreement on 1 May 2018 (**Hutt River Heritage Agreement**) in respect of both the WA Tenements.

Identify of Claimant Group

The front page of the Hutt River Heritage Agreement and the description of the parties purports that YMAC has entered into the agreement as agent for the "Hutt River Claimant Group".

YMAC warrants that it has been authorised by the "Claimant Group" to act as its agent for the purposes of negotiating and executing the agreement and performing the obligations imposed by the agreement (other than those specifically imposed on the Claimant Group in their own capacity).

However, the agreement does not identify what the "Claimant Group" or the "Hutt River Claimant Group" is. The term "Claimant Group" is defined as meaning (in summary) the persons on whose behalf the "Claim" is made. "Claim" is defined (in summary) as the application for determination of native title made on behalf of the Claimant Group. This is a circular definition. "Hutt River Claimant Group" is not defined.

We understand the intention is that the agreement bind the claimants in respect of the Hutt River registered native title application (WC2000/001). We have recommend to the Company that the agreement be amended to include details of the "Claim" in the definition thereof, which will in turn provide certainty as to the identity of the "Claim Group".

Withdrawal of objections to WA Tenements

Under the Hutt River Heritage Agreement, the Claimant Group agrees that it will not make, and/or will withdraw, any objection to the grant of the WA Tenements and will enter into any necessary supplementary agreements to perfect the grant of the WA Tenements. It is noted that this obligation applies to the WA Tenements only and does not extend to the grant of other or future mining tenements over the WA Tenements or in the vicinity.

Heritage protection

The Hutt River Heritage Agreement contains a comprehensive regime for the survey for, and management of, Aboriginal sites and other areas of Aboriginal heritage significance within the WA Tenements.

Exclusion zones

Notwithstanding any of other provisions in the Hutt River Heritage Agreement, the Company agrees:

- (a) not to enter or conduct exploration (or any other activity); and
- (b) not to make and section 16 or section 18 applications under the WA Heritage Act,

within certain exclusion zones (as detailed on the map included as schedule 6 to the agreement) which relate to areas of significant ethnographic/archaeological significance to the Hutt River People.

Uranium conditions

The Hutt River Heritage Agreement includes specific uranium exploration conditions which will apply where exploration activities are likely to expose radioactive material.

Restriction on assignment of WA Tenements

The Hutt River Heritage Agreement provides that the Grantee may assign an interest in the Tenements provided it first obtains a signed deed of assignment and assumption by which the assignee (in this case, the Company) agrees to be bound by the terms of the Hutt River Heritage Agreement.

10.4 Southern Yamatji Heritage Agreement

The Company and the Yamatji Marlpa Aboriginal Corporation (YMAC) entered into a heritage agreement on 3 May 2018 (**Southern Yamatji Heritage Agreement**) in respect of E66/98.

Identify of Claimant Group

The front page of the Southern Yamatji Heritage Agreement and the description of the parties purports that YMAC has entered into the agreement as agent for the "Southern Yamatji Claimant Group".

YMAC warrants that it has been authorised by the "Claimant Group" to act as its agent for the purposes of negotiating and executing the agreement and performing the obligations imposed by the agreement (other than those specifically imposed on the Claimant Group in their own capacity).

However, the agreement does not identify what the "Claimant Group" or the "Southern Yamatji Claimant Group" is. The term "Claimant Group" is defined as meaning (in summary) the persons on whose behalf the "Claim" is made. "Claim" is defined (in summary) the application for determination of native title made on behalf of the Claimant Group. This is a circular definition. "Southern Yamatji Claimant Group" is not defined.

We understand the intention is that the agreement bind the claimants in respect of the Southern Yamatji registered native title application (WC2017/002). We have recommended to the Company that the agreement be amended to include details of the "Claim" in the definition thereof, which will in turn provide certainty as to the identity of the "Claim Group".

Withdrawal of objections to WA Tenements

Under the Southern Yamatji Heritage Agreement, the Claimant Group agrees that it will not make, and/or will withdraw, any objection to the grant of E66/98 and will enter into any necessary supplementary agreements to perfect the grant of E66/98. It

is noted that this obligation applies to E66/98 only and does not extend to the grant of other or future mining tenements over the WA Tenements or in the vicinity.

Heritage protection

The Southern Yamatji Heritage Agreement contains a comprehensive regime for the survey for, and management of, Aboriginal sites and other areas of Aboriginal heritage significance within E66/98.

Uranium conditions

The Southern Yamatji Heritage Agreement includes specific uranium exploration conditions which will apply where exploration activities are likely to expose radioactive material.

Restriction on assignment of WA Tenements

The Southern Yamatji Heritage Agreement provides that the Grantee may assign an interest in the Tenements provided it first obtains a signed deed of assignment and assumption by which the assignee agrees to be bound by the terms of the Hutt River Heritage Agreement.

11. Qualifications and assumptions

11.1 General

This is a high level Report covering material legal issues affecting the Tenements and does not purport to cover all possible issues which may affect the Tenements. This Report is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this Report.

Although nothing has come to our attention to lead us to believe that any of the assumptions are incorrect, we have not made any independent investigations in respect to the matters the subject of our assumptions.

11.2 Assumptions

This Report is based on, and subject to, the following assumptions (in addition to any assumptions expressed elsewhere in this Report):

- (a) any instructions, documents and information given by the Company or any of its officers, agents or representatives are accurate and complete;
- (b) that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) unless apparent from the Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain each Tenement in Good Standing;
- (d) where a Tenement has been granted, the future act provisions of the Native Title Act have been complied with;
- (e) all information obtained from the Department, the NNTT and any other governmental or regulatory department referred to in this Report is accurate and complete;

- (f) the Company has complied with the terms and conditions of the relevant legislation and any applicable agreements;
- (g) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from the Searches and the information provided to us;
- (h) all facts stated in documents, and responses to requests for further information, and other material on which we have relied in this Report are and continue to be correct, and no relevant matter has been misstated or withheld from us (whether deliberately or inadvertently); and
- (i) that there are no other documents or materials other than those which were disclosed to us and which we were instructed to review, which related to the matters examined.

In relation to the Material Contracts, we have assumed that:

- (a) the Material Contracts have been duly executed:
 - (i) if by the State of Western Australia and by the Minister, in accordance with valid delegated authority; and
 - (ii) if by a native title party, by a registered native title claimant with valid delegated authority to execute on behalf of the native title party and all persons included in the native title claimant group;
- (b) the copies of the Material Contracts made available to us are accurate, complete and conform to the originals of the Material Contracts;
- (c) all dates, execution and seals and signatures are authentic;
- (d) there are no material documents or information to be provided other than the material contracts referred to in this Report; and
- (e) each party to the Material Contracts had, at the time of execution, and continues to have full power and authority to execute, observe and perform all of its obligations under the Material Contracts.

11.3 Qualifications

This Report is subject to the following qualifications:

- (a) there may be native title or cultural heritage agreements of which we are not aware;
- (b) the information in Schedule 1 is accurate as at the date of the relevant Searches. We do not comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (c) this Report is based only upon the information and materials which are described in this Report. There may be additional information and materials (of which we are unaware) which contradict or qualify that which we have described;

- (d) a recording in the mining tenement register of a person's holding in a mining tenement is not absolute proof of that person's entitlement to the tenement. The mining tenement system is not based on a system of indefeasibility by registration;
- (e) a registered mining tenement holder's entitlement to a tenement can be defective if there were procedural defects in the original grant of a tenement or if there are any subsequent dealings with a tenement. We are unable to confirm whether there are any such defects in the Tenements disclosed in this Report without a detailed review of the register for each Tenement and other matters;
- (f) this Report relates only to the laws of Northern Territory, Western Australia and the Commonwealth of Australia in force at the date of this Report and we do not express or imply any opinion as to the laws at any other time or of any other jurisdiction;
- (g) in the performance of our enquiries for this Report, we have acted on the Company's written and oral instructions as to the manner and extent of enquiries to be conducted;
- (h) this Report is strictly limited to the matters it deals with and does not extend by implication or otherwise to any other matter;
- (i) we have relied upon information provided by third parties, including various departments, in response to searches made, or caused to be made, and enquiries by us and have relied upon that information, including the results of Searches, being accurate, current and complete as at the date of its receipt by us;
- (j) references in the Schedules are taken from details shown on the Searches we have obtained from the relevant departments referred to in paragraph 2 above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of the Tenement areas or the areas of the relevant native title claims;
- (k) where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in Western Australia and Northern Territory (as applicable) and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim;
- (l) where Ministerial consent is required, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matters which would cause consent to be refused;
- (m) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of Environment Conservation;
- (n) native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further the Native

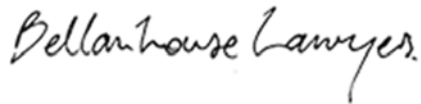
Title Act contains no sunset provisions and it is possible that additional native title claims could be made in the future; and

- (o) Aboriginal heritage sites, sacred sites or objects (as defined in the WA Heritage Act, Sacred Sites Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the relevant Register or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites, sacred sites or objects within the area of the Tenements.

2. Conclusion

Bellanhuse has prepared this Report for the purposes of the Prospectus only, and for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours sincerely

A handwritten signature in cursive script that reads "Bellanhuse Lawyers".

Bellanhuse

Schedule 1 - Tenement Summary

NT TENEMENTS						
Tenement	Holder (100%)	Area	Grant date	Expiry date	Expenditure commitment	Notes
EL30951	Caprice Resources Limited	21 Blocks (70.21 km ²)	29/02/2016	28/02/2022	\$15,000	A, B, C
EL30964	Caprice Resources Limited	48 Blocks (160.33 km ²)	29/02/2016	28/02/2022	\$15,000	A, B

Notes

- A The current conditions imposed on the Tenements are the standard conditions issued by the Department and include the General Conditions of Grant and Second Schedule Conditions. For all conditions and endorsements attached to the Tenements, the instrument of grant and any conditions imposed as part of any further renewal should be reviewed. By way of summary, the Second Schedule Conditions provide as follows:
1. The General Principles conditions (Conditions 1 to 5) contain the following requirements:
 - (a) Conditions 1 and 2 require the titleholder to minimise impact on native title, aboriginal heritage and the environment.
 - (b) Condition 3 requires the titleholder to ensure that it and its contractors and agents are familiar with and comply with relevant legislation.
 - (c) Condition 4 requires the titleholder to serve notice on any registered native title claimants when applying for a lease allowing productive mining.
 - (d) Condition 5 requires the titleholder to employ or contract with persons who reside in or around the licence area to the extent possible.
 2. Consultation with Native Title Parties (Condition 6): requires the titleholder to convene a meeting with registered native title claimants or holders, pastoral lessees or landholders to explain exploration activities prior to the commencement of exploration activities other than reconnaissance.

3. Site Protection (Conditions 7 and 8) contain the following requirements:
 - (a) Condition 7 requires all exploration personnel to be informed of the obligation to protect Sacred Sites and significant archaeological sites and structures.
 - (b) Condition 8 requires the titleholder to consult with the Aboriginal Areas Protection Authority and inspect the Register of Sacred Sites prior to carrying out any work.
 4. Authorisation - Substantial Disturbance (Conditions 9, 10 and 11) require the titleholder or agent of the titleholder to hold the relevant Authorisation in accordance with the Management Act accompanied by a Mine Management Plan before carrying out operations or works involving substantial disturbance. The Company has advised that no works involving substantial disturbance have been carried out on the Tenements and to date no Authorisation has been obtained in respect of the Tenements.
 5. The Minimising of Environmental Impact conditions (Conditions 12 to 21) include general environmental requirements regarding:
 - (a) Wildlife;
 - (b) Temporary infrastructure;
 - (c) Fire;
 - (d) Vehicle tracks;
 - (e) Vegetation and noxious weeds;
 - (f) Historically significant sites or structures;
 - (g) Soil, rocks, rock formations, creeks and watercourses; and
 - (h) Underground waters, surface waters and artesian ground water.
 6. Environmental Rehabilitation (Conditions 22 to 24) require the titleholder to rehabilitate any soil disturbance, dispose of rubbish and waste appropriately and complete and rehabilitate drill holes and excavation in accordance with the relevant Guidelines.
 7. Complaint Mechanism (Condition 25) includes details of the process observed when a Native Title claimant or holder lodges a complaint in relation to exploration activities adversely affecting Native Title rights.
- B. The Minister's Certificates indicate that on application from the holder, the Minister has determined to waive the reduction of the Tenements at the end of the first 2 year operational period. The Company has confirmed that this waiver was approved on 20 April 2018.
- C. The Condition 6 of the First Schedule Conditions provide that the title holder must not, without obtaining the prior written approval of the Minister responsible for the Energy Pipelines Act and the pipeline operator, carry out any exploration or works including significant disturbance or blasting within a distance of 200 metres (either side of the centreline, having a total width of 400 metres); from a gas or oil pipeline.

WA TENEMENTS						
Tenement	Holder (100%)	Area	Grant date	Expiry date	Expenditure commitment	Notes
E66/98	Red Field Pty Ltd	6 Blocks (18.09 km ²)	21 May 2018	20 May 2023	\$20,000	1, 3, 5, 6, 9, 12, 13, 14, 15
E66/99	Red Field Pty Ltd	38 Blocks (114.75 km ²)	24 April 2018	23 April 2023	\$38,000	1, 2, 4, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17

Notes

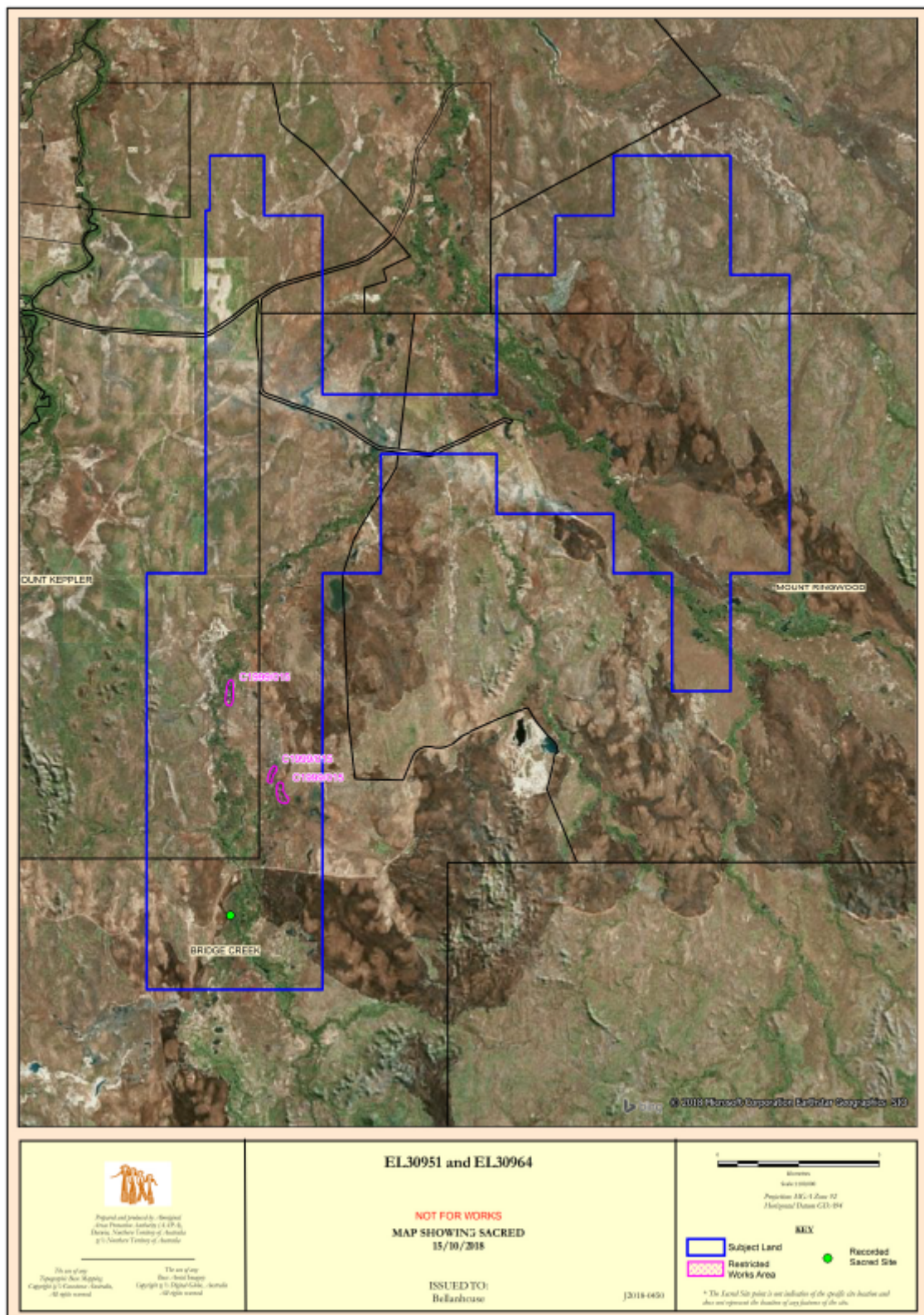
The notes below refer to particular conditions and endorsements attached to the WA Tenements and other findings from the DMIRS Searches and Tengraph Searches. It is not an exhaustive list. For all conditions and endorsements attached to the Tenements, a search of the WA Department register should be consulted. For details of overlapping tenure and other interests, the Tengraph system should be consulted.

1. **Subsurface rights only:** Any private land referred to in Section 29(2) of the Mining Act 1978 (WA) (ie. Protected Private Land as defined above) except that below 30 metres from the natural surface of the land is not included in the grant of the Exploration Licence.
2. **Exclusion of Aboriginal protected area 26:** The grant of this licence does not include land declared a protected area under Section 19 of the Aboriginal Heritage Act 1972, designated AHA/26 in TENGPH and described in the notice appearing in the Government Gazette of Western Australia dated 10 January 1986. We note that although the DMIRS Search in respect of E66/99 refers to a Government Gazette dated 10 January 1996, the notice declaring Aboriginal protected area 26 in fact appears in the Government Gazette dated 10 January 1986. The location of Aboriginal protected area 26 in relation to E66/99 is shown on the map contained in Schedule 3 of this Report.
3. **Prior Ministerial consent over certain "C" class reserves:** The prior consent of the Minister must be obtained before commencing any exploration activities on the following "C" class reserves:
 - (a) Recreation Reserve 43025 (<1% encroachment on tenement);
 - (b) Conservation of Flora and Fauna Reserve 27349 (3.76% encroachment on tenement)(see also note 12 below in regards to potential extension of this reserve);
 - (c) Rubbish Disposal Reserve 39051 (<1% encroachment on tenement);
 - (d) Water Reserve 17216 (<1% encroachment on tenement);
 - (e) Minerals Reserve 8038 (<1% encroachment on tenement);
 - (f) Grazing Reserve 8769 (5.75% encroachment on tenement); and

- (g) Camping and Picnicking & Caravan Parking Reserve 9061 (5.75% encroachment on tenement).
4. **Prior Ministerial consent over certain land:** The prior consent of the Minister must be obtained before commencing any exploration activities on:
- (a) Northampton Townsite (it is unclear whether "Northampton Townsite" is the area within the "Northampton Townsite Boundary, Administration Boundary", as shown on the Tengraph Search. Assuming it is this area, it constitutes a 5.87% encroachment on tenement);
 - (b) Aboriginal Heritage Area 26 (although it should be noted that the grant of the tenement does not in any event include Area 26, see above at note 2);
 - (c) the following "C" class reserves (all of which are each <1% encroachment on tenement):
 - (i) Minerals Reserves 8452, 9160, 12018;
 - (ii) Pipeline Reserve 37575;
 - (iii) Gravel Reserve 8882;
 - (iv) Tourism Reserve 9573;
 - (v) Quarry Main Road Department Reserve 12022;
 - (vi) Hall Site & Recreation Reserve 24961;
 - (vii) Water Reserve 5885 and 10511;
 - (viii) Rifle Range Reserve 25341;
 - (ix) Timber, Water and Grazing Reserves 263 & 7671;
 - (x) Foreshore Reserve 44785;
 - (xi) Recreation Go Kart Racing Reserve 25867;
 - (xii) Rubbish Disposal Site Reserve 33619 & 25328;
 - (xiii) Parkland (G866228) Reserve 45352; and
 - (xiv) Mineral Processing Reserve 24975.
5. **Restriction around Cemetery:** There can be no exploration activities on Cemetery Reserve Historical Site (Cemetery) reserve 15203 (<1% encroachment on tenement) and such activities within a distance of 140 meters laterally from the Reserve must be confined to below a depth of 50 metres from the lowest party of the surface of the land with rights of ingress to and egress from the said Reserve being at all times preserved to the public.
6. **Dieback Disease management plan:** In areas of native vegetation within the tenement, no exploration activities may commence until the licensee provides a plan of management to prevent the spread of dieback disease (*Phytophthora* sp) to the Executive Director, Environment Division, DMIRMS for assessment and until his written approval has been received. All exploration activities shall then comply with the commitments made in the management plan.

