

Orca Energy Limited
(to be renamed “Fin Resources Limited”)
ACN 009 121 644

Prospectus

Public Offer

For an offer of 50,000,000 Shares at an issue price of \$0.02 each to raise \$1,000,000 before costs
(**Public Offer**).

Re-compliance with Chapters 1 and 2

This Prospectus is issued as part of the Company’s proposed re-compliance with the admission requirements under Chapters 1 and 2 of the Listing Rules due to a proposed change to the nature and scale of the Company’s activities.

Important

This Prospectus is an important document and it should be read in its entirety. Please read the instructions in this Prospectus and the relevant Application Form regarding acceptance of an Offer. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Securities under an Offer. The Securities offered by this Prospectus should be considered highly speculative.

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Important information

General

This Prospectus is issued by Orca Energy Limited ACN 009 121 644 (**Company**), which is proposed be renamed “Fin Resources Limited”, subject to Shareholder approval at the General Meeting.

This Prospectus is dated 4 April 2018 and a copy was lodged with ASIC on that date. Neither ASIC nor ASX take responsibility for the contents of this Prospectus.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to this Prospectus to be admitted for quotation on ASX.

No Securities will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Securities pursuant to an Offer must do so using the relevant Application Form attached to or accompanying this Prospectus. Before applying for Securities, investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Securities, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects.

Any investment in the Company should be considered highly speculative. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Securities under an Offer.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Directors.

Prospectus availability

The Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the Company's website at www.orcaenergy.com.au. There is no facility for online applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on +61 8 9488 5220.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Investors should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for Securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

Foreign investor restrictions

The offers of Securities under this Prospectus do not constitute offers in any jurisdiction outside Australia. The Offers are not made to persons or places to which, or in which, it would not be lawful to make such an offer of Securities. Any persons in such places who come into possession of this Prospectus should seek advice on and comply with any legal restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

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

No cooling off rights

Applicants have no cooling off rights in relation to Securities for which they apply. This means that an applicant is not permitted or entitled to withdraw its application once submitted, other than in certain circumstances under the Corporations Act.

Re-compliance with Chapters 1 and 2

At the General Meeting, the Company is seeking Shareholder approval for a change to the nature and scale of its activities.

ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. Among other reasons, this Prospectus is issued for the purposes of satisfying Chapters 1 and 2 of the Listing Rules and to satisfy the ASX requirements for re-admission to the official list following a change to the nature and scale of the Company's activities.

The Company's Shares have been suspended from trading on the ASX since 24 June 2015 and will not be reinstated to quotation until the Company has re-complied with Chapters 1 and 2 of the Listing Rules and is re-admitted by ASX to the official list.

There is a risk that the Company may not be able to meet the requirements of ASX for re-admission to the official list. In the event the Conditions are not satisfied or the Shares offered under this Prospectus are not admitted to quotation then the Company will not proceed with the Offers and will repay all Application Monies received.

Capital Consolidation

The Company is seeking Shareholder approval at the General Meeting for the consolidation of its existing capital on a 1 for 2 basis (**Consolidation**). Unless stated otherwise, all references to Securities in this Prospectus will be expressed on a post-Consolidation basis.

Competent Person's statement

Information contained in this Prospectus that relates to exploration results, mineral resources or ore reserves is based on information compiled Ms Felicity Repacholi-Muir; BSc (Geol & Soil Sc), GradCertAppFin. Ms Repacholi-Muir is a Member of the Australasian Institute of Geoscientists (MAIG #3417) with over 15 years of experience and has extensive professional experience with the geology of and has worked extensively in Western Australia.

Ms Repacholi-Muir has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined by the in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Ms Repacholi-Muir consents to the inclusion of the matters based on his information in the form and context in which it appears in this Prospectus.

Risk factors

Before deciding to invest in the Company, investors should read the entire Prospectus and, in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Securities offered by this Prospectus should be considered highly speculative. See Section 4 for information relating to risk factors.

Disclaimer

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance is not indicative of future

performance.

Certain statements in this Prospectus constitute forward looking statements. These forward looking statements are identified by words such as "may", "could", "believes", "expects", "intends", and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements.

This Prospectus uses market data and third party estimates and projections. There is no assurance that any of the third party estimates or projections contained in this information will be achieved. The Company has not independently verified this information but has taken reasonable care in reproducing it. The Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. Estimates involve risks and uncertainties and are subject to change based on various factors, including those in Section 3.

Financial amounts

All references in this Prospectus to "\$", "A\$", "AUD", "dollars" or "cents" are references to Australian currency unless otherwise stated.

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

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 endorsed this Prospectus or its contents, or that the assets shown in them are owned by the Company.

Diagrams used in this Prospectus are for illustration only and may not be to scale.

Definitions and time

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Section 11 or in the Independent Geologist's Report.

All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

Governing law

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

Corporate directory

Existing Board

Greg Bandy
Managing Director

Jason Bontempo
Non-Executive Director

Nathan Rayner
Non-Executive Director

Proposed Board

Jason Bontempo
Non-Executive Director

Justin Tremain
Non-Executive Director

Andrew Radonjic
Non-Executive Director

Company Secretary

Aaron Bertolatti

Registered Office

Level 1, 35 Richardson Street
West Perth WA 6005

Telephone: +61 8 9212 0102

Email: info@orcaenergy.com.au

Website

Existing: www.orcaenergy.com.au

Proposed: www.finresources.com.au

ASX code

Existing: OGY

Proposed: FIN

Share Registry

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6009

Auditor

Stantons International
Level 1, 1 Walker Avenue
West Perth WA 6005

Lead Manager

708 Capital Pty Ltd
Level 9, Bligh Street
Sydney NSW 2000

Investigating Accountant

RSM Corporate Australia Pty Ltd
Level 32, 2 the Esplanade
Perth WA 6000

Independent Geologist

Felicity Repacholi-Muir
FRM Geological Services
56 London Street
North Perth WA 6006

Legal Adviser

Edwards Mac Scovell
Level 7, 140 St Georges Terrace
Perth WA 6000

Legal Adviser (Solicitor's Tenement Report)

All Mining Legal
Suite 2, 257 York Street
Subiaco WA 6008

Letter from the Board

4 April 2018

Dear Investor

On behalf of the Board, I am pleased to present this Prospectus to you and offer you the opportunity to invest in Orca Energy Limited, to be renamed "Fin Resources Limited" (**Company**).

As announced to ASX on 15 February 2018, the Company has entered into binding term sheets (**Term Sheets**) to acquire the following interests in the following projects (**Projects**):

- a 51% interest in exploration licence E80/4808 (**McKenzie Springs Project**), and the right to farm-in to an additional 19% interest in the Project;
- a 51% interest in exploration licence E20/900 (**South Big Bell Project**), and the right to farm-in to an additional 19% interest in the Project; and
- a 51% interest in exploration licence E28/2652 (**Sentinel Project**), and the right to farm-in to an additional 19% interest in the Project.

The Projects comprise exploration licences covering ground located in Western Australia, which the Company intends to primarily explore for gold, base metals and graphite. Therefore, the Company will change its direction from oil and gas exploration to mineral exploration.

This Prospectus has been issued by the Company for a public offering of 50,000,000 Shares at an issue price of \$0.02 each to raise \$1,000,000 before costs (**Public Offer**). The funds raised will primarily be used to fund exploration on the Projects, expenses and working capital.

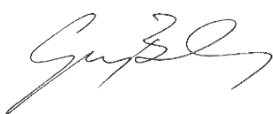
Investors should note that the Company is in the exploration stage of its growth. Accordingly, any investment made in the Company should be considered highly speculative. Information about certain risks associated with an investment in the Company is set out in Section 4, which I encourage you to read carefully.

In addition to raising funds under the Public Offer, this Prospectus is issued as part of the Company's re-compliance with the admission requirements under Chapters 1 and 2 of the Listing Rules due to the change to the nature and scale of the Company's activities brought about by the Proposed Acquisition and Offers.

This Prospectus also contains an offer of 10,000,000 Shares and 20,000,000 New Options to the Sellers as consideration for the purposes of the Proposed Acquisition (**Seller Offer**), and an offer of 12,000,000 New Options to the Lead Manager (and/or its nominees) as consideration for services provided to the Company in connection with the Public Offer (**Broker Offer**).

We would like to thank our existing Shareholders for all of their support to date, and we look forward to welcoming new Shareholders who would like to participate in the future of the Company.

Yours sincerely



Greg Bandy
Managing Director
Orca Energy Limited

Key information

Key financial information	Amount
Issue price of Shares under the Public Offer	\$0.02
Shares offered under the Public Offer	50,000,000
Amount to be raised under the Public Offer (before costs)	\$1,000,000
Shares to be issued to the Sellers	10,000,000
New Options to be issued to the Sellers	20,000,000
New Options to be issued to the Lead Manager	12,000,000
Total cash upon completion of the Offers (before costs)	\$4,601,200
Total Shares upon completion of the Offers	291,691,438
Total Options on issue upon completion of the Offers	32,000,000
Total Performance Rights upon completion of the Offers	8,000,000

Note: Please refer to Section 1.7 for further details relating to the proposed capital structure of the Company.

Key events	Date
Lodgement of this Prospectus with ASIC	4 April 2018
Opening Date for the Offers	12 April 2018
General Meeting to approve the Proposed Acquisition	13 April 2018
Closing Date for the Offers	23 April 2018
Issue of Securities under the Offers	26 April 2018
Completion of the Proposed Acquisition	
Holding statements sent to Shareholders	27 April 2018
Shares re-commence trading on the ASX	3 May 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 Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to apply for Shares under this Prospectus.

Investment overview

This Section is not intended to provide full information for investors intending to apply for Securities offered under 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 info.
Company		
Who is the issuer of this Prospectus?	Orca Energy Limited ACN 009 121 644 (Company), which is proposed to be renamed "Fin Resources Limited", subject to Shareholder approval at the General Meeting.	Section 3.1
Who is the Company and what does it do?	The Company was registered on 8 February 1985 and listed on the ASX on 2 November 1989. In recent years, the Company has primarily operated as an oil and gas company. The Company's securities have been suspended from trading on the ASX since 24 June 2016. In recent times, the Company has been reviewing opportunities in the mineral resources sector. As announced to ASX on 15 February 2018, the Company has entered into the following binding term sheets (Term Sheets) to acquire majority interests in the following projects (Projects): - a term sheet with Sammy Resources to acquire a 51% interest in exploration licence E80/4808 (McKenzie Springs Project), and the right to farm-in to an additional 19% interest in the Project; - a term sheet with Neon Space to acquire a 51% interest in exploration licence E20/900 (South Big Bell Project), and the right to farm-in to an additional 19% interest in the Project; and - a term sheet with Crosspick Resources to acquire a 51% interest in exploration licence E28/2652 (Sentinel Project), and the right to farm-in to an additional 19% interest in the Project, (Proposed Acquisition).	Sections 2.1 and 3.1
What are the Company's key assets and what are the Projects?	At the date of this Prospectus, the Company's primary assets include its cash reserves of approximately \$3,600,000 and its contractual rights under the Term Sheets. Upon completion of the Proposed Acquisition, the Company will hold the following interests in the Projects: - a 51% interest in exploration licence E80/4808 comprising the McKenzie Springs Project, which is considered to be prospective for magmatic Ni-Cu sulphide and Platinum Group Element (PGE) mineralisation, and the right to farm-in to an additional 19% interest in the Project; - a 51% interest in exploration licence E20/900 comprising the South Big Bell Project, which is considered to be prospective for gold, and the right to farm-in to an additional 19% interest in the Project; and	Sections 2.1, 3.1 and 3.4

Topic	Summary	More info.
	a 51% interest in exploration licence E28/2652 comprising the Sentinel Project, which is considered to be prospective for gold, and the right to farm-in to an additional 19% interest in the Project. The Projects comprise exploration licences covering ground located in Western Australia, which the Company initially intends to explore for gold, base metals and graphite. Accordingly, the Company will change its direction from oil and gas exploration to mineral exploration. McKenzie Springs Project The McKenzie Springs Project is located within the Kimberley Region of Western Australia, 85km northeast of the township of Halls Creek. The Project comprises a single granted exploration license and covers an area of approximately 134km² and includes identified nickel, copper, cobalt and graphite occurrences. The McKenzie Springs Project is considered prospective for magmatic Ni-Cu sulphide and PGE mineralisation. Sentinel Project The Sentinel Project is located 130km east-northeast of the township of Kalgoorlie in the Eastern Goldfields, Western Australia. The Project comprises a single granted Exploration License, E28/2652, which covers an area of approximately 44km². The Sentinel Project is positioned in a prospective location in terms of regional geological and mineralisation setting, located in the Eastern Goldfields Province within the southern Laverton Tectonic Zone, a regional shear/fault system that extends as a set of NNE and NNW trending structures from Laverton towards the Pinjin area. The Sentinel Project is considered prospective for gold. South Big Bell Project The South Big Bell Project is located 25km west of the township of Cue in the Murchison Goldfields, Western Australia. The Project comprises a single granted Exploration Licence, E20/900. The South Big Bell Project covers the southern extensions of the greenstone belt and shear zone that hosts the Big Bell gold deposit. Limited exploration work has been completed on the South Big Bell Project. Detailed geological mapping and further processing of geophysical data may represent an effective targeting method to ascertain the extension of the greenstone belt. The South Big Bell Project is considered prospective for gold.	

Topic	Summary	More info.
What is the Company's business model and strategy?	The Company is proposing to acquire a 51% interest in the Projects with the right to farm-in to an additional 19% interest pursuant to the Term Sheets. The primary objective of the Company is to focus on mineral exploration and resources opportunities that have the potential to deliver growth of the Company for the benefit of Shareholders. The Company will endeavour to achieve this objective by focusing on the exploration and development of the Projects in the manner described in Sections 3.4 and 3.5. Further information on the Projects is in the Independent Geologist's Report in Section 1 and the Solicitor's Tenement Report in Section 1. Upon completion of the Proposed Acquisition, the Company aims to undertake a two year exploration program, focussing on: - the McKenzie Springs Project which is considered to be prospective for magmatic Ni-Cu sulphide and Platinum Group Element (PGE) mineralisation; and - the South Big Bell Project and the Sentinel Project which are both considered to be prospective for gold. Although the Company's primary objective will be to focus on the exploration and potential development of minerals on the Projects, as part of its business strategy, the Company will evaluate and may make acquisitions or significant investments in complementary assets, entities, products or technology in the mineral resources sector to create value for Shareholders. Any such acquisitions and investments will be considered and commercially evaluated by the Company as and when they are identified.	Sections 3.4 and 3.5
Who are the Company's joint ventures partners and how are the joint ventures governed?	The Company's unincorporated joint venture partners are: - for the McKenzie Springs Project – Sammy Resources; - for the South Big Bell Project – Neon Space; and - for the Sentinel Project – Crosspick Resources. None of the JV partners are otherwise related to the Company.	Section 9.2
What is the financial position and performance of the Company?	As at 31 December 2017, the Company had: - a cash balance of \$3,692,220; - total assets of \$3,695,528; - total liabilities of \$85,183; - net assets of \$3,610,345; and - total equity of \$3,610,345. Further financial information regarding the Company and The Company is set out in the Investigating Accountant's Report at Section 5. Applicants should note that past performance is not a reliable indicator of future performance.	Section 5

Topic	Summary	More info.
Proposed Acquisition		

What is the Proposed Acquisition?	The Proposed Acquisition is the Company's proposed acquisition of: - a 51% interest in the McKenzie Springs Project from Sammy Resources and the right to farm-in to an additional 19% interest in the Project; - a 51% interest in the South Big Bell Project from Neon Space and the right to farm-in to an additional 19% interest in the Project; and - a 51% interest in exploration licence E28/2652 comprising the Sentinel Project from Crosspick Resources and the right to farm-in to an additional 19% interest in the Project.	Section 2
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What are the key terms of the Term Sheets?	The key terms of the Term Sheets to effect the Proposed Acquisition are set out below.	Section 9.1
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Purchase price

Project	Shares	New Options	Royalty	Farm-in right
McKenzie Springs Project	5,000,000	10,000,000	Nil	Additional 19% interest by spending \$500,000 within 18 months
South Big Bell Project	2,500,000	5,000,000	2% of net smelter return	Additional 19% interest by spending \$1,000,000 within 3 years
Sentinel Project	2,500,000	5,000,000	2% of net smelter return	Additional 19% interest by spending \$1,000,000 within 3 years
Total	10,000,000	20,000,000	2% of net smelter return on South Big Bell and Sentinel Projects	\$2,500,000 for an additional 19% interest in the Projects

Conditions

Completion of each Term Sheet is subject to and conditional upon the following conditions precedent (as applicable):

- completion of due diligence on each Project to the sole satisfaction of the Company in its absolute discretion;
- the Company and each Seller obtaining all necessary shareholder and regulatory approvals required to give effect to the transactions contemplated in the Term Sheet;

Topic	Summary	More info.
	- the Company receiving valid applications for pursuant to the Public Offer; - execution by each Seller (and/or their nominees) of restriction agreements required by ASX with respect to Shares and New Options; - there being no material adverse change with respect to each Seller or Project; and - execution of a formal sale and joint venture agreement consistent with each Term Sheet. Additional terms The Term Sheets otherwise contain terms and conditions which are typical for agreements of their nature, including rights of first refusal, drag along and exclusivity provisions.	
What approvals are being sought at the General Meeting?	Among other things, the Company is seeking Shareholder approval for the following at the General Meeting: - consolidation of the Company's Securities on a 1 for 2 basis; - the change to the nature and scale of the activities of the Company as a result of the Proposed Acquisition and the Offers; - the issue of Shares and New Options to the Sellers; - the issue of Shares pursuant to the Public Offer; - the issue of New Options to the Lead Manager; - the issue of Performance Rights to various remaining and incoming officers of the Company; - the appointment of the Proposed Directors to the Board; and - the increase in the aggregate fixed sum available to be paid to Non-Executive Directors.	Section 2.5
Why is the Company required to re-comply with Chapters 1 and 2 of the Listing Rules	Completion of the Proposed Acquisition and the Offers will constitute a significant change to the nature (from oil and gas exploration to resource exploration) and scale (including capital structure) of the Company and, accordingly, the Company is required to re-comply with Chapters 1 and 2 of the Listing Rules in order to complete the Proposed Acquisition and Offers.	Section 2.4
Offers		
What is the Public Offer?	The Company is offering 50,000,000 Shares at an issue price of \$0.02 each to raise \$1,000,000 before costs (Public Offer).	Section 1.1
What are the Additional Offers and why are they being undertaken?	In addition, the Company is offering: 10,000,000 Shares and 20,000,000 New Options to the Sellers pursuant to the Seller Offer; and 12,000,000 New Options to the Lead Manager pursuant to the Broker Offer.	Section 1.1

Topic	Summary	More info.																											
	The Seller Offer and the Broker Offer are being made under this Prospectus to remove any on-sale restrictions that might otherwise apply to those Securities.																												
What is the Minimum Subscription?	The minimum (and maximum) subscription for the Public Offer is \$1,000,000.	Section 1.4																											
Why is the Public Offer being conducted?	The principal purposes of the Public Offer are to: • re-comply with Chapters 1 and 2 of the Listing Rules; • complete the Proposed Acquisition; • provide funding for the purposes set out in Section 1.6; • continue to provide the Company with access to equity capital markets for future funding needs; and • enhance the public and financial profile of the Company to facilitate its growth.	Section 1.5																											
What is the effect of the Offers on the capital structure of the Company?	The effect of the Offers on the capital structure of the Company is summarised below. <table> <tr> <th>Security</th><th>Existing</th><th>Completion</th></tr> <tr> <td>Existing Shares</td><td>231,691,438</td><td>231,691,438</td></tr> <tr> <td>Shares offered under the Public Offer</td><td>-</td><td>50,000,000</td></tr> <tr> <td>Shares to the Sellers</td><td>-</td><td>10,000,000</td></tr> <tr> <td>Total Shares</td><td>231,691,438</td><td>291,691,438</td></tr> <tr> <td>New Options to the Sellers</td><td>-</td><td>20,000,000</td></tr> <tr> <td>New Options to the Lead Manager</td><td>-</td><td>12,000,000</td></tr> <tr> <td>Performance Rights to officers</td><td></td><td>8,000,000</td></tr> <tr> <td>Fully diluted Share capital</td><td>231,691,438</td><td>331,691,438</td></tr> </table>	Security	Existing	Completion	Existing Shares	231,691,438	231,691,438	Shares offered under the Public Offer	-	50,000,000	Shares to the Sellers	-	10,000,000	Total Shares	231,691,438	291,691,438	New Options to the Sellers	-	20,000,000	New Options to the Lead Manager	-	12,000,000	Performance Rights to officers		8,000,000	Fully diluted Share capital	231,691,438	331,691,438	Section 1.7
Security	Existing	Completion																											
Existing Shares	231,691,438	231,691,438																											
Shares offered under the Public Offer	-	50,000,000																											
Shares to the Sellers	-	10,000,000																											
Total Shares	231,691,438	291,691,438																											
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New Options to the Lead Manager	-	12,000,000																											
Performance Rights to officers		8,000,000																											
Fully diluted Share capital	231,691,438	331,691,438																											
Risks																													
Investors should be aware that subscribing for Securities in the Company involves a number of risks. The risk factors set out in Section 4, and other general risks applicable to all investments in listed shares, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. This section summarises only some of the risks which apply to an investment in the Company and investors should refer to Section 4 for further information.																													
Reinstatement to the official list of ASX	Due to the Company's change in nature and scale of activities which will result from completion of the Proposed Acquisition and Offers, the Company is required under the Listing Rules to re-comply with Chapters 1 and 2 of the Listing Rules. There is a risk that the Company will not be able to satisfy one or more of these requirements and that its Shares will consequently remain suspended from quotation.	Section 4.1.1																											

Topic	Summary	More info.
Exploration and development	Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. There can be no assurance that exploration on the Projects, or any other exploration projects that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.	Section 4.1.2
Licences and permits	The Company's proposed operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of licences/permits from any existing operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, the Company must receive licences/permits from appropriate Governmental authorities. There is no certainty that the Company will continue to hold all licences/permits necessary to develop or continue operating at any particular property.	Section 4.1.3
Acquisitions and investments	The Company may make acquisitions of, or significant investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.	Section 4.1.4
Government regulation of the mining industry	The activities of the Company will be subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although the Company believes that its activities will be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Company's properties. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right application and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.	Section 4.1.5
Land access	Land access is critical for exploration and mining operations. Access to land can be affected by land ownership, including	Section 4.1.6

Topic	Summary	More info.
	private (freehold) land, pastoral lease, regulatory requirements within Australia, and competing or underlying claim interests. While access issues are faced by many mining exploration companies and are not considered unusual, the ability of the Company to explore its claims and exploit any deposits that may be discovered through the access to critical infrastructure such as roads, may be affected by any ownership rights, regulatory requirements, underlying claim interests, or any other land access rights being enforced.	
Native title and heritage	In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate native title rights of indigenous persons exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phase of operations may be adversely affected.	Section 4.1.7
Early stages of exploration	The Projects are at an early stage of exploration and success will depend on the Company's ability to implement its exploration strategy and define exploration results from its Projects that are compliant with the JORC Code. There can be no guarantee that the Company can or will be able, or that it will be commercially advantageous for the Company, to develop the Projects.	Section 4.1.8
Further exploration costs	The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Therefore, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.	Section 4.1.9
Resource and reserve estimates	Whilst the Company intends to undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the determination of a resource in accordance with the JORC Code. Even if a resource is identified, no assurance can be provided that this can be economically extracted. Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretation which may prove to be inaccurate.	Section 4.1.12
Results of studies	Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies with respect to its projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies. Even if a study confirms the economic viability of a project, there can be no guarantee that the project will be successfully	Section 4.1.13

Topic	Summary	More info.
	brought into production as proposed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.	
Contract Risk	The operations of the Company will require the involvement of a number of third parties, including suppliers, contractors and customers (e.g. the Sellers with respect to the Term Sheets and the joint ventures they create). Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on the Company's operations and performance. Whilst best practice pre-contracting due diligence is undertaken for all third parties engaged by the Company, it is not possible for the Company to predict or protect itself completely against all such contract risk.	Section 4.1.14
Future funding needs	Together with its current cash reserves, the funds raised under the Public Offer are considered sufficient to meet the immediate objectives of the Company. Further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed undertake further exploration activities, or acquire complementary assets. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Public Offer price or may involve restrictive covenants that limit the Company's operations be business strategy. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.	Section 4.1.15
Expiry of escrow	On completion of the Proposed Acquisition, the Company proposes to issue 10,000,000 Shares, 20,000,000 New Options, 12,000,000 New Options and 8,000,000 Performance Rights. Some of these Securities will be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules. This may create a liquidity risk as a large portion of Shares (including on conversion of New Options and Performance Rights) may not be able to be traded freely for a period of time.	Section 4.1.17
Dilution	On completion of the Public Offer, the number of Shares will increase from 231,691,438 to 331,691,438 (on a fully diluted basis) if the Minimum Subscription is met. This means that each Share will represent a lower proportion of ownership of the Company. For existing Shareholders who do not subscribe for new Shares under the Public Offer, their percentage interest will be diluted by approximately 30.15% (on a fully diluted basis) if the Minimum Subscription is met.	Section 4.1.19

Topic	Summary	More info.
Key persons	The responsibility of overseeing the day-to-day operations and the strategic management of the Company will initially depend on its Directors, will may also depend on any senior management engaged by the Company. There can be no assurance that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these persons cease their engagement and suitable replacements are not identified and engaged in a timely manner.	Section 4.1.20
Key persons		
Who are the Company's Directors?	The existing Directors are: • Greg Bandy – Managing Director; • Jason Bontempo – Non-Executive Director; and • Nathan Rayner – Non-Executive Director. Upon completion of the Offers, the Directors will be: • Jason Bontempo – Non-Executive Director; • Justin Tremain – Non-Executive Director; and • Andrew Radonjic – Non-Executive Director.	Sections 8.2 and 8.3
Who comprises the senior management team of the Company?	The Board will initially be responsible for the business operations of the Company. The Company will consider engaging personnel to form a senior management team as and when required.	Section 8.5
What are the significant interests of the Directors?	Upon completion of the Public Offer, the Proposed Board will be remunerated as follows: • Jason Bontempo – \$36,000 per annum plus superannuation; • Justin Tremain – \$30,000 per annum plus superannuation; and • Andrew Radonjic – \$30,000 per annum plus superannuation. In addition, each Director on the Proposed Board will hold 2,000,000 Performance Rights, subject to Shareholder approval at the Shareholders Meeting. The terms and conditions of the Performance Rights are set out in Section 10.3. More information on the security holdings, interests and remuneration of the Directors is set out in Section 8.6.	Section 8.6
Key contracts		
What material contracts is the Company a party to?	The material contracts of the Company include the: • Term Sheets with the Sellers; • Joint Venture Agreement with Sammy Resources; • Royalty Agreements with Neon Space and Crosspick Resources; • Lead Manager Mandate with the Lead Manager;	Section 9

Topic	Summary	More info.
	- deeds of access, indemnity and insurance with each Director; and - escrow agreements to be entered into prior to re-quotation.	
Other details		
What are the important dates of the Offers?	Important dates	Page 7
	Prospectus lodged	4 April 2018
	Opening Date	12 April 2018
	General Meeting	13 April 2018
	Closing Date	23 April 2018
	Securities issued	26 April 2018
	Proposed Acquisition completes	
	Holding statements sent	27 April 2018
	Trading on ASX re-commences	3 May 2018
	The above dates are indicative only and may change without notice.	
What is being offered and who is entitled to participate?	Public Offer	Section 1.1
	The Company is inviting applications from the public under the Public Offer for 50,000,000 Shares at an issue price of \$0.02 each to raise \$1,000,000.	
	Seller Offer	
	This Prospectus also contains an offer of Shares and New Options in which only the Sellers (and/or their nominees) are eligible to participate. The issue of Securities under the Seller Offer forms part of the consideration payable by the Company for the Proposed Acquisition.	
	Broker Offer	
	This Prospectus also contains an offer of New Options in which only the Lead Manager (and/or its nominees) are eligible to participate. The issue of New Options under the Broker Offer forms part of the consideration payable for broking services provided to the Company in connection with the Public Offer.	
What is the proposed use of funds?	The Company intends to primarily apply funds raised from the Public Offer, together with existing cash reserves, as follows: - costs of the Offers; - exploration and other geological expenditure on the Projects; and - working capital.	Section 1.6

Topic	Summary	More info.
Will the Company be adequately funded upon completion of the Offers?	The Directors are satisfied that, on completion of the Offers, the Company will have sufficient working capital to carry out its objectives set out in this Prospectus.	Section 1.6
What are the conditions of the Offers?	The Offers are conditional upon the following events occurring: - the Company raising the Minimum Subscription; - completion of the Proposed Acquisition; and - the Company being reasonably satisfied of its ability to re-comply with the admission requirements under Chapters 1 and 2 of the Listing Rules. If any of the Conditions are not satisfied then the Company will not proceed with the Offers and will repay all Application Monies received.	Section 1.3
What rights and liabilities attach to the Securities being offered?	Certain key rights and liabilities attaching to: - the Shares are described in Section 10.1; - the New Options are described in Section 10.2; and - the Performance Rights are described in Section 10.3.	Sections 10.1, 10.2 and 10.3
Are the Offers underwritten?	None of the Offers are underwritten.	Section 1.10
Will any capital raising fees be payable in respect of the Offers?	The Lead Manager will receive a fee equal to 6% (exclusive of GST) of the total amount raised under the Public Offer. In addition, the Lead Manager (and/or its nominees) will receive 12,000,000 New Options. No capital raising fees will be paid with respect to the Additional Offers.	Section
Will the Securities issued under the Offers be quoted?	The Company will apply to ASX for quotation of the Shares offered under this Prospectus under the code "FIN". No other Securities offered under this Prospectus will be quoted on the ASX.	Section 1.17
How do I apply for Shares under the Public Offer?	All Application Forms must be completed in accordance with their instructions and, for the Public Offer, must be accompanied by a cheque in Australian dollars for the full amount of the application being \$0.02 per Share. Cheques must be made to "Orca Energy Limited – Subscription Account" and should be crossed "Not Negotiable". Applications under the Public Offer must be for a minimum of 100,000 Shares (\$2,000).	Section 1.2
When will I know if my application was successful?	Holding statements confirming allocations under the Public Offer will be sent to successful applicants as required by ASX. Holding statements are expected to be issued to Shareholders on or about 27 April 2018.	Section 1.16
Can I speak to a representative about the Offers?	Questions relating to the Offers and completion of Application Forms can be directed to the Company on +61 8 9488 5220.	Section 1.22

Topic	Summary	More info.
Will any Shares be subject to escrow?	No Shares issued under the Public Offer will be subject to escrow. The Company anticipates that ASX will impose escrow on certain Securities issued under the Additional Offers.	Section 1.8
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 using cash reserves to grow and develop the Projects.	Section 1.21
What are the tax implications of investing in Securities under the Offers?	The tax consequences of any investment in Securities will depend upon the applicant's particular circumstances. Investors should obtain their own tax advice before deciding to invest.	Section 10.11

1. Details of the Offers

1.1 Overview

Public Offer

Under this Prospectus, the Company is offering 50,000,000 Shares at an issue price of \$0.02 each to raise \$1,000,000 before costs (**Public Offer**).