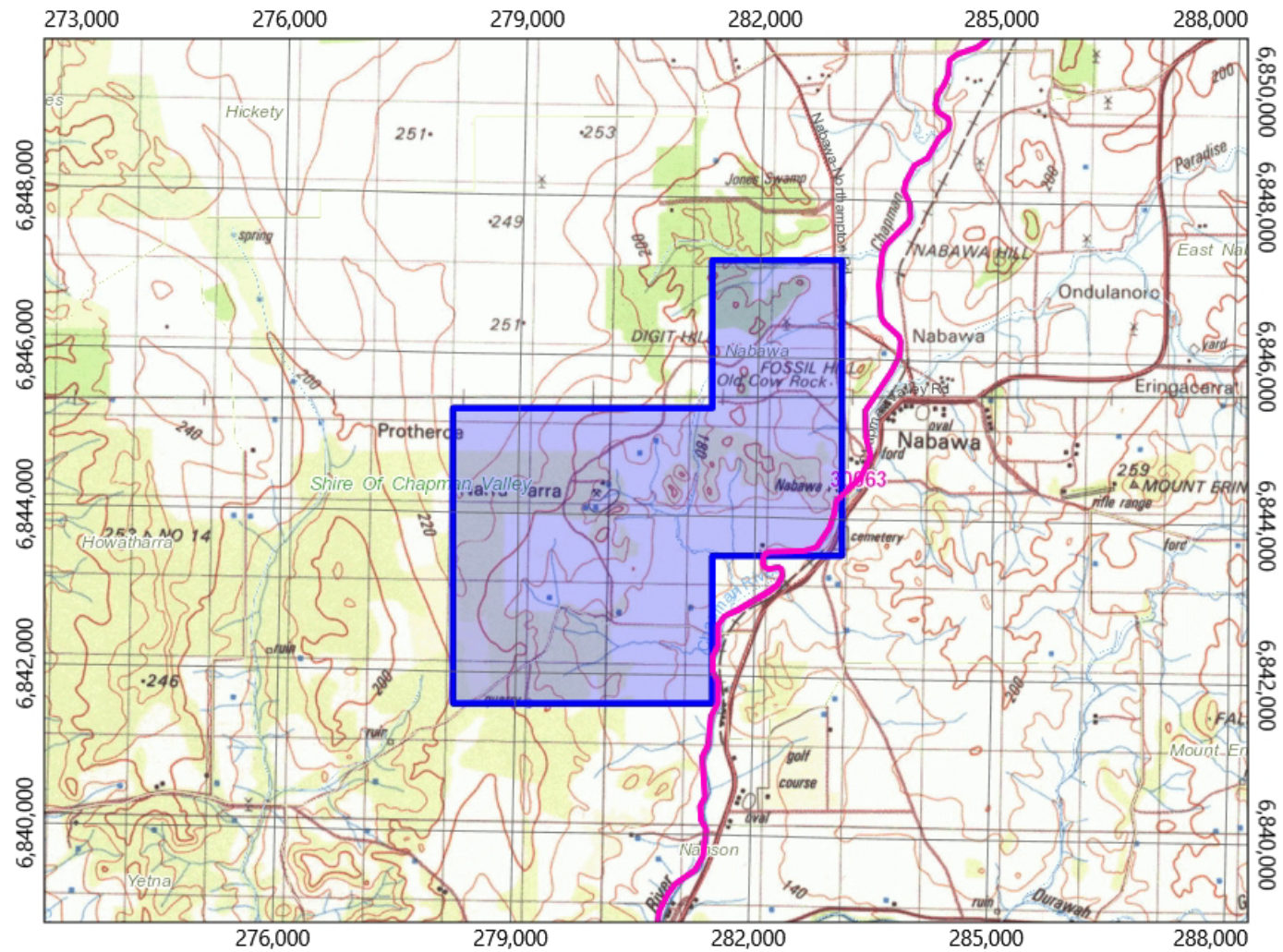
7. **Restriction around North West Coastal Highway:** There can be no excavation (excepting shafts) approaching closer to the North West Coastal Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation, and mining on the North West Coastal Highway or Highway verge is confined to below a depth of 30 metres from the natural surface.
8. **Restriction around Geodetic Stations:** There can be no interference with Geodetic Survey Stations SSM-Woomboara, SSM-Geraldton 75, 138-143, SSM-Number 18, SSM-HG211, SSM-HG285, SSM-ZE13 and SSM-C289 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
9. **Water resource endorsements:** The tenement is subject to certain endorsements in respect of Water Resource Management Areas and Proclaimed Ground Water Areas.
10. **Restrictions in respect of Public Drinking Water Source Areas:** All activity within proclaimed public water source areas need to comply with certain Department of Water and Environment Regulation requirements.
11. **Prior Ministerial consent with Water Reserves:** There can be no mining without the prior written consent of the Minister on any Northampton Water Reserves 3, 4, 5, 6, 49 and 72.
12. **File Notation Area 531:** The tenement overlaps file notation area 531 (FNA 531) which indicates the proposed inclusion of adjoining vacant crown land into Conservation of Flora and Fauna Reserve 27349 (see note 3 above). FNA 531 constitutes a 4.65% encroachment on the tenement.
13. **Freehold land:**
 - (a) E66/98 overlaps 49 parcels of freehold land totalling an encroachment of 81.84% on the tenement. These freehold titles will likely be considered 'private land' for the purposes of the WA Mining Act. See paragraph 9.2(a) for details; and
 - (b) E66/99 overlaps 996 parcels of freehold land totalling an encroachment of 90.95% on the tenement. These freehold titles will likely be considered 'private land' for the purposes of the WA Mining Act. See paragraph 9.2(a) for details.
14. **Leasehold land:**
 - (a) E66/98 overlaps a Reserve Lease totalling an encroachment of <1% on the tenement. This leasehold title will likely be considered 'private land' for the purposes of the WA Mining Act. See paragraph 9.2(a) for details; and
 - (b) E66/99 overlaps three General Purpose Leases and a Reserve Lease totalling an encroachment of <1% on the tenement. These leasehold titles will likely be considered 'private land' for the purposes of the WA Mining Act. See paragraph 9.2(a) for details.
15. **Road Reserves:**
 - (a) E66/98 is subject to 16 Road Reserves (including one closed road); and
 - (b) E66/99 is subject to 61 Road Reserves (including two reserves in respect of the North West Coastal Highway (see also note 7) and six closed roads).
16. **State Heritage Sites:** The tenement overlaps 15 State Heritage Sites (the details of which are set out in paragraph 9.2(b)).
17. **Overlapping Application E66/101:** E66/99 overlaps pending exploration licence application E66/101 by Hurricane Prospecting Pty Ltd lodged on 7 June 2017. The overlap covers an area of 1204.95HA (10.5% encroachment on the tenement). See paragraph 6.2(a)(i) for details.

Schedule 2 - Aboriginal Areas Protection Authority - NT sacred sites map

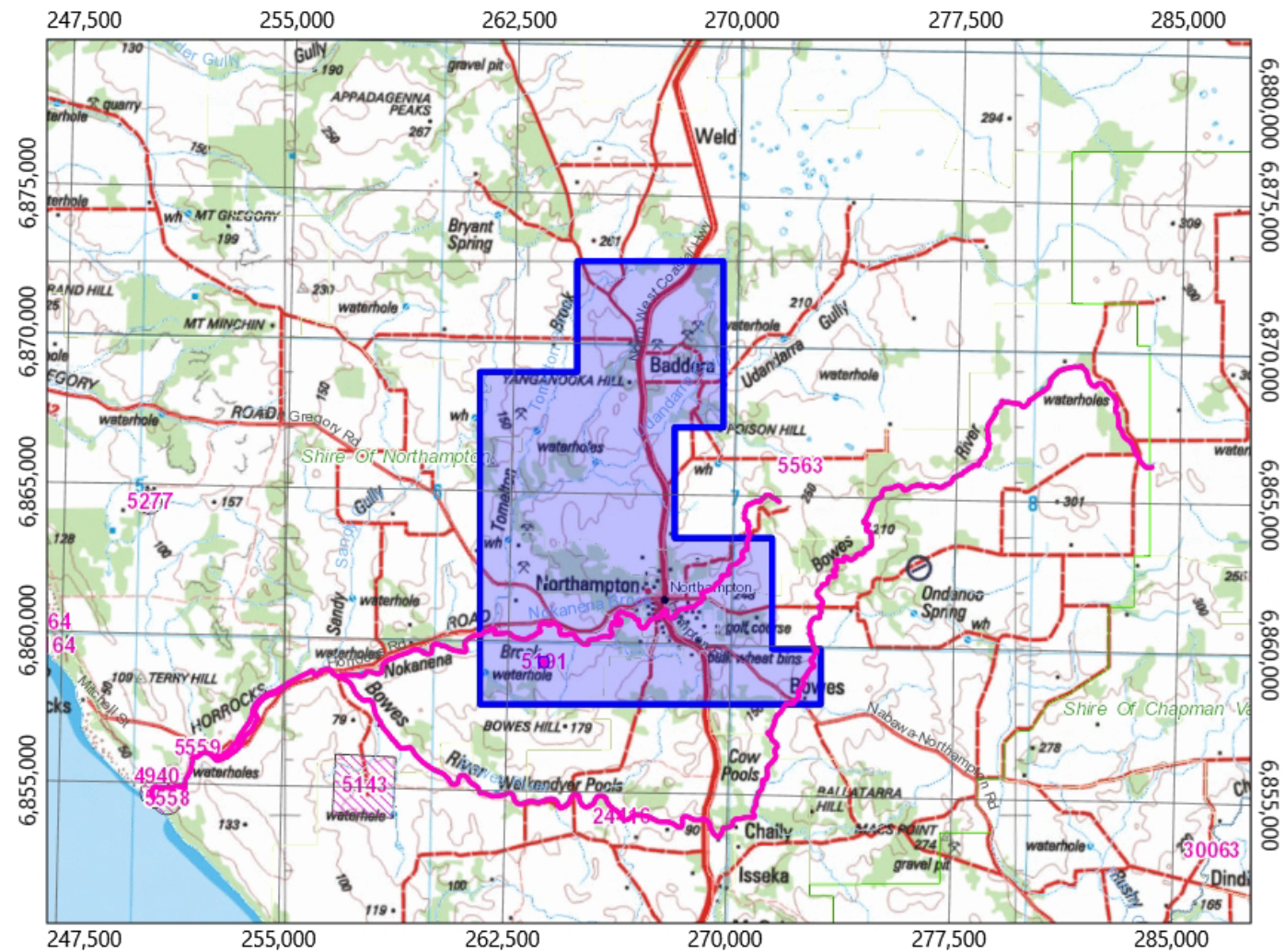


Schedule 3 - AHIS Map of registered Aboriginal Sites

Registered Aboriginal Sites on E66/98



Registered Aboriginal Sites on E66/99



TENGRAPH (c) 1992, 1993
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Schedule 3 - Independent Geologist's Report



Independent Geologist Report – Wild Horse Hill & Northampton Projects

Caprice Resources Ltd.

October 2018

Caprice Resources Limited

Independent Geologist Report – Wild Horse Hill Project, Northern Territory & Northampton Project, Western Australia

Mining Insights Pty Ltd (Mining Insights)

109 Delaney Circuit, Carindale, QLD 4152, Australia

Website: www.mininginsights.com.au

Phone: +61 (0) 7 3349 7484

16 October 2018

Peer Review



Manish Garg, Director - Advisory
BEng (Minerals Eng.), Master of Applied Finance
MAusIMM, GAICD
Mining Insights Pty Ltd.

Independent Geologist



Robert Wason, Senior Consultant – Geology
BSc (Geology), MSc (Mining Geology)
MAusIMM
Mining Insights Pty Ltd.

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Key Abbreviations

\$ or AUD	Australian Dollar
AS	Australian Standards
AusIMM	Australasian Institute of Mining and Metallurgy
Caprice Resources	Caprice Resources Ltd
h	Hour
ha	Hectare(s)
JORC Code	2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, and Mineral Council of Australia
K	Thousand
Km	Kilometres(s)
Km ²	Square kilometre(s)
M	Million
m	Meter
m ³	cubic metre
Mt	Millions of tonnes
Mineral Resource	A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, quality, and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, quality, continuity, and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated, and Measured categories.
Mtpa	Millions of tonnes per annum
Mining Insights	Mining Insights Pty Ltd.
ppm	Parts per million, same as grams per tonne
t	Tonne

Executive Summary

Mining Insights Pty Ltd (Mining Insights) was requested by Caprice Resources Limited ("Caprice Resources" or "Company") to prepare an Independent Geologist Report ("IGR" or "Report") for use in a prospectus to support an initial public offering (IPO) on the Australian Securities Exchange (ASX). The funds raised will be used for the purpose of exploration and evaluation of two project areas located in Northern Territory and Western Australia.

This IGR details two principal project areas (Wild Horse Hill Project in Northern Territory and Northampton in Western Australia), reflecting tenements grouped spatially and by similar geology.

Wild Horse Hill Project

Exploration Licence's (EL) 30951 and 30964 forms the Wild Horse Hill Project covering 231 Km² of the established mineralogical terrain of Pine Creek which has established historical and recent gold mining operations. The project is located approximately 115 Km southeast of Darwin and 18 Km east of Adelaide River in Northern Territory, Australia.

The Wild Horse Hill Project is situated in the Pine Creek Orogen (PCO), a folded and metamorphosed sequence of Palaeoproterozoic pelitic and psammitic sediments, with interlayered cherty tuff units. These rocks have been intruded by the late-orogenic Palaeoproterozoic granites, causing wide spread contact metamorphism and associated thermal aureole which contains gold mineralisation in the Orogen.

The project area has been previously explored by Western Mining Corporation (WMC), Morestoe, Agricola Gold, Salisbury Resources, Woods investments and Excedo for gold. Exploration activity includes soil and rock chip sampling and some limited drilling. The most extensive exploration activities were carried out in 2008 and 2009 by Salisbury Resources which includes soil and rock chip sampling over three near contiguous prospect areas, Cook, Reid and Fisher. Geological mapping of topographic features and GPS locating of historic drill holes was also undertaken.

The historical exploration at the Wild Horse Hill Project has been highly encouraging with reasonable gold grades and warrants follow up exploration. Within Wild Horse Hill Project several advanced prospects have been identified by previous explorers. They mostly lie along or close to an extensive fault structure, the Shoobridge Fault, at favorable structural locations where increased quartz veining is evident. These prospects include Wild Horse Hill North (H21), Triumph (H25), Reid (H24), Fisher and Cook (H26). The most significant of these prospects are Reid, Fisher, and Cook, hosting anomalous gold over 2,500 m in strike length.

The work completed at the Cook prospect identified a zone of gold anomalism over 1,000 m in strike length and 200 m in width associated with intense quartz veining parallel to an anticlinal axis. The anomaly is open to the north. Previous exploration at the Fisher prospect has located a gold and arsenic anomaly occurring over a strike length of 500 m within an interpreted fold nose structure hosting stacked quartz veining. The anomaly remains untested both north and south. The Reid prospect also hosts a siliceous gossan outcrop over a strike length of 600 m and averages 100 m in width. The anomaly is open to the south.

The Reid, Fisher, and Cook prospects represent an underexplored anomalous gold zone of over 2,500 m in strike length and 200 m width with potential to host a high-grade gold resource. Company is planning to test this anomalous zone with an intensive mapping and infill soil sampling program. Subject to encouraging results, a large-scale reconnaissance RC drilling program will be undertaken to test the zone for high grade gold mineralisation. In addition, EL30964 holds the H21 and Triumph prospects requiring further investigation of gold resource potential.

The Wild Horse Hill Project demonstrates significant potential for a further gold discovery within the Pine Creek area of the Northern Territory.

Northampton Project

The Northampton Project includes two granted Exploration Licences (E66/98 and E66/99). The Northampton Project covers the town of Northampton in Western Australia. Geraldton is 40 Km to the south and Kalbarri is 75 Km to the north-north-east. The area is easily accessed using the North West Coastal Highway.

Northampton Project covers an area of 130 Km² of the established mineralogical terrain of the Northampton Complex. More than 100 deposits were worked in the Northampton Mineral Field between 1850 and 1973 in the main centres of Northampton, and Narra Tarra. The overall production is conservatively estimated at 77,000 tonnes lead, 4,268 tonnes copper, 42 tonnes zinc and 212 Kg silver within the Northampton Complex (Ferguson 1999).

The Proterozoic Northampton Complex is generally described as an area of basement consisting of granite, granulite and migmatites. The Northampton Complex is intersected by a closely spaced swarm of dolerite dykes striking north-north east. All the historic lead-silver and copper mines in the Northampton Complex appear to be related to the same north-northeast trending fault system that has controlled the intrusion of dolerites.

Prior to the 1970's exploration on the Northampton Project consisted of prospecting for surface gossans and silicified breccias associated with base metal mineralisation. Some drill holes were also completed prior to the 1950s beneath several of the old mines by the Western Australian Mines Department as well as by some private companies. During the 1970's exploration was carried out in the vicinity of the Baddera mining centre within the Northampton Project area by Allied Minerals and Dresser (AMD). This was comprised of a helicopter borne electromagnetic (EM) and magnetic survey. This was followed up by geological mapping, a ground based Induced Polarisation (IP) survey and rock chip sampling. Areas prospective for further work were outlined. This resulted in mapping which located fault breccia zones. These zones were defined over distances of 1,700 m and included silicification, chloritisation and kaolinisation of the host rocks. Several IP and EM anomalies were also identified which currently remain untested by drilling.

Since 1987, exploration has been carried out by West Australian Metals NL and Ethan Minerals. They undertook photo-interpretation, geological mapping, stream sediment geochemistry and detailed airborne magnetic surveys over the Northampton and Nabawa targets within the Northampton Project area.

The Northampton Project includes a large number of historic silver, lead and copper producing mines that date back to 1850. Part of Caprice Resources' exploration strategy is to target extensions to the historical mines in the area.

Summary

Based on its review of the Wild Horse Hill and Northampton Projects area, Mining Insights considers that the Projects are of merit and worthy of further exploration.

Caprice Resources' proposed exploration programme consists of exploration and drilling & resource evaluation phases. Mining Insights' considers Caprice Resources exploration strategy to be justified and appropriate for the prospectivity of the various tenements and that the allocated budget adequately covers the cost of the proposed exploration programme.

A summary of the proposed exploration expenditure based on a capital raise of \$4,500,000 is shown in the table below.

Exploration Expenditure Budget

Proposed Work	Budget (\$'000)		
	Year 1	Year 2	Total
Wild Horse Hill	470	1,630	2,100
Northampton	350	420	770
Total (\$000)	820	2,050	2,870

The proposed budget allocations are considered consistent with the exploration potential of the Wild Horse Hill and Northampton Projects and are considered adequate to cover the costs of the proposed programmes. The budgeted expenditures are also considered sufficient to meet the minimum statutory expenditure on the Tenements.

The Independent Geologist's Report has been prepared on information available up to and including 30 September 2018 and Mining Insights is not aware of any material change to the company's mineral interests since that date.

1 Introduction

Mining Insights Pty Ltd (Mining Insights) was requested by Caprice Resources Limited (“Caprice Resources” or “the Company”) to prepare an Independent Geologist Report (“IGR” or “Report”) for use in a prospectus to support an initial public offering (IPO) on the Australian Securities Exchange (ASX).

The funds raised will be used for the purpose of exploration and evaluation of the project areas in Northern Territory and Western Australia. This IGR details two principal project areas (Wild Horse Hill Project in Northern Territory and Northampton Project in Western Australia), reflecting tenements grouped spatially and by similar geology.

The Report is complete up to and including 30 September 2018. A draft of the technical component of the report was provided to Caprice Resources, along with a written request to identify any material errors or omissions prior to lodgement.

1.1 Compliance with JORC and VALMIN Code

This report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports 2015 Edition (The VALMIN Code) and the Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves 2012 Edition (The JORC Code).

The authors have taken due note of the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and Australian Securities Exchange (ASX), including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts, which pertain to the Technical and Independent Expert’s Report.

1.2 Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Robert Wason BSc (Hons) Geology, MSc (Mining Geology), a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Wason is Senior Consultant - Geology at Mining Insights Pty Ltd. Mr Wason has more than 8 years of international experience and has sufficient experience in exploring, mining and estimating base metal and gold deposits that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code.

Mr Wason consents to the inclusion in this report of the matters that are based on, and fairly represent information and supporting documentation prepared by him in the form and context in which it appears.



Mr Robert Wason, BSc (Hons), MSc, MAusIMM
Senior Consultant – Geology
Mining Insights Pty Ltd, Brisbane

1.3 Data Sources

Mining Insights has based its review of the Wild Horse Hill and Northampton Projects on information made available to the principal authors by Caprice Resources along with technical reports prepared by consultants, government agencies and previous tenements holders, and other relevant published and unpublished data. Mining Insights has also relied upon discussions with Caprice Resources' management for information contained within this assessment. This report has been based upon information available up to and including 30 September 2018.

Mining Insights has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this report is based. Unless otherwise stated, information and data contained in this technical report or used in its preparation has been provided by Caprice Resources in the form of documentation.

Caprice Resources was provided a final draft of this report and requested to identify any material errors or omissions prior to its lodgement.

Descriptions of the mineral tenure, tenure agreements, encumbrances and environmental liabilities were provided to Mining Insights by Caprice Resources or its technical consultants. Caprice Resources has warranted to Mining Insights that the information provided for preparation of this report correctly represents all material information relevant to the Project. Full details on the tenements is provided in the Independent Solicitor's Report elsewhere in the prospectus.

1.4 Site Visit

In support of the current Independent Geologist Report, Mr Wason, completed a site visit to the Wild Horse Hill Project from 14 to 16 May 2018 to verify geological information and observations. No visit was conducted to the Northampton Project as the author felt that he has sufficient knowledge of this region and the projects are at an early stage.

1.5 Tenement Status Verification

The status of the tenements has been verified based on a recent independent inquiry of the Department of Primary Industry and Resources, Northern Territory, Mineral Titles online database (<http://strike.nt.gov.au>) and Western Australia Department of Mines, Industry Regulation and Safety as of 30 September 2018 by Mining Insights, pursuant to section 7.2 of the VALMIN Code, 2015. The competent person does not warrant towards the veracity of the information relating to this search.

Readers are referred to the Solicitor's Report in the Prospectus for further information of the legal status associated with the tenure of the Project.

1.6 Independence

This Report was commissioned by Caprice Resources on a fee-for-service basis according to Mining Insights' schedule of rates depending on the Consultant's skills and experience. Mining Insights' fee is not contingent on the outcome of the IPO.

The Independent Geologist has no beneficial interest in the mineral assets reviewed. Neither Mining Insights', nor the authors of this Report, has or has had previously, any material interest in

Caprice Resources, or the mineral properties in which Caprice Resources propose to acquire an interest. Further, neither Mining Insights' nor the authors of this Report have previously reviewed these mineral assets.

Mining Insights' relationship with Caprice Resources is solely one of professional association between client and independent consultant.

1.7 Disclaimer and Warranty

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of the 30 September 2018 and could alter over time depending on exploration results, mineral prices, and other relevant market factors.

This Report was commissioned to Caprice Resources on a fee-for-service basis on prescribed schedule of rates. The fee for the preparation of this report is estimated to be between \$20,000 and \$40,000. Mining Insights' fee is not contingent on the outcome of its Statement or the success or failure for the purpose for which the report was prepared.

A draft section of the report containing the technical and project description was provided to Caprice Resources for comment in respect of omissions and factual accuracy. As recommended in Section 39 of the VALMIN Code, Caprice Resources has provided Mining Insights' with an indemnity under which Mining Insights' is to be compensated for any liability and/or any additional work or expenditure, which:

- Results from Mining Insights' reliance on information provided by Caprice Resources and/or Independent consultants that is materially inaccurate or incomplete, or
- Relates to any consequential extension of workload through queries, questions or public hearings arising from this report.

The conclusions expressed in this report are appropriate as at 30 September 2018. The report is only appropriate for this date and may change in time in response to variations in economic, market, legal or political factors, in addition to ongoing exploration results. Mining Insights is not liable to update the report upon a change to any of the above mentioned factors or exploration results.

2 Wild Horse Hill Project

2.1 Introduction

Exploration Licence's (EL) 30951 & 30964 form the Wild Horse Hill Project covering 231 Km² of the established mineralogical terrain of Pine Creek. The project is located approximately 115 Km southeast of Darwin and 18 Km east of Adelaide River township (Figure 2:1) and is situated within Mount Ringwood, Bridge Creek, Mount Keppler and Old Mount Bunday Stations.

Figure 2:1 Adelaide River Township

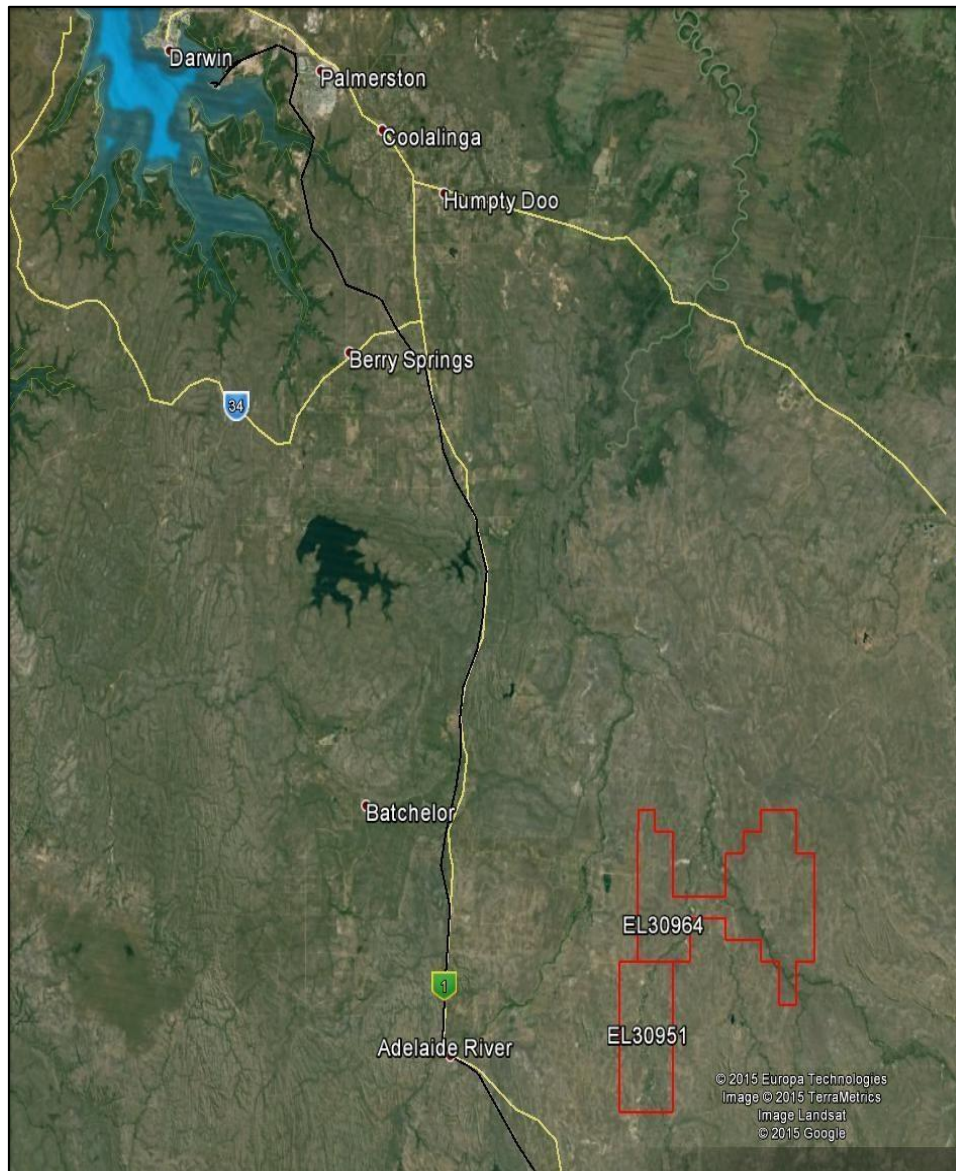


2.2 Location, Access & Topography

The project is located approximately 115 Km southeast of Darwin and 18 Km east of the Township of Adelaide River in the Northern Territory.

The tenements are accessible from Darwin via the Stuart Highway to Adelaide River, then via station tracks to the Mount Keppler yards on Mount Ringwood station. Station tracks provide good access within the tenements (Figure 2:2).

Figure 2:2 Wild Horse Hill Project – Location, Access & Topography



Topography within the licence area comprises a series of low north-south trending hills and intervening alluvial valleys. Creeks drain north easterly toward Howley Creek and Margaret River and north-westerly towards Burrell Creek and Adelaide River. Drainage lines are active during the wet season, restricting the ability for ground work during this period.

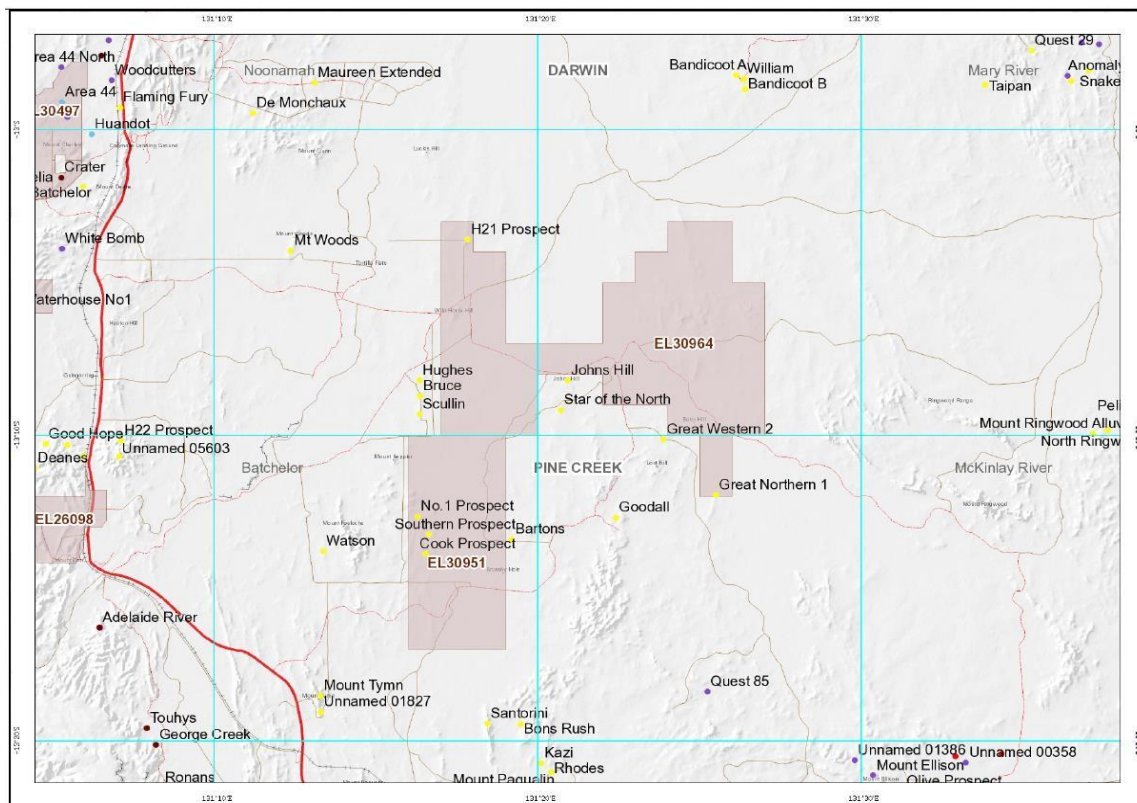
2.3 Tenement

Excedo Exploration applied for EL 30951 on the 20th August 2015. The tenement consists of 21 blocks for an area of 71.2 Sq. Km located on the Batchelor 1:100,000 Map sheet index. The tenement was granted on 29th February 2016 for a term of six years.

EL 30964 was applied for on the 27th August 2015. The tenement consists of 48 blocks for an area of 160.3 Sq. Km and is also located on the Batchelor 1:100,000 Map sheet index. The tenement was granted on 29th February 2016 for a term of six years.

These tenements were transferred to Caprice Resources Ltd on 13th September 2018.

Figure 2:3 Wild Horse Hill Project – Tenure



The complete list of tenements is shown in Table 2:1.

Table 2:1 Mineral Tenement Licence Schedule

Treatment ID	Ownership	Granted	Term	Interest	Blocks	Area (Sq. Km)
EL 30951	Caprice Resources Ltd	29/2/2016	6 years	100%	21	71.21
EL 30964		29/2/2016	6 years	100%	48	160.33

Readers are referred to the Solicitor's Report in the Prospectus for further information of the legal status associated with the tenure of the Project.

2.4 Geological Setting

The Wild Horse Hill Project is situated in the Pine Creek Orogen (PCO), a folded and metamorphosed sequence of Palaeoproterozoic pelitic and psammitic sediments, with interlayered cherty tuff units. These rocks have been intruded by the late-orogenic Palaeoproterozoic granites, causing wide spread contact metamorphism and associated thermal aureole which contains most of the gold mineralisation in the Orogen (Bajwah, 1994). Less deformed Mesoproterozoic sedimentary and volcanic sequences unconformably overlie the Palaeoproterozoic rocks and, in turn, overlain by Cambrian-Ordovician lavas, sediments and Cretaceous strata (Watson, 2014).

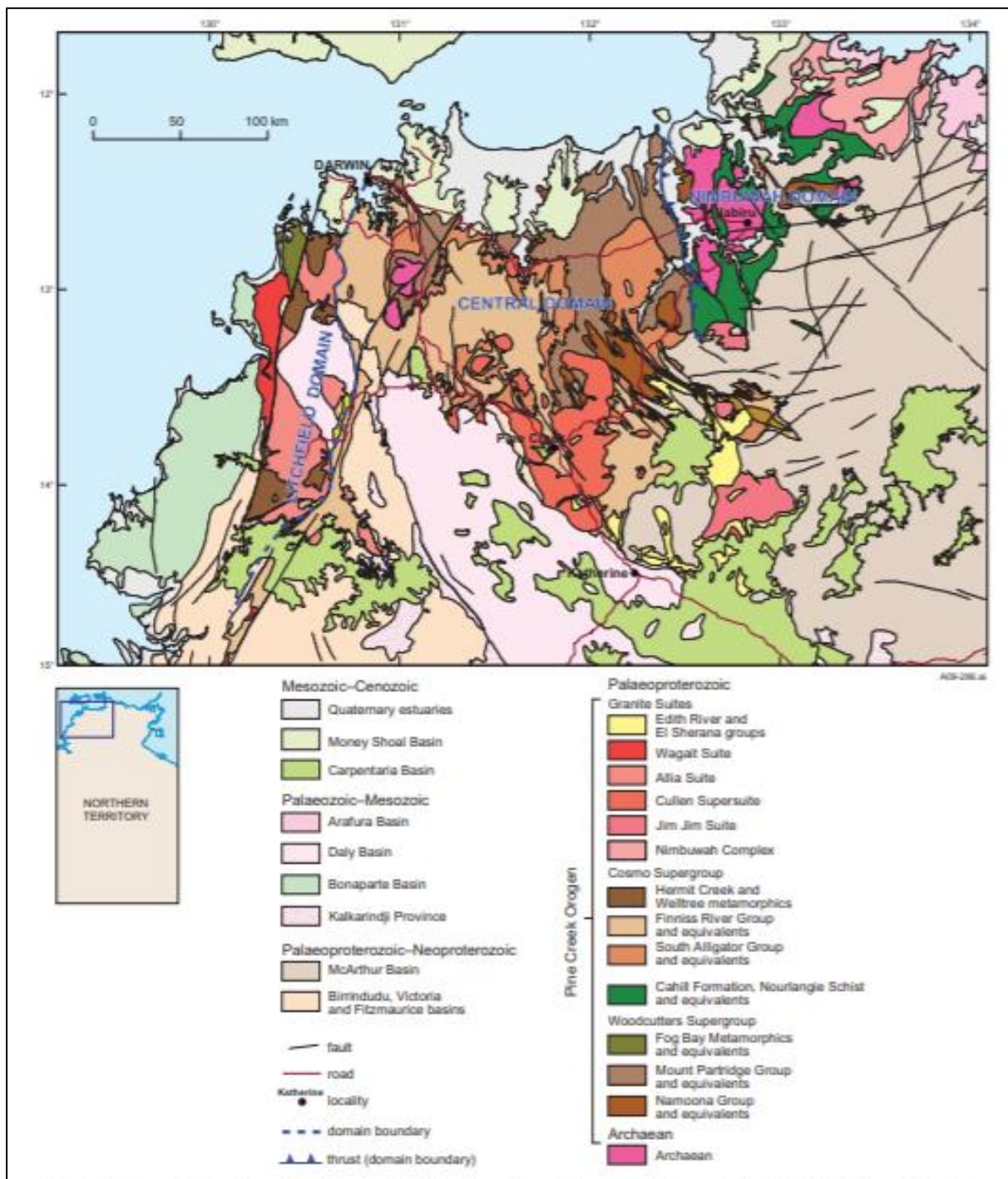
The PCO is exposed over 47,500 Km² and comprises a thick (>4 Km) succession of Palaeoproterozoic clastic, carbonate and carbonaceous sedimentary and volcanic rocks, unconformably overlying Neoarchaeon (ca 2670–2500 Ma) granitic and gneissic basement.

These experienced regional metamorphism and deformation of varying grades and intensities in different parts of the orogen in the period ca 1867–1850 Ma and syn-to post-tectonic granite replacement at ca 1830-1800 Ma.

The Palaeoproterozoic strata of the PCO are extensively mineralised, hosting over 1,000 known mineral occurrences. It is a multi-commodity province with the major commodities including gold, uranium, lead-zinc silver, platinum-group elements, copper-cobalt-nickel, iron, tin-tantalum-tungsten and phosphate. Notably, the PCO contains approximately 20% of the world's low-cost uranium resources (Ahmad 1998, 2007).

The PCO has been broadly subdivided into three domains (Needham et al 1988, Hollis et al 2009). These are the greenschist-facies Central Domain (including the Rum Jungle region and the South Alligator Valley), the amphibolite-facies Nimbuwah Domain to the east, and the amphibolite- to granulite-facies Litchfield Domain to the west (Figure 2:4). In addition to differences in metamorphic grade and structural styles, these regions are also distinct in the timing and nature of metamorphism and the timing and chemistry of the main phases of magmatism.

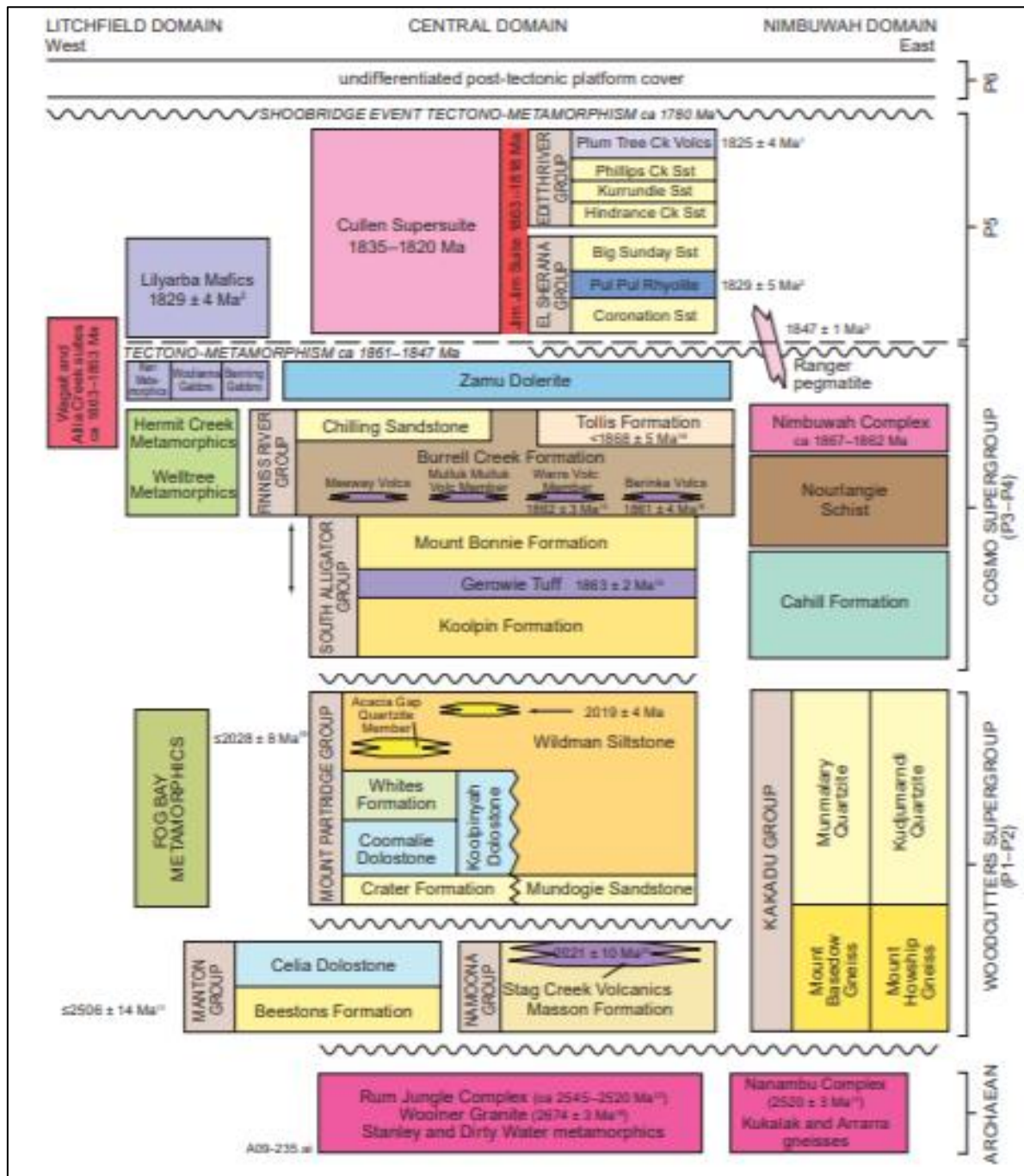
Figure 2:4 Pine Creek Orogen - General Geology



Source: Ahmad et al, 2013

The Palaeoproterozoic stratigraphic succession of the PCO (Figure 2:5) comprises the Woodcutters and Cosmo supergroups (Ahmad et al 2013). No strata of equivalent age to the Woodcutters Supergroup are recognised outside of the PCO in the Northern Territory. The succession is well constrained in the Central Domain with more tentative correlations into the Litchfield Domain and Nimbuwah Domain. Needham et al (1988) attributed basin development and deposition of Woodcutters Supergroup-aged strata in the Central Domain to rifting of and deposition onto Archaean basement, the timing of which is constrained to ca 2020 Ma, based on U-Pb zircon dating of the Wildman Siltstone and Stag Creek Volcanics (Worden et al 2008).

Figure 2:5 Pine Creek Orogen – Simplified Stratigraphic Column



Source: Ahmad et al, 2013

The Woodcutters Supergroup is represented by the Manton, Mount Partridge, and Namoon groups in the Central Domain and by the Kakadu Group in the Nimbuwah Domain. Detrital zircon studies indicate a similar, dominantly Neoarchaeon provenance for Woodcutters Supergroup sedimentary rocks. The Cahill Formation has also been proposed as a possible equivalent of the upper Woodcutters Supergroup in the Nimbuwah Domain, although recent U-Pb detrital zircon work indicates a distinct provenance from similarly aged sedimentary rocks of the Central Domain. Rocks of similar age to the Woodcutters Supergroup may be represented by the Fog Bay Metamorphics in the Litchfield Domain, based on detrital zircon spectra dominated by Neoarchaeon and early Palaeoproterozoic ages with a maximum depositional age of ca 2028 Ma. Otherwise, strata of this age are not currently recognized in the Litchfield Domain.

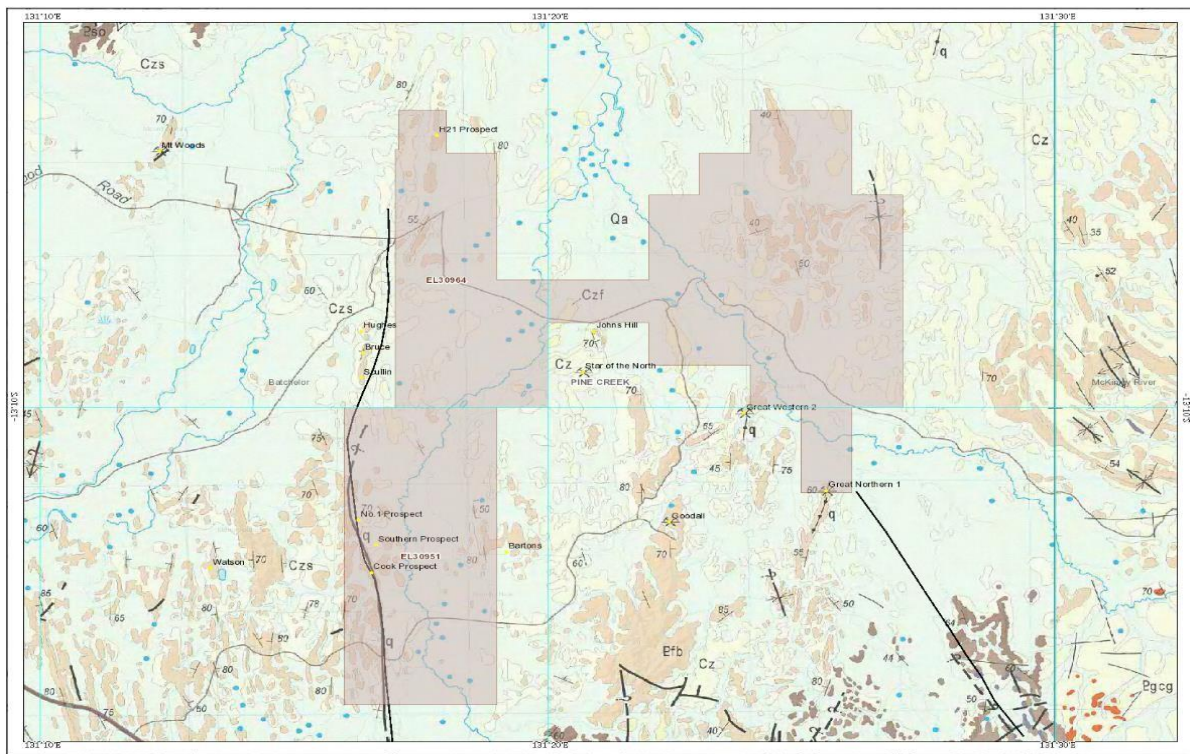
The Cosmo Supergroup is more widespread than the underlying Woodcutters Supergroup and unconformably overlies the latter. The unconformable contact represents a time gap of ca 160 Ma, as is shown by U-Pb zircon ages of ca 2020 and 1863 Ma for volcanic and tuff units within the two Supergroups. The Cosmo Supergroup succession comprises the South Alligator Group and the regionally extensive Finniss River Group in the Central Domain, with the Hermit Creek and Welltree metamorphic representing probable equivalents of the Finniss River Group in the Litchfield Domain. The Nourlangie Schist has been proposed as a possible equivalent of the Cosmo Supergroup in the Nimbuwah Domain; however, detrital zircon data indicate distinct differences in provenance compared with Cosmo Supergroup strata in the Central Domain.