The Public Offer is open to the general public however non-Australian resident investors should consider the statements and restrictions set out in Sections 1.12 before applying for Shares.

The Shares to be issued under the Public Offer are of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to Shares can be found in Section 10.1.

Applications for Shares must be made on the Public Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to Section 1.2 and the Application Form for further details and instructions.

Additional Offers

In addition, the Company is offering:

- 10,000,000 Shares and 20,000,000 New Options to the Sellers (and/or their nominees) as part of the consideration payable by the Company for the Proposed Acquisition (**Seller Offer**); and
- 12,000,000 New Options to the Lead Manager (and/or its nominees) as part of the consideration payable for broking services provided to the Company in connection with the Public Offer (**Broker Offer**),

(Additional Offers).

The Company is issuing these Securities under this Prospectus so that they are issued with disclosure and therefore the Securities (including Shares issued upon any exercise of the New Options) will not be subject to the 12 month on-sale restrictions in Section 707(3) of the Corporations Act. Importantly, however, some of these Securities will be subject to ASX imposed escrow for 12 to 24 months. See Section 1.8 for further details on escrow arrangements.

The Company is not offering the Securities under the Additional Offers for the purpose of the Additional Offerees selling or transferring their Securities. However, the Company considers that such persons should be entitled, if they wish, to on-sell their Securities prior to the expiry of 12 months, subject to any escrow restrictions.

The Shares to be issued under the Seller Offer are of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to Shares can be found in Section 10.1. Shares will be issued under the Seller Offer at the same time as Shares are issued under the Public Offer.

The terms of the New Options are set out in Section 10.2. Shares issued pursuant to any exercise of New Options will be of the same class and will rank equally in all respects with existing Shares on issue.

Applications for Securities under the Additional Offers must be made using the relevant Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Applications may only be made by the Additional Offerees (and/or their respective nominees) for the relevant number of Securities that they are due to receive (as applicable). Persons wishing to apply for Securities should refer to the relevant Application Form for further details and instructions. No additional funds or consideration are payable by applicants under the Additional Offers.

1.2 Applications and payment

Applications for Shares under the Public Offer can only be made using the Public Offer Application Form accompanying this Prospectus. The Public Offer Application Form must be completed in accordance with the instructions set out on the back of the form.

Applications under the Public Offer must be for a minimum of 100,000 Shares (i.e. \$2,000). No brokerage, stamp duty or other costs are payable by applicants. Cheques must be made payable to "Orca Energy Limited – Subscription Account" and should be crossed "Not Negotiable". All Application Monies will be paid into a trust account.

Completed Public Offer Application Forms and accompanying cheques must be received by the Company before 5.00pm WST on the Closing Date by being posted or delivered to the following address:

Post	Delivery
Orca Energy Limited c/- Advanced Share Registry Limited PO Box 1156 Nedlands WA 6909	Orca Energy Limited c/- Advanced Share Registry Limited 110 Stirling Highway Nedlands WA 6009

Applicants are urged to lodge their Public Offer Application Forms as early as possible after the Exposure Period as the Public Offer may close early without notice.

An original, completed and lodged Public Offer Application Form together with a cheque for the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Public Offer Application Form. The Public Offer Application Form does not need to be signed to be valid. If the Public Offer Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may still be treated by the Company as valid. The Board's decision as to whether to treat an application as valid and how to construe, amend or complete the Public Offer Application Form is final.

It is the responsibility of applicants outside Australia to obtain all necessary approvals in order to be issued Shares under the Public Offer. The return of a Public Offer Application Form or otherwise applying for Shares under the Public Offer will be taken by the Company to constitute a representation by the applicant that it:

- has received a printed or electronic copy of this Prospectus accompanying the form and has read it in full;
- agrees to be bound by the terms of this Prospectus and the Constitution;
- makes the representations and warranties in Sections 1.12 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of Shares under the Public Offer;
- declares that all details and statements in the Public Offer Application Form are complete and accurate;
- declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Public Offer Application Form;
- acknowledges that once the Public Offer Application Form is returned or payment is made its acceptance may not be withdrawn;
- agrees to being issued the number of new Shares it applies for at \$0.02 each (or such other number issued in accordance with this Prospectus);

- authorises the Company to register it as the holder(s) of the Shares issued to it under the Public Offer;
- acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the Shares are suitable for it, given its investment objectives, financial situation or particular needs; and
- authorises the Company and its officers or agents to do anything on its behalf necessary for the new Shares to be issued to it, including correcting any errors in its Application Form or other form provided by it and acting on instructions received by the Share Registry using the contact details in the Public Offer Application Form.

1.3 Conditions

The Offers are conditional upon the following events occurring (**Conditions**):

- the Company raising the Minimum Subscription (see Section 1.4 for further information);
- completion of the Proposed Acquisition (see Section 2 for further information); and
- the Company being reasonably satisfied of its ability to re-comply with the admission requirements under Chapters 1 and 2 of the Listing Rules (see Section 2.4 for further information).

If the Conditions are not satisfied then the Company will not proceed with the Offers and will repay all Application Monies received without interest in accordance with the Corporations Act.

1.4 Minimum Subscription

The minimum (and maximum) subscription requirement for the Public Offer is \$1,000,000, representing the subscription of 50,000,000 Shares at an issue price of \$0.02 each (**Minimum Subscription**). No Shares will be issued until the Public Offer has reached the Minimum Subscription. Subject to any extension, if the Minimum Subscription has not been achieved within 4 months of the date of this Prospectus, all Application Monies will be refunded without interest in accordance with the Corporations Act.

1.5 Purpose of the Offers

The principal purposes of the Offers are to:

- facilitate the Company's proposed re-compliance with the admission requirements in Chapters 1 and 2 of the Listing Rules;
- complete the Proposed Acquisition;
- provide funds for the purposes set out in Section 1.6;
- continue to provide the Company with access to equity capital markets for future funding needs; and
- enhance the public and financial profile of the Company to facilitate further growth of its business.

1.6 Use of funds

Following completion of the Offers, the Company intends to apply funds as follows:

Item	Amount	Proportion
Available funds		
Existing cash reserves	\$3,600,000	78.3%
Funds from the Public Offer	\$1,000,000	21.7%
Funds from the Broker Offer	\$1,200	0%
Total	\$4,601,200	100%
Use of funds		
Expenses the Offers ¹	\$225,898	4.9%
Exploration and other geological expenditure on the McKenzie Springs Project ²	\$1,510,000	32.8%
Exploration and other geological expenditure on the South Big Bell Project ³	\$315,000	6.9%
Exploration and other geological expenditure on the Sentinel Project ⁴	\$735,000	16%
Corporate expenditure ⁵	\$375,000	8.2%
Other general working capital ⁶	\$1,440,302	31.2%
Total	\$4,601,200	100%

Notes:

1. See Section 10.9 for further information.
2. See Section 3.5.1 for further information.
3. See Section 3.5.2 for further information.
4. See Section 3.5.3 for further information.
5. This amount is the Company's corporate expenditure budget for the 12 months from completion. This includes wages, director fees, contractor fees, rent and outgoings, insurance, accounting, audit, legal, listing and registry fees, and other items of a general administrative nature.
6. Other general working capital may be used for corporate expenditure items or in connection with any project, investment or acquisition, as determined by the Board at the relevant time.

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, but not limited to, the success of the Company's exploration and evaluation programs, as well as regulatory developments and economic conditions. In light of this, the Company reserves the right to alter the way the funds are applied.

The Directors are satisfied that upon completion of the Offers, the Company will have sufficient working capital to carry out its objectives set out in this Prospectus.

The use of further debt or equity funding will be considered by the Company where it is appropriate to expand exploration and development efforts, accelerate a specific project or capitalise on further opportunities.

1.7 Capital structure

The table below provides a summary of the capital structure of the Company at the date of this Prospectus and upon completion of the Offers.

Security	Existing ¹	Completion
Existing Shares	231,691,438	231,691,438
Shares to the Sellers ²	-	10,000,000
Shares under the Public Offer ³	-	50,000,000
Total Shares⁴	231,691,438	291,691,438
Existing Options	-	-
New Options to the Sellers ⁵	-	20,000,000
New Options to the Lead Manager ⁶	-	12,000,000
Performance Rights to officers ⁷		8,000,000
Fully diluted Share capital	231,691,438	331,691,438

Notes:

1. Assumes completion of the Consolidation of securities on a 1 for 2 basis.
2. Shares to be issued to the Sellers under the Term Sheets as consideration for the purposes of the Proposed Acquisition. See Section 9.1 for further information on the Term Sheets.
3. See Section 1.1 for further information on the Public Offer.
4. Assumes that no additional Shares are issued between the date of this Prospectus and completion of the Offers.
5. New Options to be issued to the Sellers under the Term Sheets as consideration for the purposes of the Proposed Acquisition. Each New Option will have an exercise price of \$0.03, an expiry date of 3 years from issue, and will otherwise be on the terms set out in Section 10.2.
6. New Options to be issued to the Lead Manager (and/or its nominees) as consideration for providing services to the Company in connection with the Offers. Each New Option will have an issue price of \$0.0001, an exercise price of \$0.03, an expiry date of 3 years from issue, and will otherwise be on the terms set out in Section 10.2.
7. Performance Rights to be granted to remaining and incoming officers of the Company as partial remuneration for facilitating the Proposed Acquisition, and to incentivise their performance. See Section 10.3 for vesting conditions and other terms of the Performance Rights.

1.8 Loyalty Option Offer

The Company intends to undertake an offer of Loyalty Options to all Shareholders within 3 months of re-quotation of the Company's Shares on the ASX.

Whilst it is the intention to conduct the Loyalty Option Offer, the Company provides no assurance that this Loyalty Option Offer will be implemented. If the Company decides to implement a Loyalty Option Offer, any such issue would be made in accordance with ASX and ASIC regulation and will be made under a prospectus.

The Loyalty Option Offer would be made by the Company, and the issuer of the prospectus would be the Company which would be made available on the Company's website and announced to ASX.

Shareholders should consider the prospectus for the Loyalty Option Offer in deciding whether to apply for Loyalty Options. In order to participate in the Loyalty Option Offer, Shareholders would need to complete the relevant application form that accompanies the prospectus for the Loyalty Option Offer.

1.9 Escrow

Under the Listing Rules, ASX may determine that securities issued to promoters, seed capital investors and sellers of classified assets have escrow restrictions placed on them. Such securities may be required to be held in escrow for up to 24 months from re-quotation of the Company's securities. It is anticipated that:

- 10,000,000 Shares and 20,000,000 New Options to be issued to the Sellers under the Terms Sheets will be escrowed for 12 months from their date of issue;
- 12,000,000 New Options to be issued to the Lead Manager (and/or its nominees) will be escrowed for 24 months from the date of re-quotation of the Company's Shares; and
- 6,000,000 Performance Rights to be issued to certain remaining and incoming officers of the Company will be escrowed for 24 months from the date of re-quotation of the Company's Shares.

Shares issued under the Public Offer will not be subject to escrow.

The restricted securities listed above are subject to change depending on the escrow periods imposed by ASX in accordance with the Listing Rules. Prior to completion of the Offers, the Company will enter into escrow agreements with the recipients of restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX details of the Securities required to be held in escrow.

1.10 Underwriting

None of the Offers are not underwritten.

1.11 Capital raising fees

The Lead Manager has been engaged to provide broking services in connection with the Public Offer. The Lead Manager will receive a fee equal to 6% (exclusive of GST) of the total amount raised under the Public Offer. In addition, the Lead Manager (and/or its nominees) will receive 12,000,000 New Options. See Section 9.4 for a summary of the Lead Manager Mandate.

No capital raising fees will be paid with respect to the Additional Offers.

1.12 Foreign investors restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public offering of Securities in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Securities offered pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

1.13 Risk factors

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 4. The Securities offered under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its

entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.14 Exposure Period

This Prospectus is subject to an Exposure Period of 7 days from the date of lodgement with ASIC. The Exposure Period may be extended by a further period of up to 7 days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

During the Exposure Period, this Prospectus can be viewed online on the Company's ASX announcements platform at www.asx.com.au or the Company's website at www.orcaenergy.com.au, and hard copies of this Prospectus will be made available upon request to the Company. Applications received during the Exposure Period will not be processed until after expiration of the Exposure Period. No preference will be conferred on applications received during the Exposure Period and all such applications will be treated as if they were simultaneously received on the Opening Date.

1.15 Application Monies

All Application Monies will be held in a separate subscription account on behalf of applicants until the Shares are issued pursuant to the Public Offer. If the Minimum Subscription is not achieved within a period of 4 months of the date of this Prospectus, all Application Monies will be refunded in full without interest, and no Shares will be issued under the Public Offer. Any interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

Similarly, funds received under the Broker Offer will be held in on trust until the New Options are issued in accordance with the Corporations Act.

1.16 Allocation and issue of Securities

The Company reserves the right to reject any application or to issue a lesser number of Shares than that applied for under the Public Offer. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded without interest.

Subject to ASX granting approval for re-quotation of the Company's Shares, the issue of Securities will occur as soon as practicable after the Offers close. Holding statements will be sent to successful applicants as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statement will do so at their own risk.

1.17 ASX listing and quotation

The Company will apply to ASX no later than 7 days from the date of this Prospectus for re-admission of the Company to the official list of ASX, and quotation of the Shares offered under the Offers under the code "FIN". Subject to any extension, if the Shares are not admitted to quotation within 3 months of the date of this Prospectus, no Shares will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

The Company will not apply to ASX for quotation of any other Securities offered under this Prospectus.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant admission of the Company to the official list and quotation of the Shares being offered is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

1.18 CHESS and issuer sponsorship

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers will make up the Company's register of shares.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for security holders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for security holders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under this Prospectus and the Holder Identification Number (for security holders who elect to hold Shares on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

1.19 Privacy disclosure

Persons who apply for Securities under the Offers 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 Shareholders, 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 the information requested is not supplied, applications for Securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company on +61 8 9488 5220.

1.20 Financial amounts

After considering *ASIC Regulatory Guide 170*, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings of the Company and, accordingly, financial forecasts are not included in this Prospectus.

1.21 Dividends

The Board can provide no guarantee as to the extent of future dividends, as these will depend on, among other things, the actual levels of profitability and the financial and taxation position of the Company at the relevant time.

1.22 Enquiries

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, lawyer, accountant or other professional adviser without delay.

Questions relating to the Public Offer and completion of the Public Offer Application Form can be directed to the Company on +61 8 9488 5220.

2. Proposed Acquisition

2.1 Overview

As announced to ASX on 15 February 2018, the Company has entered into the following binding term sheets (**Term Sheets**) to acquire majority interests in the following projects (**Projects**):

- a term sheet with Sammy Resources (a subsidiary of Cazaly Resources Limited (ASX: CAZ)) to acquire a 51% interest in the McKenzie Springs Project, which is considered to be prospective for magmatic Ni-Cu sulphide and PGE mineralisation, and the right to farm-in to an additional 19% interest in the Project;
- a term sheet with Neon Space to acquire a 51% interest in the South Big Bell Project, which is considered to be prospective for gold, and the right to farm-in to an additional 19% interest in the Project; and
- a term sheet with Crosspick Resources to acquire a 51% interest in the Sentinel Project, which is considered to be prospective for gold, and the right to farm-in to an additional 19% interest in the Project,

(**Proposed Acquisition**).

The Projects comprise exploration licences covering ground located in Western Australia, which the Company intends to primarily explore for gold, base metals and graphite. Therefore, the Company will change its direction from oil and gas exploration to mineral exploration.

2.2 Purchase price

A summary of the consideration payable for an initial interest of 51% in each Project and the right to farm-in to an additional 19% interest is set out below.

Project	Shares	Options	Royalty	Farm-in right
McKenzie Springs Project	5,000,000	10,000,000	Nil	Additional 19% interest by spending \$500,000 within 18 months
South Big Bell Project	2,500,000	5,000,000	2% of net smelter return	Additional 19% interest by spending \$1,000,000 within 3 years
Sentinel Project	2,500,000	5,000,000	2% of net smelter return	Additional 19% interest by spending \$1,000,000 within 3 years
Total	10,000,000	20,000,000	2% of net smelter return on South Big Bell and Sentinel Projects	\$2,500,000 for an additional 19% interest in the Projects

2.3 Term Sheets

The Term Sheets are on similar terms. Completion of each Term Sheet is subject to the satisfaction or waiver of the following conditions precedent (as applicable) by 30 June 2018:

- completion of due diligence on the Project to the sole satisfaction of the Company in its absolute discretion;
- the Company and the Seller obtaining all necessary shareholder and regulatory approvals required to give effect to the transactions contemplated in the Term Sheet;
- the Company receiving valid applications for the Minimum Subscription;
- execution by the Sellers (and/or their nominees) of restriction agreements required by ASX with respect to the Securities to be issued;
- there being no material adverse change with respect to the Seller or the Project; and
- execution of a formal sale and joint venture agreement.

On completion of the Term Sheets, the Company and each of the Sellers will establish unincorporated joint ventures (each, a **Joint Venture**) for the primary purposes of conducting exploration and, potentially, development activities on the Projects. The Company will also obtain the right to earn an additional 19% interest in each Project (for a total interest of 70%) by incurring further expenditure on the Projects (as applicable).

The Terms Sheets are otherwise on the terms set out below.

- **McKenzie Springs Project**

The key terms of the Term Sheet pursuant to which the Company has agreed to acquire a 51% interest in the McKenzie Springs Project from Sammy Resources are as follows:

- **(Consideration):** As consideration for the acquisition of a 51% interest in the McKenzie Springs Project, the Company has agreed to issue to Sammy Resources on Completion 5,000,000 Shares and 10,000,000 New Options.
- **(Additional earn-in):** The Company may earn a further 19% interest (for an aggregate of 70%) in the McKenzie Springs Project by spending \$500,000 on the Project within 18 months from completion.
- **(Free carry period):** From completion until the earlier to occur of the satisfaction of the earn-in commitment by the Company or the expiry of the ear-in period, the Company agrees to solely fund all costs incurred in connection with the activities of exploration on and development of the McKenzie Springs Project (as applicable) and free carry Sammy Resources' remaining Joint Venture interest. Upon expiry of the free carried period, the Company and Sammy Resources must contribute to expenditure made or incurred in respect of the McKenzie Springs Project in proportion to their then current Joint Venture interests. If the Company or Sammy Resources does not contribute expenditure in accordance with the Joint Venture terms, the relevant party's Joint Venture interest will dilute in accordance with a standard dilution formula.

- **South Big Bell Project**

The key terms of the Term Sheet pursuant to which the Company has agreed to acquire a 51% interest in the South Big Bell Project from Neon Space are as follows:

- **(Consideration):** As consideration for the acquisition of a 51% interest in the South Big Bell Project, the Company has agreed to issue to Neon Space at Completion 2,500,000 Shares and 5,000,000 New Options.

- **(Royalty):** On and from completion, the Company grants to Neon Space a right to a net smelter royalty of 2% of any future production from the South Big Bell Project.
- **(Additional earn-in):** The Company may earn a further 19% interest (for an aggregate of 70%) in the South Big Bell Project by spending \$1,000,000 on the Project within 3 years from completion.
- **(Free carry period):** From completion and until an announcement by the Company of a definitive feasibility study (to be based on a JORC-compliant Mineral Resource or Ore Reserve and to cost estimate accuracy of +/- 15%) and the Board resolving to commence development of a mine on the South Big Bell Project, the Company agrees to solely fund all costs incurred in connection with the activities of exploration on and development of the Project (as applicable) and free carry Neon Space's remaining Joint Venture interest. Upon expiry of the free carried period, the Company and Neon Space must contribute to expenditure made or incurred in respect of the South Big Bell Project in proportion to their then current Joint Venture interests. If the Company or Neon Space does not contribute expenditure in accordance with the Joint Venture terms, the relevant party's Joint Venture interest will dilute in accordance with a standard dilution formula.

- **Sentinel Project**

The key terms of the Term Sheet pursuant to which the Company has agreed to acquire a 51% in the Sentinel Project from Sammy Resources are as follows:

- **(Consideration):** As consideration for the acquisition of a 51% interest in the Sentinel Project, the Company has agreed to issue to Crosspick Resources at Completion 2,500,000 Shares and 5,000,000 New Options.
- **(Royalty):** On and from completion, the Company grants to Crosspick Resources a right to a net smelter royalty of 2% of any future production from the Sentinel Project.
- **(Additional earn-in):** The Company may earn a further 19% interest (for an aggregate of 70%) in the Sentinel Project by spending \$1,000,000 on the Project within 3 years from completion.
- **(Free carry period):** From completion and until an announcement by the Company of a definitive feasibility study (to be based on a JORC-compliant Mineral Resource or Ore Reserve and to cost estimate accuracy of +/- 15%) and the Board resolving to commence development of a mine on the Sentinel Project, the Company agrees to solely fund all costs incurred in connection with the activities of exploration on and development of the Sentinel Project (as applicable) and free carry Crosspick Resource's remaining Joint Venture interest. Upon expiry of the free carried period, the Company and Crosspick Resources must contribute to expenditure made or incurred in respect of the Sentinel Project in proportion to their then current Joint Venture interests. If the Company or Crosspick Resources does not contribute expenditure in accordance with the Joint Venture terms, the relevant party's Joint Venture interest will dilute in accordance with a standard dilution formula.

The Term Sheets otherwise contain terms and conditions which are typical for agreements of their nature, including rights of first refusal, drag along and exclusivity provisions.

2.4 Re-Compliance with Chapters 1 and 2

Completion of the Proposed Acquisition and the Offers will constitute a significant change to the nature (from an oil and gas exploration business to a mineral exploration and, potentially, development business) and scale (including capital structure) of the Company. Accordingly, the Company is required to re-comply with Chapters 1 and 2 of the Listing Rules in order to complete the Proposed Acquisition and Offers.

The Company is seeking Shareholder approval at the General Meeting for the change in nature and scale to its activities under Listing Rule 11.1.2 as well as other transactions contemplated by the Proposed Acquisition and Offers, and it will take all other necessary steps to meet the requirements of Chapters 1 and 2 as if it were applying for admission to the official list of ASX. A primary purpose of this Prospectus is to facilitate the Company's re-compliance with the admission requirements under the Listing Rules.

The Company will remain suspended until it has re-complied with Chapters 1 and 2 of the Listing Rules. There is a risk that the Company may not be able to meet the requirements of Chapters 1 and 2. In the event that the Conditions are not satisfied or ASX does not otherwise approve the re-quotations of the Company's Shares then the Company will not proceed with the Public Offer, and all Application Monies will be refunded without interest and any Shares issued will be deemed void in accordance with the Corporations Act.

2.5 General Meeting

At the Shareholder Meeting, the Company is seeking Shareholder approval for the following at the General Meeting:

- consolidation of the Company's Securities on a 1 for 2 basis;
- change to the nature and scale of the activities of the Company as a result of the Proposed Acquisition and the Offers;
- issue of Shares and New Options to the Sellers;
- issue of Shares pursuant to the Public Offer;
- issue of New Options to the Lead Manager (and/or its nominees);
- grant of Performance Rights to remaining and incoming officers of the Company;
- appointment of the Proposed Directors to the Board; and
- increase in the aggregate amount available to be paid to Non-Executive Directors.

2.6 Board changes

At completion of the Offers, the Company will make changes to its Board, with existing Directors, Greg Bandy and Nathan Rayner, stepping down from their positions and Justin Tremain and Andrew Radonjic (**Proposed Directors**) being appointed as Non-Executive Directors.

Further information on the Existing Board Directors and the Proposed Board is set out in Sections 8.2 and 8.3.

2.7 Name change

The Company is seeking Shareholder approval at the General Meeting to change its name from "Orca Energy Limited" to "Fin Resources Limited". The new name will take effect upon a new certificate of registration being issued by ASIC for the Company.

3. Company and Project overview

This Section 3 contains a summary of the Company and the Projects. Investors should ensure they read the Independent Geologist's Report in Section 1 where the Projects are described in more detail. Investors should also ensure that they read the Solicitor's Tenement Report in Section 6 for further legal information on the Projects.

3.1 Background

The Company was registered on 8 February 1985 and listed on the ASX on 2 November 1989. In recent years, the Company has primarily operated as an oil and gas company. The Company's securities have been suspended from trading on the ASX since 24 June 2016.

On 17 November 2017, the Company announced that it has been reviewing opportunities in the mineral resources sector to identify and subsequently enter into a transaction suitable for the purposes of having its Shares being reinstated to quotation. On 15 February 2018, the Company announced that it had entered into the Term Sheets for the Proposed Acquisition.

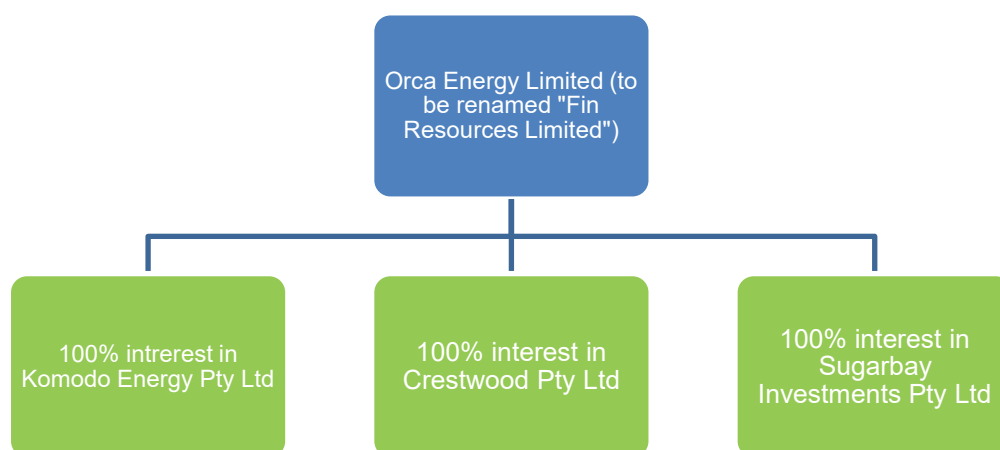
At the date of this Prospectus, the Company's primary assets are its cash reserves of approximately \$3,600,000 and its contractual rights under the Term Sheets.

The Company is seeking Shareholder approval at the General Meeting for a number of resolutions, as summarized in Section 2.5.