2.5 Local Geology

Much of the project area comprises mainly of meta-sedimentary rocks of the Paleoproterozoic Burrell Creek Formation, which consist of tightly folded sequences of greywacke and shale units representing a series of cyclic turbidity events throughout the Finniss River Group depositional history.

Structurally the most dominant feature in the project area is the Mt Shoobridge Fault which occurs to the west of the tenement (Figure 2:6). Early movements on this fault were essentially dip slip, in the normal sense, with the down thrown side to the west. The fault trends north-south dissecting several anticline/syncline pairs, intruded by concordant and discordant quartz veins and stock-works. The fault has been shown to contain anomalous gold mineralisation and can be regarded as a dry conduit for both mineralising fluids and ground water (Salisbury 2010).

Figure 2:6 Local Geology



Source: Excedo 2017

There is evidence of two stages of folding about a north-trending axis. Larger scale broad folding trends slightly oblique to the Shoobridge Fault which effects the distribution of stratigraphic units. There is also associated much smaller scale tight folding. Prominent faulting is north trending and commonly associated with buck quartz veins. A cross cutting gossan zone is evident at Reid prospect area.

2.6 Mineralisation

Gold mineralisation in the project area is best developed in quartz veins. These veins are widespread and appear to be controlled by the intersection of north trending anticlinal hinges, and northwest striking faults and folds (Quick, 1990). The proximity to major faults as structural controls and the importance of granite intrusions providing heat and fluid source are considered essential for the deposition of gold mineralisation within the project region (Salisbury, 2010).

Gold is present as sub-microscopic grains associated with pyrite and arsenopyrite, minor amounts of gold also occurs as free gold. Most of the quartz lodes have steep to vertical dips and trend northwest or north-northwest related to deformation along the Pine Creek Shear Zone, and locally the Shoobridge Fault, where several mineralised zones have been identified. It is likely that quartz lodes are more common where the Shoobridge Fault has been offset or changed strike with formation of en-echelon fracturing and local tight folding evident from drilling and detailed outcrop mapping (Salisbury, 2010).

2.7 Previous Exploration

2.7.1 WMC Resources (1985 – 1990)

The area covering the current Wild Horse Hill Project was originally explored by WMC, as the Mt Ringwood Project, in the mid to late 1980's (June 85 to May 90). A regional exploration program was extended outside the Goodall Mine over much of the Pine Creek area. WMC conducted detailed prospect evaluations, and broad regional geochemical surveys aimed at locating significant mineralisation to add to the Goodall operation. Airborne interpretation was also undertaken by WMC and some parts of the licence were flown for magnetics and radiometric. Limited RC drilling was then completed over some of the best prospects (discussed in section 2.9 of this report).

- 1985: WMC completed a low level aeromagnetic and radiometric survey resulting in a magnetic anomaly being identified (DR 407).
- 1986: WMC conducted stream sediment sampling of 5 kg material at available sites using BLEG (Bulk Leach Extractable Gold) technique. The minus 75 micron fraction was assayed for gold and the minus 180 to plus 75 micron fraction was assayed for Cu, Pb and Zn. The highest gold value was 3.91 ppb (within range of <1 ppb to 391 ppb) which was not considered anomalous.
- 1989: WMC visited the 3.91 ppb BLEG site and represented a large fault within sandstone. A total of 4 rock chip samples were collected and assayed for gold and 28 other elements. The highest gold result was 31 ppb, not considered significant.

Reid has an extensive surface gossan exposure that was mapped and drilled by WMC. Cook is a target generated by WMC, based initially on sampling a 78 g/t gold-scorodite vein. Subsequent soil sampling by WMC over 1,100 m strike on lines of 300 m spacing and samples 100 m apart revealed a long narrow anomaly of approximately 850 m and 20-30 m wide, with the highest value of 570 ppb Au (within the range of <1 (below detection limit) to 570 ppb Au). A broad anomaly is also defined over 400m long and up to 160m wide with values between 20 and 860 ppb Au.

2.7.2 1991 – 2001

During this period there was no significant exploration conducted on the project area. Companies such as Troy Resources, Acacia/ AngloGold, Golden Plateau (Mt Bunday JV) were active in the region, but largely outside the current Wild Horse Hill Project area.

2.7.3 Agricola Gold (2002 – 2007)

From 2002 to 2007, exploration was carried out on the EL 30951 project area by Agricola Gold (AGL) that included field surveys and surface sampling.

- 2003: Southern block – Cook: pan sampling for gold by AGL.
- 2004: Further sampling of southern block by AGL confirmed existence of the narrow high grade scorodite vein on east side of Joyce Prospect (now Cook).
- 2005: The Cook Deposit was named by AGL.

2.7.4 Salisbury Resources (2007 – 2010)

Salisbury Resources (SBY) entered into an Option and Farm in Joint Venture agreement with AGL in December 2007. Available funds were committed to a limited sampling program designed to confirm the prospectivity of the tenement.

Exploration activities carried out by SBY during 2008 & 2009 comprised soil and rock chip sampling over three prospect areas, Reid, Fisher and Cook, together with GPS locating of historic drill holes, topographic features and geology. Some sampling and surveying was also conducted at the Hughes, Bruce and Scullen prospect areas.

- 2008: A total 164 soil and rock chip samples were collected from all three prospects: Reid, Fisher and Cook. Best rock chip results were 3.49 g/t Au from Cook, 2.18 g/t Au from Fisher and 1.44 g/t Au from Reid, which was achieved in a gossan /breccia outcrop (within the range of <0.1 (undetectable) to 3.49 g/t Au).
- 2009: A further 132 soil and 7 rock chip samples were collected on 8 lines over all 3 prospects. Anomalous gold results were received in all lines with the best in Reid South and Cook prospect area.

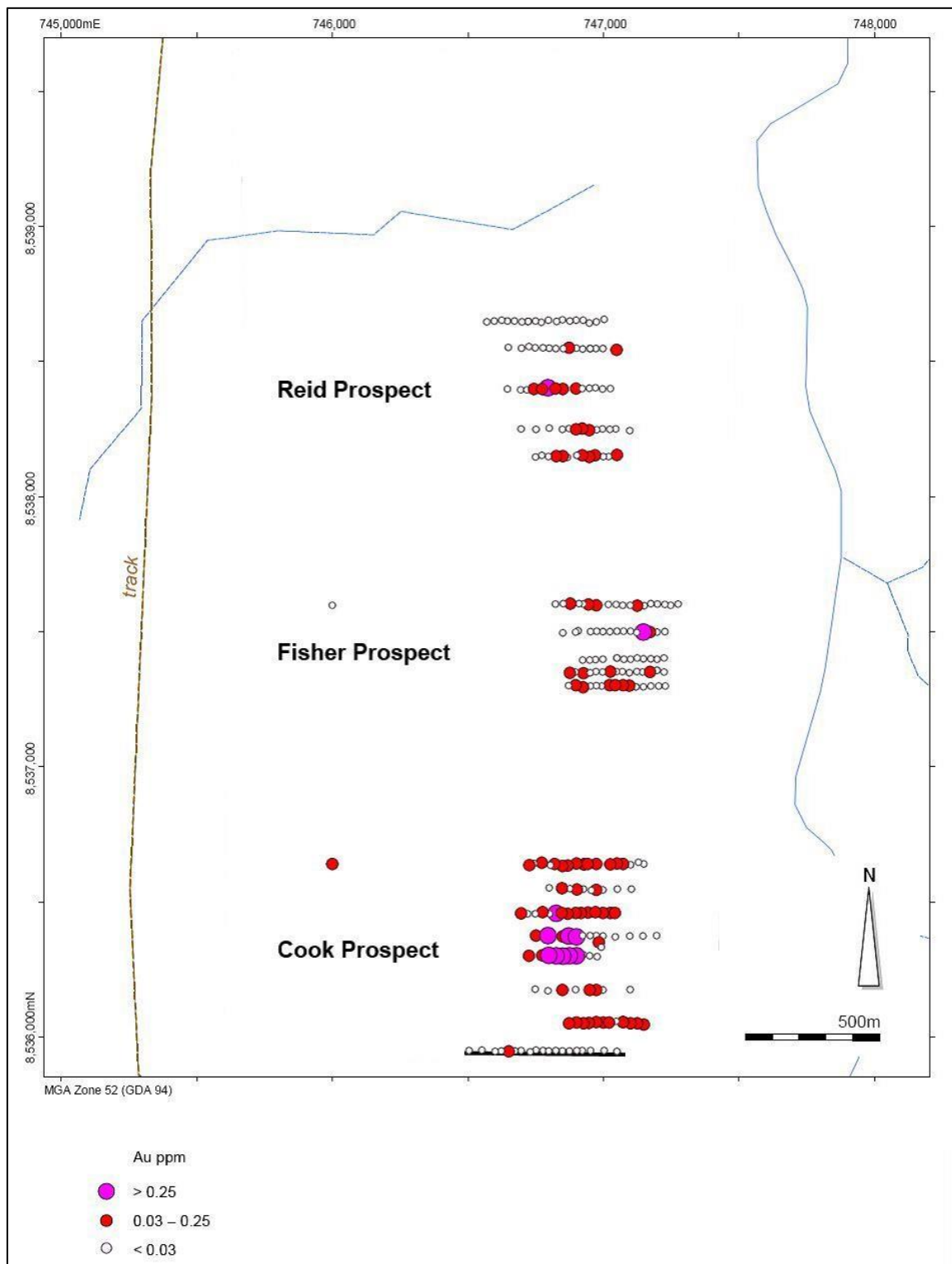
2.7.5 Woods & Goldcore Investments (2011 – 2013)

Woods & Goldcore Investments undertook desk stop studies including a review of open file geological and geophysical data seeking base metal potential. Whilst the review revealed several target areas favourable for location of base metals, the company decided that the targets generated did not warrant follow up and tenure was surrendered in December 2013.

2.7.6 Excedo Exploration (2016 – 2017)

After being granted tenure in February 2016, Excedo completed an extensive desktop study to compile all historical work and develop an exploration program. Figure 2:7 shows the location of soil and rock chip sample along with gold grade distribution.

Figure 2:7 Historic Soil Samples – Grade Distribution

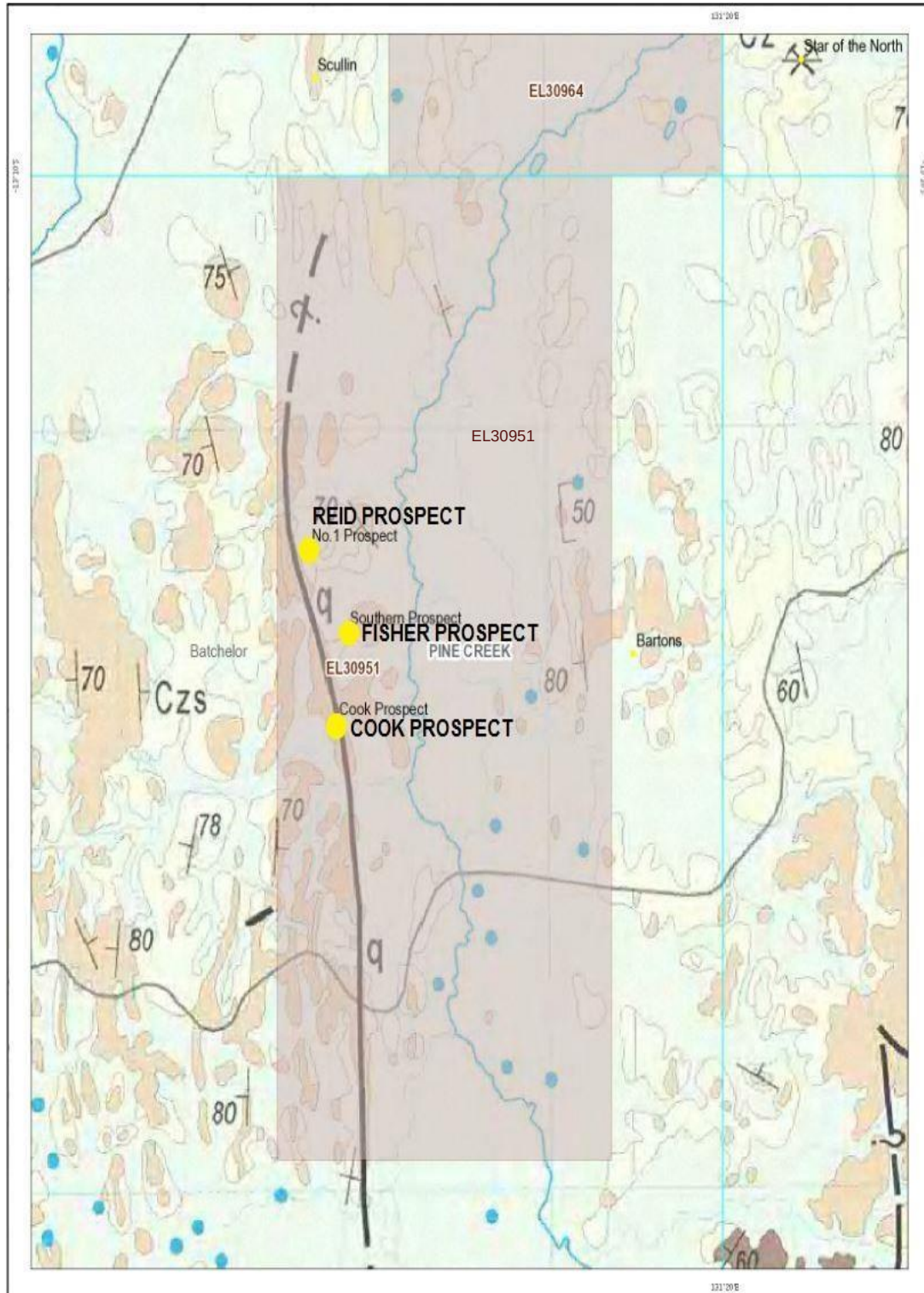


Source: Excedo, 2017

2.8 Prospects – EL30951

Excedo identified three prospects (Reid, Fisher and Cook) based on the review of the historical work on EL30951 (Figure 2:8) and two prospects (Triumph and H21) on EL30964 (Figure 2:9).

Figure 2:8 Wild Horse Hill Project EL30951– Prospects



Source: Excedo, 2017

2.8.1 Reid

The northern-most prospect is located to the east of the Shoobridge Fault (Figure 2:9) and crops out as a gossanous quartz-vein and siliceous breccia, approximately 15 m wide. This discontinuous unit occurs over some 300 m trending NNW - SSE. The gossan itself appears to have been faulted with a lateral offset.

Five main elongated pods have been mapped and had surface samples collected. Dips are steep to sub vertical, the quartz breccia appears to be located within a small anticline and parasitic folding. Anomalous gold values occur within the brecciated zone along with anomalous lead values.

A series of north-south striking quartz veins varying in width from 30 cm to 3 m and outcrop sporadically over an area 250 m x 50 m on the eastern side of the siliceous gossan. The surrounding geological exposures include tightly folded siltstones, shales and wackes that have been sheared along axial plains of the folds (Salisbury 2010).

Reid prospect was identified as a result of a helicopter-assisted sampling program by WMC Ltd. WMC followed up the discovery with 8 short, shallow costeans and 5 shallow drill holes (Salisbury 2010).

During 2008 - 2009, Salisbury Resources completed a two-stage soil sampling program, with five soil sample traverses approximately 400 m in length. This was designed to test a series of north north-west striking siliceous brecciated gossan outcrops that cut diagonally across the country rock and outcropping quartz veins. In total 66 soil and rock samples were collected by Salibury Resources, mainly of the ferruginous gossan and quartz veining (Table 2:2).

Table 2:2 Reid - Rock Chip Samples

Sample No	Type	Au Ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	As ppm	Comment
94626	Soil	<0.001	8	L	6	L	16	Sthn traverse End E slope from QV
94627	Soil	<0.001	10	35	16	L	62	Fe qtz frags
94628	Rock	<0.001	7	120	L	L	177	Fe qtz frags S of qtz v ocp 50m
94629	Soil	<0.001	11	123	22	L	197	Fe qtz frags
94630	Rock	0.13	9	54	2	L	9436	grab from qtz reef
94631	Soil	<0.001	13	98	31	L	204	Sh & qtz frags
94632	Soil	0.02	15	157	38	L	414	Qtz frags
94633	Soil	0.07	19	1330	61	L	875	abundant Fe qtz frags
94634	Soil	0.1	103	6737	187	L	3414	Qtz frags 4m from QV outcrop
94635	Rock	0.91	581	51219	327	2	21734	Fe fault zone + Alt sh with box work
94636	Soil	0.12	114	2599	486	L	1661	Qts frags
94637	Soil	<0.001	20	319	128	L	397	silty loam
94638	Soil	<0.001	14	96	54	L	150	Silty loam Sh & qtz frags
94639	Soil	<0.001	12	310	92	L	542	Sst frags & float minor qtz
94640	Soil	0.01	12	315	37	L	335	Fe qtz frags 5m E of QV outcrop
94641	Soil	<0.001	11	636	47	L	1123	Fe qtz frags Sthn traverse W end
94642	Rock	0.18	60	10109	177	1	5276	Qtz frags from soil hole
94643	Rock	5.02	247	45414	415	3	69575	Fault breccia
94644	Soil	<0.001	12	96	16	L	115	sh frags Middle traverse W end

Sample No	Type	Au Ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	As ppm	Comment
94645	Soil	<0.001	14	503	52	L	774	Sh & Fe qtz frags
94646	Soil	0.02	24	537	73	L	1030	Sh minor qtz frags
94647	Soil	0.03	21	793	67	L	1514	Sst + qtz frags QV float 3m to W
94648	Soil	0.03	39	1160	71	L	4063	Sh frags
94649	Soil	1.25	78	14698	224	2	11926	On siliceous QV gossan outcrop
94650	Rock	1.12	122	17942	175	2	46960	Fe sil Sst fault zone?
94651	Soil	0.11	54	1278	1455	L	2260	Qtz frags Sst float
94652	Soil	0.15	36	2735	379	L	3951	Sst & Fe qtz frags
94653	Soil	0.05	9	373	52	L	462	Qtz frags
94654	Soil	0.02	14	20	9	L	35	Large qtz frags 5m W of QV
94655	Rock	0.04	28	431	31	L	509	Qtz & sh frags 20m E of qtz vein
94656	Soil	<0.001	20	19	13	L	74	float
94657	Soil	0.01	32	29	16	L	108	Sh frags few qtz frags
94658	Soil	<0.001	37	13	15	L	64	trav
94659	Soil	<0.001	9	52	23	L	47	
94660	Soil	0.15	5	L	7	L	L	Coarse Sst frags Nth traverse E end
94661	Soil	<0.001	4	16	7	L	25	
94662	Soil	<0.001	9	13	8	L	126	QV bedrock?
94663	Rock	0.05	10	81	3	1	327	qtz frags from soil hole 094662
94664	Rock	0.08	30	45	7	L	1508	qtz vein slightly ferruginous
94665	Soil	<0.001	8	12	10	L	21	10m W of qtz vein strikes 005 deg
94666	Rock	0.03	8	23	2	L	57	qtz frags from soil hole
94667	Soil	<0.001	7	12	13	LL	29	Qtz frags
94668	Soil	<0.001	10	12	14	L	29	Fe qtz frags 8m W of Qtz float
94669	Soil	0.11	9	13	13	L	42	Sh frags
94670	Soil	<0.001	25	15	14	L	142	Down slope 10m W of 3m wide Qtz
94671	Soil	<0.001	29	24	21	L	264	vn
94672	Soil	<0.001	23	47	133	1	188	Qtz frags & sh frags
94673	Soil	<0.001	20	39	98	L	290	Sh/Sst frags down slope
94674	Soil	<0.001	18	33	117	L	104	
94675	Soil	<0.001	12	35	121	L	104	Sst frags
94676	Soil	<0.001	14	68	135	L	213	Sst frags
94677	Soil	<0.001	15	74	87	L	159	Sst frags Nth traverse W end
104387	Rock	1.44	316	18199	294	5	43698	Siliceous gossan 7.6m wide
104388	Rock	1.03	176	26416	360	3	66116	Siliceous gossan 10m wide
104389	Rock	1.89	117	28829	487	6	55872	Siliceous gossan 10m wide
104390	Rock	1.74	147	23559	736	2	76274	Siliceous gossan 10m wide
104391	Rock	0.7	50	6454	92	1	10125	Siliceous gossan 8m wide
104392	Rock	1.53	6	3212	15	L	5043	Siliceous gossan 8m wide
104393	Rock	2.09	L	110	L	L	348	Siliceous gossan dips E 4m wide
104394	Rock	1.57	L	5	L	L	18	Siliceous gossan ex sulphide cubes

Sample No	Type	Au Ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	As ppm	Comment
104395	Rock	0.55	34	13410	112	1	40288	Brecciated silicified gossan
104396	Rock	0.68	15	13674	36	1	57386	Brecciated silicified gossan
104397	Rock	1.25	70	17925	264	1	70287	Siliceous gossan 5m wide
104398	Rock	1.17	55	32248	165	2	68822	Siliceous gossan 5m wide
104399	Rock	2.46	300	65835	704	6	59713	Siliceous gossan 5m wide
104400	Rock	2.07	558	60276	266	5	40931	Siliceous gossan 8m wide

Source: Salisbury, 2010

2.8.2 Cook

This prospect is approximately 400 m east of the Shoobridge Fault, a major north-south trending structure (Figure 2:9). A series of parallel to sub-parallel quartz veins, varying from 30 cm to 4 m in width, outcrops discontinuously over a strike length of some 600 m in a 200 m wide zone. Phyllitic siltstones/shales and medium grained quartzo-feldspathic wackes form the country rock within the prospect area (Salisbury 2010). At the southern end of the Cook prospect scattered gold occurrences continue trending south outside of Salisbury's historical tenement boundary.