Upon completion, the Company will acquire a 51% interest in each of the Projects. Under the Term Sheets, the Company has the ability to earn-in an additional 19% in each Project subject to the Company incurring the following exploration expenditure on the Project (as applicable). The Projects will be held via unincorporated joint venture structures with the Sellers (as applicable).

3.2 Corporate structure

The corporate structure of the Company is set out below.



Note: Each of the Company's subsidiaries is essentially dormant and has no material assets or liabilities.

3.3 Business model and strategy

The Company will endeavour to grow and create value for Shareholders by focusing on the exploration and, potentially, production of minerals on the Projects as well as any other projects that the Company acquires an interest in from time to time.

The Company proposes to undertake a 2-year exploration program on the Projects focusing primarily on exploration for gold, base metals and graphite. The results of the exploration programs will determine the economic viability and possible timing for the commencement of any further

testing (including pre-feasibility studies) and, ultimately, mining operations on the Projects. See Section 3.5 for further details of the Company's proposed exploration programs.

As part of its business strategy, the Company will also evaluate and may make acquisitions of, or significant investments in, complementary assets, entities, products or technology in the mineral resources sector to create value for Shareholders. Any such acquisitions and investments will be considered and commercially evaluated by the Company as and when they are identified.

In addition, a key strategy of the Company will be to leverage off the experience and skills of the Directors on the Proposed Board which collectively have strong track records in the mining and finance industries.

3.4 Projects

On completion, the Company will acquire a 51% interest in 3 projects located in Western Australia – the McKenzie Springs Project, the South Big Bell Project and the Sentinel Project – as well as the right to farm-in to an additional 19% interest in each. This Section 3.4 provides an overview of the Projects.

Investors should ensure they read the Independent Geologist's Report in Section 1 where the Projects are described in more detail. Investors should also ensure that they read the Solicitor's Tenement Report in Section 6 for further legal information on the Projects.

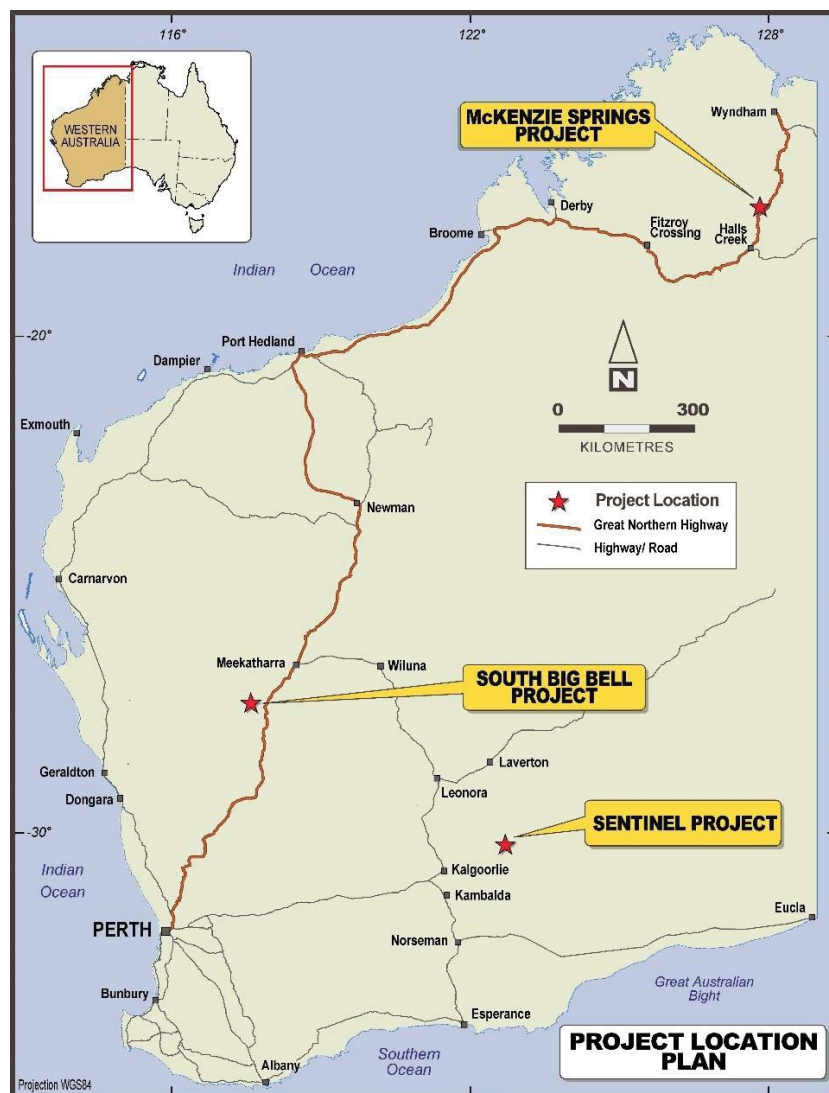


Figure 1: Project location map.

3.4.1 McKenzie Springs Project

The McKenzie Springs Project comprises a single granted Exploration Licence, namely E80/4808. The McKenzie Springs Project is located within the Kimberley Region of Western Australia, 85km northeast of the township of Halls Creek. The Project comprises a single granted exploration license and covers an area of approximately 134km² and includes identified nickel, copper, cobalt and graphite occurrences.

The East Kimberley region has proven potential for hosting magmatic nickel-copper sulphide and platinum group metals mineralisation. Two significant mineralised bodies have been discovered in this area to date within intrusive complexes of the Halls Creek Orogen. These are the Panton Project and the Savannah Ni-Cu Mine owned by Panoramic Resources Ltd and are 30km and 9km away from The Company's McKenzie Springs Project respectively.

Mineralisation within the McKenzie Springs Project is associated with the basal contact of mafic-ultramafic rocks in a similar geological setting to the Savannah Ni-Cu Mine. Over 25 gossans have been defined at different stratigraphic levels in the intrusion through the course of exploration, some with a strike length of more than 200m.

Of particular note is one very high-grade result which returned 12.8% Cu, 1.92% Ni and 0.17% Co taken from the Main Gossan (refer to Table 3 of the Independent Geologist's Report). Previous work in this area has included mapping, geochemical sampling, geophysical surveys and limited drilling.

The Company sees potential for further work at the Main Gossan and also more regionally over other gossanous and covered areas where similar stratigraphy to that hosting the Savannah Ni-Cu Mine is present. Recent reprocessing of an airborne electromagnetic survey has highlighted six areas of particular interest which require further investigation. Further geophysical surveys will be used to better define the anomalies with the higher priority targets to be tested by drilling.

The Project lies on the Texas Downs / Mabel Downs (PL N050285) Pastoral Lease. The tenement is within land where two applications for a determination that native exist have been made. The Purnululu People have made the WC1994/011 Native Title Claim and the Malarngowerm People have made the WC1999/044 Native Title Claim. The applications currently remain active. Refer to the Solicitor's Tenement Report for additional details.

A summary of the history of the McKenzie Springs Project is set out below.

Time	Event
Early 1970s	Stratin Minerals Pty Ltd (Stratin) used mapping, induced polarisation, magnetic, and geochemical methods during the initial investigations of the intrusion. Stratin subsequently negotiated a joint venture with Broken Hill Proprietary Co (BHP).
1973	BHP cut five (5) costeans and drilled six (6) percussion holes for 181m into the Main Gossan in 1973. The holes intersected ultramafic rocks with anomalous nickel and copper and traces of chalcopyrite, pentlandite and pyrrhotite.
1976 – 1980	Australian Anglo American Ltd (Anglo American) continued exploration from 1976 to 1980 with a large stream sediment sampling program undertaken collecting stream sediment samples. The samples were collected at densities of up to 30 per square km and were analysed for Ni, Cu, Pb and Zn.
1991	Delta Gold NL (Delta Gold) commenced a phase of exploration. Channel sampling of the BHP costeans were completed at the <i>Main Gossan, Donovan's Reef and Donkey Valley</i> . Delta Gold also completed stream sediment sampling over the entire project area and rockchip sampling of costeans and ferruginous zones.
2003	LionOre Australia Pty Ltd (LionOre) entered into an agreement with Thundelarra Limited to earn an interest in a portion of their East Kimberley tenements. LionOre

	compiled historical hard copy Anglo American stream sediment data. This compilation successfully defined 32 nickel related anomalies; 29 on the Corkwood trend and 3 on the Sally Malay trend. Ferruginous gossans, possibly after Cu-Ni sulphides had been found at five localities in the southwest part of the intrusion. LionOre completed field reconnaissance over the localities. Anomalous Cu results were obtained from gossan samples from the margin of a gabbro at Donkey Valley, north west of the McKenzie Springs intrusion. These samples have low Ni, but high Zn, suggesting that they may be derived from a sulphidic sediment. LionOre noted potential areas for further vanadium exploration included the north-eastern portion of the intrusion, proximal to the Ord Crossing Prospect and that further work was required. Geological mapping concluded that the olivine cumulate bodies (peridotite to dunite compositions) identified at the western end McKenzie Spring Intrusion were a priority for further work. Zonge Engineering Research Organization completed a program of 5 Fixed Loop Transient Electromagnetic (FLTEM) surveys over the areas of known surface mineralisation including the newly identified southwest dunite.
2005	UTS Geophysics flew a detailed aeromagnetic survey over the western half of the McKenzie Spring Intrusion. Flight lines at 50m spacing were flown at a nominal 50 metre elevation over an area approximately 80km² in size.
2006 – 2013	LionOre sold their earn-in interest and management of the project to Breakaway Resources Ltd (Breakaway, ASX:BRW). During 2006, the McKenzie Springs aeromagnetic survey flown the previous year was annotated and interpreted. Interpretation was deemed difficult, with the magnetic signature of the area quite complex. Reverse Circulation (RC) drilling was completed at a number of prospects within the East Kimberley Project. A total of six (6) drillholes were completed on E80/4808. Four (4) RC drillholes for a total of 424m were drilled as a stratigraphic traverse across the peridotite unit defined by geological mapping conducted during 2005 (referred to as the South West Tip). Drillholes BEKC0008 – BEKC0011 intersected a moderately shallow, west dipping serpentinised peridotite unit within a broader sequence of gneissic metasediments and felsic dykes (see Figure 3 in the Independent Geologist's Report in Section 1). An additional two (2) RC drillholes for a total of 191m were drilled to test down dip of the ferruginous sub crop previously mapped within historical costeans (referred to as the Main Gossan) and drilled by BHP. Down Hole Transient Electromagnetic surveying (DHTEM) was completed on drillholes BEKC0010 (South West Tip Prospect) and BEKC0013 (Main Gossan Prospect) on a speculative basis; no mineralisation had been intersected in the holes, and the logs were intended to fully sterilise the surrounding volume of rock. Drillhole BEKC0013 was logged using two transmitter loops, as the likely geometry of any possible conductor lying near the hole was poorly constrained. The profiles near the top of the hole display an anomaly that is almost certainly related to the Land cruiser used by the DHTEM crew, which was parked nearby and energised by the transmitter loop passing close to the collar. The profiles recorded further down the hole are essentially flat. However, the decay curves display the same kind of strong conductor response seen in BEKC0010. Again, Breakaway stated that the most likely source of this response is graphite, rather than massive sulphide mineralisation. No further work was recommended.
2013	Cazaly Resources Ltd (Cazaly, ASX:CAZ) applied for E80/4808 in 2013, through their wholly owned subsidiary Sammy Resources Pty Ltd. First pass reconnaissance work was completed on the tenement during 2014. This work

included geological mapping and sampling work over several areas of known mineralisation identified by previous exploration and examined further new areas of potential interest.

During reconnaissance at McKenzie Springs, an outcrop of graphitic schist was noted and sampled. Research of historic data also identified further evidence of graphite bearing units associated with high grade metamorphic rocks of the Tickalara Metamorphic suite which trend through the tenement for approximately 15km, the same unit which hosts Lamboo Resources Limited's neighbouring Macintosh Graphite Project.

Due to the highly friable / "soft" nature of the host graphitic schist it is rarely seen in outcrop although the prospective stratigraphy could be identified using airborne and ground electromagnetic (**EM**) geophysical methods. The two samples returned Total Graphitic Carbon (**TGC**) grades of 22.4 and 23.9% TGC. Petrographic analyses of a composite sample confirmed that the graphite is high grade flake graphite, dominated by Large to Jumbo size flakes and appears similar to that occurring in the Macintosh graphite deposits. The graphite is generally free of inclusions.

Gossan outcrops were also sampled, with results confirming the potential for ore grade mineralisation and previous results. Refer to Table 3 in the Independent Geologists Report in Section 1.

2015	Cazaly engaged Southern Geoscience Consultants (SGC) to reprocess and interpret a GeoTEM survey completed by BHP as the data had become publicly available (see Figure 4 of the Independent Geologists Report). BHP flew airborne GEOTEM over the Mabel Downs Joint Venture ground during 1997 looking for a Voisey's Bay style Cu-Ni deposit. This was called the Springvale Survey and covered an area of 610km² at a nominal line spacing of 300m. SGC focused on prospective geological corridors with an emphasis on Ni-Cu sulphide and graphite targets. Six areas of particular interest were highlighted as set out in the Independent Geologists Report. Cazaly completed a field reconnaissance trip late 2015 to ground truth the GeoTEM anomalies for potential nickel and graphite targets. A number of areas containing graphitic schist float were sampled associated with some of the priority anomalies as set out in Table 4 of the Independent Geologists Report. Results included significant graphite content indicating widespread stratigraphic EM responses are likely to be a result of graphite. Cazaly stated that further work is warranted to investigate the GeoTEM targets prior to prioritising for drilling.
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3.4.2 Sentinel Project

The Sentinel Project comprises a single granted Exploration Licence, namely E28/2652. The Sentinel Project is located 130km east-northeast of the township of Kalgoorlie in the Eastern Goldfields, Western Australia. The Project comprises a single granted Exploration License which covers an area of approximately 44km².

The Sentinel Project is for the most part on Lake Rebecca. The region around the lake comprises low rolling hills passing into sandy areas marginal to Lake Rebecca. Vegetation is generally open and consists of eucalypts, mulga and saltbush away from Lake Rebecca with spinifex becoming more common in the sandy areas.

The Sentinel Project is positioned in a prospective location in terms of regional geological and mineralisation setting, located in the Eastern Goldfields Province within the southern Laverton Tectonic Zone, a regional shear/fault system that extends as a set of NNE and NNW trending structures from Laverton towards the Pinjin area. The Project is considered to be prospective for gold.

The area has been explored for gold by a number of companies since the 1980s, exploration including predominantly reconnaissance and surface geochemical programs, and limited geochemical drill traverses through covered terrain. Mapping has located minor gold diggings at the Sentinel Prospect on the northern margin of Lake Rebecca.

In the past, exploration has been significantly hindered by extensive and deep cover masking the Archaean basement and particularly by the logistical difficulties of drilling on Lake Rebecca. Many previous explorers have cited the problems of exploring through playa lake sediments in surrender reports for tenements being relinquished. The Company plan to utilise drilling rigs capable of routinely operating on the difficult lake environment. Structural interpretation of geophysical data will guide the targeting process due to much of the prospective areas being covered by Cainozoic sediment.

The Project lies on the Pinjin (PL N049526) Pastoral Lease. There is a single registered Aboriginal Site (DPLH Registered Site 19142) within the E28/2652. Refer to the Solicitor's Tenement Report for additional details.

A summary of the history of the Sentinel Project is set out below.

Time	Event
Until the 1980s	The Sentinel Project and surrounding area saw little exploration up until the 1980s, presumably the lack of outcrop provided little encouragement. Since then, the Project area has been explored for gold by several companies but with no known effective subsurface work. Exploration work completed includes reconnaissance and surface geochemical programs, with limited drilling through covered terrain.
1988 – 1993	Pancontinental Mining Ltd (Pancontinental) explored the area as part of their Old Pinjin Project. Pancontinental carried out mapping, rock sampling and reconnaissance RAB drilling in soil-covered areas over the greater project area. Mapping located minor gold diggings at the Sentinel Prospect on the northern margin of Lake Rebecca. A pit sampling program was carried out on known gold workings with the survey aimed at finding pathfinder elements associated with gold that would assist in geochemically located further gold mineralisation. A strong Au-Ag-Bi association was noted at the Sentinel Prospect with a weaker Au-Pb-Mo-Te association. Auger & soil orientation traverses were completed in the vicinity of the Sentinel Prospect in order to define the most effective geochemical technique for BLEG follow up. The orientation survey was interpreted to show that gold dispersion is limited to 100m from the known workings with no significant dispersion into surrounding granite wall-rocks. All sampling and analytical techniques used were able to define the anomaly however the larger BLEG sample provided the greater contrast as it was able to detect the background values. Three BLEG drainage gold anomalies were generated by Pancontinental, with "Area 3" lying on the north-eastern portion of E28/2652 and extending across the tenement boundary. Area 3 is centred over the Four Mile Dam Shear Zone and Pancontinental considered it to be a high priority target. The structure was deemed apparent from inspection of enhanced aeromagnetics and is associated in the field with narrow mylonite zones and tensional fractures within a granite stock and sediment roof pendants. BLEG sampling was successful in locating the Sentinel mineralisation whereas regional auger soil sampling failed to detect the Sentinel style of mineralisation where there is little or no significant dispersion halo.

1993	Pancontinental drilled four RC holes at Sentinel during 1993. Drilling results were disappointing and drilling encountered difficulties in the shear zone resulting in the final hole not reaching target depth.
1997	Aberfoyle Resources Pty Ltd (Aberfoyle) completed auger sampling across the northern portion of E28/2652. The sampling was restricted to carbonate horizon sampling on a 500m grid at 50m spacings. Aberfoyle subsequently completed a field review to study the regolith geology and assess whether the auger sampling would have been effective. The study showed the licence area to be comprised of erosional, relict and thin deposition regolith regimes.
2010 – 2013	Renaissance Minerals Limited (Renaissance) explored the very eastern portion of E28/2652 as part of their greater Pinjin Project. Renaissance completed a field visit to review the geology and to locate the Sentinel workings for a planning of a surface sampling program. A soil sampling programme tested the area in the vicinity of the old workings and along strike to the south and north. A total of 108 soil samples were collected from 15-20cm deep holes at (generally) 20m intervals along variably spaced traverses targeting zones of residual soils around the lake margin. A small portion of the samples lie on Orca's Sentinel Project with the remainder extending to the east of the tenement. Several sporadic single point anomalous values were returned but no coherent Au anomaly was defined by the sampling.

3.4.3 South Big Bell Project

The South Big Bell Project comprises a single granted Exploration Licence, namely E20/0900. The South Big Bell Project is located 25km west of the township of Cue in the Murchison Goldfields, Western Australia. The Project comprises a single granted Exploration Licence. The South Big Bell Project covers the southern extensions of the greenstone belt and shear zone that hosts the Big Bell gold deposit. Regional aeromagnetic imagery suggests that the Archaean greenstone belt hosting the Big Bell gold deposit continues southwards into the area covered by E20/0900. Additionally, work completed by previous tenement operators identified outcropping greenstones at Windarra Bore suggesting that the Big Bell Greenstone Belt is continuous through the area, albeit showing significant thinning and a commensurate diminishing prospectivity for gold.

Limited exploration work has been completed on the South Big Bell Project. Detailed geological mapping and further processing of geophysical data may represent an effective targeting method to ascertain the extension of the greenstone belt. Refer to the Solicitor's Tenement Report in Section 7 for additional details.

The tenement lies on the Austin Downs (PL N050063) and Coodardy (PL N049528) Pastoral Leases. The tenement is within land where native title has been partially determined. The Wajarri Yamatji People have made the WC2004/010 Native Title Claim. The application currently remains active.

A summary of the history of the South Big Bell Project is set out below.

Time	Event
Pre-1981	Australian Consolidated Minerals (ACM) held mineral claims over approximately 40km of strike extensions north and south of the Big Bell gold deposit, including the ground that is currently E20/0900.
1981	ACM established a grid over the entire 40km strike and the claims were covered by aeromagnetics. A ground magnetic survey was completed circa Cavanagh Bore over a strike length of 3.2km at 25m intervals along lines 200m apart

1982	A percussion drilling program was completed during 1982 with two of the holes lying on E20/0900. The holes intersected granite beneath about 15m of overburden.
1983	Getty Oil Development Company (GODC) applied for an exploration licence over the general area in 1983 to cover possible south westerly extensions of the Big Bell gold mine stratigraphy as indicated by regional aeromagnetic imagery.
1984	GODC completed RAB drilling over aeromagnetic anomalies during 1984, however the exploration campaign was not carried through to completion.
1985	Little River Resources Pty Ltd (Little River) acquired the Big Bell South Project from GODC when GODC withdrew from exploration in Western Australia.
1986	Little River completed RAB drilling during 1986 to redrill the most northern two drill traverses completed by GODC to intersect bedrock beneath granite wash and to extend the two central drill traverses westwards to investigate the western flank of the aeromagnetic anomaly. Results were discouraging with only trace amounts of gold obtained from the RAB drill chips and with all the drillholes intersecting granite. Little River interpreted the results as that the Big Bell Greenstone Belt has been removed by granitoid emplacement from Cavanagh Bore to the northern boundary of their project area. Little River were unable to explain the aeromagnetic anomaly in the northern portion of the tenement.
1992	Julia Mines NL (Julia Mines) completed a hydrogeochemical survey over the area whilst in a JV with Posgold (Big Bell) Pty Ltd (Posgold). A coherent gold anomaly was identified 6km south of the Big Bell mine.
1993	Posgold completed a total field intensity (TMI) survey over interpreted extensions of the Big Bell greenstone belt south of the mine area. An Automatic Gain Control filter was used to decrease the amplitude of the high responses and increase the amplitude of low responses to aid in determination of anomalies on the same line profiles. Interpretation of the TMI survey indicated semi-continuous mafic units with indications of fault displacement in places. Drill targets were defined in the area from a combination of lithology (adjacent to mafic units) and structure (thickening / thinning of units and cross faulting). A total of 27 RAB holes were completed for a total of 1,257m. Results were deemed disappointing. Major quartz veining in the centre of the section near Cavanagh Bore was located at the approximate extensions of the Big Bell Shear. The greenstone sequence was determined to be approximately 290m wide in this area which contradicted the TMI interpretation (approximately 800m wide).
1995	Julia Mines took groundwater samples from the previously drilled Posgold RAB holes and gold concentrations were confirmed but did not help define a more accurate target. It was recommended to carry out systematic groundwater testing at 500 x 600m spacing. 15 RAB holes were completed for a total of 268m. Holes were generally drilled to 24m depth and cased with polypipe; all holes ended in transported material. The results generated three +5ppt gold anomalies. Two were located along strike of the southward projection of the Big Bell sequence, with a third located to the west, centred approximately over the inferred greenstone / granite contact. Despite the relatively low gold levels within the water anomalies they were considered significant to them being isolated from the major gold groundwater anomaly at the Big Bell mine and that the thick overburden and a high water table could significantly dilute the gold concentrations.

1996	Julia Mines formed a Joint Venture with Normandy Murchison Pty Ltd (Normandy). Normandy completed a gravity and helicopter-borne aeromagnetic (helimag) survey across the Project. Interpretation of the helimag data identified a number of cross-cutting structures, and geological units such as granite bodies and greenstones. The geophysical data suggested a possible westerly offset of the belt around -6000mN (local grid). The apparent obscuring of clear signal around -8000mN was thought to represent a palaeochannel previously interpreted. RAB and RC drilling was completed on the Windarra East and Windarra Bore prospects. The primary objective was to intercept and delineate the southern extension of the Big Bell Greenstone Belt. The southernmost RAB holes intersected greenstones at shallow depth, with granites flanking to the east and west. The RC drilling circa the Windarra Bore Prospect intersected a magnetic granite suite with occasional slithers of greenstone, approaching the greenstone / western granite margin. Normandy interpreted that the identification of greenstones outcropping at Windarra Bore, in conjunction with the drillhole data and geophysical interpretation suggested that the Big Bell Greenstone Belt is continuous through the area, albeit showing significant thinning. The westward transgression of outcrop and geophysical trends was interpreted to suggest such movement of the greenstone belt.
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3.5 Explorations programs

This Section 3.5 provides an overview of the Company's proposed exploration and expenditure on the Projects, which are statements of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds may change depending on a number of factors including, but not limited to, the success of the Company's exploration and evaluation programs, as well as regulatory developments and economic conditions. In light of this, the Company reserves the right to alter the way funds are applied.

3.5.1 McKenzie Springs Project

The McKenzie Springs Project is positioned in a prospective location in terms of regional geological and mineralisation setting, occurring within the East Kimberley Halls Creek Orogen and lying south along strike from Panoramic's *Savannah Ni-Cu Mine*. The Project is considered prospective for intrusive-hosted nickel copper mineralisation and has recently been a focus for graphite exploration.

Compilation and interrogation of all historical data covering the tenement will be the initial focus including the compiling of an exploration database. A reconnaissance field trip will be undertaken to verify the location of old drill sites, costeans, gossans and previously defined target areas.

The six areas that were highlighted by SGC's reprocessing and interpretation of the GeoTEM survey and described in the previous sub-section will be further investigated. Area 1, the Main Gossan was deemed to be of particular interest. Exploration to date comprises rock chip mapping of costeans and limited historical drilling.

A more detailed airborne Versatile Time Domain Electromagnetic (**VTEM**) survey may be completed over the high priority target areas to assist with drill targeting. Hexagon completed VTEM surveying at their Macintosh Graphite Project with modelling highlighting the presence and details of structures of broad conductive sequences that have potential to host flake graphite schist.

Alternatively, ground based EM or Induced Polarisation (**IP**) surveys may be utilised to better define the geophysical anomaly. Once further geophysics have been acquired and analysed, a drilling program consisting of RC drilling and perhaps diamond drilling will be completed to investigate the highest priority targets. Drillholes will be used as a platform for DHTM surveying to identify off-hole conductors.

The Company will undertake a systematic, staged approach with respect to its exploration program on the McKenzie Springs Project, with prudent monitoring, assessing and refocusing of the exploration programs as necessary.

The Company proposes to allocate funds towards exploration and other geological expenditure on the McKenzie Springs Project as set out below.

Item	Year 1	Year 2	Total
Data compilation	\$40,000	-	\$40,000
Geophysical review	\$30,000	-	\$30,000
Petrological studies	\$5,000	\$10,000	\$15,000
Geophysical surveys	\$250,000	\$100,000	\$350,000
Drilling and assays	\$350,000	\$500,000	\$850,000
Downhole geophysics	\$125,000	\$100,000	\$225,000
Total	\$800,000	\$710,000	\$1,510,000

3.5.2 Sentinel Project

The Sentinel Project is positioned in a prospective location in terms of regional geological and mineralisation setting, located in the Eastern Goldfields Province within the southern Laverton Tectonic Zone, a regional shear/fault system that extends as a set of NNE and NNW trending structures from Laverton towards the Pinjin area. The Project is considered to be prospective for gold.

In the past, exploration has been significantly hindered by extensive and deep cover masking the Archaean basement and particularly by the logistical difficulties of drilling on Lake Rebecca. Many previous explorers have cited the problems of exploring through playa lake sediments in surrender reports for tenements being relinquished. The Company plans to utilise drilling rigs capable of routinely operating on the difficult lake environment.

As much of the prospective areas are covered by Cainozoic sediment, exploration will need to be guided by structural interpretation of geophysical data in conjunction with geological mapping of the limited outcrops. Following the acquisition of geophysical data, geological mapping and subsequent interpretation, targets will be generated.

Areas of interest include the internal granitoid body which is flanked by the shear corridor to the east, with the Sentinel Project workings sitting internal to the granite. Areas flanking the granite warrant first-pass exploration.

The Four Mile Dam Shear Zone is also considered a priority target. This structure is apparent from inspection of enhanced aeromagnetics and is associated in the field with narrow mylonite zones and tensional fractures within a granite stock and sediment roof pendants. Previous work circa the Sentinel Prospect has shown that there is little or no significant geochemical dispersion halo.

RAB or aircore drilling of targets identified in the geophysical and geological review will be completed, with drilling to occur beyond the base of complete oxidation. Analysis of pathfinder elements will be completed as well as Au and As analysis. Anomalous results will be followed up with RC and diamond drilling. The majority of drilling to be completed over the Sentinel Project will require a drilling rig adapted to lake drilling.

The Company will undertake a systematic, staged approach with respect to its exploration program on the Sentinel Project, with prudent monitoring, assessing and refocussing of the exploration programs as necessary.

The Company proposes to allocate funds towards exploration and other geological expenditure on the Sentinel Project as set out below.

Item	Year 1	Year 2	Total
Data compilation	\$15,000	-	\$15,000
Geological mapping	\$20,000	-	\$20,000
Geophysical and geochemical surveys	\$50,000	-	\$50,000
Drilling and assays	\$80,000	\$150,000	\$230,000
Total	\$165,000	\$150,000	\$315,000

3.5.3 South Big Bell Project

The South Big Bell Project covers the southern extensions of the greenstone belt and shear zone that hosts the Big Bell gold deposit. Regional aeromagnetic imagery suggests that the Archaean greenstone belt hosting the Big Bell gold deposit continues southwards into the area covered by E20/0900. Additionally, work completed by Normandy in 1996 identified outcropping greenstones at Windarra Bore suggesting that the Big Bell Greenstone Belt is continuous through the area, albeit showing significant thinning and a commensurate diminishing prospectivity for gold.

Detailed geological mapping and further processing of geophysical data may represent an effective targeting method to ascertain the extension of the greenstone belt. An area of focus will be the westward transgression of outcrop and geophysical trends in the Windarra Bore area, previously interpreted to suggest such movement of the greenstone belt.

Following the acquisition of geophysical data, geological mapping and subsequent interpretation, targets will be generated. Fenceline RAB drilling will be completed over areas of interest defined from the geophysical, geological and drillhole data review. RC drilling will be completed over anomalous areas.

The Company will undertake a systematic, staged approach with respect to their exploration program on the South Big Bell Project, with prudent monitoring, assessing and refocussing of the exploration programs as necessary.

The Company proposes to allocate funds towards exploration and other geological expenditure on the South Big Bell Project as set out below.

Item	Year 1	Year 2	Total
Data compilation	\$20,000	Nil	\$20,000
Geological mapping	\$30,000	Nil	\$30,000
Geophysical and geochemical surveys	\$60,000	\$25,000	\$85,000
Drilling and assays	\$250,000	\$350,000	\$600,000
Total	\$360,000	\$375,000	\$735,000

4. Risk factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the matters summarised in this Section 4, which is not exhaustive, represent some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

4.1 Specific risks

4.1.1 Reinstatement to trading on the ASX

Due to the Company's change in nature and scale of activities which will result from Completion of the Proposed Acquisition and Offers, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company in its re-compliance with these requirements. It is anticipated that the Company's securities will remain suspended until completion of the Proposed Acquisition and Public Offer, and satisfaction of ASX's conditions to re-listing. There is a risk that the Company will not be able to satisfy one or more of these requirements and that its Shares will consequently remain suspended from quotation.

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

In the event that the Conditions set out in Section 1.3 are not satisfied or the Company does not otherwise obtain re-quotation of its Shares, the Company will not proceed with the Public Offer and will repay all Application Monies received without interest.

4.1.2 Exploration and development

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves (amongst other things):

- discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- access to adequate capital throughout the acquisition/discovery and project development phases;
- securing and maintaining title to mineral exploration projects;
- obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

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

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

4.1.3 Licences and permits

The Company's proposed operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of licences/permits from any existing operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, the Company must receive licences/permits from appropriate Governmental authorities. There is no certainty that the Company will continue to hold all licences/permits necessary to develop or continue operating at any particular property.

4.1.4 Acquisitions and investments

The Company may make acquisitions of, or significant investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

4.1.5 Government regulation of the mining industry

The activities of the Company will be subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although the Company believes that its activities will be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Company's properties. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right application and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

4.1.6 Land access

Land access is critical for exploration and mining operations. Access to land can be affected by land ownership, including private (freehold) land, pastoral lease, regulatory requirements within Australia, and competing or underlying claim interests.

While access issues are faced by many mining exploration companies and are not considered unusual, the ability of the Company to explore its claims and exploit any deposits that may be discovered through the access to critical infrastructure such as roads, may be affected by any ownership rights, regulatory requirements, underlying claim interests, or any other land access rights being enforced.

As set out in the Solicitor's Tenement Report, the McKenzie Springs Project lies on the Texas Downs / Mabel Downs (PL N050285) Pastoral Lease, the Sentinel Project lies on the Pinjin (PL N049526) Pastoral Lease and the South Big Bell Project lies on the Austin Downs (PL N050063) and Coodardy (PL N049528) Pastoral Leases. The Company may consider entering into compensation and access agreements with each of the pastoral lessees in relation to the pastoral leases to ensure the requirements of the Mining Act are satisfied and to avoid any future disputes arising in relation to amounts of compensation which may be applicable. In the absence of an agreement, the Warden's court determines compensation payable. There is no guarantee that if the

Company enters into any compensation and access agreements that these will be on terms favorable to the Company or entered into at all.

4.1.7 Native title and heritage

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

Please refer to the Solicitor's Tenement Report in Section 1 for further details. The Company will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

4.1.8 Early stages of exploration

The Projects are at an early stage of exploration and success will depend on the Company's ability to implement its exploration strategy and define exploration results from its Projects that are compliant with the JORC Code. There can be no guarantee that the Company can or will be able, or that it will be commercially advantageous for the Company, to develop the Projects.

4.1.9 Further exploration costs

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

4.1.10 Environmental risks

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

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

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

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

4.1.11 Mine development

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of

operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects.

4.1.12 Resource and reserve estimates

Whilst the Company intends to undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the determination of a resource in accordance with the JORC Code. Even if a resource is identified, no assurance can be provided that this can be economically extracted.

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

4.1.13 Results of studies

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies with respect to its projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of a project, there can be no guarantee that the project will be successfully brought into production as proposed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

4.1.14 Contract risk

The operations of the Company will require the involvement of a number of third parties, including suppliers, contractors and customers (e.g. the Sellers with respect to the Term Sheets and the joint ventures they create). With respect to these third parties, and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of:

- financial failure or default by a participant in any joint venture to which the Company or its subsidiaries may become a party;
- insolvency, default on performance or delivery, or any managerial failure by any of the operators and contractors used by the Company or its subsidiaries in its exploration activities; or
- insolvency, default on performance or delivery, or any managerial failure by any other service providers used by the Company or its subsidiaries or operators for any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on the Company's operations and performance. Whilst best practice pre-contracting due diligence is undertaken for all third parties engaged by the Company, it is not possible for the Company to predict or protect itself completely against all such contract risks.

4.1.15 Future funding needs

Together with its current cash reserves, the funds raised under the Public Offer are considered sufficient to meet the immediate objectives of the Company. Further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed undertake further exploration activities, or acquire complementary assets.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Public Offer price or may involve restrictive covenants that limit the Company's operations be business strategy.

There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

4.1.16 Commodity prices and exchange rates

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

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

4.1.17 Safety

Safety is a fundamental risk for any exploration and production company in regard to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

4.1.18 Expiry of escrow

ASX may determine that certain Securities to be held by the Sellers, the Lead Manager (and/or its nominees) and remaining and incoming officers of the Company are subject to escrow for a period of 12 or 24 months, resulting in 50,000,000 Shares (on a fully diluted basis), representing 15.07% of the total number of Shares on issue upon completion of the Public Offer assuming the Minimum Subscription is met, not being tradeable for those periods. This may reduce the volume of trading in the Company's Shares on the ASX, which may in turn negatively impact a Shareholder's ability to sell Shares.

Following the end of these escrow periods, a significant portion of Shares will become tradable on ASX. This may result in an increase in the number of Shares being offered for sale on market which may in turn put downward pressure on the Company's Share price. Please see in Section 1.8 for further information on anticipated escrow arrangements.

4.1.19 Dilution

On completion of the Public Offer, the number of Shares will increase from 231,691,438 to 331,691,438 (on a fully diluted basis) if the Minimum Subscription is met. This means that each Share will represent a lower proportion of ownership of the Company. For existing Shareholders

who do not subscribe for new Shares under the Public Offer, their percentage interest will be diluted by approximately 30.15% (on a fully diluted basis) if the Minimum Subscription is met.

4.1.20 Key persons

The responsibility of overseeing the day-to-day operations and the strategic management of the Company will depend substantially on its Directors and any senior management engaged. There can be no assurance that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these persons cease their engagement with the Company and suitable replacements are not identified and engaged in a timely manner.

If contracts with key management personnel are terminated or breached, or if the relevant personnel were no longer to continue in their roles, the Company would need to engage alternative staff, and the Company's operations and business may be adversely affected.

4.2 General risks

4.2.1 Litigation

The Company may in the ordinary course of business become involved in litigation and disputes, for example with service providers, customers or third parties infringing the Company's intellectual property rights. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

4.2.2 Insurance

The Company intends to insure over its operations within the ranges that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, the Company may not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

4.2.3 Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties raising funds to meet commitments and financial obligations as and when they fall due. It is the Company's aim in managing its liquidity to ensure that there are sufficient funds to meet its liabilities as and when they fall due. The Company manages liquidity risk by continuously monitoring its actual cash flows and forecast cash flows.

There is no guarantee that there will be an ongoing liquid market for Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

4.2.4 Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation, resulting in the Company incurring a financial loss. Credit risk arises from cash and cash equivalents (e.g. deposits and investments held with banks and financial institutions), favourable derivative contracts (derivative assets), loans and receivables, guarantees given on behalf of others and loans and commitments granted but not drawn down at the end of the reporting period.

4.2.5 Commercial risk

The mining industry is competitive and there is no assurance that, even if commercial quantities are discovered by the Company, a profitable market will exist for sales of such commodities. There can be no assurance that the quality of the commodity will be such that the properties in which the Company holds and interest can be mined at a profit.

4.2.6 Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. 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.

4.2.7 Investment risk

The Shares to be issued under the Public Offer should be considered highly speculative. There is no guarantee as to the payment of dividends, return of capital or the market value of the Shares from time to time. The price at which an investor is able to trade the Shares may be above or below the price paid for Shares under the Public Offer. Whilst the Directors commend the Public Offer, investors must make their own assessment of the risks and determine whether an investment in the Company is appropriate in their own circumstances.

4.2.8 Share market

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors including the following:

- the general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- terrorism and other hostilities; and
- other factors beyond the control of the Company.

4.2.9 Force majeure risk

Events may occur within or outside the markets in which the Company operates that could impact upon the global and Australian economies, the operations of the Company and the market price of its Shares. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially adversely affected if any of the events described above occurs.

4.2.10 Taxation

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

4.3 Other risks

This list of risk factors above is not an exhaustive list of the risks faced by the Company or by investors in the Company. The risk factors described in this Section 4 as well as risk factors not specifically referred to above may in the future materially affect the financial performance of the

Company and the value of its Shares. Therefore, the Shares offered under the Public Offer carry no guarantee with respect to the payment of dividends, return of capital or their market value.

Investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares under the Public Offer.

5. Investigating Accountant's Report

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4 April 2018

The Directors
Orca Energy Limited
PO Box 1140
WEST PERTH WA 6872

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report ("Report") on Orca Energy Limited Historical and Pro Forma Historical Financial Information

Introduction

We have been engaged by Orca Energy Limited ("Orca" or the "Company") to report on the historical financial and pro forma financial information of the Company for the half years ended 31 December 2016 and 31 December 2017 and the years ended 30 June 2016 and 30 June 2017 for inclusion in a prospectus ("Prospectus") of Orca to be dated on or about 4 April 2018 in connection with Orca's public offering and re-listing on the Australian Securities Exchange ("ASX"), pursuant to which the Company is offering up to 50,000,000 ordinary Orca shares at an issue price of \$0.02 per share to raise up to \$1 million, before costs ("Public Offer").

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

The future prospects of the Company, other than the preparation of Pro Forma Historical Financial Information, assuming completion of the transactions summarised in Note 1 of the Appendix of this Report, are not addressed in this Report. This Report also does not address the rights attaching to the shares to be issued pursuant to the Prospectus, nor the risks associated with an investment in shares in the Company.

Background

Orca is an Australian listed company historically engaged in the exploration and evaluation of oil and gas properties in Australia and the United States.

Orca is proposing to acquire majority interests in 3 resource exploration tenements via the following:

- The issue of 5 million ordinary shares and 10 million options to Sammy Resources Pty Ltd to acquire a 51% interest in the McKenzie Springs Project, as well as the right to farm-in to an additional 19% interest by spending \$500,000 within 18 months;

THE POWER OF BEING UNDERSTOOD
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RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

- The issue of 2.5 million ordinary shares and 5 million options to Neon Space Pty Ltd as well as 2% of net smelter return to acquire a 51% interest in the South Big Bell Project, as well as the right to farm-in to an additional 19% interest by spending \$1,000,000 within 36 months; and
 - The issue of 2.5 million ordinary shares and 5 million options to Crosspick Resources Pty Ltd as well as 2% of net smelter return to acquire a 51% interest in the Sentinel Project, as well as the right to farm-in to an additional 19% interest by spending \$1,000,000 within 36 months;
- (together the “Proposed Transaction”).

Scope

Historical financial information

You have requested RSM Corporate Australia Pty Ltd (“RSM”) to review the historical financial information of the Company included in the Prospectus at the Appendix to this Report, and comprising:

- The statement of comprehensive income and statement of cash flows of the Company for the half years ended 31 December 2016 and 31 December 2017 and the years ended 30 June 2016 and 30 June 2017; and
- The statement of financial position of the Company as at 31 December 2017.

(together the “Historical Financial Information”).

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

The Historical Information represents that of the Company and has been extracted from:

- The financial statements of the Company for the half years ended 31 December 2016 and 31 December 2017, which were reviewed by Stantons International in accordance with Australian Auditing Standards and the *Corporations Act 2001*. The review reports issued for the half-years ended 31 December 2017 and 31 December 2016 were unqualified opinions; and
- The financial statements of the Company for the years ended 30 June 2016 and 30 June 2017 which were audited by Stantons International in accordance with Australian Auditing Standards and the *Corporations Act 2001*. The audit reports issued for the years ended 30 June 2016 and 30 June 2017 were unqualified opinions.

The Historical Financial Information 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 RSM to review the pro forma historical statement of financial position as at 31 December 2017, referred to as “the Pro Forma Historical Financial Information”.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company after adjusting for the effects of the pro forma adjustments described in Note 1 of the Appendix to this Report. The stated basis of preparation is the recognition and measurement principles contained in the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Note 1 of the Appendix to 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 or statement of financial performance.

Directors' responsibility

The Directors of the Company 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 controls as the Directors determine are necessary to enable the preparation of 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 the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- A consistency check of the application of the stated basis of preparation, to the Historical and Pro Forma Historical Financial Information;
- A review of the Company's and its auditors' work papers, accounting records and other documents;
- Enquiry of directors, management personnel and advisors;
- Consideration of subsequent events and pro forma adjustments described in Note 1 of the Appendix to this Report; and
- Performance of analytical procedures applied to the Pro Forma Historical Financial Information.

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.

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 the Appendix to this Report, and comprising:

- The statement of comprehensive income and statement of cash flows of the Company for the half-years ended 31 December 2016 and 31 December 2017 and the years ended 30 June 2016 and 30 June 2017; and
- The statement of financial position of the Company as at 31 December 2017;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Note 2 of the Appendix to 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 the Appendix to this Report, and comprising the pro forma statement of financial position of the Company as at 31 December 2017 is not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Note 2 of the Appendix of this Report.

Restriction on Use

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

Responsibility

RSM has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM has not authorised the issue of the Prospectus. Accordingly, RSM makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

Disclosure of Interest

RSM does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. RSM will receive a professional fee for the preparation of this Report.

Yours faithfully

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

JUSTIN AUDCENT

Director

Appendix A – Historical and Pro Forma Financial Information

ORCA ENERGY LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 30 JUNE 2016 AND 30 JUNE 2017 AND THE HALF-YEARS ENDED 31 DECEMBER 2016 AND 31 DECEMBER 2017

	6 months ended 31-Dec-17 Reviewed \$	6 months ended 31-Dec-16 Reviewed \$	Year ended 30-Jun-17 Audited \$	Year ended 30-Jun-16 Audited \$
Income				
Other income	30,755	15,602	34,693	36,317
Expenses				
Corporate compliance expenses	(49,250)	(52,840)	(79,013)	(138,351)
Consultancy fees	(46,000)	(51,000)	(97,000)	(187,000)
Director and employee benefits expense	(117,473)	(143,183)	(286,366)	(300,212)
Exploration impairment	-	-	-	(300,000)
Write back of provision	-	-	-	102,876
Share based payments expenses	-	-	-	(176,011)
Realised foreign exchange gain	-	-	-	200,075
Other expenses	(19,824)	(22,390)	(45,432)	(97,739)
Loss before income tax expense	<u>(201,792)</u>	<u>(253,811)</u>	<u>(473,118)</u>	<u>(860,045)</u>
Income tax expense	-	-	-	-
Loss after income tax expense for the year	<u>(201,792)</u>	<u>(253,811)</u>	<u>(473,118)</u>	<u>(860,045)</u>
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the year	<u><u>(201,792)</u></u>	<u><u>(253,811)</u></u>	<u><u>(473,118)</u></u>	<u><u>(860,045)</u></u>

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

Appendix A – Historical and Pro Forma Financial Information

ORCA ENERGY LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 30 JUNE 2016 AND 30 JUNE 2017 AND THE HALF-YEARS ENDED 31 DECEMBER 2016 AND 31 DECEMBER 2017

	6 months ended 31-Dec-17 Reviewed \$	6 months ended 31-Dec-16 Reviewed \$	Year ended 30-Jun-17 Audited \$	Year ended 30-Jun-16 Audited \$
Cash flows from operating activities				
Payments to suppliers and employees	(223,595)	(259,201)	(499,386)	(744,919)
Interest received	30,755	15,602	34,693	30,708
Net cash used in operating activities	<u>(192,840)</u>	<u>(243,599)</u>	<u>(464,693)</u>	<u>(714,211)</u>
Cash flows from investing activities				
Refund of exploration expenditure	-	-	-	5,609
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,609</u>
Net (decrease)/increase in cash and cash equivalents	(192,840)	(243,599)	(464,693)	(708,602)
Cash and cash equivalents at the beginning of the financial period	3,885,060	4,349,753	4,349,753	4,858,280
Effects of exchange rate changes on cash and cash equivalents	-	-	-	200,075
Cash and cash equivalents at end of the financial period	<u>3,692,220</u>	<u>4,106,154</u>	<u>3,885,060</u>	<u>4,349,753</u>

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

Appendix A – Historical and Pro Forma Financial Information

ORCA ENERGY LIMITED CONSOLIDATED HISTORICAL AND PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	Orca Reviewed 31-Dec-17 \$	Pro forma adjustments Unaudited 31-Dec-17 \$	Pro forma Consolidated Unaudited 31-Dec-17 \$
Assets				
Current assets				
Cash and cash equivalents	3	3,692,220	715,302	4,407,522
Trade and other receivables		3,208	-	3,208
Other financial assets		100	-	100
Total current assets		<u>3,695,528</u>	<u>715,302</u>	<u>4,410,830</u>
Non-current assets				
Deferred exploration and evaluation expenditure	4	-	440,000	440,000
Total non-current assets		<u>-</u>	<u>440,000</u>	<u>440,000</u>
Total assets		<u>3,695,528</u>	<u>1,155,302</u>	<u>4,850,830</u>
Liabilities				
Current liabilities				
Trade and other payables		24,038	-	24,038
Provisions		61,145	-	61,145
Total current liabilities		<u>85,183</u>	<u>-</u>	<u>85,183</u>
Total liabilities		<u>85,183</u>	<u>-</u>	<u>85,183</u>
Net assets		<u>3,610,345</u>	<u>1,155,302</u>	<u>4,765,647</u>
Equity				
Issued capital	5	28,786,786	1,111,563	29,898,349
Reserves	6	2,297,449	288,000	2,585,449
Accumulated losses	7	(27,473,890)	(244,261)	(27,718,151)
Total equity		<u>3,610,345</u>	<u>1,155,302</u>	<u>4,765,647</u>

The unaudited pro forma statement of financial position represents the reviewed statement of financial position of the Company as at 31 December 2017 adjusted for the pro forma transactions outlined in Note 1 of this Appendix. It should be read in conjunction with the notes to the historical and pro forma financial information.

Appendix A – Historical and Pro Forma Financial Information

1. Introduction

The financial information set out in this Appendix consists of the Historical Financial Information together with the Pro Forma Historical Financial Information.

The Pro Forma Historical Financial Information has been compiled by adjusting the statement of financial position of the Company and reflecting the Directors' pro forma adjustments, for the impact of the following events and transactions.

Adjustments adopted in compiling the Pro Forma Historical Financial Information

The following pro forma transactions which are yet to occur, but are proposed to occur immediately before or following completion of the Public Offer:

- (i) Completion of a share consolidation of the Company's existing securities on the basis that every 2 Shares be consolidated into 1 Share;
- (ii) The issue of 50,000,000 fully paid ordinary shares in the Company at \$0.02 each to raise \$1,000,000 before costs pursuant to the Public Offer;
- (iii) The payment of cash costs related to the Public Offer estimated to be \$225,898, comprising \$88,437 deemed to relate to the issue of new equity and \$137,461 expensed in relation to the Company's re-listing;
- (iv) The issue of 10,000,000 fully paid ordinary shares in the Company at \$0.02 each ("Consideration Shares") and 20,000,000 options each exercisable at \$0.03 on or before three years from the date of issue ("Consideration Options") as consideration for a 51% interest in the McKenzie Springs Project, South Big Bell Project and Sentinel Project ("Proposed Transaction");
- (v) The issue of 12,000,000 options at an issue price of \$0.0001 each to certain advisers and brokers that provided services in connection with or otherwise facilitated the Proposed Transaction, each exercisable at \$0.03 on or before three years from the date of issue ("Adviser Options");
- (vi) The payment of costs related to geological services in connection with the Proposed Transaction estimated to be \$60,000; and
- (vii) The issue of 8,000,000 performance rights to remaining and incoming officers of the Company which vest upon the Company achieving a VWAP of at least \$0.03 over a period of 20 trading days any time from three months after grant until the expiry date (five years from grant), each exercisable at \$0.001 on or before five years from the date of issue ("Performance Rights").

The Pro Forma Historical Financial Information has been presented in abbreviated form and does not contain all the disclosures usually provided in an Annual Report prepared in accordance with the *Corporations Act 2001*.

2. Statement of significant accounting policies

(a) Basis of preparation

The Historical Financial Information has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards (“AAS”) adopted by the Australian Accounting Standards Board (“AASB”) and the *Corporations Act 2001*.

The Pro Forma Historical Financial Information presented in the Prospectus has been compiled by adjusting the statement of financial position of the Company and reflecting the Directors’ pro forma adjustments.

The significant accounting policies that have been adopted in the preparation and presentation of the Historical Financial Information and the Pro forma Historical Financial Information are:

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments classified at *fair value through profit or loss*, which are measured at fair value.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company’s functional currency.

(d) Principles of consolidation

The historical and pro forma financial information incorporates the assets, liabilities and results of entities controlled by the Company at the end of the reporting period. A controlled entity is an entity over which the Company has the ability or right to govern the financial and operating policies so as to obtain benefits from the entity’s activities. In preparing the historical and pro forma financial information, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation. Where controlled entities have entered or left the consolidated entity during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

(e) Going concern

The historical and pro forma financial information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

(f) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest Revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and demand deposits held at call with banks.

Appendix A – Historical and Pro Forma Financial Information

(h) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(i) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables, which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. 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 as operating cash flows.

(j) Payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

(k) Exploration and evaluation expenditure

Exploration and evaluation 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.

Capitalised exploration costs are reviewed at each reporting date as to whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced. Exploration and evaluation expenditure incurred by the Group subsequent to the acquisition of the rights to explore is expensed as incurred.

Appendix A – Historical and Pro Forma Financial Information

3. Cash and cash equivalents

	Note	Reviewed 31-Dec-17 \$	Unaudited Pro forma 31-Dec-17 \$
Cash and cash equivalents		3,692,220	4,407,522
Orca cash and cash equivalents as at 31 December 2017			3,692,220
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Proceeds from the Offer pursuant to the Prospectus	1(ii)		1,000,000
Cash costs relating to the Offer	1(iii)		(225,898)
Funds received from issue of Advisor Options	1(v)		1,200
Payment of costs for geological services	1(vi)		(60,000)
			715,302
Pro forma cash and cash equivalents			4,407,522

4. Deferred Exploration and Evaluation Expenditure

	Note	Reviewed 31-Dec-17 \$	Unaudited Pro forma 31-Dec-17 \$
Deferred Exploration and Evaluation Expenditure		-	440,000
Orca deferred exploration expenditure as at 31 December 2017			-
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Consideration shares issued at \$0.02 as part of the Proposed Transaction	1(iv)		200,000
Consideration Options issued as part of the Proposed Transaction	1(iv)		180,000
Geological services costs	1(vi)		60,000
Pro forma Deferred Exploration Expenditure			440,000

Appendix A – Historical and Pro Forma Financial Information

5. Issued Capital

	Note	Number of shares	\$
Orca issued share capital as at 31 December 2017		463,382,876	28,786,786
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Completion of the share consolidation at 1:2	1(i)	(231,691,438)	-
Fully paid ordinary shares issued at \$0.02 pursuant to the Prospectus	1(ii)	50,000,000	1,000,000
Cash costs of the Offer deducted from equity	1(iii)	-	(88,437)
Consideration shares issued at \$0.02 as part of the Proposed Transaction	1(iv)	10,000,000	200,000
		(171,691,438)	1,111,563
Pro forma issued share capital		291,691,438	29,898,349

6. Reserves

	Note	Reviewed 31-Dec-17 \$	Unaudited Pro forma 31-Dec-17 \$
Reserves		2,297,449	2,585,449
Orca reserves as at 31 December 2017			2,297,449
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Consideration options as part of the Proposed Transaction	1(iv)		180,000
Advisor options as part of facilitating the Proposed Transaction	1(v)		108,000
Pro forma Reserves			2,585,449

(a) Options and Performance Rights.

All Options have been valued as at an indicative value of \$0.009 each and have been valued using a binomial pricing model based on the fair value of a Company share at the grant date, being \$0.02.

The Performance Rights vest upon the Company achieving a VWAP of at least \$0.03 over a period of 20 trading days any time from three months after grant until the expiry date (five years after grant). The Performance Rights have been valued as at an indicative value of \$0.018 each and have been valued using a trinomial pricing model based on the fair value of a Company share at the grant date and the vesting hurdle. The Performance Rights will be recognised over the expected vesting period of the instruments.

Assumptions	Options	Performance Rights
Issue Price	\$0.0001	\$nil
Stock Price	\$0.020	\$0.020
Exercise Price	\$0.030	\$0.001
Vesting hurdle	n/a	\$0.030
Expiry period	3 years	5 years
Expected future volatility	100%	100%
Risk-free rate	2.05%	2.30%
Dividend yield	0%	0%

Appendix A – Historical and Pro Forma Financial Information

7. Accumulated Losses

	Note	Audited 31-Dec-17	Unaudited Pro forma 31-Dec-17
Accumulated Losses		(27,473,890)	(27,718,151)
Orca accumulated losses as at 31 December 2017			(27,473,890)
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Advisor options issued as part of facilitating the Proposed Transaction net of funds received	1(v)		(106,800)
Cash costs of the offer expensed			(137,461)
Pro forma Reserves			<u>(27,718,151)</u>

8. Commitments and contingent liabilities

The Directors of the Company are not aware of any contingent liabilities as at 31 December 2017.

9. Related party disclosure

Following completion of the Offer, the Directors of Orca will be Jason Bontempo, Justin Tremain and Andrew Radonjic. Directors' holdings of shares, directors' remuneration and other directors' interests are set out in Section 8.6 of the Prospectus.

10. Controlled entities

Consolidated Entities	Country of Incorporation	Pro forma interest held
Orca Energy Limited	Australia	Parent
Komodo Energy Pty Ltd	Australia	100%
Sugarbay Investments Pty Ltd	Australia	100%
Crestwood Pty Ltd	Australia	100%

6. Independent Geologist's Report



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56 London St, North Perth, WA, 6006
ABN: 77 823 685 882

INDEPENDENT GEOLOGIST'S REPORT

Prepared for
ORCA ENERGY LIMITED

Prepared by:
F Repacholi-Muir
BSc (Geol & Soil Sc), GradCertAppFin, MAIG
March 2018

1.0 INTRODUCTION

FRM Geological Services (**FRM**) was engaged by Orca Energy Limited (ASX:OGY, **Orca** or **the Company**) to provide an Independent Geologist's Report (**IGR** or **the Report**) on the McKenzie Springs, Sentinel and South Big Bell Projects.

FRM understands that this IGR is to be included in a prospectus (**Prospectus**) to be lodged by Orca with the Australian Securities and Investments Commission (**ASIC**), on or about the 26th March 2018 for a capital raising to be undertaken by the Company of up to 50 million shares at an issue price of A\$0.02 per share, to raise a total of up to A\$1.0 million (before costs associated with the issue). The funds raised will be used for the purpose of the exploration and evaluation of Orca's Projects and to allow Orca to re-comply with Chapters 1 and 2 of the listing rules of the Australian Securities Exchange (**ASX**).

In preparing this report, FRM was reliant on relevant data collated and provided by Orca as well as publicly available information regarding geology and previous exploration over the McKenzie Springs, Sentinel and South Big Bell Projects. The principal source of information regarding Orca's assets were statutory reports prepared by previous tenement holders and their consultants and submitted to the Department of Mines, Industry Regulation and Safety (**DMIRS**) of Western Australia. FRM does not doubt the authenticity or substance of previous investigating reports. FRM has not however, carried out a complete audit of the information but has relied on previous reporting and documentation where applicable and has used this for research purposes with qualifications applied, where necessary.