Subsequent soil and rock sampling (69 samples) by WMC over 1,100 m on lines of 300 m spacing with samples 100 m apart revealed a long narrow anomaly of approximately 850 m and 20-30 m wide, with the highest value of 570 ppb Au and a broad anomaly over 400 m x 160 m at its widest point with values of 20 – 860 ppb Au. (Salisbury, 2010). Table 2:3 shows the results of the soil and rock sampling at Cook by WMC.

Table 2:3 Cook - Rock Chip Samples

Sample No	Type	Au ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	As ppm	Field Notes
94601	Soil	0.01	20	8	12	L	110	E slope 3m below qtz ocp
94602	Rock	0.04	36	59	4	L	2,294	Fe qtz frags & Sh between qtz
94603	Soil	L	7	L	7	L	L	reefs
94604	Soil	0.04	12	14	10	L	486	
94605	Soil	0.03	11	13	9	L	86	Mainly sh + few qtz frags
94606	Soil	0.01	10	8	13	L	L	Sh ocp
94607	Soil	0.04	11	6	9	L	10	Abundant Fe qtz frags outwash plain
94608	Soil	0.01	12	13	10	L	L	Flat area W of Sh & qtz ocp
94609	Soil	L	3	8	8	L	L	Clayey soil
94610	Rock	0.01	7	23	L	L	46	15m wide qtz ocp Shoobridge Flt?
94611	Soil	0.2	16	20	15	L	L	Sh frags minor qtz alluvial flats
94612	Soil	1.3	14	22	13	L	38	Qtz frags
94613	Soil	0.18	31	28	19	L	81	Clayey soil + Sh & qtz frags
94614	Soil	0.39	27	29	19	L	131	Clayey soil Sh frags
94615	Soil	0.24	22	15	15	L	107	Sh ocp
94616	Soil	0.01	15	15	13	L	12	Clayey soil Sh frags
94617	Soil	L	7	32	9	L	16	Clayey soil Sh frags bedrock
94618	Soil	0.01	9	14	7	L	164	Sandy soil Sh frags bedrock
94619	Soil	L	8	21	11	L	113	Sandy loam Sh frags
94620	Soil	0.05	11	47	13	2	444	5m downslope E from qtz reef

Sample No	Type	Au ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	As ppm	Field Notes
94621	Soil	0.01	11	40	9	L	249	8m down slope E from qtz reef
94622	Soil	0.02	14	9	10	L	198	Sh frags
94623	Soil	L	17	5	9	L	L	Sh frags
94624	Soil	L	16	13	14	L	L	Sh frags
94625	Soil	L	4	L	6	L	L	Clayey soil flats E side of qtz reef
118003	Rock	0.05	209	61	12	L	3939	Ferruginous qtz vein
118004	Rock	0.11	127	32	9	L	2354	Ferruginous qtz vein ocp
118005	Soil	L	1	L	3	L	13	Sth trav Eend boundary EL All flats
118006	Soil	L	1	L	6	L	14	Alluvial plain Howley Ck
118007	Soil	L	3	5	10	L	L	Sandy loam on Sh bedrock
118008	Soil	L	1	5	5	L	L	Sandy loam Alluvial flats
118009	Soil	L	1	5	6	L	L	Sandy loam Alluvial flats
118010	Soil	L	L	7	4	L	L	Sandy loam Alluvial flats
118011	Soil	0.01	L	6	5	L	L	Silty loam Alluvial flats
118012	Soil	L	L	6	6	L	L	Silty loam Alluvial flats
118013	Soil	L	L	L	2	L	L	Silty loam Alluvial flats
118014	Soil	L	L	L	L	L	L	Sandy loam edge alluvial flats
118015	Soil	L	L	L	L	L	L	Sandy loam
118016	Soil	L	L	5	2	L	L	Sandy loam
118017	Soil	L	L	5	3	L	L	Sandy loam Sh frags E slope qtz fl
118018	Soil	L	L	6	4	L	L	Uphill abundant qtz float
118019	Soil	0.16	L	6	5	L	L	Sandy loam Sh ocp strikes NS
118020	Soil	L	L	5	4	L	L	Qtz vein 2m W Shooobridge fault?
118021	Soil	L	L	L	11	L	L	Wacke frags crest of hill
118022	Soil	L	L	L	14	L	L	Wacke frags W down slope of hill
118023	Soil	L	2	L	12	L	L	Wacke frags W end of traverse
118024	Soil	L	1	5	4	L	11	Sandy loam N soil trav E side hill
118025	Soil	0.01	4	9	8	L	69	Sh frags
118026	Soil	L	6	20	8	L	185	Sh frags
118027	Soil	0.12	11	15	11	L	87	Sh frags
118028	Soil	0.02	8	11	10	L	79	Sandy loam
118029	Soil	L	13	8	10	L	55	Sandy loam sh frags
118030	Soil	0.03	17	12	10	L	101	Sh frags 5m down slope from QV
118031	Soil	L	3	6	11	L	46	Sh ocp sandy loam
118032	Soil	0.04	1	L	10	L	47	2m wide QV 4m E of sample
118033	Soil	L	6	11	12	L	21	Sh ocp 20m to E, end of traverse
118034	Rock	3.49	139	206	22	L	887	Fe qtz
118035	Rock	0.39	155	139	33	L	502	Fe qtz vein ocp Strike NS dip E 60
118036	Soil	L	L	25	8	L	64	QV 20m wide Trav 5 top of hill
118037	Soil	L	4	19	8	L	47	Sandy loams + qtz frags
118038	Soil	0.02	4	12	8	L	44	Sh frags qtz float
118039	Soil	0.06	14	20	10	L	57	Sh frags
118040	Soil	0.27	9	19	10	L	57	Sh frags qtz float
118041	Soil	0.24	6	17	9	L	0.53	Sh & qtz frags
118042	Soil	0.26	4	15	8	L	22	Abundant Fe qtz frags
118043	Rock	0.81	6	22	3	L	77	qtz frags soil hole
118044	Soil	0.07	5	10	10	L	13	Silty loam Alluvial flats
118045	Soil	0.14	6	14	11	L	10	Silty loam Alluvial flats

Sample No	Type	Au ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	As ppm	Field Notes
118046	Soil	0.01	2	9	9	L	L	Alluvial flats 250m W to Shoo Fault

An important observation is that Reid, Fisher and Cook prospect mineralised occurrences are aligned along a subtle but significant strike change in the Shoobridge Fault from N towards an NNW orientation. This potentially provides dilatational sites where increased quartz and associated mineralised veining is evident with increased gold and base metal concentrations. A strike change is also apparent in adjacent mapped stratigraphy. This also a likely to produce increased en-echelon fault offsets in these areas locally.

Further north a change to NNE strike of the Shoobridge Fault appears to coincide with Hughes, Bruce and Scullen Prospect locations. Any strike change in the fault is likely to produce conditions favorable for mineral deposition through en-echelon fracturing.

In addition, the association of gold mineralisation in the hinge zone of an anticline could make for a strong gold presence at the intersection of a regional fault. The situation could potentially resemble the model for Kanowna Belle where the high-grade quartz lode, the Troy Shoot, intersects the regional Fitzroy Fault with gold focused at the plunge intersection of the two structures. In this case a deflection in the Mt Shoobridge fault intersecting quartz lodes in the anticlinal hinge could have a similar effect.

2.8.3 Fisher

The central prospect, Fisher prospect is located approximately 500 m east of the Shoobridge Fault (Figure 2:9). A series of parallel to sub-parallel quartz veins outcrop discontinuously along a north south trending ridge over a strike length of approximately 300 m within a 75 m wide zone. A second parallel zone of quartz reefs striking north south outcrop on the eastern slope toward Howley Creek, 100 m east of the main zone.

The quartz veins are generally parallel to the shale/wacke bedding and vary in thickness from 30 cm – 5 m. At the southern end of the ridge the outcropping veins appear to be coalescing over a 20 m wide zone. The veins generally dip steeply to the east and strike between 340 and 360 degrees. The quartz is generally milky white with ferruginous coatings and blebs considered to be oxidation after sulphides (Salisbury 2010).

WMC extended their geochemical sample grid southward from the Reid prospect to cover an area of auriferous veining on a small hill, approximately 1 Km north of Cook. Three rock-chip samples returned values from 1.11 – 2.10 g/t Au, but most of the soil sample returned values less than 6 ppb Au.

Morestoe Pty Ltd sampled the northern end of the prospect over a 250 m strike length. Results from the western side returned values averaging 1.9 g/t Au over continuous 0.5 m wide quartz veins. Sampling on the eastern side of the ridge over discontinuous quartz veining returned values up to 0.59 g/t Au. At the southern end of the hill the outcropping quartz veins coalesce with values up to 3.2 g/t Au reported (within the range of 0 to 3.2 g/t Au).

Five soil sample traverses were completed by Moretoe Pty Ltd at the Fisher prospect where 29 samples were collected (Table 2:4). Some anomalous gold values were identified including highly elevated arsenic values on the southernmost line that are considered to indicate a broad zone of gold arsenic mineralisation.

Table 2:4 Fisher – Soil & Rock Chip Samples

Sample No	Type	Au ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	As ppm	Notes
104358	Soil	L	1	15	8	L	398	Qtz float Sh Start Nth traverse E end
104359	Soil	L	4	12	6	L	122	Sh frags abundant large qtz frags
104360	Soil	0.05	13	24	7	L	535	Sh & qtz frags
104361	Soil	0.36	12	28	10	L	276	Sh frags qtz float
104362	Soil	0.02	13	21	11	L	179	Sh frags qtz float up slope 10m Sh ocp
104363	Soil	L	21	48	12	L	255	Sh frags large area of qtz float
104364	Soil	L	18	12	9	L	346	Sh qtz frags large area qtz float
104365	Soil	L	8	8	7	L	162	Sh frags qtz float crest of hill
104366	Soil	L	17	8	11	L	444	8m down slope from QV W slope
104367	Soil	L	20	9	14	L	508	Sst frags qtz float 12m E of QV up slope
104368	Soil	L	9	5	10	L	360	Sh frags qtz float just below QV & float
104369	Soil	L	17	33	23	L	232	Sh frags 4m down slope from QV
104370	Soil	L	6	16	17	L	212	Sh Sst frags
104371	Soil	L	5	20	16	L	237	Sh Sst frags Sst ocp 2m up slope
104372	Soil	L	7	16	13	L	77	Sandy loam end Nth traverse W of ridge
104373	Rock	2.06	211	18329	1511	5	12832	Fe qtz vein ocp
104374	Soil	L	2	23	8	L	603	Sst wacke frags start Sth traverse E end
104375	Soil	L	7	23	12	L	556	10m down slope from QV
104376	Soil	L	5	18	10	L	462	Wacke Sst frags qtz float
104377	Soil	L	8	19	10	L	403	Qtz/ sh frags
104378	Soil	L	18	17	11	L	439	Sh frags
104379	Soil	L	13	19	9	L	471	Sst frags qtz float 20m down slope from QV
104380	Soil	L	12	8	9	L	515	Qtz veins interbedded wacke crest of hill
104381	Soil	L	10	12	10	L	503	Sandy loam West slope
104382	Soil	L	7	19	10	L	513	Sh wacke frags W slope
104383	Soil	L	4	18	11	L	602	Sst sh frags
104384	Soil	L	5	32	7	L	596	Qtz float W slope
104385	Soil	L	4	18	8	L	543	Sandy loam alluvial flats
104386	Soil	L	2	11	9	L	158	Sh frags alluvial flats W end of traverse

At the Fisher prospect gold and arsenic anomalism associated with multiple quartz veining occurs over a strike length of 500 m over the nose of a fold structure.

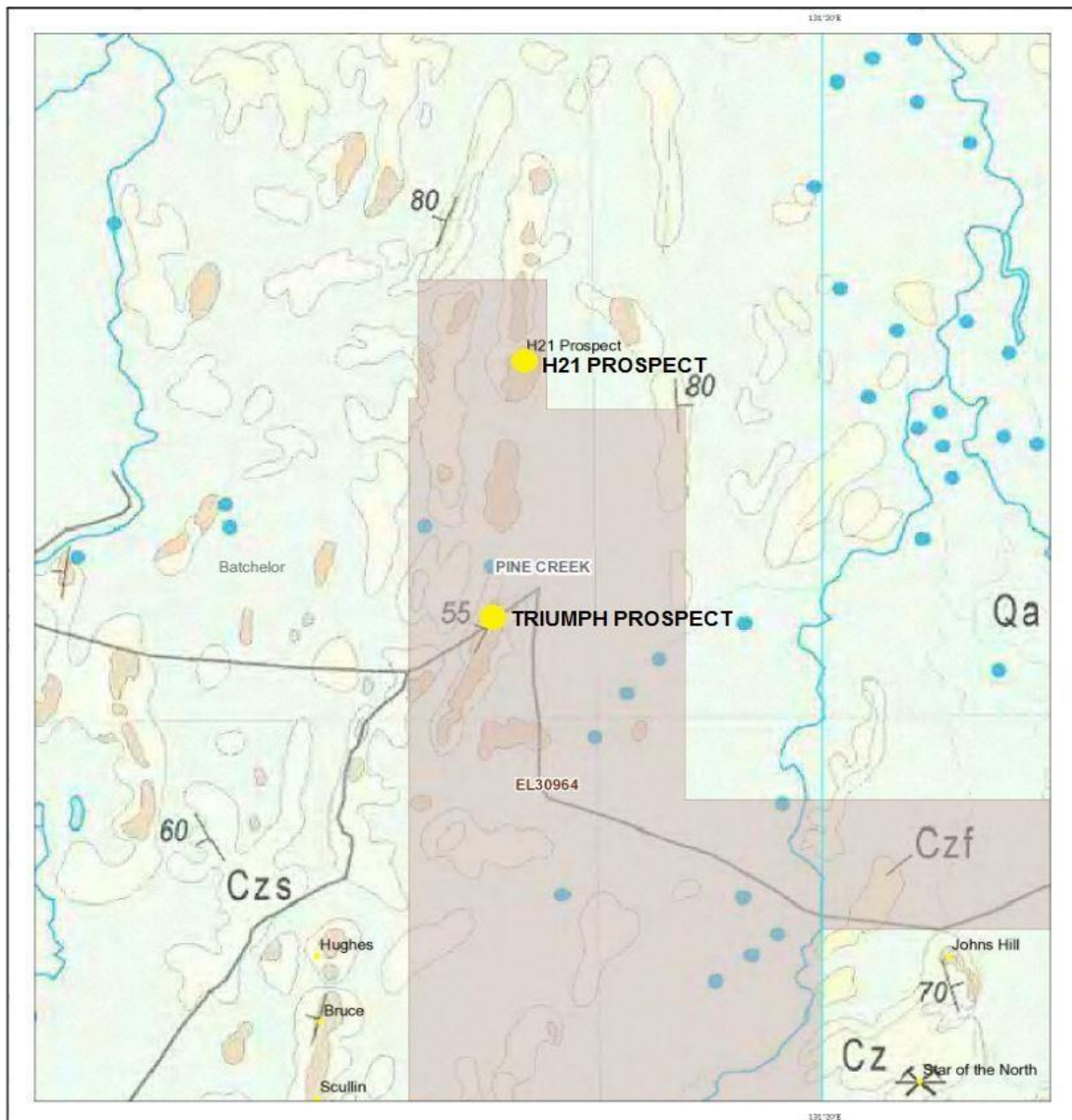
2.9 Prospects – EL30964

2.9.1 H21

The H21 prospect is located in the northern blocks of Exploration Licence 30964 shown in Figure 2:9. H21 was discovered from the results of a helicopter borne rock chip sampling survey conducted by Western Mining in the 1980's. Geological mapping uncovered an NNE trending belt of massive quartz vein with associated gossanous disseminations and stockwork veining. The bedding conformable quartz reefs and associated stockwork quartz veining thought to have been formed during the folding of a sequence of wackes and shales of the Burrell Creek Formation.

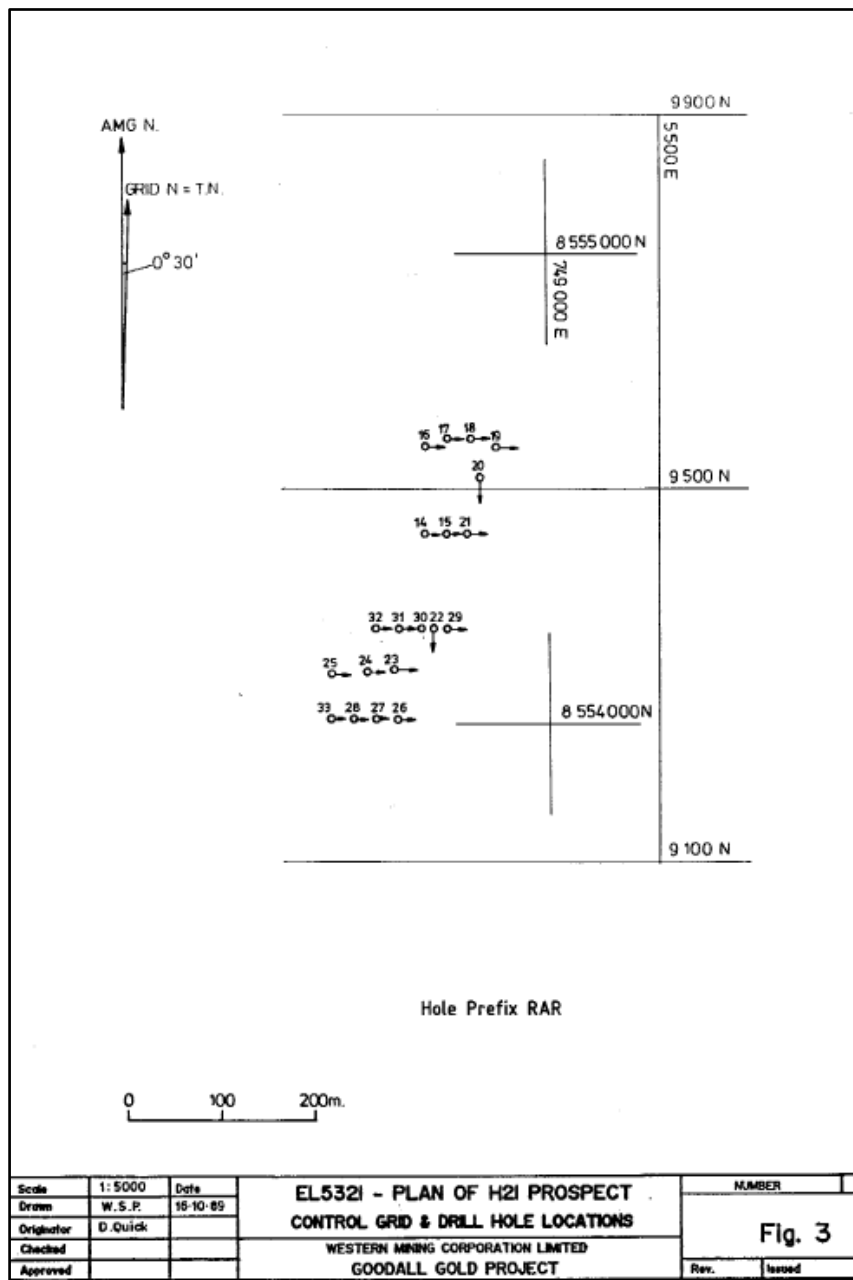
WMC completed a geochemical soil and rock chip program during the 1988/89 field season. A gradient array IP survey was also carried out. Subsequently, a twenty RC drill hole program (RARC 14-33) was then completed in two phases (Figure 2:10 and Table 2:5).

Figure 2:9 Wild Horse Hill Project EL30964– Prospects



Source: Excedo, 2017

Figure 2:10 H2I Prospect – Drilling Location



Source: WMC Report CR1989-0782

Table 2:5 H2I Prospect – RC drill hole Program

Drill hole	North	East	Dip	Azimuth	Depth m	Intersection		Thickness m	Grade Au g/t
						From m	To m		
RARC 14	9450	5250	-60	085	60	56	58	2	3.54
RARC 15	9450	5274	-60	085	60	14	15	1	0.31
RARC 16	9240	5250	-60	085	60	58	59	1	0.38
RARC 17	9550	5276	-60	085	60	42	44	2	3.68
RARC 18	9550	5300	-60	085	60	52	53	1	0.78
RARC 19	9545	5320	-60	085	72	42	48	1	1.16

Drill hole	North	East	Dip	Azimuth	Depth m	Intersection		Thickness m	Grade Au g/t
						From m	To m		
RARC 20	9510	5310	-60	175	60	38	39	1	0.89
RARC 21	9450	5290	-60	085	70	48	50	2	0.68
RARC 22	9350	5260	-60	180	60	51	55	4	6.70
							Incl.	1	18.50
RARC 23	9303	5217	-60	085	60	0	1	1	1.39
						18	22	4	3.70
RARC 24	9300	5190	-60	085	66	33	35	2	1.26
RARC 25	9300	5153	-60	085	100	NIL			
RARC 26	9250	5225	-60	087	60	1	4	3	0.73
RARC 27	9250	5200	-60	087	60	36	37	1	1.15
RARC 28	9250	5175	-60	087	60	57	58	1	1.79
RARC 29	9350	5275	-60	087	60	NIL			
RARC 30	9350	5250	-60	087	60	22	27	5	0.45
RARC 31	9350	5225	-60	087	60	41	42	1	2.93
RARC 32	9350	5200	-60	087	100	16	17	1	1.26
						86	87	1	4.19
						91	93	2	6.80
RARC 33	9250	5150	-60	087	100	0	1	1	1.00

Source: WMC Report CR1989-0782

Mining Insights notes that the drill hole collar coordinates were reported in local grid only. Best intersections included 1.0 m @ 18.5 g/t and 2.0 m @ 6.8 g/t and were reported to be associated with massive bedding conformable to a quartz reef. Extensive anomalous gold results were reported from this drilling.