This IGR has been prepared in accordance with the rules and guidelines issued by such bodies as the ASIC and the ASX. Where exploration results, mineral resources or ore reserves have been referred to in this IGR, the classifications are consistent with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**), prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2012; as well as the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, 2015 Edition (**The VALMIN Code**).

The Competent Person for preparation of the report is Ms Felicity Repacholi-Muir; BSc (Geol & Soil Sc), GradCertAppFin. Ms Repacholi-Muir is a Member of the Australasian Institute of Geoscientists (MAIG #3417) with over 15 years of experience and has extensive professional experience with the geology of and has worked extensively in Western Australia. Ms Repacholi-Muir has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined by the 2012 JORC Code as incorporated in the ASX Listing Rules.

The Projects do not contain any Ore Reserves or Mineral Resources, as defined by the JORC Code. Under the definition provided by the ASX and in the VALMIN Code, the McKenzie Springs, Sentinel and South Big Bell Projects are classified as 'exploration projects', which are inherently speculative in nature. Orca's Projects are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the programs proposed by Orca.

The current ownership and legal standing of Orca's Projects is subject to a separate Solicitor's Report which is set out in the Prospectus and these matters have not been independently verified by FRM. The present status of tenements listed in this Report is based on information provided by Orca and the Report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation and development.

This Report has been prepared by FRM strictly in the role of an independent expert. Professional fees payable for the preparation of this Report constitutes FRM's only commercial interest in Orca. Payment of fees is in no way contingent upon the conclusions of this Report.

Orca has agreed to indemnify FRM for any liability arising as a result of or in connection with the information provided by or on behalf of Orca being incomplete, incorrect or misleading in any material respect. Orca has confirmed in writing to FRM that, to its knowledge, the information provided by it (when provided) was complete and not incorrect or misleading in any material respect. FRM has no reason to believe that any material facts have been withheld and Orca has confirmed in writing to FRM that it believes it has provided all material information available to it.

FRM is of the opinion that Orca has satisfactory and clearly defined exploration and expenditure programs which are reasonable having regard to the stated objectives of the Company. Orca's exploration programs are included in the report, they may be altered in view of results gained which could revise the emphasis of current priorities.

This report has an Effective Date of the 26th March 2018, this being the most recent date on which Orca made material in its possession available to FRM and FRM is unaware of any material change since this date. FRM consents to the distribution of this Report in the form and content in which it appears.

2.0 EXECUTIVE SUMMARY

This report covers the McKenzie Springs Project, the Sentinel Project and the South Big Bell Project. All geochemical and drill results with respect to previous exploration on the Projects are set out within Tables within the body of the Report or in Annexure A.

The **McKenzie Springs Project** is located within the Kimberley Region of Western Australia, 85km northeast of the township of Halls Creek. The Project comprises a single granted Exploration Licence and covers an area of approximately 134km² and includes identified nickel, copper, cobalt and graphite occurrences.

The East Kimberley region has proven potential for hosting magmatic nickel-copper sulphide and PGM (Platinum Group Metals) mineralisation. Two significant mineralised bodies have been discovered in this area to date within intrusive complexes of the Halls Creek Orogen. These are the *Panton PGM Project* and the *Savannah Ni-Cu Mine* both owned by Panoramic Resources Ltd (ASX:PAN) (**Panoramic**) and are 30km and 9km away from Orca's McKenzie Springs Project respectively.

Mineralisation within Orca's McKenzie Springs tenement is associated with the basal contact of mafic-ultramafic rocks in a similar geological setting to Panoramic's *Savannah Ni-Cu Mine*. Over 25 gossans have been defined at different stratigraphic levels in the intrusion through the course of exploration, some with a strike length of more than 200m.

Of particular note is one very high-grade result from a rock chip sample which returned 12.8% Cu, 1.92% Ni and 0.17% Co taken from the *Main Gossan* (refer Table 3). Previous work in this area has included mapping, geochemical sampling, geophysical surveys and limited drilling.

Orca sees potential for further work at the *Main Gossan* and also more regionally over other gossans and covered areas where similar stratigraphy to that hosting Panoramic's *Savannah Ni-Cu Mine* is present. Recent reprocessing of an airborne electromagnetic survey has highlighted six areas of particular interest which require further investigation. Further geophysical surveys will be used to better define the anomalies with the higher priority targets to be tested by drilling.

The **Sentinel Project** is located 130km east-northeast of the township of Kalgoorlie in the Eastern Goldfields, Western Australia. The Project comprises a single granted Exploration Licence which covers an area of approximately 44km².

The Sentinel Project is positioned in a prospective location in terms of regional geological and mineralisation setting, located in the Eastern Goldfields Province within the southern Laverton Tectonic Zone, a regional shear/fault system that extends as a set of NNE and NNW trending structures from Laverton towards the Pinjin area. The Project is considered prospective for gold.

The area has been explored for gold by a number of companies since the 1980s, exploration has included reconnaissance and surface geochemical programs with limited drill traverses through covered terrain. Mapping has located minor gold workings at the Sentinel Prospect on the northern margin of Lake Rebecca.

In the past, exploration has been significantly hindered by extensive and deep cover masking the Archaean basement and particularly by the logistical difficulties of drilling on Lake Rebecca. Many previous explorers have cited the problems of exploring through playa lake sediments in surrender reports for tenements being relinquished. Orca plan to utilise drilling rigs capable of routinely operating on the difficult lake environment. Structural interpretation of geophysical data will guide the targeting process due to much of the prospective areas being covered by Cainozoic sediment.

The **South Big Bell Project** is located 25km west of the township of Cue in the Murchison Goldfields, Western Australia. The Project comprises a single granted Exploration Licence. The South Big Bell Project covers the southern extensions of the greenstone belt and shear zone that hosts the Big Bell gold deposit (owned by Westgold Resources Ltd). Regional aeromagnetic imagery suggests that the Archaean greenstone belt hosting the Big Bell gold deposit continues southwards into the area covered

by E20/0900. Additionally, work completed by previous tenement operators identified outcropping greenstones at Windarra Bore suggesting that the Big Bell Greenstone Belt is continuous through the area, albeit showing significant thinning and a commensurate diminishing prospectivity for gold.

Limited exploration work has been completed on the South Big Bell Project. Detailed geological mapping and further processing of geophysical data may represent an effective targeting method to ascertain the extension of the greenstone belt.

Orca have provided to FRM Geological Services (**FRM**) their proposed exploration expenditure for the two year period following the capital raising with \$2,560,000 of direct exploration expenditure which is detailed in Table 7. Orca is intending to focus their expenditure on geophysical surveys and RC drilling. FRM has reviewed Orca's proposed exploration activities and is of the opinion that the funds raised will be sufficient for the proposed program and that the programs are appropriate for the mineral potential and status of the Projects.



Figure 1: Project Locations

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ANNEXURE A: Significant Drillhole Intercepts

ANNEXURE B: JORC Code Table 1, Sections 1 & 2

3.0 MCKENZIE SPRINGS PROJECT

3.1 LOCATION, ACCESS & TENURE

The McKenzie Springs Project is located 85km northeast of Halls Creek in the Kimberley Region of Western Australia. The Project is located within the Kimberley Mineral Field and lies on the Dixon Range 1:250,000 (SE52-06) map sheet and the Mount Remarkable (4463) and McIntosh (4462) 1:100,000 map sheets.

The Project straddles the Great Northern Highway; four-wheel drive pastoral and exploration tracks provide additional access. High rainfall combined with the well-defined drainage renders most of the unsealed tracks impassable during the wet season (November to March).

The area is drained by north-south tributaries of the Ord River, which transects the tenement in an east-west- orientation. The topography is dominated by riverine valleys between moderate to steep rugged hills. Maximum relief is about 120m. The main vegetation type is open low riverine woodland comprising few but prominent eucalypts with a discontinuous ground cover of spinifex. Dense vegetation occurs on the banks of the Ord River and subsidiary creeks and consists of various species of Eucalyptus, Acacia and Melaleuca.

The McKenzie Springs Project comprises a single granted Exploration Licence, namely E80/4808 covering a land area of 134km². Orca has entered into a term sheet with the current holder, Sammy Resources Pty Ltd, to acquire a 51% interest in the exploration licence and the right to farm-in to an additional 19% interest in the Project.

The tenement lies on the Texas Downs / Mabel Downs (PL N050285) Pastoral Lease. The tenement is within land where two applications for a determination that native exist have been made. The Purnululu People have made the WC1994/011 Native Title Claim and the Malarngowerm People have made the WC1999/044 Native Title Claim. The applications currently remain active.

FRM Geological Services has not independently validated mineral tenures, the status of access agreements and applicable royalty of Joint Venture Agreements. These aspects are dealt with in the relevant section of the Prospectus. The present status of tenements, agreement and legislation in this report is based on information provided by Orca. The Report has been prepared on the assumption that exploration and future development of the Project will prove to be lawfully accessible for evaluation and development.

Table 1: McKenzie Springs Project tenement details

Licence	Grant Date	Expiry Date	Expenditure	Area
E80/4808	11 th September 2014	10 th September 2019	\$61,500	41 sub blocks

3.2 GEOLOGY AND MINERALISATION

Regional Setting

The McKenzie Springs Project lies within the Halls Creek Orogen of Upper Archaean/Lower Proterozoic age. The Halls Creek Orogen (**HCO**) is a complex Palaeoproterozoic terrain comprising low to high grade metasedimentary and metavolcanic rocks, and voluminous granitic, mafic and mafic-ultramafic intrusions that collectively range in age from about 1910 Ma to 1790 Ma (Page et al., 1995). The HCO is a well-exposed north-northeast trending orogenic belt approximately 120 km long by 45 km wide. The package as a whole is termed the Lamboo Complex and can be divided into three zones (Figure 2).

The Central Zone comprises felsic to mafic and ultramafic intrusions within high-grade metamorphic sediments and mafic units of the Tickalara Metamorphics, together with sediments of the Koongie Park Formation to the south. The Central Zone contains numerous occurrences of nickel-copper and platinum group elements, associated with the intrusive suites. The Eastern Zone comprises Halls Creek

Group sediments of the Olympio and Biscay formation, broadly correlated in age with the c.1865 Ma Tickalara Metamorphics. These are intruded by the mafic to ultramafic Woodward Dolerite. The Eastern Zone has a number of gold occurrences. The Western Zone comprises granitic and gabbroic rock of the Paperbark Supersuite (1865-1850Ma) with the Whitewater Volcanics cropping out on its western flank. The Western Zone has numerous nickel-copper and platinum group element occurrences associated with intrusive suites.

A regional gravity high of unusually large magnitude is present when compared to other anomalies of the Australian continent, with only the Giles Complex of the Musgrave Block of comparable intensity (Hoatson and Blake, 2000). This is interpreted to be related to mantle-derived magma pooled at or near the crust-mantle boundary. The various intrusions within the HCO appear to be related to this accumulation. Mafic-ultramafic intrusions are confined to the central part of the HCO and crystallised at depths of between 8-23km in a variety of forms including sheets, basinal forms, funnels, plugs and multi-chambered bodies. A total of 60 intrusions have been recognised by the Australian Geological Survey Organisation (**AGSO**). It is anticipated that as the geological knowledge of the area evolves, more intrusions will be identified.

SHRIMP U-Pb age dating undertaken by AGSO (Hoatson and Blake, 2000) has determined some of the major intrusions were emplaced between 1830-1856Ma. Hoatson and Blake (2000) proposed division of the mafic-ultramafic intrusives into seven groups, at least three of which are coeval, plus three other associations and undivided units. These are listed in Table 2.

Hoatson and Blake (2000) document a high sulphur (S) content within HCO intrusions, with all groups with the possible exception of VII being derived from S-saturated parent magmas. They have potential to host nickel-copper sulphide mineralisation.

Table 2: Classification Scheme for Layered Mafic-Ultramafic Intrusion in the East Kimberley (modified from Hoatson and Blake, 2000)

Group	Type Example	Age Ma*	Thickness (km)	Mineralisation
Group VII	Black Yard Hills		0.2-1.0	None known
Group VI	McIntosh	1830 ± 3 Ma	0.5-8.0	Cu, Ti, V
Group V	Sally Malay	1844 ± 3 Ma	0.2-2.0	Ni, Cu, Co, PGE, Ti, V
Group IV	Wild Dog Creek		0.5-2.0	None known
Group III	Toby	1855 ± 2 Ma	2.0	None known
Group II	Springvale	1857 ± 2 Ma	2.0	Ni, Cu, Cr, PGE
Group I	Panton	1856 ± 2 Ma	0.2-2.0	Cr, PGE, Ni, Cu, Au

*U-Pb zircon age

Project Geology

The McKenzie Springs Project tenement lies within the Central Zone of the Halls Creek Orogen and west of the Highway Shear Zone. To the west of the Highway Shear, mafic – ultramafic lithologies of the Tickalara Metamorphics are present within structurally controlled domains. East of the structure the geology is predominantly monzogranite, granodiorite and tonalite of the Sally Downs Supersuite.

The tenement covers two distinct mafic/ultramafic complexes – the Spring Creek and McKenzie Springs Intrusions. Hoatson and Blake (2000) correlate both intrusions with the Group V Sally Malay Intrusions. Spring Creek represents a broadly zoned, relatively undeformed intrusion, while McKenzie Springs displays a strongly fractionated sequence from peridotite – dominated lithologies in the south west to fractionated gabbro lithologies in the north east.

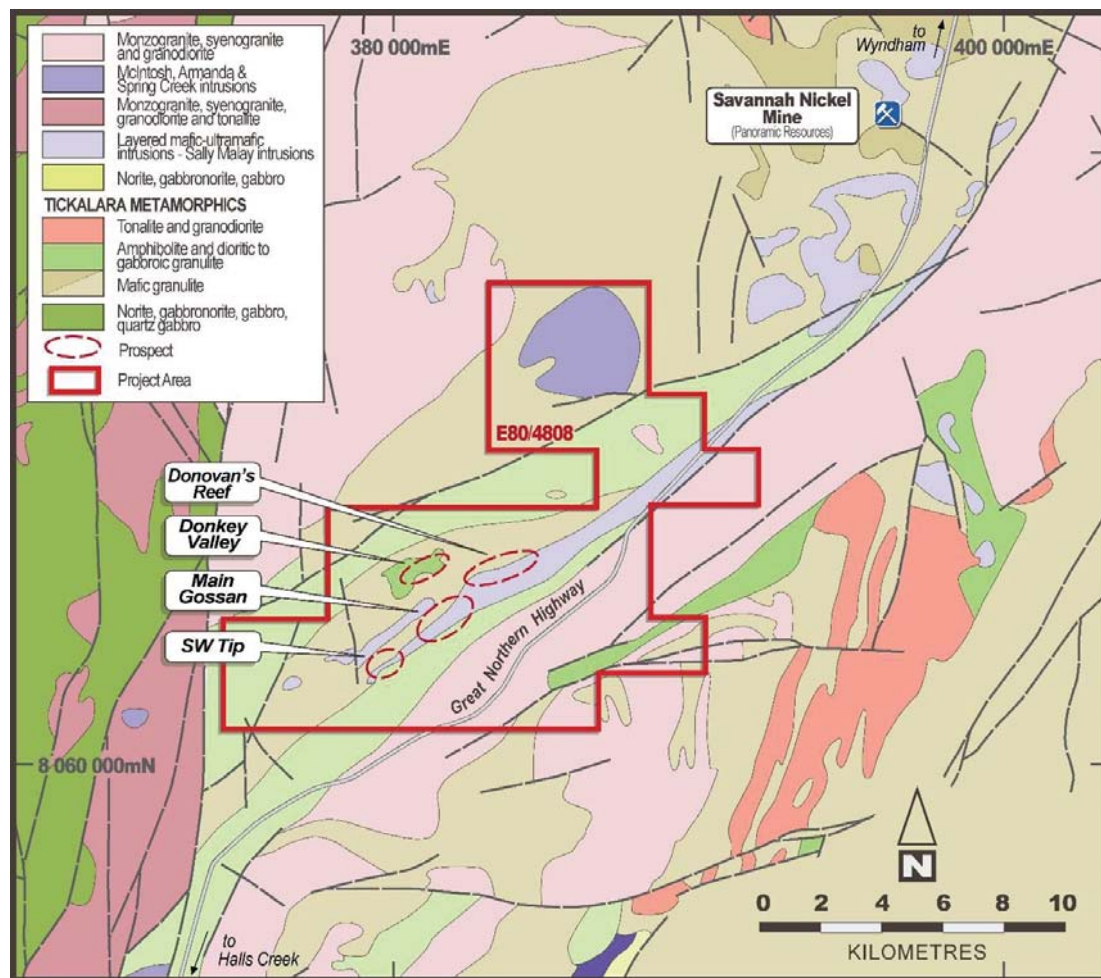


Figure 2: McKenzie Springs Interpreted Project Geology

Regional Mineralisation and Exploration Models

The East Kimberley Halls Creek Orogen is widely regarded as having potential for magmatic Ni-Cu sulphide and PGE mineralisation, with Hoatson and Blake (2000) considering it one of the most extensively mineralised igneous associations in Australia. Hoatson also recognised broad similarities between the HCO intrusions and the major mineralised layered intrusions at Sudbury, the Bushveld Complex and the Stillwater Complex. Two mineralised bodies of economic interest have been discovered to date within the intrusive complexes of the HCO; the *Panton PGM Project* and the *Savannah Ni-Cu Mine*, both owned by Panoramic, located 30km and 9km away from Orca's McKenzie Springs Project respectively.

The majority of historical exploration has focused on the McKenzie Springs complex, where numerous copper stained gossans within pyroxenitic rocks have been explored for nickel, copper and PGE's. Titanium oxide layers have also been historically explored within the intrusion.

A significant gold mining tradition in the area also indicates potential for epigenetic gold mineralisation. Several sub economic Cu-Pb-Zn deposits have been identified within the Koongie Park Formation, mainly in carbonate lenses, banded ironstone and mudstone, spatially associated with felsic volcanics.

Outcropping zones of graphitic schist were recently discovered and sampled at McKenzie Springs. The graphite bearing unit is associated with high grade metamorphic rocks of the Tickalara Metamorphic suite and potentially trend through the tenement for ~15 kilometres. This is the same unit hosting Hexagon Resources Limited's (ASX:HGX) neighbouring *Macintosh Graphite Project*.

3.3 EXPLORATION HISTORY

Since the 1970s, the McKenzie Springs Intrusion has been the subject of nickel-copper exploration. Exploration completed includes geological mapping, geochemical sampling (rock, stream and soil), ground and aerial geophysical surveys, costeaning and percussion drilling. The history of exploration is described in Hoatson and Blake (2000). Over 25 gossans, some with a strike length of more than 200m, were defined at different stratigraphic levels in the intrusion through the course of exploration. Significant exploration is detailed below.

Stratin Minerals Pty Ltd (**Stratin**) used mapping, induced polarisation, magnetic, and geochemical methods during the initial investigations of the intrusion in the early 1970s. In preparation for the Stratin prospectus, Mackay & Schnellmann Pty Ltd visited the field and sampled five (5) gossanous outcrops, and the results were favourable.

Stratin subsequently negotiated a joint venture with Broken Hill Proprietary Co (**BHP**). BHP cut five (5) costeans and drilled six (6) percussion holes for 181m into the *Main Gossan* in 1973. The holes intersected ultramafic rocks with anomalous nickel and copper and traces of chalcopyrite, pentlandite and pyrrhotite. The drillholes did not intersect any zones of mineralisation that could be identified as the down-dip extensions of the gossan lenses.

Australian Anglo American Ltd (**Anglo American**) continued exploration from 1976 to 1980 with a large stream sediment sampling program undertaken collecting stream sediment samples. The samples were collected at densities of up to 30 per square km and were analysed for Ni, Cu, Pb and Zn. Follow-up work of the anomalies generated by the stream sediment sampling led to the discovery of the Sally Malay nickel-copper deposit in 1973.

Delta Gold NL (**Delta Gold**) commenced a phase of exploration in 1991. Channel sampling of the BHP costeans were completed at the *Main Gossan*, *Donovan's Reef* and *Donkey Valley*. Delta Gold also completed stream sediment sampling over the entire project area and rockchip sampling of costeans and ferruginous zones.

During 2003, LionOre Australia Pty Ltd (**LionOre**) entered into an agreement with Thundelarra Limited to earn an interest in a portion of their East Kimberley tenements. LionOre compiled historical hard copy Anglo American stream sediment data. This compilation successfully defined 32 nickel related anomalies; 29 on the Corkwood trend and 3 on the Sally Malay trend. The anomalies were restricted in area and represented well-constrained follow-up targets. The definition of the anomalies and the interpretation of nickel related polygons was refined by locating the streams and creating line vectors for each which could be linked to the geochemistry.

The new anomalies were located within six areas - Dave Hill Area (Black Bull), Corkwood South Lease, Corkwood North, Killarney, Bow River West, and the Sally Malay Trend Southern Leases. The highest ranked anomalies were within the Corkwood Trend, in particular the Dave Hill Area.

Fieldwork over the Sally Downs Bore prospects consisted of field checking and rock chip sampling over representative portions of McKenzie Springs Intrusion, with emphasis on already known nickel-copper occurrences. This was followed by mapping of selected areas.

The potential of the south western portion of the McKenzie Spring Intrusion to host magmatic nickel sulphides was highlighted by field reconnaissance. The more primitive olivine cumulate rocks were found in the south west part of the intrusion, with little sign of small scale igneous layering. The intrusion also narrows considerably, with the olivine rich units appearing to display poddy or plug-like geometries. Numerous gossans, including two new ones (namely *Gavin's Gossan* and *Bob's Pizza Gossan*) also lay within the western portion of McKenzie Spring. Geological traversing suggested that the intrusion has the following characteristics;

- The most evolved rocks (magnetite-ilmenite gabbros) were found in the north eastern part of the intrusion, with small scale igneous layering developed.

- The north-eastern part of the intrusion shows a pronounced layered pattern in aerial photographs, which may be in part reflect igneous layering, but could also in part be due to the presence of abundant granitic dykes in the intrusion.
- Although oxide gabbros represent the most evolved rocks seen in the intrusion, they do not appear to be extensive, and in much of the intrusion, the most evolved and abundant rocks seen were clinopyroxene gabbros (WAMEX Report A072016).

The south-western end of the intrusion (west of 380000mE) is dominated by ultramafic cumulates, with a core of dunite composition at the southwest tip. Ultramafic cumulates extend to the northeast, however it becomes thinner and discontinuous towards the central part of the intrusion (about 382000mE). In the southwest area, pyroxene – plagioclase gabbros are found on both margins of the intrusion, with a core of olivine-bearing gabbros and troctolite, with pods of ultramafic cumulates. The predominance of ultramafic olivine cumulates in the southwest tip of the intrusion, is consistent with that area being the deepest exposed part of the intrusion. The decrease in olivine-bearing rocks, increase in pyroxene – plagioclase gabbros, the presence of oxide gabbros and development of layering to the northeast is consistent with higher levels in the intrusion being exposed. The occurrence of olivine cumulate rocks dominantly towards the southeast contact of the intrusion is consistent with that being the footwall contact, but the occurrence of thinner sheets of olivine cumulate rocks near the northwest contact is consistent with the intrusion being a steeply northwest dipping wedge-shaped body, fractionated from both sides and with cumulates on both sides. In such a scenario, the southern tip of the intrusion is likely to be the exposed keel, plunging north, and the zone most likely to contain significant mineralisation. The presence of a gossan in that position indicates possible mineralisation in the keel; however the gossan seen is not extensive (WAMEX Report A072016).

Ferruginous gossans, possibly after Cu-Ni sulphides had been found at five localities in the southwest part of the intrusion. LionOre completed field reconnaissance over the localities:

- *McKenzie Springs Main gossans*, historically known, are associated with ultramafic olivine-bearing cumulates within the intrusion at about 8064850mN 381750mE. Analysis of the McKenzie Springs gossans were in the ranges 770 to 2337ppm Ni, 828 to 13717ppm Cu, 15 to 94ppb Pd and 2 to 970 ppb Pt.
- *McKenzie Springs North*, a small area of ironstone float about 100m north of the historically known McKenzie Springs prospect, in an area of poor outcrop where soil sampling had returned anomalous Cu contents. A single sample was taken of the ironstone and returned 1209ppm Cu, 2146ppm Ni, and 38ppb Pt. A closer examination disclosed that the trail of ironstone float led back to and extension of the McKenzie Springs gossans.
- *Gavin's Gossan* and Others; Gavin's Gossan is a small ironstone outcrop at 382595mE, 8065210mN, which assayed 885 to 1196ppm Ni, 988 to 1274ppm Cu and 6 to 8ppb Pd. Other outcrops encountered on mapping traverses along about 500m of strike of the same olivine cumulate units produced similar assays.
- Previously undocumented gossans on the southeast contact of the intrusion at 381500mE, 8064390mN. Ironstone float was found over 50m, but with little solid outcrop. Samples had low Ni contents (<200ppm) but recorded anomalous Cu values.
- The *Pizza gossan* at 8063690mN, 380300mE, associated with olivine bearing gabbro. This is a small area of gossan, samples from which assayed 140 to 890ppm Ni, 860 to 1350ppm Cu and 8 to 31ppb Pd. Other small outcrops of ironstone along about 1000m of strike produced similar numbers.
- An area of gossan float at 8063198mN, 379611mE, associated with Tickalara Group rocks just off the southern tip of the intrusion. Samples assayed 140 to 250ppm Ni and 300 to 464ppm Cu.

- A small (0.5m) gossan outcrop at 8063407mN, 379898mE, associated with olivine-bearing gabbro. A single sample was taken from the outcrop and returned results of 664ppm Ni, and 695ppm Cu.
- Ironstone in the Tickalara group metamorphic complex, associated with a narrow gabbro body, at about 379000mE, 8063100mN. Samples assayed <100ppm Ni and 200 to 250ppm Cu.

In addition to the above, other prospects were recorded historically for the McKenzie Springs intrusion.

- *Donovan's Reef Gossan*: 8065990mN, 382666mE. Limonitic gossans extending over about 200m of strike near the north contact of the intrusion. In some costeans, gossan exposures were associated with contacts between clinopyroxene gabbro and granitic dykes, however in the westernmost costean this was not the case, and the gossan apparently dipped flatly to the south, into the intrusion. Likely strike as about 240° and may dip flatly south. Samples assayed 250 to 2000ppm Ni, 60 to 902ppm Cu and 1 to 60ppb Pd.
- *Sally Downs Prospect*: 8065600mN, 384300mE. Layered oxide gabbro near the south side of the intrusion. Probably strikes about 250° and dips 30 to 55° NW. Samples collected included several oxide gabbros, and assayed 45 to 880ppm Ni, 50 to 820ppm Cu and 1 to 29ppb Pd. One sample however assayed 110ppb Pt, 878ppm Ni and 673ppm Cu. Samples of oxide gabbro and related ironstone near the north contact of the intrusion returned similar Ni and Cu assays.
- *Ord Crossing Ni Prospect*: 8068490mN, 387800mE. Layered oxide gabbro near the centre of the intrusion. A limonitic gossan outcrop was seen in a costean near the northern contact of the intrusion at 8068690mN, 387595mE and small gossan outcrops extend over about 100m of strike, associated with pyroxene gabbro. A narrow band of pyroxenite was seen between these two localities. May have a very flat dip (5 to 15°), direction uncertain. Samples assayed 45 to 1447ppm Ni, 100 to 833ppm Cu and 2 to 30ppb Pd. Most samples were oxide gabbros and returned low Ni – Cu contents. The highest Ni, Cu and Pd came from the limonitic gossan noted above.

In addition, anomalous Cu results were obtained from gossan samples from the margin of a gabbro at Donkey Valley, north west of the McKenzie Springs intrusion. These samples have low Ni, but high Zn, suggesting that they may be derived from a sulphidic sediment. GSWA 1:100K mapping also previously identified several peridotite "plug-like occurrences" immediately north of the McKenzie Springs Intrusion. An initial field examination did identify ultramafic rocks, although the sizes of the pods were somewhat smaller than what has been mapped.

Also of interest in the prospect area was the "Sally Downs banded cumulate" horizon, where a siliceous, magnetite / chromite / ilmenite horizon is present over several hundred metres of strike length with a thickness of up to 25 metres. Similar occurrences elsewhere in the district can contain anomalous vanadium levels. Strongly elevated vanadium levels were returned from rock chip samples (LK001384 and LK001389) collected to determine the vanadium levels in this horizon with LK001384 having 0.63% V and LK001389 having 0.37% V.