Further work was proposed by WMC to determine if Au mineralisation was restricted to isolated high-grade intersections, associated with bedding parallel quartz reefs or if there are more continuous low-grade zones (Quick, 1990).

2.9.2 Triumph

The Triumph prospect (historically known as Wild Horse Hill) was previously identified by WMC around the same time as H21 (Figure 2:10). The prospect was not geologically mapped.

WMC collected three reconnaissance rock chip sample as part of their regional exploration program over the Wild Horse Hill area. These results prompted establishment of a baseline soil sample program. Sixty-seven soil samples were taken at 20 m intervals bulked over 40m, defining a narrow trend of south trending anomalous values (min <1 ppb (below detection limit), max 250 ppb) over 1,200 m (Warren, 1986).

2.10 Exploration Concept

Gold Quartz veins of the Pine Creek Group are widespread and occur as concordant and discordant veins usually associated with F3 anticlines (Stuart-Smith, 1987). The Wild Horse Hill project area hosts a series of concentrated quartz veins ranging in thickness from 0.5 m to 2.0 m

thick which extend undercover and are contiguous between the three prospects, Reid Fisher and Cook for 2500 m along strike. The project area with successful exploration may be host to an economic concentration of vein systems with significant high-grade gold mineralisation.

Historical evaluation of the area suggests that there is substantial gold hosted within these north-northwest trending quartz veins and gossans located amongst the three prospects. Site work over the coming tenure period will aim to reveal a major reef system following the strike of the enclosing sediments.

An important observation is that Reid, Fisher and Cook mineralised occurrences appear related to a slight strike change in the Shoobridge Fault from N towards an NNW and then NNE orientation. The strike change may have produced en-echelon faulting along the Shoobridge Fault. This potentially provides dilational trap sites where quartz and associated mineralised veining may be targeted for gold deposition. An apparent strike change is also evident in adjacent mapped stratigraphy. It appears that Triumph is also located on a NE flexure in stratigraphy.

There are many examples of gold deposits in WA proximal to granites that are associated with structural flexures, such as Granny Smith and deposits north of Laverton along the Duketon Belt. These flexures create dilatational positions favoring trapping of gold in quartz veins. It is important to note whether such flexures represent real strike changes or the result of en-echelon strike offsets by cross faulting.

2.11 Proposed Exploration Program

2.11.1 Site Visit

Caprice Resources undertook a site visit in May 2018. This visit aimed to establish good working relationships with local landholders, establish optimal access to the tenements and complete some basic geological reconnaissance and sampling. A further visit is planned during the later part of the year.

2.11.2 Desktop Studies

Caprice Resources will continue its rigorous desktop evaluation of the project area over the coming 12 months. This will include a the evaluation and re-interpretation of historical geophysical data and further target generation.

2.11.3 Soil/ Rock chip Sampling Program

Soil sampling and quartz vein sampling along-strike and between the Cook, Fisher and Reid prospects.

A major infill soil sampling program will be conducted to confirm the continuity between these three prospects and to follow up on anomalous gold and arsenic in soils results that were collected by SBY in 2009.

Systematic longitudinal sampling of exposed quartz veins along strike will also occur allowing for greater understanding of the grade distribution and grade continuity of these NNW trending structures.

2.11.4 RC Drilling Program

Mining Insights shares the opinion of Salisbury Resources & Excedo, that the previous RC drilling completed in 1986 by WMC was limited in extent and did not establish the potential of a single large gold deposit to be defined. Reported intersections at Reid of 12 m @ 2.9 g/t Au from surface costeaning are highly encouraging and warrant follow up modern drill testing and advanced analytical testing technology.

Caprice Resources envisages a program of 7,500 m of first pass RC drilling program consisting of 50 exploration holes to an average depth of 150 m.

2.11.5 Infill and Diamond Core Drilling

Detailed in-fill drilling program will be developed based on the outcome of the first stage of RC drilling program.

2.12 Planned Work Expenditure

Caprice Resources has planned a systematic exploration program targeting the prospective Palaeoproterozoic stratigraphy and exploration activities will initially focus on key targets within the granted Concession. Activities will include geological mapping, soil geochemistry, IP and gravity surveys followed by RC and diamond drilling on selected targets.

Broader, regional exploration programs will investigate mineral occurrences outside the key prospect targets within the granted Concession. Table 2:6 shown the proposed exploration expenditure over the next two years based on a capital raise of \$4,500,000.

Table 2:6 Exploration Expenditure Budget

Proposed Work	Budget (\$'000)		
	Year 1	Year 2	Total
Geological Mapping	50		50
Regional Surface geophysics (IP survey)	70		70
Soil and rock chip sampling	80	60	140
Land Surveys - Heritage	20	20	40
RC Drilling around known prospects	250	750	1,000
Diamond drilling		500	500
Metallurgy		300	300
Total (\$000)	470	1,630	2,100

Mining Insights considers that the exploration programs and budgets proposed by the Company (Table 2:6), are appropriate having regard to the strategy and priorities of the Company and are based on sound technical merit.

2.13 Recommendations & Conclusions

Mining Insights makes conclusions and recommendations based on the results of its own studies and that of the Company's other technical consultants.

2.13.1 Recommendations

There is strong potential for a significant gold resource at Cook, Reid and Fisher and elsewhere along and close to the Mt Shoobridge Fault system.

- WMC drilling conducted at Cook drilled away from the scorodite vein system and therefore the main geochemical target zone was not tested. This could be the main reason for the low gold assay results. In addition, sampling was undertaken at 2 m intervals.
- WMC drilling at Cook was confined to two lines in close strike proximity. The soil anomaly has been extended over a much greater strike since this time and hence should be tested.
- Drilling at Reid has focused on a surface gossan. Drilling did not confirm high grade at depth. That gossan appears to be fault offset in plan interpretation attesting to en-echelon fault target repetitions. There is further potential for gold accumulation likely along strike at bends in Mt Shoobridge Fault.
- Surface sampling of shallow drilling needs to be extended between Cook, Fisher and Reid as anomalies are not closed off between these prospects and extended north of Reid and south of Cook, where there is potential for further gold Mineralisation associated with the Mt Shoobridge Fault.
- The proximity of Cook to the Mt Shoobridge Fault warrants more exploration towards the south and west, where the anticlinal fold hinge may intersect the Mt Shoobridge Fault. There may be a plunge intersection that focusses gold mineralisation as in the case of the Troy Shoot and Fitzroy fault at Kanowna Belle Deposit near Kalgoorlie. Such potential plunge intersection positions may be repeated elsewhere along the Mt Shoobridge Fault.
- Drill results from WMC at H21 show the potential for high grades in other positions along the Mt Shoobridge Fault Zone and at depth.
- Further examination of magnetics and interpreted geology should be considered to rank prospects on structural interpretation.

2.13.2 Conclusions

In Mining Insights' opinion, the historical work carried out by WMC and SBY has been highly encouraging and warrants follow up exploration. The work carried out by Salisbury at the Cook prospect identified a zone of gold anomalism over 1,000 m in strike length and 200 m in width associated with intense quartz veining parallel to an anticlinal axis. The anomaly is open to the north and could be contiguous with the Fisher prospect. Previous exploration at the Fisher prospect has located a gold and arsenic anomaly occurring over a strike length of 500 m over an interpreted fold nose structure with stacked quartz veining. The anomaly is thought to be open to the north and south and again appears contiguous with both Cook and Reid prospects. The Reid prospect hosts a siliceous gossan outcrop over a strike length of 600 m and averages 100 m in width. The anomaly is open to the south and is again likely contiguous with the Fisher project. All three prospects represent an exciting underexplored anomalous gold zone of over 2,500 m in strike length and 200 m width with potential for a high-grade resource to be defined.

Caprice Resources is planning to test this anomalous zone with an intensive mapping and infill soil sampling program. Following encouraging results, a large-scale RC drilling program will be

undertaken to thoroughly test the zone for high grade Au mineralisation. In addition, the H21 and Triumph prospects on EL30964 that will require further investigation.

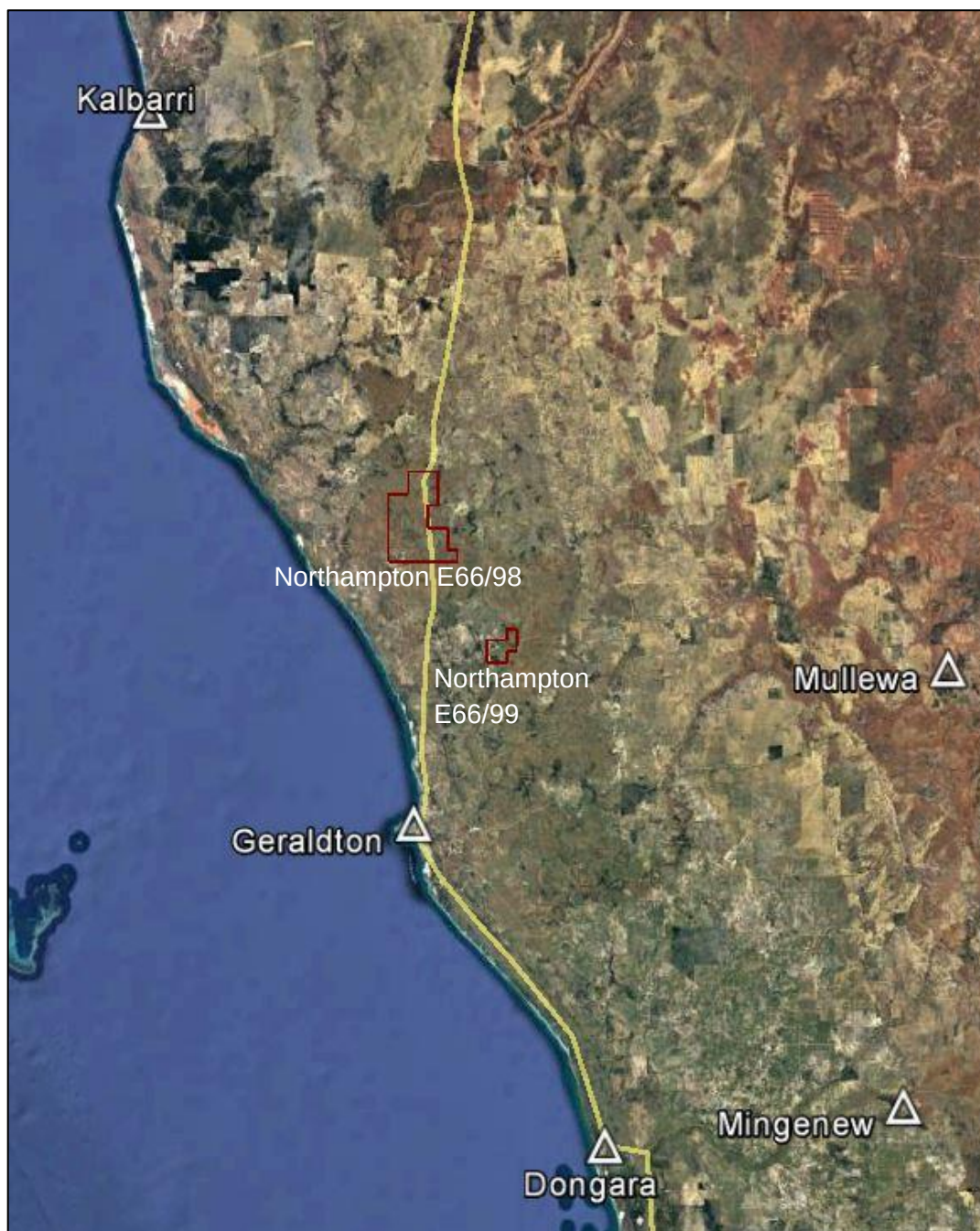
The Wild Horse Hill Project illustrates the potential for a further gold discovery within the Pine Creek area of the Northern Territory.

3 Northampton Project

3.1 Location and Access

The Northampton Project covers the town of Northampton in Western Australia. Geraldton is 40 Km to the south, Kalbarri is 75 Km to the north-north-east and Mullewa is 75 Km to the east (Figure 3:1). The area is easily accessed using the North West Coastal Highway, the Northampton to Port Gregory Road and the Kalbarri to North West Coastal Highway. There are well maintained gravel roads and tracks through the area. The area of Northampton is mostly a farming community.

Figure 3:1 Northampton Project – Location



3.2 Tenure

The Exploration Licence E66/99 and Exploration Licence E66/98 were granted to Red Field Pty Ltd in 2018. E66/99 has an area of 38 blocks (114.9 Km²) and E66/98 has an area of 6 blocks (18.1 Km²) for a total project area of 44 blocks (133.0 Km²).

Figure 3:2 Northampton Project - Tenement Plan

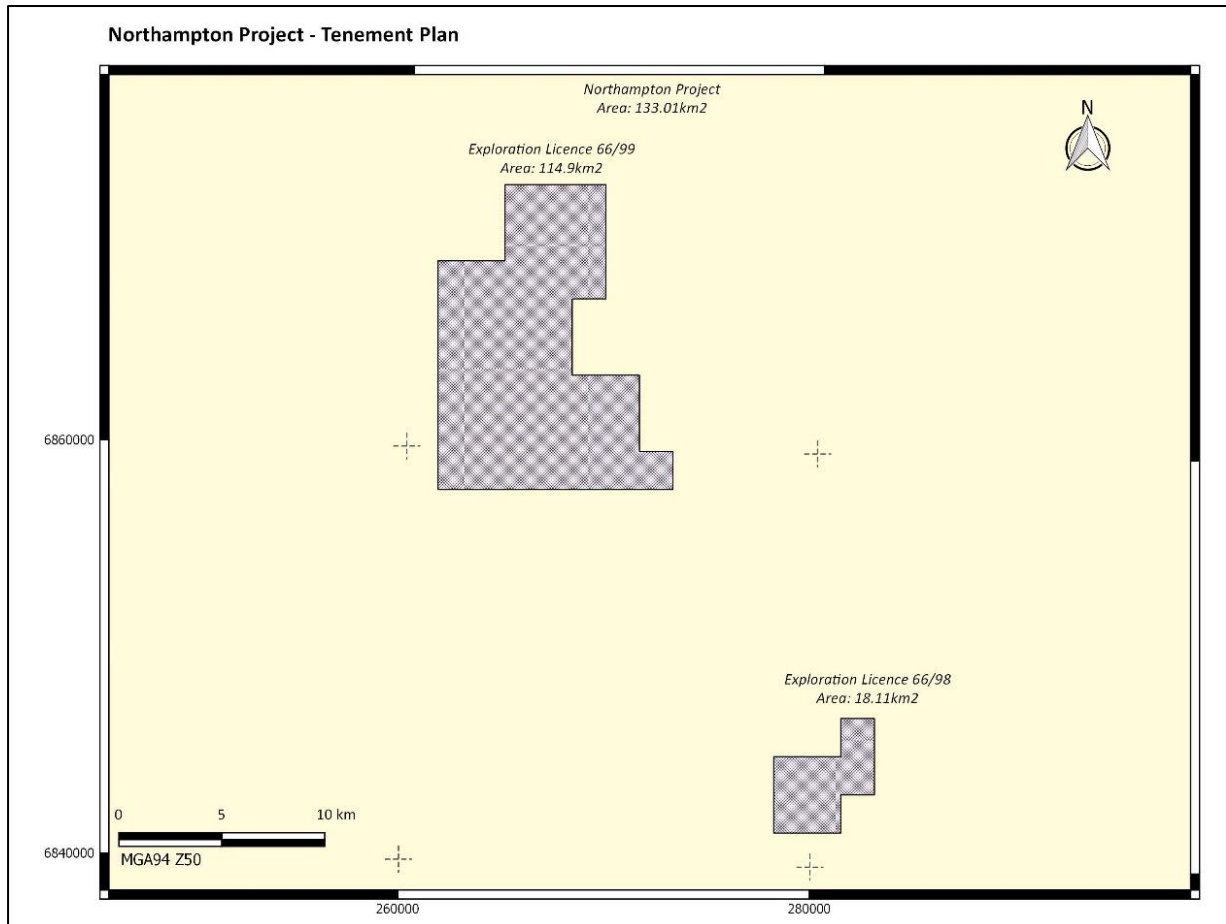


Table 3:1 Tenement Summary

Tenement	Grant Date	Expiry	Applicant	Area (BL)
E66/99	24/04/2018	23/04/2023	Red Field Pty Ltd	38
E66/98	21/05/2018	20/05/2023	Red Field Pty Ltd	6

3.3 Regional Geology

The Project occurs within the Proterozoic Northampton Complex (Northampton Complex) and is represented as a horst within the Pinjarra Orogen. The Pinjarra Orogen is situated on the western margin of the Yilgarn Craton and has undergone repeated deformation during the Proterozoic and was the site of rifting in the Mesozoic Gondwana break-up of the continents. Most of the Northampton Complex is overlain by Mesozoic and Cainozoic cover rocks.

The three main units within the Northampton Complex are granulite, granite and migmatites (Peers, 1975). The granulites are interpreted to be of sedimentary origin and were intruded by granite with

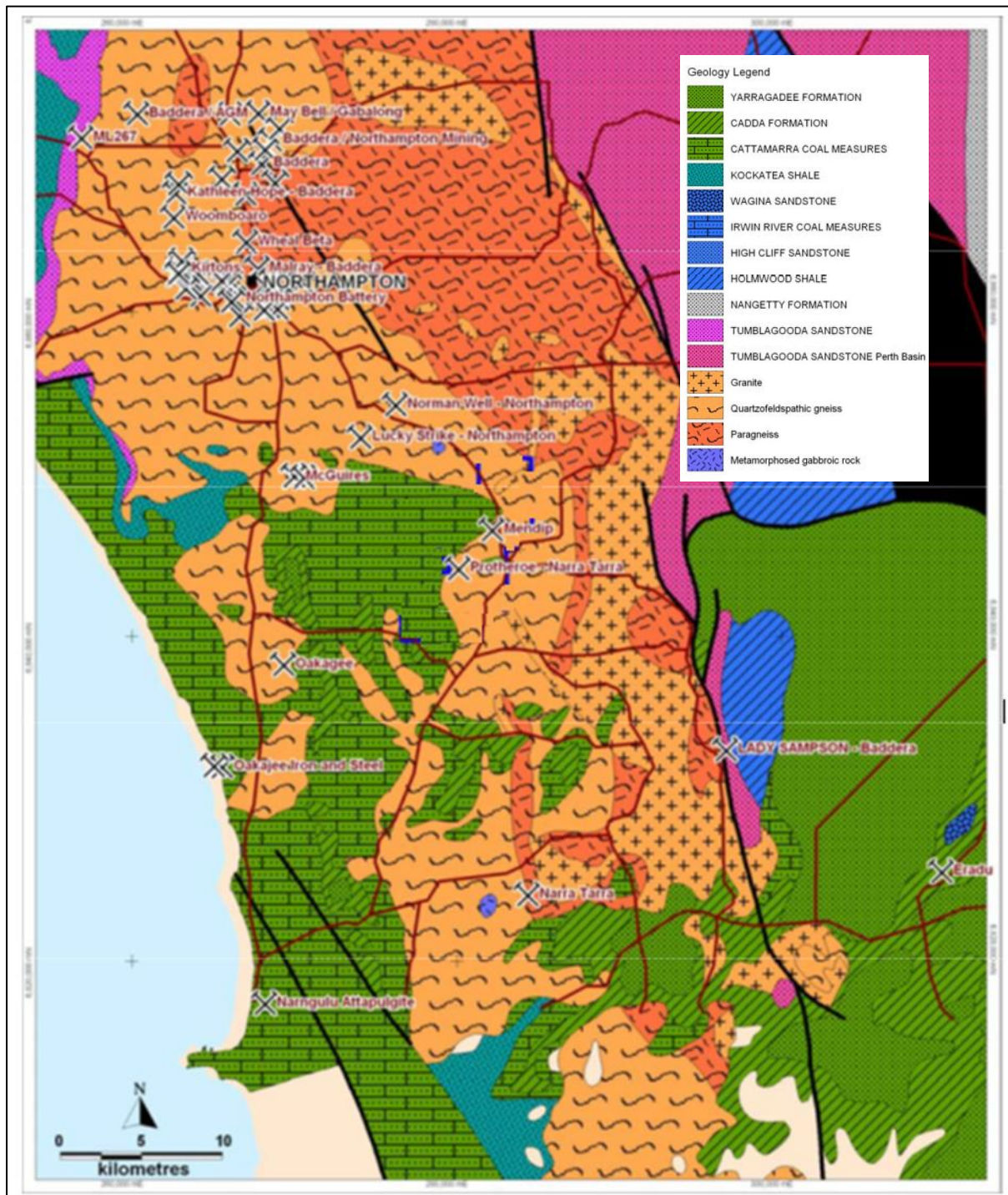
the accompanying production of migmatites along the granite–granulite boundary and contact metamorphic effects within both the granites and granulites. From field and petrographic evidence, it has been concluded that the migmatite is a mechanical mixture of the granulite and the invading granite.

The granulites are the oldest rocks in the Northampton Complex and they represent a pile of geosynclinal sediments of mostly greywacke composition with intercalated siliceous bands (now quartzites) and intruded gabbroic sills (now basic granulites).

Pegmatite layers which occur throughout the granulite, appear to be mainly metasomatic and a product of the granulite country rock. The discordant basic granulite intrusive, occurring mainly in an area south of Northampton is considered to be a metamorphosed gabbros.

The granulite unit was intruded by the granite as a sheet structure which is thickest in the eastern part of the Northampton Complex and gradually interfingers with the granulite unit towards the west. The granulite, granite and migmatite units have undergone macroscopic folding with the axes of the folds oriented between north and northwest.

Figure 3:3 Northampton Project – Regional Geology



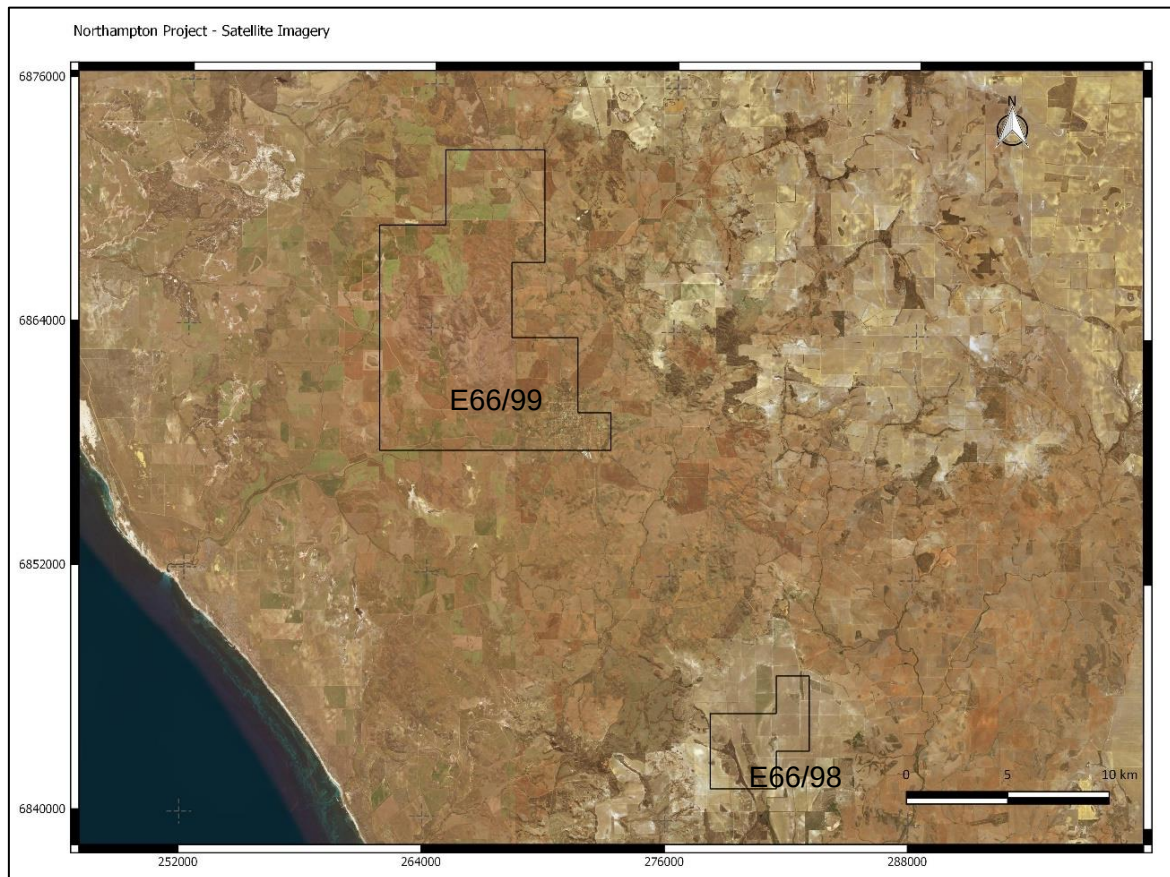
A major fault associated with marginal shearing and quartz veining is located approximately 5 Km east of Northampton and strikes north-northwest and parallel to the fold axes of the region.

The Northampton Complex is intersected by a closely spaced swarm of dolerite dykes striking north-north east. All the lead-silver and copper mines in the Northampton Complex appear to be related to the same north-northeast trending fault system that has controlled the intrusion of dolerites.

3.4 Project Geology

The Project consists locally of quartzo-feldspathic igneous intrusives, with associated minor politic, paragneisses metamorphosed to granulite facies before 1,000 Ma. A porphyritic granite and a swarm of NE trending dolerite dykes intruded at around 1,000 Ma and 750 Ma respectively. The known Cu-Pb-Zn mineralisation postdates the dolerite dykes evident and generally occur as veins in faults, often along the margins of the dykes.

Figure 3:4 Northampton Project – Satellite Imagery



Byrne and Harris (1993) reviewed the ore deposits of the Northampton Complex based on experimental fault and shear zone models and studies of mineralisation within wrench systems. They have defined the fractures at Northampton as brittle-ductile shear zones.

The brittle-ductile shear zones trending 38° contain brecciated wall rock (mostly granulite gneiss with lesser pegmatite and dolerite) cemented by quartz and typically with disseminated sulphides. The vuggy nature of the quartz and other minerals suggests that some of the infilling took place in dilational zones (Ferguson, 1999). The mineralised lodes within the shear zones also fill open fissures and fault breccias. Most deposits are in simple veins associated with the opening of flexures in faults. The larger deposits are located in structurally more complex situations where faults intersect or in cymoid loops where two parallel shears are connected (Blockley, 1971).

Sulphide vein zones are commonly located near the margins of the shear zone and to a lesser extent within the breccia zone (Ferguson, 1999). The ore commonly takes the form of boudins suggesting 'pinch and swell' under the influence of post-ore tectonism. However, Blockley in a personal communication to Ferguson indicated that the galena showed no signs of deformation.

Individual veins within the different deposits may be up to 1 m wide with ore deposits being up to 9m wide, 270 m long and 150 m deep (Blockley, 1971).

3.5 Mineralisation

Most common sulphides are coarse grained massive galena, sphalerite, pyrite, marcasite and chalcopyrite. Lead and copper are generally mined from separate ore shoots and chalcopyrite is not in equilibrium with galena. Copper mineralisation is believed to post-date the lead-zinc mineralisation. All known base metal deposits are late stage breccias or veins.

Lead, copper, zinc and silver mineralisation occurs almost exclusively in the granulites. Only about 30% of the ore bodies are associated with the dolerites and none of these were significant producers. The mineralisation is believed to have occurred in the chronological window between the dyke emplacement and deposition of the sandstone.

Galena is the main sulphide mineral with accessory sphalerite, pyrite, marcasite and chalcopyrite all within a gangue of quartz, carbonate and barite. In the copper lodes, chalcopyrite is dominant with sphalerite more commonly associated with the lead mines (Byrne and Harris, 1993).

In the oxidised/supergene zones (usually quite shallow at Northampton) lead occurs as cerussite (lead carbonate), anglesite (lead sulphate) and pyromorphite (lead chlorophosphate).

The galena and sphalerite of the Northampton mines are not in equilibrium with the other sulphides and may be of different origin (Michael & Groves, 1977). The galena's silver averages 30 g/t based on historical work.

Silicification, chloritisation and kaolinisation are the dominant wall rock alteration styles (Ferguson, 1999). Byrne and Harris (1993) recognised two main types of structurally controlled ore shoots. The first type which is frequently associated with the lead deposits is divided into the following structural settings:

- Lens structures – branching of the shear containing a brecciated lens of country rock which is mineralised, such as at Protheroes and Narra Tarra;
- Link structures – two parallel shears connected near their ends by linking shears and when under extensional stress, the linking shears dilate thereby creating space for ore formation, such as at Surprise, Galena and Surprise North; and
- Intersecting lodes – breccias develop at the intersection of two shears as at Deeble and Baddera; and Curved lodes – ore forms within the curved section of a shear as seen at Nooka.

The second main type of ore shoot has an association with copper mineralisation. These shoots are subhorizontal within the shears as a result of them being mainly supergene by nature and also their relationship to the water table. Malachite and azurite predominate with much lower grades of copper as chalcopyrite and covellite sulphides, present in the primary zone (Ferguson, 1999).

Some early workers have suggested a genetic relationship between the dolerite dykes and the mineralising events. This was based on the observed association of both the dolerite and base metal mineralisation within the 038° oriented shears. However only 30% of the deposits are in contact with dykes and none of the larger deposits are associated with dolerite dykes. Isotope

studies by Michael and Groves (1977) indicate a high $^{207}\text{Pb}/^{204}\text{Pb}$ ratio which suggests a crustal rather than a magmatic source for the lead.

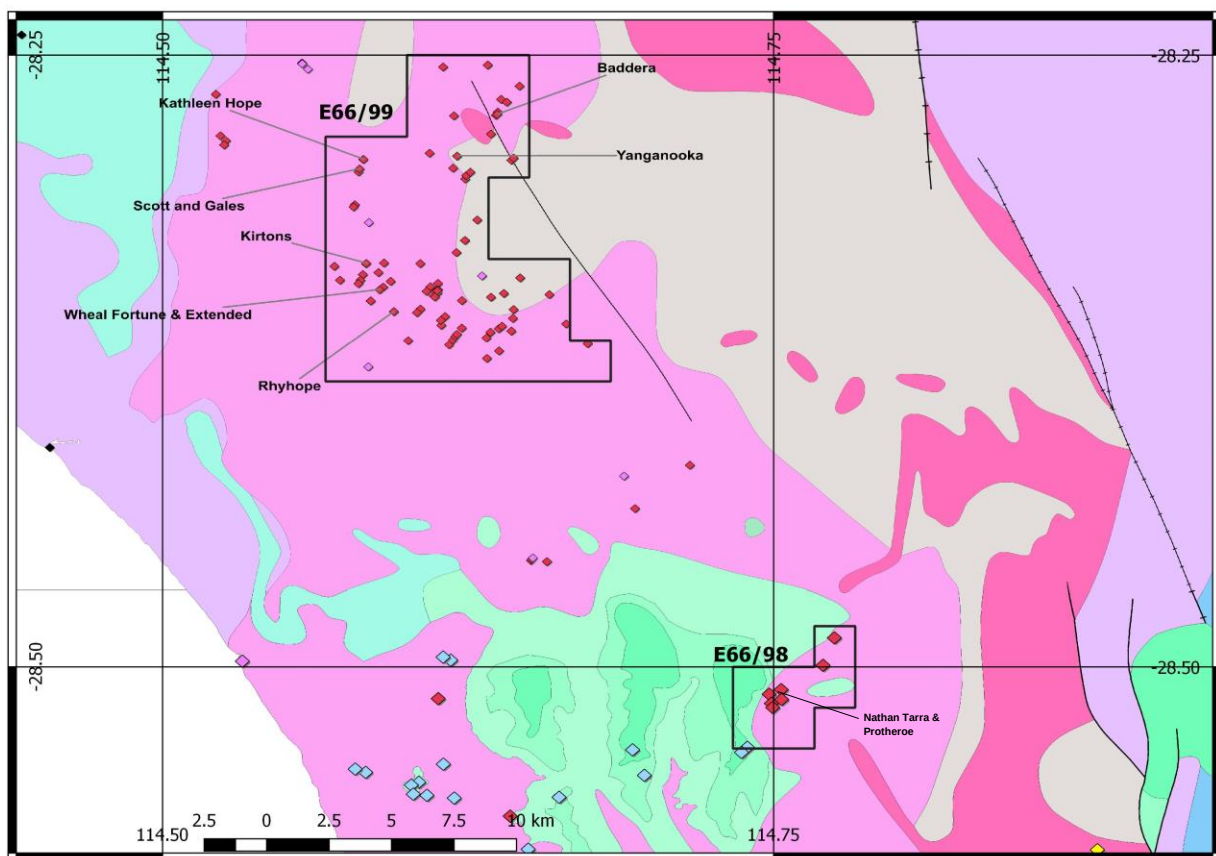
The mineralisation is considered to post-date emplacement of the dolerite dykes (Byrne and Harris, 1993). With regards to the method of formation of the mineralisation, Richards et al (1985) have suggested two stages in the mobilisation of lead from the greywacke precursors of the granulites. In the first stage during regional compression at 1.02 Ga heating and compression of the greywacke would have helped mobilise lead, strontium and uranium with the circulation of aqueous fluids then extracting lead from the granulites (meta-greywackes) and redepositing it as base metal mineralisation and accumulations. Blockley (1971) suggested that mineralisation was derived from hot solutions during the last stages of the intrusion of the dolerite dykes.

3.6 Historical Mining within the Northampton Project

Historical mines of the Northampton district are located within a large area of granulite and gneiss which has been exposed by the down cutting action of the Bowes River. Most of the mines are clustered either around Northampton or in an area extending some 3 Km north of Baddera as shown in Figure 3:5.

Lead mineralisation was discovered at the Galena Mine, north of the tenement in 1848 and at least 115 occurrences of vein hosted lead, zinc and copper mineralisation have been identified as gossans and silicified breccias in the region.

Figure 3:5 Northampton Project - Historical Mines



Mining in the Northampton Mineral Field began with the discovery of lead in the Murchison River bed by a member of A.C. Gregory's 1848 expedition. This discovery led to the development of the Geraldine Lead Mine. Most of the recorded lead mines were discovered and worked in the period 1865 to 1890. Records are sparse and information on production and development is generally unavailable (Blockley, 1971).

Export of lead ore from the Northampton Mineral Field from 1850 to 1899 is recorded as being 34,140 tonnes and according to Montgomery (1908), the average ore grade was 65%–70% lead for some 20,300 to 23,400 tonnes of contained metal.

Since 1899, total recorded production from the Northampton Mineral Field has been 77,700 tonnes of lead metal from 455,859 tonnes of ore and concentrate (Ethan Minerals Prospectus, 2009). Historical production records for the Northampton Mineral Field is shown in Table 3:2.

Table 3:2 Estimate of Historical Production

Deposit	Period	Tonnes	Grade			Pb (t)	Cu (t)	Ag (Kg)	Zn (t)
			Pb (%)	Cu (%)	Ag (g/t)				
Baddera	1873-1883	688	72.0			495			
	1910-1920	132,000	11.0			14,200			
Baddera North	1946-1954	15,200	5.0			731			
Wheal Fortune Extn.	1899-1905	44,753	9.9		0.6	4,428		28	
Wheal Fortune	1862-1868	3,015	75.0			2,261			
	1870-1880	2,618		17.0			445		
Northampton	1915-1929	444	39.2			174			
	1948-1956	1,076	68.0		16.1	732		17.4	8
	1965	6	69.5			4			
Kathleen Hope	1957-1967	372	6.2		2.2	23			

Source: Ethan Minerals Prospectus, 2009

3.6.1 The Baddera Mine Group (E66/99)

The Baddera Group is located approximately 9 Km north of Northampton and 1.5 Km by dirt road to the east of the North-West Coastal Highway with two mines having been worked on the property, the Baddera and Baddera North Mines. Discovered in 1873, the mine was worked for a period of 10 years to a depth of 30 m. Production estimate was 687.8t of concentrate averaging 72% lead (Ethan Minerals Prospectus, 2009).

The mine reopened in 1910 and was worked until 1920 with production of 14,200 t of lead metal from 132,000 t of ore at an average grade of 11% lead (Ethan Minerals Prospectus, 2009).

At the Baddera Mine, discontinuous lenses of galena occur within a lode shear 2.5 m in width striking 050° and dipping 70° to the west. The mineralised shear is located in granulite, pegmatite and quartz. The Baddera orebodies occur on sigmoidal loop structures formed where two bands of massive glassy quartz have been intersected by the lode shear. The two bands of quartz trend at 030° sub-parallel to the local foliation of the country rocks. The two branches of the shear (the sigmoid loop) are exposed at the southern end of the Baddera Mine and can be followed in the

surface workings and re-join in the southernmost open pit. At surface, the Baddera workings extend for about 130 m.

Figure 3:6 Historical Baddera Mine – Tailings



3.6.2 Yanganooka, Yanganooka North & Lucy Mines (E66/99)

The Lucy Mine is located 7 Km north of Northampton and 2 Km south west of the Gurkha Mine. The Lucy Mine was worked in 1956 and produced 5.48 tonnes of lead from 136.1 tonnes of ore (Ethan Minerals Prospectus, 2009). No reports or plans are available for the Lucy Mine.

Blockley (1971) describes the lode as following a 0.9 m to 1.2 m wide breccia zone striking 030° and dipping to the west. The wall rock is an altered gneiss, with the ore consisting of quartz filled breccia mineralised with galena, pyrite and minor chalcopyrite.

The surface workings extend for some 46 m and predominantly consist of pits and costeans. A 15 m vertical shaft has been sunk to the west of the lode.

3.6.3 Kirtons Mines Group (E66/99)

The Kirtons group of mines is located 6.5 Km west-northwest of Northampton. Access is gained via a road branching off the Port Gregory Road immediately east of the Unandara Creek crossing.

Past nomenclature for this group of mines is confusing as it seems that at various times the name 'Kirtons' has been applied to any or all of the mines of the group. Similarly, production estimate cannot be broken down for each of the mines (Blockley, 1971).

Kirtons Mine is located 150 metres south-southwest of Kirtons North Mine with shallow workings extending over a length of 90m with a 9m shaft being the only shaft of any depth. This shaft is located on a lode branching off the main lode with the largest open pit being located near the junction of the two lodes.

The Kirtons South Mine is located some 240 m south-southwest of Kirtons Mine. Kirtons South Mine was worked over a length of 55 m both at surface and underground by means of two shafts

40m apart. The northern shaft is 21 m deep and inclined steeply eastward. To the north of this shaft is a surfaced stope 9 m long.

The Kirtons North Extended Mine is the largest of the group of four. During the main period of production, underground mining was carried out from a main inclined shaft, probably the shaft at the northern end of the workings. Here, a shoot was stoped over a length of 70 m and a width of between 0.9 m and 1.2 m at the 48.7 m level however, it thinned or lensed out above the 67 m level. Another shoot was located 44 m south of the shaft on the 67 m level. The mine was closed in 1919.

More recently (year not known), a shaft was sunk at the southern end of the lode some 120 m south of the main inclined shaft. Two levels drove into the lode at 18.2 m and 27.4 m. On the 18.2 m level the drive exposed thin, irregular veins of galena over a width of 0.76 m. On the 27.4 m level a lode 0.91 m in width was worked with veins of solid galena up to 0.3 m thick, exposed on the hanging wall side over a length of 27 m. The ore was stoped to a height of 4.5 m on this level. The Kirtons North Extended Mine lodes contained galena, cerussite and copper minerals (Blockley, 1971).

The Kirtons North Mine is located 460 m south-southwest of the Kirtons North Extended Mine with Kirtons North Extended Mine being the furthest north of the four mines. The Kirtons North Mine has many similar features to the Kirtons North Extended Mine. At Kirtons North the lode dips easterly at between 80° and 85° and was mined discontinuously over a length of some 60 m. The deepest part of the mine is a 30 m shaft at the northern end of the workings. A two-compartment shaft is located 12 m west of the lode near the southern end of the line. Mining was carried out from the 30 m shaft and the lode was stoped to the surface over a length of 6 m. Where mined, the mineralised section was 0.60 m to 0.90 m in width, with galena and cerussite occurring in the northern workings and copper and oxidised zinc minerals in the southernmost shaft (Blockley, 1971).

3.6.4 Wheal Fortune, Wheal Fortune Extended and Paringa Mines (E66/99)

These workings are located 5 Km west north west of Northampton and lies within a shear zone trending 040-050N and dipping 70 degrees to the west. It consists of a number of parallel, echelon shears with richer zones occurring where the shears intersect pegmatites. Individual ore shoots plunge to the south with mineralised zones up to 1.2 m wide. Mineralisation consists of galena, sphalerite, chalcopryrite and pyrite in the primary zone with malachite, azurite, covellite, chalcocite and native copper in the oxidised and supergene zones.

The Wheal Fortune Copper and Lead Mine was worked from 1862 to 1868 over a length of 223 m and to a depth of 90 m. The Wheal Fortune mine produced, 3,015 t of lead ore at 75% Pb and 2,681 t of copper ore at 17% Cu. The Wheal Fortune Extended Mine connected with the Wheal Fortune Mine at the 55 m level.

At the north Paringa Mine, the mineralisation is located in shears striking between 030° and 040°. The shears cut garnet granulites which have been invaded by pegmatites.

3.6.5 Narra Tarra and Protheroe Mines (E66/98)

Narra Tarra Lead Copper Mine was first mined between 1874 and 1880. Due to the nature of the ore deposit lead was initially exclusively mined during this period. However, in the 1920's the mine was re-opened and copper was mined exclusively. 23,770 tons of ore produced 1,785 tons of

copper in concentrate. The mineralisation strikes at 30° dipping 70° east (West Australian Metals, 2007).

Mining began at the Protheroe Mine in 1946. It was mined between this time and 1950 by the Heinson Bros. and then from 1951 to 1958 by Anglo Westralian Mining Pty Ltd. The mine produced in excess of 13,000 tonnes of lead ore during these periods with a grade of approximately 77% (West Australian Metals, 2007).

3.7 Historical Exploration

Prior to the 1970's exploration consisted of prospecting for surface gossans and silicified breccias associated with base metal mineralisation. The exploration was carried out by A.C.M., Allied Minerals and Dresser. Prior to 1950 some diamond drill holes were completed beneath several of the old mines by the Western Australian Mines Department as well as by some private companies.

During the 1970's exploration was carried out in the vicinity of the Baddera mining centre. This was comprised of a helicopter borne electromagnetic (EM) and magnetic survey. This was followed up by geological mapping, a ground based Induced Polarisation (IP) survey and rock chip sampling.

Areas prospective for further work were outlined. This resulted in mapping which located fault breccia zones. These zones were defined over distances of 1,700 m and included silicification, chloritisation and kaolinisation of the host rocks. Several IP and EM anomalies were also identified which currently remain untested by drilling.

In the early 1980s, regional exploration was carried out by Esso and was based on conceptual stratiform base metal models. A programme of regional and detailed geophysics was conducted with geochemical and drilling follow up.

In late 1980 and 1990's, exploration has been carried out by West Australian Metals NL. They undertook photo-interpretation, geological mapping, stream sediment geochemistry and detailed airborne magnetic surveys over the Northampton, Galena and Nabawa districts.

3.8 Recent Exploration

3.8.1 E66/99 Tenement

During 2007 – 2008, Ethan Minerals Ltd. conducted a rock chip sampling program at Northampton E66/99 tenement. The rock chips were collected from outcrop with (usually) visible alteration, brecciation or gossanous in nature. No samples were taken from old mine dumps or mullock heaps. In total, 9 rock samples were collected by Ethan Minerals Ltd, mainly of the ferruginous gossan and quartz veining (Table 3:3).