LionOre noted potential areas for further vanadium exploration included the north-eastern portion of the intrusion, proximal to the Ord Crossing Prospect and that further work was required. Geological mapping concluded that the olivine cumulate bodies (peridotite to dunite compositions) identified at the western end McKenzie Spring Intrusion were a priority for further work.

Zonge Engineering Research Organization completed a program of 5 Fixed Loop Transient Electromagnetic (**FLTEM**) surveys over the areas of known surface mineralisation including the newly identified southwest dunite.

No anomalies were detected in loops 1 to 4, but interpretation of loop 5 data (over the southwest dunite) suggested that there may be an anomalous feature proximal to the dunite unit. Field checking of this FLTEM anomaly which lies adjacent to the contact with the olivine cumulates suggested that

graphite within a shear zone is the probable source, however given its proximity to favourable dunite lithologies, the anomaly was deemed to be a drill priority (WAMEX Report A072016).

During 2005, UTS Geophysics flew a detailed aeromagnetic survey over the western half of the McKenzie Spring Intrusion. Flight lines at 50m spacing were flown at a nominal 50 metre elevation over an area approximately 80km² in size. Centred on the Intrusion, the survey aimed to refine the structural setting and stratigraphic variation within the Intrusion.

The peridotite phase at the southern end of the McKenzie Spring intrusive is associated with a magnetic anomaly. LionOre stated that the "anomaly is curious given that there is no evidence of serpentinite + magnetite development within the peridotite at surface". Several weaker anomalies were flagged for follow-up by LionOre (WAMEX Report A072016).

In 2006 LionOre sold their earn-in interest and management of the project to Breakaway Resources Ltd (**Breakaway**, ASX:BRW).

During 2006, the McKenzie Springs aeromagnetic survey flown the previous year was annotated and interpreted. Interpretation was deemed difficult, with the magnetic signature of the area quite complex. Breakaway stated that some areas would require more work in conjunction with field checks. However, several significant features were identified:

- A magnetic high was located in the more primitive South West tip of the intrusion, which matched with a Ni-Cu-PGE surface geochemical anomaly, a FLTEM anomaly and a mapped serpentinitised peridotite body. The magnetic high was interpreted to correlate to magnetite within the serpentinitised peridotite.
- The McKenzie Springs Main Gossan area shows evidence of contrasting magnetic highs coinciding near magnetic lows, following a northeast-southwest trend.
- A magnetic linear band near the northern boundary of the central and eastern portions of the mapped intrusion may coincide with an observed magnetite-ilmenite ($\pm$ vanadium) reef in the more fractionated portion of McKenzie Springs. The magnetic banding is quite complex in the central portion of the intrusion and may represent either folding / faulting of a single band or alternatively may represent a series of magnetite layers.
- The intrusion appears to be surrounded by large scale regional SW-NE shears and cross-cut by a series of minor NNE-SSW normal faults. The timing of the NNE-SSW structures is unclear.
- There are several interesting magnetic low features which appear to the north of the intrusion, and may represent un-serpentinitised ultramafic plugs, which have been reported by GSWA mapping. (WAMEX Report A074850)

Reverse Circulation (**RC**) drilling was completed at a number of prospects within the East Kimberley Project. A total of six (6) drillholes were completed on E80/4808. (WAMEX Report A074850)

Four (4) RC drillholes for a total of 424m were drilled as a stratigraphic traverse across the peridotite unit defined by geological mapping conducted during 2005 (referred to as the South West Tip). Drillholes BEKC0008 – BEKC0011 intersected a moderately shallow, west dipping serpentinitised peridotite unit within a broader sequence of gneissic metasediments and felsic dykes (see Figure 3). The peridotite is strongly serpentinitised and magnetite development is abundant. The peridotite and associated wall rocks appear to be highly strained. The peridotite has been truncated at 100m vertical depth by a fault of unknown orientation. Abundant felsic gneissic material occurs at the footwall contact.

An additional two (2) RC drillholes for a total of 191m were drilled to test down dip of the ferruginous sub crop previously mapped within historical costeans (referred to as the *Main Gossan*) and drilled by BHP. Drilling down dip of the *Main Gossan*, BEKC0012 – BEKC0013 intersected a west dipping sequence of intercalated gneissic metasediments, mafics and intrusive gabbros. Minor disseminated / fracture fill pyrite – pyrrhotite mineralisation was observed in BEKC0012 within gneissic units down dip of the ferruginous "gossans" previously mapped.

While drilling of both prospect areas intersected potentially favourable lithologies, no sulphides were logged however assaying of drill samples returned anomalous nickel and copper values as follows, refer to Annexure A for drillhole details.

- 06BEK0009 42m @ 1,334ppm Ni and 506ppm Cu from surface
- 06BEK0010 93m @ 1,597ppm Ni and 418ppm Cu from surface
- 06BEK0011 43m @ 2,271ppm Ni and 587ppm Cu from 45m

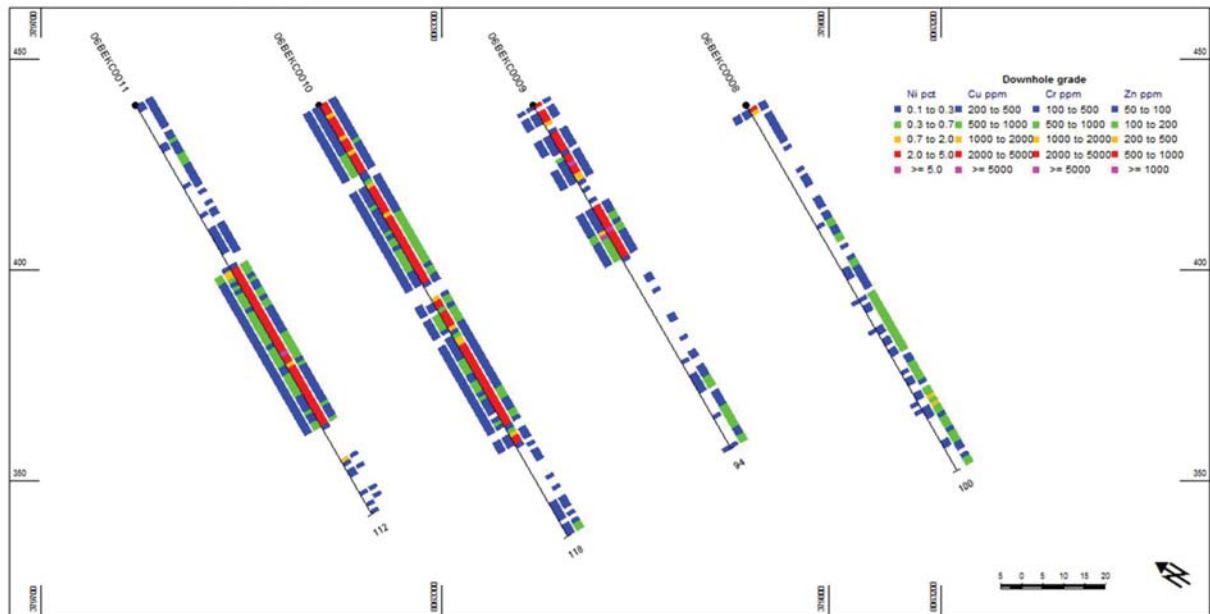


Figure 3: McKenzie Springs South West Tip Cross Section

Down Hole Transient Electromagnetic surveying (**DHTEM**) was completed on drillholes BEKC0010 (*South West Tip Prospect*) and BEKC0013 (*Main Gossan Prospect*) on a speculative basis; no mineralisation had been intersected in the holes, and the logs were intended to fully sterilise the surrounding volume of rock.

The axial component DHTEM profiles recorded in drillhole BEKC0010 define a smooth, slight increase towards the bottom of the hole over its entire length, and the decay curves for all stations display slow late-time decay. This long-wavelength response is consistent with a large formational conductor lying somewhere near the hole, but the location cannot be resolved using the available data. Breakaway stated that it is likely that the conductor is a graphitic shear zone.

Drillhole BEKC0013 was logged using two transmitter loops, as the likely geometry of any possible conductor lying near the hole was poorly constrained. The profiles near the top of the hole display an anomaly that is almost certainly related to the Land cruiser used by the DHTEM crew, which was parked nearby and energised by the transmitter loop passing close to the collar. The profiles recorded further down the hole are essentially flat. However, the decay curves display the same kind of strong conductor response seen in BEKC0010. Again, Breakaway stated that the most likely source of this response is graphite, rather than massive sulphide mineralisation. No further work was recommended.

Cazaly Resources Ltd (**Cazaly**, ASX:CAZ) applied for E80/4808 in 2013, through their wholly owned subsidiary Sammy Resources Pty Ltd. First pass reconnaissance work was completed on the tenement during 2014. This work included geological mapping and sampling work over several areas of known mineralisation identified by previous exploration and examined further new areas of potential interest.

During reconnaissance at McKenzie Springs, an outcrop of graphitic schist was noted and sampled (KB04958-59). Research of historic data also identified further evidence of graphite bearing units associated with high grade metamorphic rocks of the Tickalara Metamorphic suite which trend through the tenement for approximately 15km, the same unit which hosts Lamboo Resources Limited's neighbouring Macintosh Graphite Project.

Due to the highly friable / "soft" nature of the host graphitic schist it is rarely seen in outcrop although the prospective stratigraphy could be identified using airborne and ground electromagnetic (**EM**) geophysical methods. The two samples returned Total Graphitic Carbon (**TGC**) grades of 22.4 and 23.9% TGC (ASX:CAZ, Announcement 28th October 2014). Petrographic analyses of a composite sample confirmed that the graphite is high grade flake graphite, dominated by Large to Jumbo size flakes and appears similar to that occurring in the Macintosh graphite deposits. The graphite is generally free of inclusions.

Gossan outcrops were also sampled, with results confirming the potential for ore grade mineralisation and previous results, refer Table 3.

Table 3: Gossan rockchip analyses from Cazaly rock chip sampling, September 2014

Sample ID	East	North	Cu %	Ni %	Co %	Comments
KB04960	382816	8066147	0.26	0.14	0.02	Donovan's Reef
KB04961	386633	8067915	0.35	0.20	0.03	East Gossan
KB04962	381963	8065053	12.80	1.92	0.17	Main Gossan
KB04963	384228	8066716	0.16	0.03	0.01	Gossan float
KB04964	413002	8087012	0.09	0.03	0.01	Corkwood Yard Gossan
KB04965	386812	8068058	0.09	0.05	0.02	
KB04966	381918	8065117	0.01	0.02	0.01	
KB04967	387087	8068224	0.10	0.24	0.02	
KB04968	386633	8067915	0.00	0.02	0.01	
KB04969	386841	8068149	0.01	0.01	0.00	
KB04970	380992	8064369	0.02	0.05	0.01	
KB04971	387087	8068224	0.01	0.03	0.01	
KB04972	385958	8073952	0.00	0.09	0.02	
KB04973	385690	8073910	0.01	0.02	0.00	Coolumbooloo Ni Cu occurrence
KB04974	387087	8068224	0.01	0.04	0.01	
KB04975	380920	8064226	0.02	0.07	0.01	
KB04976	386488	8074494	0.00	0.04	0.01	
KB04977	386530	8073060	0.01	0.01	0.01	Koondoolo Yard PGE occurrence

During 2015, Cazaly engaged Southern Geoscience Consultants (**SGC**) to reprocess and interpret a GeoTEM survey completed by BHP as the data had become publicly available (Figure 4). BHP flew airborne GEOTEM over the Mabel Downs Joint Venture ground during 1997 looking for a Voisey's Bay style Cu-Ni deposit. This was called the Springvale Survey and covered an area of 610km² at a nominal line spacing of 300m. SGC focused on prospective geological corridors with an emphasis on Ni-Cu sulphide and graphite targets. Six areas of particular interest were highlighted (ASX:CAZ Announcement 28th October 2015):

Area 1 contains nickeliferous gossans which have been sampled in the past and by the company yielding the up to 12.8% Cu, 1.92% Ni values reported (refer Table 3 above for full details of all rock chip

samples). Very limited historic drilling has been conducted and Cazaly stated that the area will be a key focus for them moving forward (Figure 5).

Area 2 occurs along the basal contact of the fertile ultramafic and has parallel anomalism in the adjacent Tickalara Metamorphics. The anomalism in the ultramafics occurs over an approximate 1.5km strike length and has some known gossans in the area. These have been costeamed in the past with anomalous nickel and copper assays reported however no drilling has been undertaken. The anomalism in the adjoining metamorphics is some of the most conductive within these rocks and is considered potentially representative of shallow, highly conductive graphitic units being the stratigraphic continuation of that previously sampled by the company.

Area 3 occurs within an outlier of ultramafic known as Donkey Valley and occurs over 800 metres. Some historic work has included costeaming which highlighted anomalous nickel and copper values.

Area 4 is a high order conductive anomaly in an area of little previous information.

Area 5 is a complex area of known ultramafic and metamorphic lithologies and, in part, hosts the outcropping graphitic unit sampled by the company.

Area 6 is an extensive area of moderate to high conductivity striking over approximately 2km and is thought to largely represent the graphitic unit within the Tickalara metamorphics which is mostly under shallow cover.

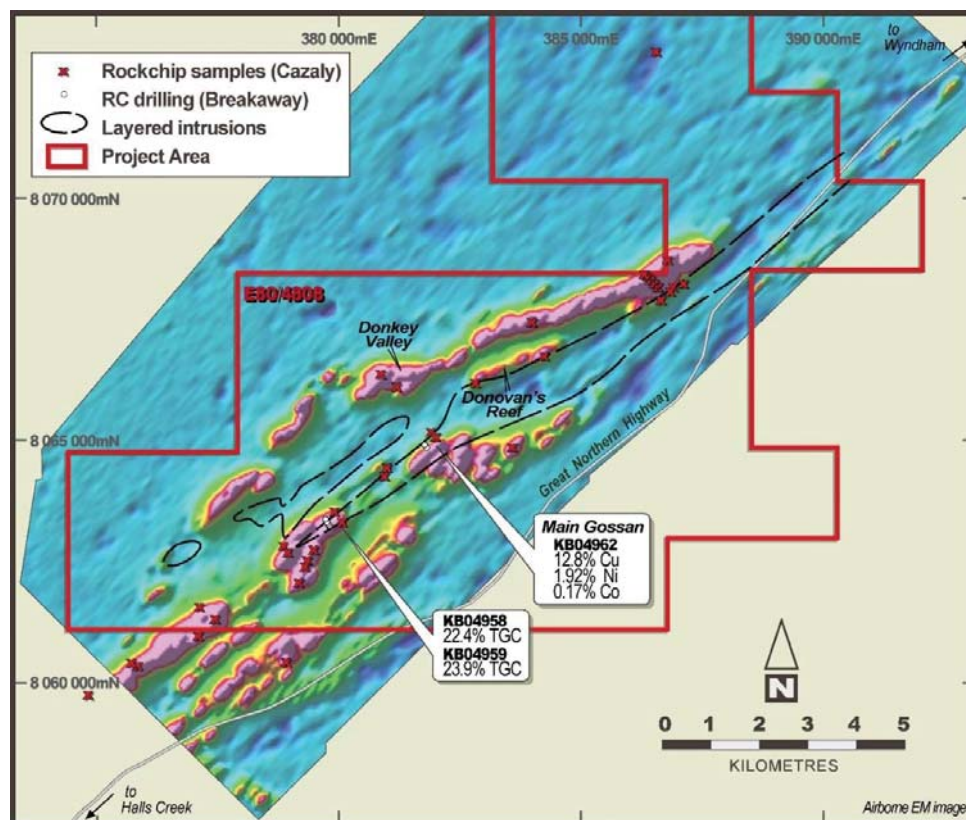


Figure 4: McKenzie Springs Airborne EM image with Cazaly rockchip sampling

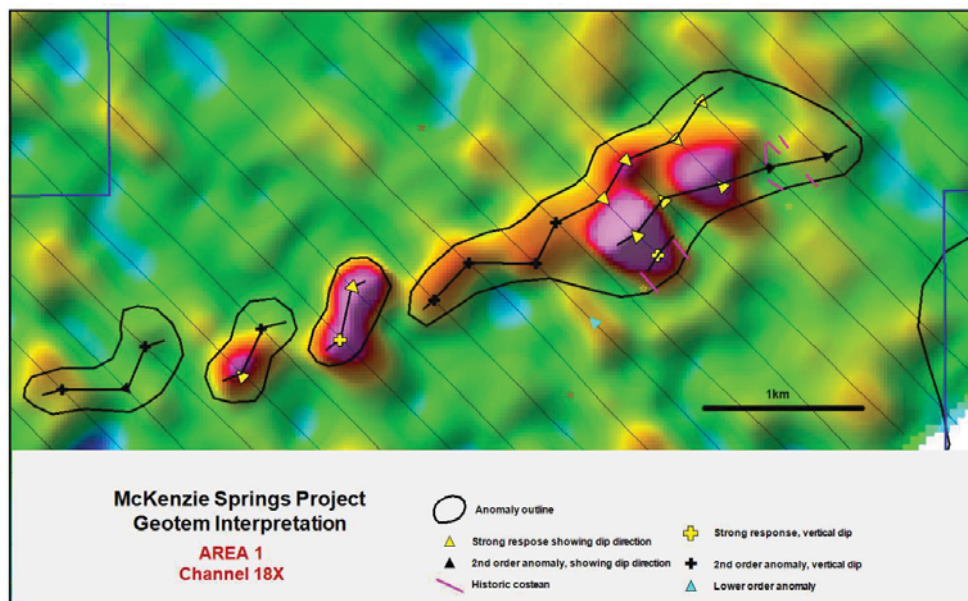


Figure 5: McKenzie Springs GeoTEM interpretation of Area 1

Cazaly completed a field reconnaissance trip late 2015 to ground truth the GeoTEM anomalies for potential nickel and graphite targets. A number of areas containing graphitic schist float were sampled associated with some of the priority anomalies, refer Table 4.

Table 4: Total Graphitic Carbon (TGC) analyses from Cazaly rock chip sampling, November 2015

Sample ID	East	North	TGC %
KB04979	386479	8068261	6.4
KB04980	386439	8068333	6.75
KB04984	386751	8068728	5.55
KB04992	379478	8062691	7.75
KB04992 Rpt	379478	8062691	7.05
KB04998	383571	8064829	6.35
KB05002	377105	8061492	3.7
KB05004	377423	8061238	5.95
KB05005	376560	8057850	5.4
KB05006	376623	8057837	5.2
KB05008	375725	8060303	3.1
KB05008 Rpt	375725	8060303	3.1

Results included significant graphite content indicating widespread stratigraphic EM responses are likely to be a result of graphite. Results were lower than from first samples collected at sub-crop of graphitic schist however only float samples were mapped, and no sub-crop or outcrop was found in scree and soil covered areas. Preferential weathering of soft graphitic schist material results in little to no outcrop of this material.

Cazaly stated that further work is warranted to investigate the GeoTEM targets prior to prioritising for drilling.

3.4 PROPOSED EXPLORATION

The McKenzie Springs Project is positioned in a prospective location in terms of regional geological and mineralisation setting, occurring within the East Kimberley Halls Creek Orogen and lying south along strike from Panoramic's *Savannah Ni-Cu Mine*. The Project is considered prospective for intrusive-hosted nickel copper mineralisation and has recently been a focus for graphite exploration.

Compilation and interrogation of all historical data covering the tenement will be the initial focus including the compiling of an exploration database. A reconnaissance field trip will be undertaken to verify the location of old drill sites, costeans, gossans and previously defined target areas.

The six areas that were highlighted by SGC's reprocessing and interpretation of the GeoTEM survey and described in the previous sub-section will be further investigated. Area 1, the *Main Gossan* was deemed to be of particular interest. Exploration to date comprises rock chip mapping of costeans and limited historical drilling.

A more detailed airborne Versatile Time Domain Electromagnetic (**VTEM**) survey may be completed over the high priority target areas to assist with drill targeting. Hexagon completed VTEM surveying at their *Macintosh Graphite Project* with modelling highlighting the presence and details of structures of broad conductive sequences that have potential to host flake graphite schist.

Alternatively, ground based EM or Induced Polarisation (**IP**) surveys may be utilised to better define the geophysical anomaly. Once further geophysics have been acquired and analysed, a drilling program consisting of Reverse Circulation (**RC**) drilling and perhaps diamond drilling will be completed to investigate the highest priority targets. Drillholes will be used as a platform for DHTeM surveying to identify off-hole conductors.

Orca has indicated to FRM Geological Services (**FRM**) that they will undertake a systematic, staged approach with respect to their exploration program on the McKenzie Springs Project, with prudent monitoring, assessing and refocussing of the exploration programs as necessary. FRM considers that the exploration strategy proposed by Orca is consistent with the mineral potential and status of the McKenzie Springs Project.

4.0 SENTINEL PROJECT

4.1 LOCATION, ACCESS & TENURE

The Sentinel Project is located 130km east-northeast of the township of Kalgoorlie in the Eastern Goldfields, Western Australia. The tenement is located within the North East Coolgardie Mineral Field and lies on the Kurnalpi 1:250,000 (SH51-10) and the Pinjin 1:100,000 (3437) map sheets.

Access to the Sentinel Project is initially via the Kurnalpi – Pinjin road to 10 Mile Well (north of the Yindi Homestead). An east-west track from 10 Mile Well, then a north-south fence line track to Lake Rebecca provides access to the tenement. Access along the shoreline of Lake Rebecca is straight forward in all but the wettest times of the year. Additional access within the tenement area is via numerous station tracks and fence-lines and exploration tracks and grid lines.

The Sentinel Project is for the most part on Lake Rebecca. The region around the lake comprises low rolling hills passing into sandy areas marginal to Lake Rebecca. Vegetation is generally open and consists of eucalypts, mulga and saltbush away from Lake Rebecca with spinifex becoming more common in the sandy areas.

The Sentinel Project comprises a single granted Exploration Licence, namely E28/2652 covering a land area of approximately 44km². Orca has entered into a term sheet with the current holder, Crosspick Resources Pty Ltd, to acquire a 51% interest with the right to farm-in to an additional 19% interest in the Project.

The tenement lies on the Pinjin (PL N049526) Pastoral Lease. There is a single registered Aboriginal Site (DPLH Registered Site 19142) within the E28/2652, refer to the Solicitors Report within the Prospectus for additional details.

FRM Geological Services has not independently validated mineral tenures, the status of access agreements and applicable royalty of Joint Venture Agreements. These aspects are dealt with in the relevant section of the Prospectus. The present status of tenements, agreement and legislation in this report is based on information provided by Orca. The Report has been prepared on the assumption that exploration and future development of the Project will prove to be lawfully accessible for evaluation and development.

Table 5: Sentinel Project tenement details

Licence	Grant Date	Expiry Date	Expenditure	Area
E28/2652	19 th April 2017	18 th April 2022	\$20,000	15 sub blocks

4.2 GEOLOGY AND MINERALISATION

Regional Setting

The Sentinel Project lies within the Eastern Goldfields Province and is located in the southern Laverton Tectonic Zone, a regional shear/fault system that extends as a set of NNE and NNW trending structures from Laverton towards the Pinjin area. The Tectonic Zone is a particularly well-endowed gold trend, hosting the Sunrise-Cleo, Wallaby, Lancefield and Granny Smith gold camps.

The tenements lie to the west of a local structure known as the Pinjin Fault which separates the Edjudina Domain in the west, from the Pinjin Domain in the east. It also separates folded, upper greenschist to amphibolite facies stratigraphy and granite gneiss in the east from lower greenschist facies, classic greenstone stratigraphy to the west. This demarcation suggests major movement. The fault has an overall NNW strike with several major flexures in the SE and an interpreted dextral with west side down movement.

To the west of the Pinjin Fault the geological sequence has a linear character and is comprised of greenschist facies mafic, ultramafic, intermediate volcanic, banded iron formation and sediments

predominantly derived from felsic volcanic rocks. East of the Fault the geological sequence consists of intercalated mafic, ultramafic and granite gneiss with minor felsic volcanic and volcanoclastic rocks. This zone is generally less than 5km wide and is transitional with the granitoid gneiss.

Metamorphic grade is upper greenschist to lower amphibolite facies increasing to upper amphibolite facies along the Pinjin Domain - granitoid gneiss boundary.

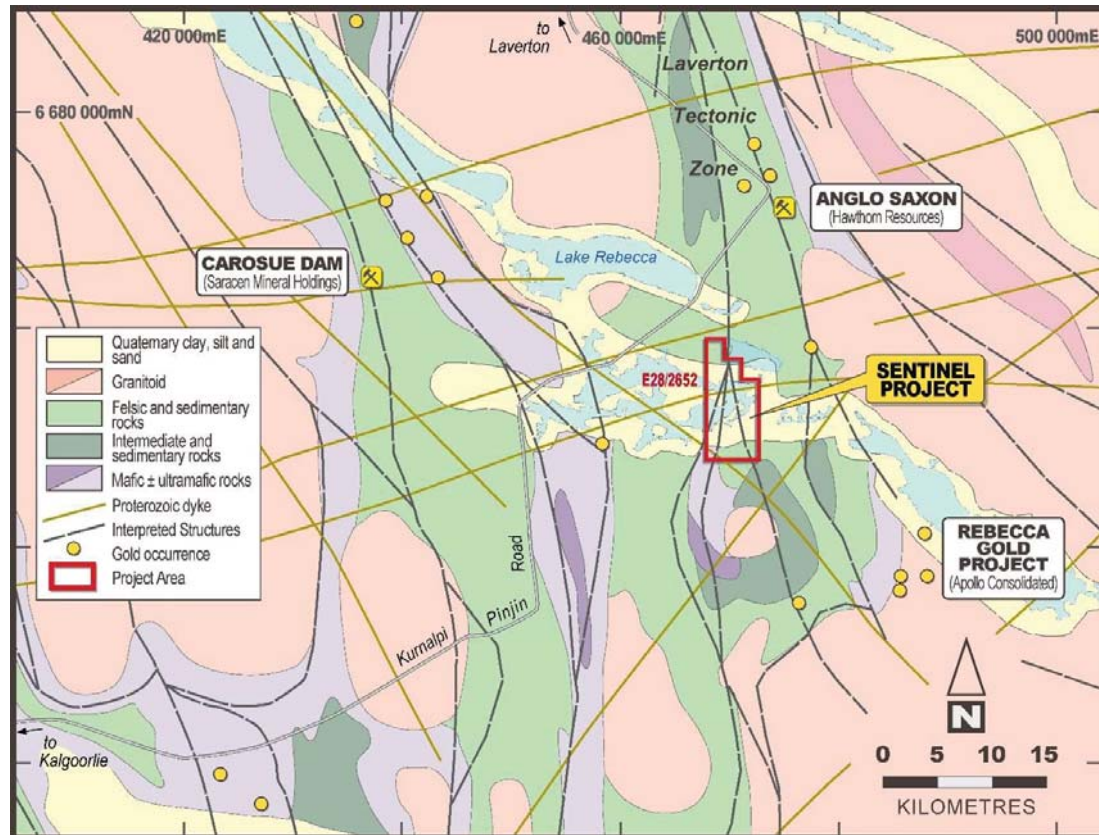


Figure 6: Sentinel Project Regional Geology

Project Geology

There is very little outcrop within the Sentinel Project area. Most of the area is covered by alluvium, colluvium and playa lake sediments. Small areas of syenogranite outcrops in the northwest of the tenement, and metasediments occur in isolated outcrops in the centre of the tenement.

The area lying to the north of Lake Rebecca is largely covered by sandy soils and lake sediments. An elongate weakly-magnetic granite intrusion is exposed in places around the lake margin, this is interpreted to be flanked by felsic volcanoclastic rocks and sediments. Besides strongly magnetic BIF horizons, the remaining geological sequence has a subdued magnetic signature, with elongate moderate responses interpreted to be dolerite or narrow ultramafic units.

Regolith is variable, with a generally shallow sandy, calcareous or pisolithic red-soil transported profile over a stripped oxidation profile.

Mineralisation

The nearest significant gold mineralisation is the extensive line of gold occurrences, anomalism and mines that include the historical mining centre of Pinjin and the historic Anglo Saxon Mine, lying 15km north-northeast of the Sentinel Project and Apollo Consolidated Limited's (**Apollo**) Rebecca Gold Project lying 20km to the southeast.

The gold deposits within the Pinjin mining centre lie within a sequence of metamorphosed intermediate volcanic rocks and derived feldspathic sedimentary rocks and mafic and ultramafic rocks, on the interpreted position of the Pinjin Fault and associated splays. There are three mineralized trends that strike north-northwest over a length of 11km; the King Pin – Harbour Lights, Pinjin King, and Anglo Saxon trends. The Anglo Saxon trend, which in terms of gold production is the most significant, lies along the interpreted position of the Pinjin Fault and is hosted by intermediate to felsic schists plus minor BIF. Metagabbro and metadolerite units are associated with many of the deposits and intrude throughout the sequence. Gold is generally quartz-vein hosted, with only minor mineralization within the host rocks (Roberts et al., 2004).

The Pinjin historical mining centre operated between 1904 and 1916 with recorded production from the major workings totalling 16,495 tonnes for 9,480oz at an average grade of 18.55 g/t Au (Roberts et al., 2004). Hawthorn Resources Ltd's (ASX:HAW) Trouser Legs Project is centred on the historic Anglo Saxon Mine with production imminent (ASX:HAW Announcement 31st October 2017).

Apollo's Rebecca Gold Project contains three lode-style prospects Bombora, Redskin and Duke, all of which host broad gold mineralisation associated with disseminated sulphide in a gneissic host rock. Apollo has recently reported highly encouraging gold intercepts from sulphidic felsic gneiss at the 161 Lode, a high-grade position at the Bombora Prospect (ASX:AOP Announcement 24th August 2017).

The >1Moz Carosue Dam operation of Saracen Resources Ltd (ASX:SAR) is located 35km to the northwest of the Sentinel Project.

Locally mylonitised potassic granite dominates the shoreline of Lake Rebecca within the project area. Numerous gold workings are situated within discrete shears traversing the granite. Collectively the workings are referred to as the *Sentinel Prospect* (Figure 7). The date of the workings is unknown. Gold mineralisation at the Sentinel Prospect is restricted to steeply dipping, narrow quartz strings developed within zones of chloritic and sericitic sheared granite. In structural terms, the Sentinel Prospect falls within the area of influence of the Four Mile Dam Shear Zone (Figure 8).

North of the Sentinel Prospect the geology comprises well developed exposures of potassic granite, monzonitic dykes, mafic roof pendants and widespread vein quartz. The Four Mile Dam Shear Zone traverses the granites and is associated with numerous small gold workings over some 4 kilometres. The Four Mile Dam Shear Zone itself, is approximately 600-700m wide and essentially comprises a multitude of subparallel meridional trending and easterly dipping shears. (WAMEX Report A031537)



Figure 7: Historic Sentinel workings

4.3 EXPLORATION HISTORY

The Sentinel Project and surrounding area saw little exploration up until the 1980s, presumably the lack of outcrop provided little encouragement. Since then, the Project area has been explored for gold by several companies but with no known effective subsurface work. Exploration work completed includes reconnaissance and surface geochemical programs, with limited drilling through covered terrain. Significant work is documented below.

During 1988 to 1993, Pancontinental Mining Ltd (**Pancontinental**) explored the area as part of their Old Pinjin Project. Pancontinental carried out mapping, rock sampling and reconnaissance RAB drilling in soil-covered areas over the greater project area. Mapping located minor gold diggings at the *Sentinel Prospect* on the northern margin of Lake Rebecca. A pit sampling program was carried out on known gold workings with the survey aimed at finding pathfinder elements associated with gold that would assist in geochemically located further gold mineralisation. A strong Au-Ag-Bi association was noted at the Sentinel Prospect with a weaker Au-Pb-Mo-Te association.

Auger & soil orientation traverses were completed in the vicinity of the Sentinel Prospect in order to define the most effective geochemical technique for BLEG follow up. The orientation survey was interpreted to show that gold dispersion is limited to 100m from the known workings with no significant dispersion into surrounding granite wall-rocks. All sampling and analytical techniques used were able to define the anomaly however the larger BLEG sample provided the greater contrast as it was able to detect the background values. BLEG anomalies greater than 1ppb were stated to be likely significant.

Three BLEG drainage gold anomalies were generated by Pancontinental, with "Area 3" lying on the north-eastern portion of E28/2652 and extending across the tenement boundary. Area 3 is centred over the Four Mile Dam Shear Zone and Pancontinental considered it to be a high priority target. The structure was deemed apparent from inspection of enhanced aeromagnetics and is associated in the field with narrow mylonite zones and tensional fractures within a granite stock and sediment roof pendants. BLEG sampling was successful in locating the Sentinel mineralisation whereas regional auger soil sampling failed to detect the Sentinel style of mineralisation where there is little or no significant dispersion halo. Pancontinental stated that future exploration of the Four Mile Dam Shear Zone should include substantial shallow RAB drilling of structural targets such as the disrupted banded iron formation sequence situation to the north of the Sentinel granite.

RAB drilling programs were planned however the programs were unable to be implemented due to restricted access to the area brought about by record unseasonal rain.

Pancontinental drilled four RC holes at Sentinel during 1993. Drilling results were disappointing and drilling encountered difficulties in the shear zone resulting in the final hole not reaching target depth (WAMEX Report A045917).

During 1997, Aberfoyle Resources Pty Ltd (**Aberfoyle**) completed auger sampling across the northern portion of E28/2652. The sampling was restricted to carbonate horizon sampling on a 500m grid at 50m spacings. Samples were assayed for gold and arsenic and produced relatively low order results, with a peak value of 8ppb Au in a background of 1-3ppb Au (minimum value of 1ppb Au). Aberfoyle subsequently completed a field review to study the regolith geology and assess whether the auger sampling would have been effective. The study showed the licence area to be comprised of erosional, relict and thin deposition regolith regimes. Soil sample records showed that approximately 30% of the auger samples taken produced no carbonate reaction. Aberfoyle concluded that only limited areas of the licence would have been amenable to auger soil sampling of the pedogenic carbonate horizon, indicating that a large proportion of the licence may not have been effectively tested (WAMEX Report A056740).

During 2010 to 2013, Renaissance Minerals Limited (**Renaissance**) explored the very eastern portion of E28/2652 as part of their greater Pinjin Project. Renaissance completed a field visit to review the geology and to locate the Sentinel workings for a planning of a surface sampling program.

A soil sampling programme tested the area in the vicinity of the old workings and along strike to the south and north. A total of 108 soil samples were collected from 15-20cm deep holes at (generally) 20m intervals along variably spaced traverses targeting zones of residual soils around the lake margin. A small portion of the samples lie on Orca's Sentinel Project with the remainder extending to the east of the tenement. Several sporadic single point anomalous values were returned but no coherent Au anomaly was defined by the sampling. The surface sampling programme was abandoned prior to completion because of rain and quad bikes getting bogged on the lake (WAMEX Report A100498).

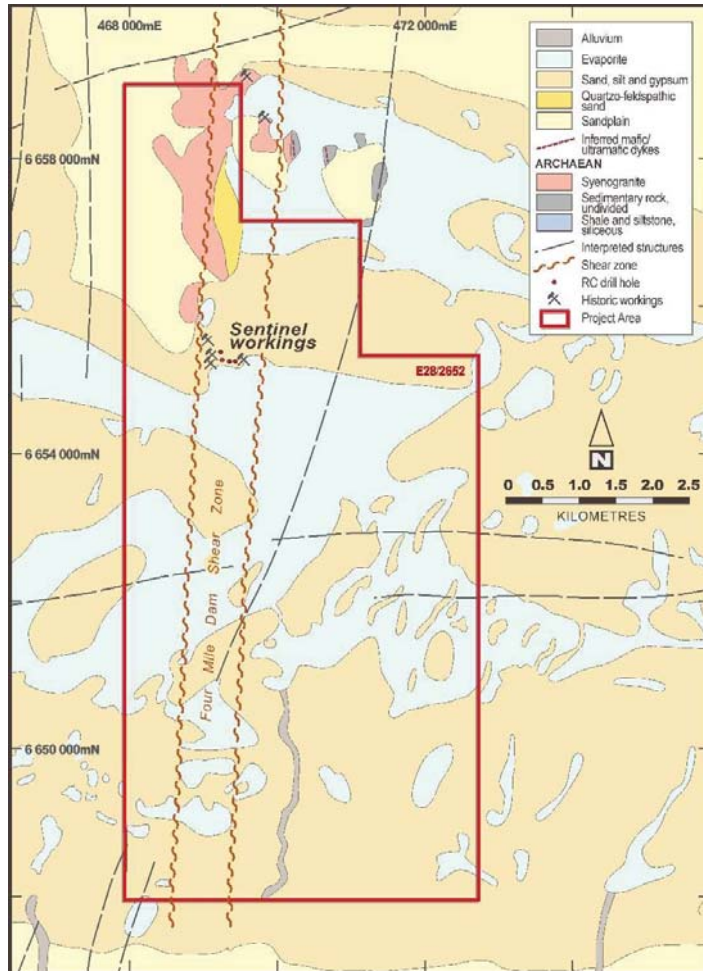


Figure 8: Sentinel Project Geology and Four Mile Dam Shear Zone

4.4 PROPOSED EXPLORATION

The Sentinel Project is positioned in a prospective location in terms of regional geological and mineralisation setting, located in the Eastern Goldfields Province within the southern Laverton Tectonic Zone, a regional shear/fault system that extends as a set of NNE and NNW trending structures from Laverton towards the Pinjin area. The Project is considered prospective for gold.

In the past, exploration has been significantly hindered by extensive and deep cover masking the Archaean basement and particularly by the logistical difficulties of drilling on Lake Rebecca. Many previous explorers have cited the problems of exploring through playa lake sediments in surrender reports for tenements being relinquished. Orca plan to utilise drilling rigs capable of routinely operating on the difficult lake environment.

As much of the prospective areas are covered by Cainozoic sediment, exploration will need to be guided by structural interpretation of geophysical data in conjunction with geological mapping of the limited outcrops. Following the acquisition of geophysical data, geological mapping and subsequent interpretation, targets will be generated.

Areas of interest include the internal granitoid body which is flanked by the shear corridor to the east, with the Sentinel Prospect workings sitting internal to the granite. Areas flanking the granite warrant first-pass exploration.

The Four Mile Dam Shear Zone is also considered a priority target. This structure is apparent from inspection of enhanced aeromagnetics and is associated in the field with narrow mylonite zones and tensional fractures within a granite stock and sediment roof pendants. Previous work circa the Sentinel Prospect has shown that there is little or no significant geochemical dispersion halo.

RAB or aircore drilling of targets identified in the geophysical and geological review will be completed, with drilling to occur beyond the base of complete oxidation. Analysis of pathfinder elements will be completed as well as Au and As analysis. Anomalous results will be followed up with RC and diamond drilling. The majority of drilling to be completed over the Sentinel Project will require a drilling rig adapted to lake drilling.

Orca has indicated to FRM Geological Services (**FRM**) that they will undertake a systematic, staged approach with respect to their exploration program on the Sentinel Project, with prudent monitoring, assessing and refocussing of the exploration programs as necessary. FRM considers that the exploration strategy proposed by Orca is consistent with the mineral potential and status of the Sentinel Project.

5.0 SOUTH BIG BELL PROJECT

5.1 LOCATION, ACCESS & TENURE

The South Big Bell Project is located 540km north-northeast of Perth and 30km west of the town of Cue in the Murchison Region of Western Australia. The tenement is located within the Murchison Gold Field and lies on the Cue 1:250,000 (SG50-15) and the Cue 1:100,000 (2443) map sheets. The northern boundary of the Project is 3km from the historic Big Bell Gold Mine, currently owned by Westgold Resources (**Westgold**, ASX:WGX).

Access is via the Great Northern Highway to Cue, then via the Beringarra – Cue Road, the Coodardy – Noondie Rd and the Big Bell – Coodardy Rd to the general Project area. A graded baseline extends 22km southwest of Big Bell and cuts through the centre of the Exploration Licence, terminating at Cavanagh Bore. Station tracks and exploration tracks provide additional access to the tenement area.

Outcrop is poor, generally obscured by thick granitic sheetwash. Granite intrusions form variations in topography. Vegetation is sparse to moderate, primarily consisting of mulga and stunted eucalypts.

The South Big Bell Project comprises a single granted Exploration Licence, namely E20/0900 covering a land area of 50km². Orca has entered into a term sheet with the current holder, Neon Space Pty Ltd, to acquire a 51% interest with the right to farm-in to an additional 19% interest in the Project.

The tenement lies on the Austin Downs (PL N050063) and Coodardy (PL N049528) Pastoral Leases. The tenement is within land where native title has been partially determined. The Wajarri Yamatji People have made the WC2004/010 Native Title Claim. The application currently remains active.

FRM Geological Services has not independently validated mineral tenures, the status of access agreements and applicable royalty of Joint Venture Agreements. These aspects are dealt with in the relevant section of the Prospectus. The present status of tenements, agreement and legislation in this report is based on information provided by Orca. The Report has been prepared on the assumption that exploration and future development of the Project will prove to be lawfully accessible for evaluation and development.

Table 6: South Big Bell Project tenement details

Licence	Grant Date	Expiry Date	Expenditure	Area
E20/0900	16 th December 2016	15 th December 2021	\$20,000	17 sub blocks

5.2 GEOLOGY AND MINERALISATION

Regional Setting

The South Big Bell Project is located in the Murchison Province, Western Australia. The Murchison Province is the western-most of three granite-greenstone provinces, which with the Western Gneiss Terrane, comprise the Archaean Yilgarn Craton (Wyche et al., 2012). The Murchison Province contains substantial greenstone belts separated by granite and granitic gneiss, one of these being the Mount Magnet-Meekatharra Greenstone Belt.

The Mount Magnet-Meekatharra Greenstone Belt comprises the upper three greenstone formations of the Luke Creek Group as defined by Watkins and Hickman (1990):

- **Windaning Formation** – Succession of abundant jaspalitic BIF and chert units interlayered with felsic volcanics, volcanoclastic, and volcanogenic rocks with minor basalts.
- **Gabanintha Formation** – Bimodal succession of mafic and ultramafic rocks, felsic volcanic and volcanoclastic rocks, and sedimentary rocks.
- **Golconda Formation** – Succession of quartz-haematite BIF, interlayered with mafic and ultramafic extrusive and intrusive rocks.

The basal formation of the Luke Creek Group is the Murrouli Basalt, which is not exposed in the region. The Big Bell region is dominated by rocks of the Gabanintha Formation and late-stage granite intrusives.

Shear parallel penetrative D₃ fabrics dominate greenstone belts through the Murchison Province. These NNE trending structures are thought by Barnes (1996) to be representative of a change from east-west transgression to east-west compression, producing tight fold sets, dextral-strike, oblique-slip and ductile shears. Although generally obscured by D₃, earlier deformation such as regional antiform and synform structures of the Meekatharra-Wyldgee Greenstone Belt involved east-west compression producing thrusts and recumbent folds (D₁), and north-south compression forming tight upright folds (D₂) (Barnes, 1996). Late stage D₄ structures include brittle-ductile shears and faults accompanied by and/or caused by granite plutons.

Project Geology

The South Big Bell Project is located at the southern extension of the Mount Magnet – Meekatharra Greenstone Belt, informally referred to as the Big Bell Greenstone Belt. The Belt has a strike length of 33km and a maximum width at the Big Bell gold mine of 1.5km

In the Big Bell mine area, the greenstone belt is narrow, steeply dipping, strongly attenuated and locally overturned. It forms the western limb of a north plunging (30° to 40°) regional anticlinal structure.

The Big Bell Greenstone Belt is comprised of variably altered and intensely sheared, north-northeast-trending amphibolites and felsic schists. The muscovite and biotite-altered rocks hosting gold mineralisation at Big Bell are informally referred to as the Big Bell mine sequence. The greenstone belt can be divided into three domains separated by two major regional fault zones (Barnes, 1996). The eastern domain (mostly amphibolite), the central domain (quartzo-feldspathic and biotite schists which host the Big Bell Mine Sequence), and the western domain (dominated by amphibolite).

The Mine Sequence includes biotite and quartzo-feldspathic schists, altered amphibolite and sheared porphyry dyke within the central domain of the Big Bell Greenstone Belt. The main host for gold mineralisation at Big Bell is altered K-feldspar-rich and muscovite-rich quartzo-feldspathic schists. The sequence dips to the east, and its base is the tectonic contact with the amphibolite of the western domain, along the graphitic footwall shear zone (Barnes, 1996).

The belt, which is bounded by granites, continues to the north of the mine where it thickens, whilst to the south it thins and breaks into rafts within the enclosing granites. An increase in deformation is suggested from north to south. The metamorphic grade within the greenstone belt is mid to upper amphibolite facies (Phillips, 1985).

The South Big Bell Project has an area of 50km² with the northern boundary of the Project 3km south of the Westgold's Big Bell gold mine. The South Big Bell Project covers the Big Bell Greenstone Belt as it narrows to the south including the continuation of the Chunderloo-Big Bell Fault, a major structure extending 80km from Meekatharra to the Dalgara Fault (Figure 9).

Outcrop with the Exploration Licence is limited to a number of granite domes and pavements along the western margin of the tenement and scattered outcrops of amphibolite circa Cavanagh Bore. The remainder of the greenstone belt is concealed beneath granite derived sheet-wash and alluvium of depths ranging from 5m to greater than 90m in Tertiary palaeo-drainage channels.

Historic production from the Big Bell mining centre totals 2.7 million ounces (ASX:WSR Announcement 29th January 2015). Gold mineralisation is almost entirely epigenetic and is intimately associated with major faults and shear zones through the greenstone belts of the area. The mineralisation is preferentially hosted by banded iron-formation, ultramafic, mafic rocks, felsic intrusives and sometimes volcanoclastic rocks.

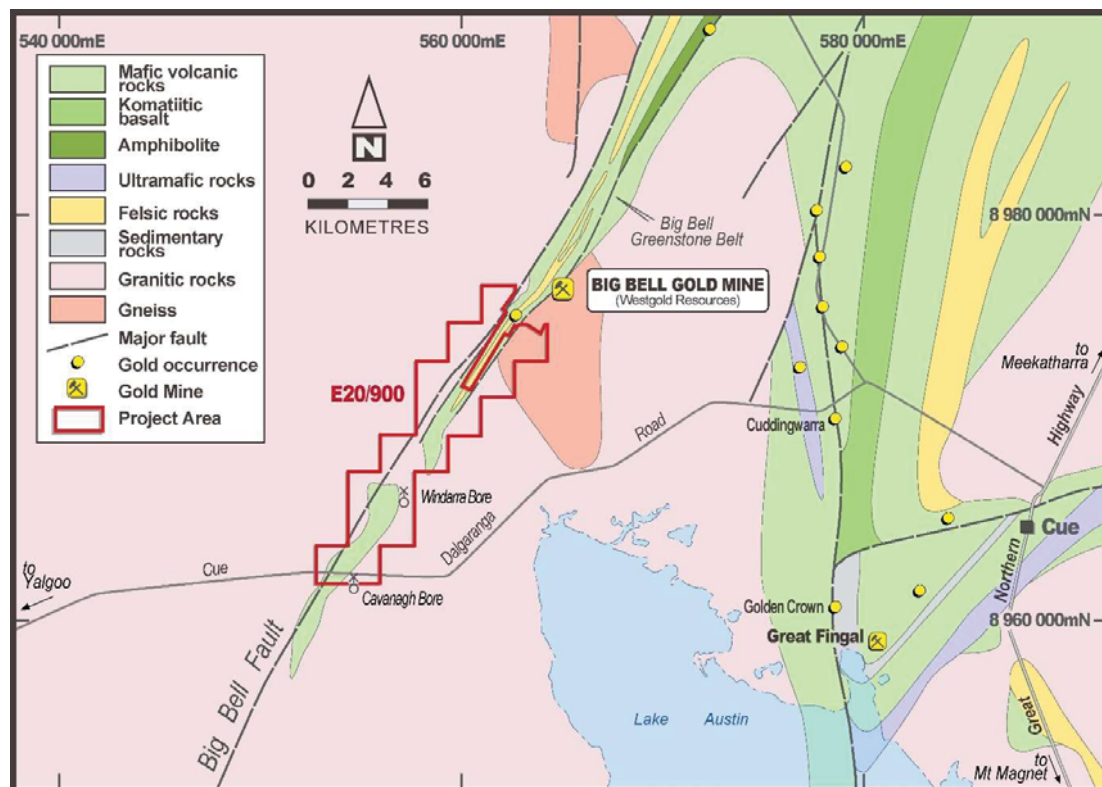


Figure 9: South Big Bell Regional Geology

5.3 EXPLORATION HISTORY

Various companies have conducted work over the project area including wide-spaced soil surveys, rock chip sampling, RAB drill traverses, RC drilling and geophysical surveys. Reconnaissance drilling indicated anomalous gold in drillholes close to Windarra East and Cavanagh Bore, with the source of the anomalies not resolved. Most drillholes intersected granitic lithologies and it seems greenstone rocks are confined to thin slivers and segments. Significant work is summarised below.

Australian Consolidated Minerals (**ACM**) held mineral claims over approximately 40km of strike extensions north and south of the Big Bell gold deposit, including the ground that is currently E20/0900. ACM established a grid over the entire 40km strike and the claims were covered by aeromagnetics. A ground magnetic survey was completed in 1981 circa Cavanagh Bore over a strike length of 3.2km at 25m intervals along lines 200m apart. A percussion drilling program was completed during 1982 with two of the holes lying on E20/0900. The holes intersected granite beneath about 15m of overburden.

Getty Oil Development Company (**GODC**) applied for an exploration licence over the general area in 1983 to cover possible south westerly extensions of the Big Bell gold mine stratigraphy as indicated by regional aeromagnetic imagery. GODC completed RAB drilling over aeromagnetic anomalies during 1984, however the exploration campaign was not carried through to completion.

Little River Resources Pty Ltd (**Little River**) acquired the Big Bell South Project from GODC during 1985 when GODC withdrew from exploration in Western Australia. Little River completed RAB drilling during 1986 to redrill the most northern two drill traverses completed by GODC to intersect bedrock beneath granite wash and to extend the two central drill traverses westwards to investigate the western flank of the aeromagnetic anomaly. Results were discouraging with only trace amounts of gold obtained from the RAB drill chips and with all the drillholes intersecting granite.

Little River interpreted the results as that the Big Bell Greenstone Belt has been removed by granitoid emplacement from Cavanagh Bore to the northern boundary of their project area. Little River were

unable to explain the aeromagnetic anomaly in the northern portion of the tenement. (WAMEX Report A018086)

During 1992, Julia Mines NL (**Julia Mines**) completed a hydrogeochemical survey over the area whilst in a JV with Posgold (Big Bell) Pty Ltd (**Posgold**). A coherent gold anomaly was identified 6km south of the Big Bell mine.

During 1993, Posgold completed a total field intensity (**TMI**) survey over interpreted extensions of the Big Bell greenstone belt south of the mine area. An Automatic Gain Control filter was used to decrease the amplitude of the high responses and increase the amplitude of low responses to aid in determination of anomalies on the same line profiles.

Interpretation of the TMI survey indicated semi-continuous mafic units with indications of fault displacement in places. Drill targets were defined in the area from a combination of lithology (adjacent to mafic units) and structure (thickening / thinning of units and cross faulting).

A total of 27 RAB holes were completed for a total of 1,257m. Results were deemed disappointing. Major quartz veining in the centre of the section near Cavanagh Bore was located at the approximate extensions of the Big Bell Shear. The greenstone sequence was determined to be approximately 290m wide in this area which contradicted the TMI interpretation (approximately 800m wide). The project geology was reinterpreted following this drilling. Posgold concluded that there is a dramatic thinning of the Big Bell greenstone sequence south of the Big Bell gold mine to approximately 290m width. Posgold withdrew from the JV during 1994 (WAMEX Report A041098).

During 1995, Julia Mines took groundwater samples from the previously drilled Posgold RAB holes and gold concentrations were confirmed but did not help define a more accurate target. It was recommended to carry out systematic groundwater testing at 500 x 600m spacing. 15 RAB holes were completed for a total of 268m. Holes were generally drilled to 24m depth and cased with polypipe; all holes ended in transported material. The results generated three +5ppt gold anomalies. Two were located along strike of the southward projection of the Big Bell sequence, with a third located to the west, centred approximately over the inferred greenstone / granite contact. Despite the relatively low gold levels within the water anomalies they were considered significant to them being isolated from the major gold groundwater anomaly at the Big Bell mine and that the thick overburden and a high water table could significantly dilute the gold concentrations (WAMEX Report A046114).

During 1996, Julia Mines formed a Joint Venture with Normandy Murchison Pty Ltd (**Normandy**). Normandy completed a gravity and helicopter-borne aeromagnetic (**helimag**) survey across the Project. Interpretation of the helimag data identified a number of cross-cutting structures, and geological units such as granite bodies and greenstones. The geophysical data suggested a possible westerly offset of the belt around -6000mN (local grid). The apparent obscuring of clear signal around -8000mN was thought to represent a palaeochannel previously interpreted.

RAB and RC drilling was completed on the Windarra East and Windarra Bore prospects. The primary objective was to intercept and delineate the southern extension of the Big Bell Greenstone Belt. The southernmost RAB holes intersected greenstones at shallow depth, with granites flanking to the east and west. The RC drilling circa the Windarra Bore Prospect intersected a magnetic granite suite with occasional slithers of greenstone, approaching the greenstone / western granite margin.

Normandy interpreted that the identification of greenstones outcropping at Windarra Bore, in conjunction with the drillhole data and geophysical interpretation suggested that the Big Bell Greenstone Belt is continuous through the area, albeit showing significant thinning. The westward transgression of outcrop and geophysical trends was interpreted to suggest such movement of the greenstone belt. The drilling of the channel failed to reach basement and minimal continuity of the belt was explained (WAMEX A052514).

5.4 PROPOSED EXPLORATION

The South Big Bell Project covers the southern extensions of the greenstone belt and shear zone that hosts the Big Bell gold deposit. Regional aeromagnetic imagery suggests that the Archaean greenstone belt hosting the Big Bell gold deposit continues southwards into the area covered by E20/0900. Additionally, work completed by Normandy in 1996 identified outcropping greenstones at Windarra Bore suggesting that the Big Bell Greenstone Belt is continuous through the area, albeit showing significant thinning and a commensurate diminishing prospectivity for gold.

Detailed geological mapping and further processing of geophysical data may represent an effective targeting method to ascertain the extension of the greenstone belt. An area of focus will be the westward transgression of outcrop and geophysical trends in the Windarra Bore area, previously interpreted to suggest such movement of the greenstone belt.

Following the acquisition of geophysical data, geological mapping and subsequent interpretation, targets will be generated. Fenceline RAB drilling will be completed over areas of interest defined from the geophysical, geological and drillhole data review. RC drilling will be completed over anomalous areas.

Orca has indicated to FRM Geological Services (**FRM**) that they will undertake a systematic, staged approach with respect to their exploration program on the South Big Bell Project, with prudent monitoring, assessing and refocussing of the exploration programs as necessary. FRM considers that the exploration strategy proposed by Orca is consistent with the mineral potential and status of the South Big Bell Project.

6.0 USE OF FUNDS

Orca have provided to FRM Geological Services (**FRM**) their proposed exploration expenditure for the two year period following the capital raising with \$2,560,000 of direct exploration expenditure which is detailed in Table 7. Orca is intending to focus their expenditure on geophysical surveys and drilling.

FRM has reviewed Orca's proposed exploration activities and is of the opinion that the funds raised will be sufficient for the proposed program and that the programs are appropriate for the mineral potential and status of the projects. The exploration budget will be subject to modification on an ongoing basis depending on the results obtained from exploration activities as they progress.

Table 7: Summary of proposed use of funds

	Year 1 (A\$)	Year 2 (A\$)	TOTAL (A\$)
McKenzie Springs Project			
Data compilation	40,000		40,000
Geophysical Review	30,000		30,000
Petrological Studies	5,000	10,000	15,000
Geophysical surveys	250,000	100,000	350,000
Drilling and assays	350,000	500,000	850,000
Downhole geophysics	125,000	100,000	225,000
Sentinel Project			
Data compilation	20,000		20,000
Geological mapping	30,000		30,000
Geophysical surveys	60,000	25,000	85,000
Drilling and assays	250,000	350,000	600,000
South Big Bell Project			
Data compilation	15,000		15,000
Geological mapping	20,000		20,000
Geophysical & geochemical surveys	50,000		50,000
Drilling and assays	80,000	150,000	230,000
TOTAL	1,325,000	1,235,000	2,560,000

7.0 DECLARATION

FRM Geological Services (**FRM**) will receive a professional fee based on standard rates plus reimbursement of out of pocket expenses for the preparation of this report. The payment of these fees is not contingent upon the success or otherwise of the proposed capital raising pursuant to the prospectus within which this report is contained. FRM does not have any pecuniary or other interests which could be reasonably regarded as being capable of affecting the ability of FRM to provide an unbiased opinion in relation to the assets and the assumptions included in the various technical studies completed by Orca, relied upon by FRM and reported herein.

The Competent Person for preparation of the report is Ms Felicity Repacholi-Muir, BSc (Geol & Soil Sc), GradCertAppFin. Ms Repacholi-Muir is a Member of the Australasian Institute of Geoscientists (MAIG #3417) with over 15 years of experience and has extensive professional experience with the geology of and has worked extensively in Western Australia.

Ms Repacholi-Muir has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined by the in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Ms Repacholi-Muir consents to the inclusion in the report of the matters on her information in the form and context in which it appears.