Table 3:3 Northampton E66/99 - Rock Chip Samples

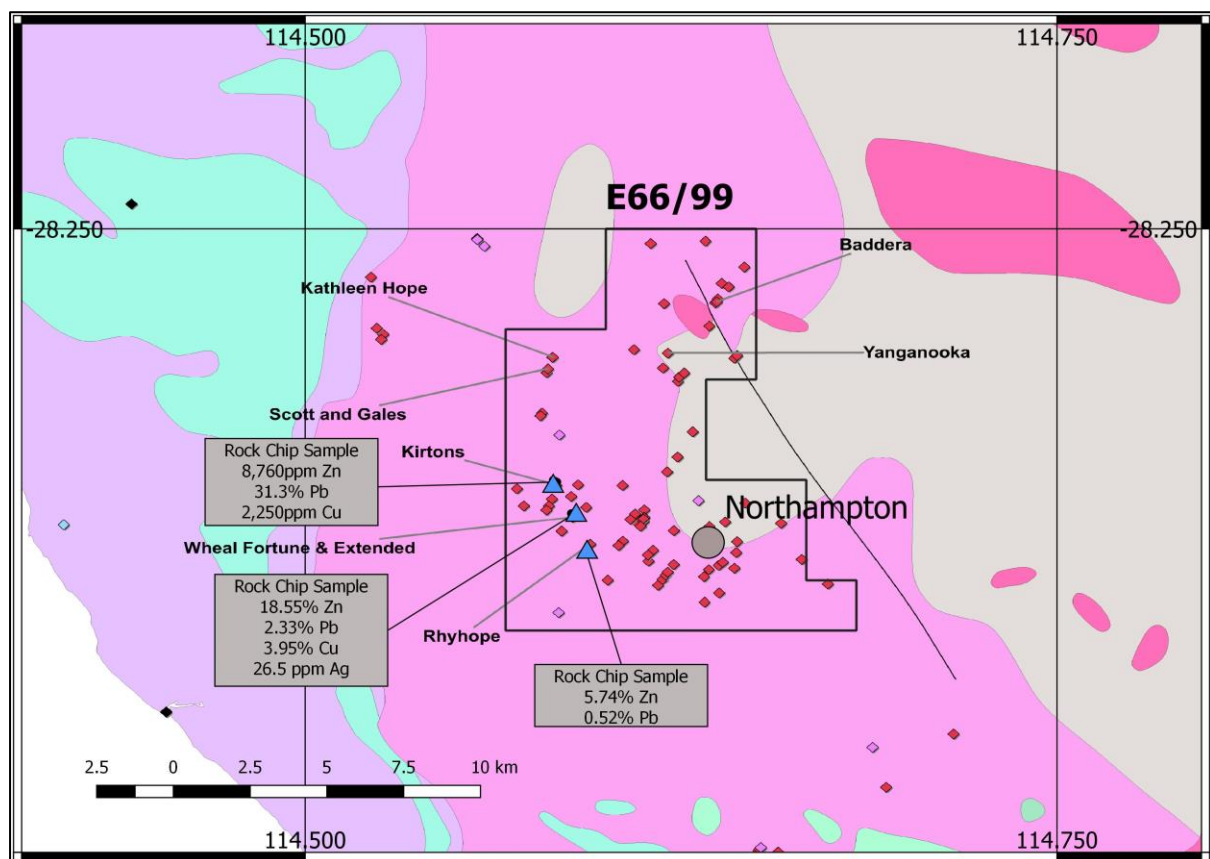
Sample No.	Location	MGA E m	MGA N m	Lead %	Zn %	Cu ppm	Ag ppm
77906	Baddera	268206	6870199	1.70%	0.00%	695	
77907	Kathleen Hope	262885	6867988	0.10%	0.00%	1,380	
77908	Kirtons	262878	6862547	0.14%	0.01%	130	
77909	Kirtons	263111	6863326	31.30%	0.88%	2,250	4.5
77910	Wheal Fortune	263667	6862158	2.34%	18.50%	39,300	26.5

Sample No.	Location	MGA E m	MGA N m	Lead %	Zn %	Cu ppm	Ag ppm
77911	Wheal Fortune	263790	6862264	13.10%	0.18%	4,690	3
77913	Wheal Ellen	266554	6859863	0.20%	9.66%	205	3
77914	Rhyhope	266165	6860631	0.52%	5.74%	205	1
77915	Rhyhope	266167	6860577	0.04%	0.10%	100	

Source: Ethan Minerals E66/64 tenement Annual Report, 2009

The results were found to be widespread if not always high grade indicating good potential for discovery of significant mineralisation. Location of some of the significant rock chip samples is shown in Figure 3:7.

Figure 3:7 Location of significant rock chip samples – E66/99



Data Source: Ethan Minerals E66/64 tenement Annual Report, 2009

3.8.2 E66/98 Tenement

The E66/98 tenement is located approximately 20 kilometres south east of the Northampton township. There were many mining operations in this area however most were small and only two produced considerable quantities of lead and copper ore. The Protheroe Lead Mine and Narra Tarra Lead Copper Mine were the most prolific historical producers within E66/98 tenement.

A review of past exploration data by conducted by West Australian Metals Ltd in 2006 and subsequently targeted soils, radiometric and reconnaissance mapping being conducted in 2007 along with rock chip sampling. During 2007, West Australian Metals Ltd conducted mapping and rock chip sampling on tenement E66/98. An area of approximately 1.5 Km² around the Protheroe

and Narra Tarra Mines was geologically mapped at 1:1000 scale with a surrounding area of around 8.5 Km² covered with broad reconnaissance mapping and sampling.

20 Rock chip samples were taken from outcrop within E66/98, generally with visible brecciation or gossanous in nature. No sample was taken from old mine dumps or mullock heaps as it was felt this would be mis-leading with respect to the background mineralisation potential of the area. A list of samples taken is shown in Table 3:4.

Table 3:4 Northampton E66/98 - Rock Chip Samples

Sample No.	MGA E m	MGA N m	Ag ppm	Cu ppm	Pb ppm	Zn ppm
NHRC0001	279192	6843155	0.2	233	3,530	258
NHRC0002	279300	6843210	0.1	51	1,089	267
NHRC0003	279575	6843300	0.4	35	221	338
NHRC0004	279630	6843350	0.1	132	90	117
NHRC0005	279625	6843350	0.1	172	157	164
NHRC0006	279680	6843400	2.0	11,555	10,600	4,806
NHRC0007	279680	6843405	32.7	140,820	13,800	510
NHRC0008	279163	6843285	0.5	2,189	579	328
NHRC0009	279144	6843383	1.4	1,280	4,100	238
NHRC0010	279258	6842808	0.7	559	108,100	597
NHRC0011	279820	6843700	0.1	381	937	847
NHRC0012	279728	6843769	0.1	85	707	235
NHRC0013	280309	6844119	0.2	94	367	884
NHRC0014	280014	6843927	0.1	52	192	292
NHRC0015	280292	6843441	0.1	89	400	251
NHRC0016	280811	6844580	0.3	55	63	111
NHRC0017	280198	6843877	0.3	68	89	428
NHRC0018	280396	6842006	75.5	119	147,900	104,907
NHRC0019	280395	6842010	1.3	1,506	16,600	2,243
NHRC0020	282174	6846597	1.7	1,196	44,600	1,041

Source: West Australian Metals Ltd E66/50 tenement Annual Report, 2008

Rock chip samples suggest that the area is prospective for the discovery of new resources as well as the re-testing of known deposits.

3.9 Exploration Potential

The Northampton Complex has been explored for base metals since the discovery of lead mineralisation near Galena in 1848. Around 100 occurrences of vein-hosted lead, zinc and copper mineralisation were located as gossans or mineralised silicified breccias by traditional surface exploration (Blockley 1971). The largest mines within E66/99 tenement (Baderra and Wheal Fortune) produced a total of 75,000 to 150,000 tonnes of ore grading 9% to 20% lead (Ethan Minerals Prospectus).

The known Pb-Zn-Cu-Ag mineralisation of the Northampton Project is restricted to veins and breccias, most of which are associated with the NNE-SSW fracture set which hosts the dolerite dykes. Byrne and Harris (1993) suggest that the mineralisation is syntectonic with the variably brittle - ductile deformation on the NNE-SSW trending structures and may be associated with dextral

movements along the Pinjarra Orogen between 605 and 800 Ma. The main initial targets are described below.

3.9.1 Baddera (E66/99)

The Baddera Mine was the largest operation in the Northampton Complex with known production approximately 14,000 tonnes of contained lead (Prospect Resources, 2012). The mineralisation is located on a shear trending 050° where this intersects quartz veins related to a set of north-northwest trending faults. The latter are probably part of the major F1 fault zone which is evident in the available 150 m line spaced aeromagnetic data. Displacements along this fault are evident especially where it cuts across the north-easterly trending dolerite dykes.

Several 050° trending features (thin dykes or faulted contacts) are also evident on the magnetic data to the northeast and southwest of the Baddera mine. Several targets (T2, T3, and T4) have been identified where these structures intersect north-northwest faults. Target T1 is over the intersection of one of these structures with an inferred basic granulite.

3.9.2 Wheal Fortune (E66/99)

The Wheal Fortune Mine was also a significant producer with recorded production of approximately 4,300 t of contained lead (Prospect Resources, 2012). This group of mines are located along a 040°-050° trending shear zone which is parallel and close to an inferred magnetic break. This may be a fault zone. This is also sinistrally offset in the vicinity of this group of mines, suggesting dilation is caused by this structural complexity. Targets T12 and T13 have been identified along this structure where similar structural conditions are interpreted from the data to occur.

3.10 Proposed Exploration Program

3.10.1 Site Visit

Caprice Resources undertook a site visit in July 2018. A further planned site visit intends to establish good working relationships with local landholders, establish optimal access to the tenements and complete some basic geological reconnaissance and sampling.

3.10.2 Desktop Studies

Caprice Resources will continue its rigorous desktop evaluation of the project area over the coming 12 months. The company has acquired a significant amount of historic data relating to this project. This comprises aeromagnetic data (150 m line spacing), geological mapping (various scales, surface and underground), several geochemical sampling programmes and geophysics.

This will involve creation of a digital database of all available historic exploration and mining data. This includes all available underground survey, mining, sampling data as well as any available drilling and surface sampling. In addition, available geophysical data is also being compiled. This data will be integrated into a consolidated database. Once completed, a three-dimensional exploration targeting program will be completed, prior to further work.

3.10.3 Soil/ Rock chip Sampling Program

Soil sampling and quartz vein sampling along strike is planned for the second year of tenure. A major infill soil sampling program will be conducted to assess any continuity in Northampton E66/99 tenement and to follow up on anomalous lead and copper rock chip sample results collected

previously. Systematic longitudinal sampling of exposed quartz veins along strike will also occur allowing for greater understanding of the grade distribution and grade continuity of these structures.

3.10.4 RC Drilling Program

Caprice Resources envisages a program of 5,000 m of first pass RC drilling program consisting of 50 exploration holes to an average depth of 100 m.

3.11 Planned Work Expenditure

Caprice Resources has planned a systematic exploration program targeting the prospective stratigraphy. Exploration activities will initially focus on key targets within the granted Concession. Activities will include geological mapping, soil geochemistry, IP and gravity surveys followed by RC drilling on selected targets.

Broader, regional exploration programs will investigate mineral occurrences outside the key prospect targets within the granted Exploration Licences. Table 3:5 shown the proposed exploration expenditure over the next two years based on the capital raise of \$4,500,000.

Table 3:5 Exploration Expenditure Budget

Proposed Work	Budget (\$'000)		
	Year 1	Year 2	Total
Desktop – Historical data compilation	170		170
Geological mapping	80		80
Regional surface geophysics (IP survey)	30	70	100
Soil and rock chip sampling	50	50	100
Land Surveys – Heritage	20	20	40
RC Drilling around known prospects		280	280
Total (\$000)	350	420	770

Mining Insights considers that the exploration programs and budgets proposed by the Company (Table 3:5), are appropriate having regard to the strategy and priorities of the Company and are based on sound technical merit.

4 Conclusions & Recommendations

4.1 Technical Risks

Mineral exploration has intrinsically high associated risks. The statistical probability that economic mineralisation will be discovered is low. Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk, however the projects require further review to determine their potential economic viability.

The key technical risks are as follows:

- A significant amount of data quoted in this report is historical in nature and could not be independently verified by the Independent Geologist.
- Exploration activities are not always successful and, as with any exploration and mining companies, there is the risk that commodity prices may fall below prices that support the economic feasibility of a feasibility study or mining operations.
- Even if a resource were to be identified, other issues including ongoing funding, adverse government policy, geological conditions, commodity prices or other technical difficulties may result in a resource not being economically viable.

The Wild Horse Hill and Northampton Projects are considered to be sufficiently prospective, subject to the varying degrees of exploration risk outlined above. The Projects represent opportunities which warrant further exploration and further assessment of their economic potential.

4.2 Conclusions

Mining Insights concludes that the Wild Horse Hill Project and Northampton Project presents exposure to an attractive range of grassroots exploration plays. Further exploration and evaluation work is warranted on each of the Projects.

Proposed exploration budget for both the projects based on a capital raise of \$4,500,000 is shown in Table 4:1.

Table 4:1 Exploration Expenditure Budget

Proposed Work	Budget (\$'000)		
	Year 1	Year 2	Total
Wild Horse Hill	470	1,630	2,100
Northampton	350	420	770
Total (\$000)	820	2,050	2,870

The proposed budget allocations are considered consistent with the exploration potential of the Wild Horse Hill and Northampton Projects and are considered adequate to cover the costs of the proposed programmes. The budgeted expenditures are also considered sufficient to meet the minimum statutory expenditure on the Tenements.

The Independent Geologist's Report has been prepared on information available up to and including 30 September 2018 and Mining Insights is not aware of any material change to the company's mineral interests since that date.

5 References

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6 JORC Code (2012) Table 1

6.1 Wild Horse Hill Project, Northern Territory

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	- Historical sampling has been documented in old reports and government records reviewed by the Competent Person and, for the purpose of this report, any results have been considered to be indicative of the presence or absence of mineralisation potential for the determination of exploration priority in the different project areas. - Sampling methods employed in the projects assessed include stream sediment sampling, soil sampling and rock-chip sampling, as well as RC drilling. Historical soil, drill hole and rock chip geochemical data sourced from Northern Territory State Government databases and open file Company Exploration Records. Certificates of analysis for samples processed for assay and for whole-rock geochemistry were present in the historical reporting. - Company was made aware of the inadequacy associated with the historic nature of the sampling methodology and will consider re-sample and re-assay of selected intervals in these chip-sampled zones. The results from these samples are considered to be valuable for indicating the presence or absence of significant mineralisation.
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	Drilling was reported to be primarily air-core, RAB, and RC drilling historically. Drill samples were collected on 1m intervals.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- No recovery information was available (e.g. drilled interval vs. recovered). - No further information was available for the Competent Person to assess drill sample recovery, warranting further investigation by the Company as it commences on its proposed program of work.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource	Records available indicate that logging was completed by geologists, to a level

Criteria	JORC Code explanation	Commentary
	estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. - The total length and percentage of the relevant intersections logged.	sufficient to generate maps, plans and sections found in previous company reports.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	No records of subsampling have been found for the RC drilling program, and the Competent Person is not able to comment any further on the quality of subsample techniques or preparation.
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	No records of assaying techniques have been found for drilling preceding the diamond drill hole program, and the Competent Person is not able to comment any further on the quality of assaying techniques.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	Original certificates of analysis for samples processed for assay were present in the historical open file reporting and demonstrate the results published are accurate.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	Historical Company sample and drill hole locations based on published reporting and have not been field checked as these are fully rehabilitated. These locations may have a larger error due to the poorer GPS and ground surveying technology.
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	Not applicable. Due to the early stage of exploration and type of reconnaissance work completed to date, the sampling is non-systematic nor representative.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	There is currently no known connection interpreted between the sampling of the data in relation to subsurface geological structures.

Criteria	JORC Code explanation	Commentary
Sample security	The measures taken to ensure sample security.	- The Competent Person cannot comment whether the adequate measures were adopted to ensure sample security as no information is available, except that the bagged samples were sent via courier to the assay laboratory. - No information as to the chain-of-command of sample transport and handling by previous explorers was available, and this has not been validated by the Competent Person.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audit has been completed.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary									
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	<table border="1"> <thead> <tr> <th>Treatment ID</th><th>Granted</th><th>Term</th></tr> </thead> <tbody> <tr> <td>EL 30951</td><td>28/2/2016</td><td>6 years</td></tr> <tr> <td>EL 30964</td><td>28/2/2016</td><td>6 years</td></tr> </tbody> </table> - Tenures are held by Excedo Exploration Pty Ltd and are subject to current transaction between Excedo and Caprice. - There are no known existing impediments to the tenements. - Readers are referred to the Solicitor's Report in the Prospectus for further information of the legal status associated with the tenure of the Project.	Treatment ID	Granted	Term	EL 30951	28/2/2016	6 years	EL 30964	28/2/2016	6 years
Treatment ID	Granted	Term									
EL 30951	28/2/2016	6 years									
EL 30964	28/2/2016	6 years									
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	- All work referenced in this report has been undertaken by previous project operators and is deemed appropriate to industry standards at the time. - The majority of the material work undertaken was by Western Mining Corporation (WMC), Morestoe, Agricola Gold (AGL), Salisbury Resources (SBY), Woods investments and Excedo.									
Geology	Deposit type, geological setting and style of mineralisation.	Refer to section 2.4, 2:5 and 2.6 for Regional and Local Geology.									

Criteria	JORC Code explanation	Commentary
<i>Drill hole Information</i>	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	- All relevant information material to the understanding of exploration results has been included within the body of this report (Table 2:5). - No information has been excluded that would materially detract from the understanding of the project.
<i>Data aggregation methods</i>	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- No data has been aggregated. - No metal equivalent values are used in this report.
<i>Relationship between mineralisation widths and intercept lengths</i>	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	- All drill hole lengths in maps, plans and diagrams have been assumed to be downhole, and the true width is unknown. There is insufficient information to determine otherwise. - The Competent Person cannot comment any further on the relationship between mineralisation widths and intercept lengths.
<i>Diagrams</i>	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Appropriate maps are included in main body of the report.
<i>Balanced reporting</i>	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	- Exploration results were considered to be only indicative, where noted, and provide positive or negative indication for mineralisation potential worth further investigation, as per the Company's proposed work programs. - The Competent Person believes that a narrative approach of this nature is the most objective and balanced way to present the information associated with these projects for now.
<i>Other substantive exploration data</i>	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or	Regional scale geophysical and geochemical data has been reviewed by the Competent Person. Other substantive data is known to exist for these leases and key findings are discussed only as the body of prior work

Criteria	JORC Code explanation	Commentary
	contaminating substances.	is of significant magnitude. The Competent Person has assumed that compiled data and maps provided by the Company are both accurate and representative of the varied input sources.
Further work	- The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	The Company proposes a reasonable program of work, as detailed in the report.

6.2 Northampton Project, Western Australia

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	- Historical sampling has been documented in old reports and government records reviewed by the Competent Person and, for the purpose of this report, any results have been considered to be indicative of the presence or absence of mineralisation potential for the determination of exploration priority in the different project areas. - Sampling methods employed in the projects assessed include stream sediment sampling, and rock-chip sampling. Historical soil and rock chip geochemical data sourced from Western Australian State Government databases and open file Company Exploration Records. Certificates of analysis for samples processed for assay and for whole-rock geochemistry were present in the historical reporting. - Company was made aware of the inadequacy associated with the historic nature of the sampling methodology and will consider re-sample and re-assay of selected intervals in these chip-sampled zones. The results from these samples are considered to be valuable for indicating the presence or absence of significant mineralisation.
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple	Not applicable as no drilling has been undertaken.

Criteria	JORC Code explanation	Commentary
	<i>or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not applicable as no drilling has been undertaken.
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. - The total length and percentage of the relevant intersections logged.	Not applicable as no drilling has been undertaken.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	Not applicable as no drilling has been undertaken.
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	No records of assaying techniques have been found for rock chip sampling program, and the Competent Person is not able to comment any further on the quality of assaying techniques.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	Original certificates of analysis for samples processed for assay were present in the historical open file reporting and demonstrate the results published are accurate.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	Historical Company sample locations based on published reporting and have not been field checked as these are fully rehabilitated. These locations may have a larger error due to the poorer GPS and ground surveying technology.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	Not applicable. Due to the early stage of exploration and type of reconnaissance work completed to date, the sampling is non-systematic nor representative.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	There is currently no known connection interpreted between the sampling of the data in relation to subsurface geological structures.
Sample security	The measures taken to ensure sample security.	- The Competent Person cannot comment whether the adequate measures were adopted to ensure sample security as no information is available, except that the samples were sent via courier to the assay laboratory. - No information as to the chain-of-command of sample transport and handling by previous explorers was available, and this has not been validated by the Competent Person.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audit has been completed.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary									
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	<table border="1"> <thead> <tr> <th>Treatment ID</th><th>Grant Date</th><th>Status</th></tr> </thead> <tbody> <tr> <td>E66/98</td><td>21/5/2018</td><td>Granted</td></tr> <tr> <td>E66/99</td><td>24/4/2018</td><td>Granted</td></tr> </tbody> </table> - Tenures were granted to Red Field Pty Ltd. They are subject to current transaction between Red Field Pty Ltd. and Caprice. - Readers are referred to the Solicitor's Report in the Prospectus for further information of the legal status associated with the tenure of the Project.	Treatment ID	Grant Date	Status	E66/98	21/5/2018	Granted	E66/99	24/4/2018	Granted
Treatment ID	Grant Date	Status									
E66/98	21/5/2018	Granted									
E66/99	24/4/2018	Granted									
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	- All work referenced in this report has been undertaken by previous project operators and is deemed appropriate to industry standards at the time. - The majority of the material work undertaken by Ethan Minerals and West Australian Metals Ltd.									
Geology	Deposit type, geological setting and style of mineralisation.	Refer to section 3.3 and 3.4 for Regional and Local Geology									

Criteria	JORC Code explanation	Commentary
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Not Applicable as no drilling has been undertaken.
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- No data has been aggregated. - No metal equivalent values are used in this report.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Not Applicable as no drilling has been undertaken or any interpretation of mineralisation geometry discussed.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Appropriate maps are included in main body of the report.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	- Exploration results were considered to be only indicative, where noted, and provide positive or negative indication for mineralisation potential worth further investigation, as per the Company's proposed work programs. - The Competent Person believes that a narrative approach of this nature is the most objective and balanced way to present the information associated with these projects for now.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Regional scale geophysical and geochemical data has been reviewed by the Competent Person. Other substantive data is known to exist for these leases and key findings are discussed only if the body of prior work is of significant magnitude. The Competent Person has assumed that compiled data and maps provided by the Company are

Criteria	JORC Code explanation	Commentary
		both accurate and representative of the varied input sources.
<i>Further work</i>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	The Company proposes a reasonable program of work, as detailed in the report.



Level 1, 50 Ord Street
WEST PERTH WA 6005

P +61 8 6142 0987

E info@capriceresources.com

www.capriceresources.com