This report has an Effective Date of the 26th March 2018, this being the most recent date on which Orca made material in its possession available to FRM and FRM is unaware of any material change since this date. FRM consents to the distribution of this Report in the form and content in which it appears.



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MAIG #3417

8.0 PRINCIPAL SOURCES OF INFORMATION

The principal information sources used are listed below.

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8.1 PROJECT REFERENCES

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9.0 GLOSSARY

For further information of for terms that are not described here, please refer to internet sources such as Wikipedia.

ANNEXURE A: Significant Drillhole Intercepts at the McKenzie Springs Project

HOLE ID	EAST (m)	NORTH (m)	EOH (m)	Drill Type	INTERSECTION				
					From (m)	To (m)	Width (m)	Ni ppm	Cu ppm
06BEKC0008	379793	8063241	100	RC	1	3	2	1181	366
06BEKC0009	379760	8063280	94	RC	0	42	42	1334	506
06BEKC0010	379733	8063323	118	RC	0	93	93	1597	418
06BEKC0011	379707	8063358	112	RC	45	88	43	2271	587
06BEKC0012	381775	8064859	88	RC			NSI		
06BEKC0013	381752	8064896	103	RC			NSI		

Notes:

- Company - Breakaway Resources Ltd
- RL all 493m
- All holes drilled -60° towards 150°
- NSI refers to No significant intercepts
- All coordinates are in AMG84 Zone 52
- McKenzie Springs significant intercepts calculated using the following parameters: Ni≥1000ppm, minimum width of 2m, internal dilution up to 5m consecutive

ANNEXURE B:

The following Tables are provided to ensure compliance with the JORC Code (2012) edition requirements for the reporting of the Exploration Results at the McKenzie Springs Project.

Section 1: Sampling Techniques and Data (Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Several generations of sampling have been undertaken on the McKenzie Springs Project since the 1970s. Historical exploration across the Project includes geological mapping, geochemical sampling (rock, stream and soil), ground and aerial geophysical surveys, costeaning and percussion drilling. The drilling results detailed in this report were from drilling undertaken by Breakaway Resources Ltd (Breakaway) during 1996. Reverse Circulation (RC) drilling was completed by Peak Drilling Surfaces. The drilling rig used was a custom designed AC/RC drilling rig (350-650psi with booster).
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	RC drill holes were sampled and geologically logged on 1m intervals.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	All aspects of the determination of mineralisation are described in this table. The core sampling method and the RC sampling method is considered appropriate for the style mineralisation. All of the drill samples were sent to a commercial laboratory for crushing, pulverising and chemical analysis by industry standard practises.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc) and details (e.g. core diameter, triple of standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc).</i>	RC drilling was completed by Peak Drilling Surfaces for Breakaway Resources Ltd during 1996. The drilling rig used was a custom designed AC/RC drilling rig (350-650psi with booster). RC drilling used an industry standard 5.5 inch face sampling hammer.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	RC samples were collected to industry standards of the day. The locations of intervals of damp or wet samples and/or low recovery were recorded at the drill site and entered into the database.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	RC drilling - the cyclone and splitter were routinely inspected and cleaned during the drilling, ensuring no excessive material build-up. Care was taken to ensure the split samples were of a consistent volume.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	There is no known or reported relationship between sample recovery and grade with the RC drilling.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	The RC drill holes were geologically logged at 1m intervals for the total length of the hole using the Breakaway standard logging legend. The logs were recorded on company standard paper logging sheets and entered into the company database. Logging is appropriate for the stage of the project and sufficiently detailed to support further studies.

Criteria	JORC Code explanation	Commentary
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of chips is both qualitative (eg. colour) and quantitative (eg. minerals percentages). Various historical reports contain petrography reports.
	<i>The total length and percentage of the relevant intersections logged.</i>	100% of the RC samples were logged which included all mineralised intervals.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Not applicable.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	All RC drill holes and pre-collars were sampled from the rig via 1m splits to calico bags, with a target weight of between 2kg to 4kg. The bulk sample reject was kept at the drill site.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The sampling techniques for both RC drilling and rockchip sampling are of consistent quality and appropriate.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Sampling and analysis schemes are included in the Breakaway annual reports. Details of QAQC procedures are not included bar the statement to "adhere to full drilling/sampling/analytical QAQC procedures, which include weighing of sample, collection of field duplicates, and insertion of blanks, duplicates and standard".
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	QAQC has been reported to have been routinely conducted throughout historical drilling and geochemical sampling, however methodologies are not documented.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The material and sample sizes are considered appropriate given the style of mineralisation being targeted.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The analytic methods for the programs with significant results which have been tabled in Annexure A and are included in Tables within the body of the Report are outlined below. The rock chip samples were sent to Bureau Veritas laboratories in Perth where they were sorted, dried, crushed to 3mm particle size, cone split and a portion pulverized. A 0.2g charge was subjected to four acid digest with an ICP/AES finish for a base metal suite of elements. A 40g charge was used for lead collection fire assay with AAS finish to determine gold and PGE's. TGC have been determined by Total Combustion Analysis. A portion of sample was dissolved in weak acid to liberate carbonate carbon. The residue was dried at 420C driving off organic carbon and then analysed by a Sulphur/Carbon analyser to give total graphitic or elemental carbon (TGC). The four-acid digest for a base metals suite of elements is considered to possibly be a partial result for two high titanium samples (KB04965 and KB04968) due to the observed limitations in the hot box digest. The Reverse Circulation samples collected were sent to Genalysis Laboratories Ltd, Perth for four-acid digest and ICP/OES finish (method code AT/OES) for Ni, Cu, Zn, Cr, As, Mn, Fe, Co, Mg, Al, S, Au, Pt and Pd were analysed by lead collection fire assay and MS finish (method FA25/MS). Sample intervals which returned significant anomalies (>0.5% Cu, >1% Ni, or >100ppb Pt or Pd) using the above scheme are flagged by the geologist and pulps are re-run using the following methods: high precision four-acid digest and high precision AAS finish (method code AX/AAS) for Ni, Cu, Co; high precision four-acid digest and ICP/OES finish (method code AX/OES) for Ni, Cu, Zn, Cr, As, Mn, Fe, Co, Mg, Al, S; nickel sulphide collection fire assay and MS finish (method

Criteria	JORC Code explanation	Commentary
		code NiS*MS) for Au, Pt, Pd, Os, Ir, Rh, Ru.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	Hand held assay devices have not been reported.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	Laboratory QC procedures for rock chip sample assays has included the use of internal certified reference material as assay standards and replicates. Breakaway stated that the drilling at McKenzie Springs adhered to their full drilling/sampling/analytical QAQC procedures, which include weighing of sample, collection of field duplicates, and insertion of blanks, duplicates and standards. Further details are not available.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The results of rock chip samples are in line with historical data. No verification of sampling and assaying has been undertaken by Orca for the historical drilling.
	<i>The use of twinned holes.</i>	No specific twinned holes have been drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Rockchip data collected by Cazaly is logged in the field into Field Marshal files which are then imported into a SQL database. Data verification occurs at both the data entry level and the importing level. Detailed procedures for drilling, sampling and geological logging completed by Breakaway are not comprehensively including in Open File reports, although summaries of the processes employed are provided in various drilling reports.
	<i>Discuss any adjustment to assay data.</i>	The digital data shows no indication of assay adjustment being performed.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Rock samples and drill holes were located in the field with survey control via handheld Global Positioning System (GPS), with an assumed accuracy (dither factor) of $\pm 5\text{m}$ accuracy on easting and northing and $\pm 10\text{m}$ accuracy on RL. Drillhole deviation for RC drilling was not determined, only the setup dip and azimuth are recorded. Deviation in the holes drilled is therefore unknown, however due to the shallow nature of the holes it is not believed to be an issue.
	<i>Specification of the grid system used.</i>	The grid system for the McKenzie Springs Project is Map Grid of Australia GDA 94, Zone 52.
	<i>Quality and adequacy of topographic control.</i>	The RL of drill collars (RC) and rockchips was measured by GPS survey to an accuracy of ± 10 meters, in conjunction with the topographic data obtained from the relevant 1:100,000 map which gives a satisfactory control over the topography.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Historical drillholes are exploratory only, designed to test the gossan outcrop over a limited extent. No systematic drilling has been completed.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Sample spacing is deemed appropriate for identifying geochemical anomalies but could not be used to establish geological and grade continuity. Data spacing is deemed insufficient to establish geological and grade continuity to establish a mineral resource estimate.

Criteria	JORC Code explanation	Commentary
	<i>Whether sample compositing has been applied.</i>	No mention of sample compositing has been found in Annual Reports.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The gossan strikes north-northeasterly and the drilling is perpendicular to the gossan which is considered appropriate given the regional and local geological fabric and structures.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	The historical drilling was angled (-60°/150°), perpendicular to the gossan outcrop. Orientation of the mineralised domain has been favourable for perpendicular drilling and sample widths are not considered to have added a significant sampling bias.
Sample security	<i>The measures taken to ensure sample security.</i>	Rockchip samples were stored and transported securely. There is no documentation on sample security for the RC samples available in historical reports.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Cazaly completed an internal review of the sampling techniques and the assay data conclude that methods are appropriate for the mineralisation being tested. There is no documentation of audits on sampling or data available in historical reports.

Section 2: Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The McKenzie Springs Project comprises a single granted Exploration Licence, namely E80/4808 covering a land area of 134 km ² . Orca has entered into a term sheet with the current holder, Sammy Resources Pty Ltd (a wholly owned subsidiary of Cazaly Resources Ltd) to acquire a 51% interest in the exploration project and the right to farm-in to an additional 19% interest in the McKenzie Project. The tenement lies on the Texas Downs / Mabel Downs (PL N050285) Pastoral Lease. The tenement is within land where two Native Title claim applications for determination have been made. The Purnululu People have made the WC1994/011 Native Title Claim and the Malarngoworm People have made the WC1999/044 Native Title Claim. The Native Title claim applications currently remain active. No Aboriginal sites or places have been recorded over the tenements. There are no National Parks or Reserves over the tenement.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The tenement is in good standing.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Since the 1970s, the McKenzie Springs Intrusion has been the subject of nickel-copper exploration. Exploration completed includes geological mapping, geochemical sampling (rock, stream and soil), ground and aerial geophysical surveys, costeaning and percussion drilling.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The East Kimberley region has proven potential for hosting magmatic nickel-copper sulphide and PGM (Platinum Group Metals) mineralisation. Two significant mineralised bodies have been discovered in this area to date within intrusive complexes of the

Criteria	JORC Code explanation	Commentary
		Halls Creek Orogen. These are the <i>Panton PGM Project</i> and the <i>Savannah Ni-Cu Mine</i> owned by Panoramic Resources Ltd and are 30km and 9km away from Orca's McKenzie Springs Project respectively. Mineralisation within Orca's McKenzie Springs tenement is associated with the basal contact of mafic-ultramafic rocks in a similar geological setting to the <i>Savannah Ni-Cu Mine</i>. Over 25 gossans have been defined at different stratigraphic levels in the intrusion through the course of exploration, some with a strike length of more than 200m.
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.	All hole collar locations, depths, azimuths and dips are provided within this Report (Appendix A) for drilling completed by Breakaway.
	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.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.	Reported intersections are downhole, length-weighted averages that were calculated using a nominal ≥ 1000ppm Ni lower cut-off; 2m minimum reported length and up to 5m of consecutive internal waste. Geochemical sampling results presented are single point data.
	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.	No top cuts have been considered in reporting of grade results, nor was it deemed necessary for the reporting of significant intersections.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are currently being used for reporting exploration results.
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 (eg 'down hole length, true width not known').	No information was determined from surface observations and historic trenches regarding the geometry and width of mineralisation
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.	Refer to Figures in body of text.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All representative results have been reported.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and	All relevant exploration data is shown on figures, in text and in Annexure A.

Criteria	JORC Code explanation	Commentary
	<i>method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	A follow up exploration work program has been proposed and is outlined in the Report. Future work will largely be focused on geophysical acquisition and interpretation and the subsequent drilling of targets. All relevant diagrams and inferences have been illustrated in this report.

7. Solicitor's Tenement Report



4 April 2018

The Directors
Orca Energy Limited
Level 1, 35 Richardson Street
WEST PERTH WA 6005

Dear Sirs

SOLICITOR'S REPORT ON TENEMENTS

This Solicitor's Report (**Report**) is prepared for the inclusion in a prospectus to be dated on or about 4 April 2018 for issue by Orca Energy Limited ACN 148 157 975 (to be renamed "Fin Resources Limited") (**Company**).

Scope

1. We have been requested to report on certain mining tenements in which the Company has an interest (**Tenements**).
2. The Tenements are located in Western Australia and are listed in Part I of the schedule (**Schedule**) at the end of this Report.
3. This Report is limited to the Searches detailed at clause 4 of this Report.

Searches

4. For the purpose of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows (**Searches**):
 - (a) we have obtained searches of the Tenement from the register maintained by the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**) pursuant to the *Mining Act* (WA) (**Mining Act**) on 21 March 2018;
 - (b) we have obtained quick appraisal searches of the Tenements obtained on-line from the Tengraph system maintained by DMIRS dated 21 March 2018;
 - (c) we have obtained Land Property Searches from Landgate on 7 March 2018;
 - (d) we have obtained extracts of registered native title claims and native title determinations that apply to the Tenements, as determined by the Native Title Tribunal (**NNTT**). This material was obtained on 21 March 2018. Details of native title claims and determinations are set out in Part II of the Schedule; and
 - (e) we have obtained searches from the online Aboriginal Heritage Enquiry System maintained by the Western Australian Department of Planning, Land and Heritage (**DPLH**) for Registered Sites and other Heritage Places recorded in the Register of Aboriginal sites that are within partially or wholly the Tenements. This material was obtained on 21 March 2018. The details of the Aboriginal Sites and other Heritage Places are set out in Part II of the Schedule.

Opinions

5. 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.

Description of the Tenements

6. The Tenements are comprised of 3 Exploration Licences granted under the *Mining Act 1978*. Part I of the Schedule provides a list of the Tenements. The following provides a description of the nature and key terms of these types of mining tenements as set out in the Mining Act and potential successor tenements.

Exploration Licence

7. **Application**: A person may lodge an application for an exploration licence in accordance with the Mining Act. The Minister, after receiving a recommendation from the Mining Registrar or Warden, decides whether to grant any application for an exploration licence on such terms and conditions as the Minister may determine.
8. **Rights**: The holder of an exploration licence is entitled to enter the land and undertake the operations for the purposes of exploration for minerals.
9. **Term**: An exploration licence has a term of 5 years from and including the date on which it was granted. The Minister may extend the term:
 - (a) one period of 5 years; and
 - (b) by a further period of 2 years,over the whole or any part of the land the subject of the exploration licence and on terms and conditions the Minister thinks fit.
10. Where an exploration licence is transferred before an extension of term application has been determined, the transferee is deemed to be the applicant.
11. **Retention Status**: The holder of an exploration licence may apply to the Minister for approval of retention status for the exploration licence. The Minister may approve the application for the whole or any part of the land the subject of the exploration licence where there is an identified mineral resource within the exploration licence but it is impractical to mine the resource for prescribed reasons. Upon approval of the retention status the Minister may impose a condition requiring the holder to comply with a specific programme of works or require the holder to apply for a mining lease.
12. **Conditions**: Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. In the case of an exploration licence that has retention status, expenditure conditions are to provide for a reduction of the amount of expenditure required during the year of the term of the licence in which retention status is approved. Non-compliance with the conditions of the licence may lead to forfeiture of the exploration licence.

13. **Surrender of Certain Areas:** If the term of the exploration licence has been extended (or an application for extension has been made but not determined) the holder of an exploration licence must, on or before the day that is 6 years after the day on which the licence was granted in respect of more than 10 graticular blocks, surrender:
- (a) 40% of the graticular blocks that are the subject of the licence; or
 - (b) if 40% of that number is not a whole number, the nearest whole number of graticular blocks, unless retention status has been approved.
14. **Priority to apply for Mining Lease:** The holder of an exploration licence has priority to apply for a mining lease over any of the land the subject of the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.
15. **Transfer:** An exploration licence cannot be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restrictions on transfers or dealings.

Mining Lease

16. **Applications:** A person may lodge an application for a mining lease in accordance with the Mining Act, however, a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister, after receiving a recommendation from the Mining Registrar or Warden, decides whether to grant any application for a mining lease on such terms and conditions as the Minister may determine.
17. An application for a mining lease must be accompanied by either:
- (a) a mining proposal; or
 - (b) a statement setting out the mining operations that are likely to be carried out in, on, or under the relevant land together with a mineralisation report or a resource report indicating there is significant mineralisation in the area over which a mining lease is sought.
18. 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.
19. **Rights:** The holder of a mining lease is entitled to enter and re-enter the land and undertake operations for the purposes of mining and extracting minerals. The holder has exclusive rights to the land for mining purposes.
20. **Term:** A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.
21. **Conditions:** Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. Non-compliance with these conditions may lead to the mining lease being subject to forfeiture.
22. **Retention Status:** If an application for renewal is made during the final year of the term of a mining lease, the Minister may renew or further renew a mining lease for successive terms, however each term must not exceed a period of 21 years.

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

Aboriginal Heritage

24. The Company must ensure that it does not breach any applicable legislation relating to Aboriginal heritage (see below). A Tenement may contain sites or objects of Aboriginal significance. In Western Australia, these sites are recorded in the Register of Aboriginal sites, however this is not an exhaustive list and to ensure that it does not contravene any applicable legislation, and to accord with industry standard, it is the usual course for a company to conduct heritage surveys to determine if any Aboriginal sites or objects exist within the area of the Tenements. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation as it is an offence to alter or damage a site or object of Aboriginal significance. It should also be noted that it may also be necessary for the Company to enter into separate agreements with the traditional owners of the sites.

Commonwealth Legislation

25. The *Aboriginal and Torres Strait Islander Heritage Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginals and objects that may be located on the Tenements.
26. 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.
27. It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

Western Australian Legislation

28. Tenements are granted subject to conditions requiring the observance of the *Aboriginal Heritage Act 1972* (WA) (**WA Heritage Act**).
29. The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to an Aboriginal site or any objects on or under that site.
30. Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered and the WA Heritage Act protects all registered and unregistered sites.

Native Title

Introduction

31. On 3 June 1992 the High Court of Australia held in *Mabo v Queensland (No 2)* (1992) 175 CLR 1 (**Mabo No 2**) that the common law of Australia recognises native title. The High Court held that in order to maintain a native title claim the persons making such claim must show that they enjoyed certain customary rights and privileges in respect of a particular area of land and that they have maintained their traditional connection with that land.
32. Such a claim will not be recognised if the native title has been extinguished, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or the granting of an "inconsistent interest" in the land by the Crown. An example of inconsistent interest would be the granting of a freehold or some types of leasehold interest in the land. The granting of a lesser form of interest will not extinguish native title unless it is wholly inconsistent with native title.
33. In order for native title to be recognised the following conditions must be met:

- (a) the rights and interests are possessed under the traditional laws that are currently acknowledged and the traditional customs are currently observed by the relevant Indigenous people;
 - (b) those Indigenous people have a 'connection' with the area in question by those traditional laws and customs; and
 - (c) the rights and interests are recognised by the common law of Australia.
34. The *Racial Discrimination Act 1975 (RDA)* which was enacted by the Federal Parliament, is binding on the State of Western Australia and makes racial discrimination unlawful. Some legal commentators have raised the question of whether, in the case of the grant of a post 1975 mining tenement, if such grant is found to be discriminatory and therefore unlawful under the RDA, the result may be either that the grant of the mining tenement is invalid, or that such grant would give rise to a claim for compensation by the affected Aboriginal group against the Commonwealth.
35. The Commonwealth Parliament responded to the Mabo decision by passing the *Commonwealth Native Title Act 1993 (NTA)*.

The Native Title Act 1993

36. The NTA provides for:
- (a) the establishment of the National Native Title Tribunal (NNTT) where Indigenous people may lodge claims for native title rights over land and have those claims registered;
 - (b) the Courts to assess native title claims and determine if native title rights exist and where a Court completes the assessment of a native title claim, to issue a native title determination that specifies whether or not native title rights exist; and
 - (c) that an act (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA. These requirements are called the **Future Acts Provisions**.

The Future Act Provisions

37. The Future Act Provisions vary depending on the Future Act to be carried out. We note that the grant of a tenement does not need to comply with Future Act Provisions if in fact native title has never existed over the land covered by the tenement or has been validly extinguished prior to the grant of the tenement.
38. Unless it is clear that native title does not exist (for example, in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a tenement. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land subject to the tenement, and as such, the Future Act Provisions apply.
39. The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are three alternatives:
- (a) the Right to Negotiate;
 - (b) an Indigenous Land Use Agreement (**ILUA**); and
 - (c) the Expedited Procedure.

These are summarised below.

Right to Negotiate

40. The Right to Negotiate (**RTN**) involves a formal negotiation between the State, the applicant for the tenement and any registered native title claimants and holders of native title rights. The RTN objective is for the parties to negotiate in good faith and agree the terms on which the tenement can be granted. The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the tenement, for example, in relation to heritage surveys.
41. If an agreement is not reached, or not likely to be reached, after 6 months of the notification of the application to the native title party, the matter may be referred to the NNTT for determination on whether the tenement can be granted and if so, on what conditions. The NNTT has six months from the date of the application for determination to make a decision.

ILUA

42. An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.
43. An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.
44. Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

Expedited Procedure

45. The NTA establishes a simplified, fast-track process for the carrying out of a Future Act that is likely to have minimal impact on native title rights (**Expedited Procedure**). The grant of a tenement can occur under the Expedited Procedure if:
- (a) the grant will not interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;
 - (b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and
 - (c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbances to any land.
46. If the State considers the above criteria are satisfied, it commences the Expedited Procedure by giving notice of the proposed grant of the tenement in accordance with the NTA. Persons have until three months after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the tenement.
47. If there is no objection lodged by a registered native title claimant or native title holder within four months of the notification date, the State may grant the tenement.
48. If one or more registered native title claimants or native title holders object within the four months of the notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the State may grant the

tenement. Otherwise, the Further Act Provisions, such as the RTN or ILUA, must be followed before the tenements can be granted.

49. The State of Western Australia currently follows a policy of granting prospecting and exploration licences under the Expedited Procedure where the applicant has entered into a standard aboriginal heritage agreement with the relevant registered native title claimants and native title holders. The standard heritage agreement (and ancillary agreements) usually provide for payment of compensation by the applicant for the tenement and conditions that apply to activities carried out within the tenement.

Registered Native Title Claims and Determinations

50. Our Searches indicate that the Tenements are subject to the following registered native title claims and determinations.

Tenement	Native Title Claim/s
E20/900	WC2004/010
E28/2652	WC2017/001
E80/4808	WC1994/011 and WC1999/044

51. The status of the native title claims is summarised in Part II of the Schedule.
52. The native title claimants and holders of native title under the determinations are entitled to certain rights under the Future Acts Provisions.

Validity of Tenements under the NTA

53. The sections below examine the validity of the Tenements under the NTA.

Tenements granted before 23 December 1996

54. Our Searches indicate that none of the Tenements were granted before 23 December 1996.

Tenements granted after 23 December 1996

55. Our Searches indicate that all of the Tenements were granted after 23 December 1996. Refer to Part I of the Schedule for the Tenements.
56. We have assumed that these Tenements were granted in accordance with the Future Act Provisions and as such are valid under the NTA.

Tenements renewed after 23 December 1996

57. Renewals of mining tenements made after 23 December 1996 must comply with the Future Act Provisions in order to be valid under the NTA.
58. An exception is where the renewal is the first renewal of a mining tenement that was validly granted before 23 December 1996 and the following criteria are satisfied:
 - (a) the area to which the mining tenement applies is not extended;
 - (b) the term of the renewed mining tenement is no longer than the term of the old mining tenement; and

(c) the rights to be created are not greater than the rights conferred by the old mining tenement.

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

60. The future renewals of the Tenements will need to comply with the Future Act Provisions in order to be valid under the NTA. The registered native title claimants and holders of native title identified in this Report will need to be involved as appropriate under the Future Acts Provisions.

Valid grant of applications for the Tenements

61. The Future Act Provisions must be complied with when granting any applications for tenements. This will ensure that newly granted tenements are valid under the NTA.

62. While the Tenements are all granted, we note, however, that the grant of any tenements in the future in relation to the Tenements (for example, the grant of a mining lease being converted from an exploration licence) will also need to comply with the Future Acts Provisions.

Access Issues

Pastoral lease

63. The following pastoral leases underlie the Tenements.

Pastoral Lease	Tenement	Area of overlap	Primary Interest Holder
PL N050063 (Austin Downs)	E20/900	85.7% (4255.28 Hectares)	Tom Staley Jackson and Barbara Wendy Jackson
PL N049528 (Coodardy)	E20/900	13.5% (669.18 Hectares)	Leslie Matthew Price
PL N049526 (Indigenous Held) (Pingin)	E28/2652	100.0% (4441.74 Hectares)	Tisala Pty Ltd (ACN 009 458 155)
PL N050285 (Texas Downs/Mabel Downs)	E80/4808	96.9% (12972.34 Hectares)	Yeeda Pastoral Company Pty Ltd (ACN 094 819 717)

64. The Mining Act:

- (a) prohibits the carrying out of mining activities (including prospecting or fossicking, exploring or mining) on land:
 - (i) for the time being under crop, or which is situated within 100 meters of that land;
 - (ii) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard, vineyard, plantation, airstrip or airfield;
 - (iii) situated within 100 metres of any land that is in actual occupation and on which a house or other substantial building is erected;
 - (iv) the site of or situated within 100 metres of any cemetery or burial ground; or
 - (v) land the subject of a pastoral lease which is the site of, or is situated within 400 metres of the outer edge of, any water works, race, dam, well or bore, not being used for mining purposes by a person other than a lessee of that pastoral lease,



without the consent of the lessee, unless ordered by the Warden or if the mining is carried out not less than 30 meters below the lowest point of the natural surface;

- (b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and
 - (c) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land, for example a pastoral lease, in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities.
65. If it has not already done so, the Company should consider entering into compensation and access agreements with each of the pastoral lessees in relation to the pastoral leases to ensure the requirements of the Mining Act are satisfied and to avoid any future disputes arising in relation to amounts of compensation which may be applicable. In the absence of an agreement, the Warden's court determines compensation payable.
66. The DMIRS will impose standard conditions on mining tenements that overlay pastoral leases. It appears that the Tenements incorporate a standard condition to notify the holder of any pastoral lease prior to undertaking airborne geophysical surveys or any ground disturbing activities.

Material Agreements

67. **Heads of Agreement – Tenement Acquisition – E20/900:** Neon Space Pty Ltd (ACN 148 157 975) (**Neon**) as vendor and the Company as purchaser are parties to a legal binding heads of agreement dated 6 February 2018.
68. By the Heads of Agreement, the Company agrees to acquire, either directly or through a wholly owned subsidiary, and Neon agrees to sell, a 51% interest in the assets being the tenement (**E20/900**) and associated mining information and statutory licences (**E20/900 Assets**), to form an unincorporated joint venture in respect of the exploration of E20/900.
69. The Heads of Agreement is subject to and conditional upon the satisfaction (or waiver) (**Conditions Precedent**) of the following:
- (a) the completion of due diligence on the E20/900 Assets to the satisfaction of the Company;
 - (b) the parties obtaining all necessary shareholder and regulatory approvals required to give effect to the transactions contemplated by the Heads of Agreement;
 - (c) the Company receiving valid applications for fully paid ordinary shares in the capital raising of the minimum amount required by the ASX to ensure the Company can satisfy the re-admission criteria pursuant to the ASX Listing Rules, and conditional approval from the ASX to re-admit the Company's securities to official quotation on the ASX;
 - (d) execution by Neon of such form of restriction agreements that may be required by the ASX to assist the Company with re-admission of its securities to quotation on the ASX;
 - (e) there be no material adverse change with respect to Neon or the E20/900 Assets; and
 - (f) execution of a formal agreement.

70. The Conditions Precedent must be satisfied (or waived by the Company) on or before 5:00pm on 30 April 2018 or as otherwise agreed by the parties. Settlement will occur on that date which is 2 business days after the satisfaction (or waiver) of the Conditions Precedent (**Settlement Date**).
71. In consideration for the acquisition of the E20/900 Assets, the Company agrees to issue 2,500,000 shares (**Consideration Shares**) and 5,000,000 options each to acquire a share at \$0.03 on or before the date that is three years after issue (**Consideration Securities**) to Neon at settlement. The parties acknowledge that the ASX may require that part or all of the Consideration Securities may be subject to escrow restrictions in accordance with ASX Listing Rules.
72. The Company on and from settlement will grant Neon a right to a royalty of 2.0% of Net Smelter Return in respect of any further production from E20/900.
73. On and from settlement the parties will be deemed to have established a joint venture for the purpose of exploration and development of E20/900 on the commercial terms set out in the Heads of Agreement and otherwise on terms agreeable by the parties and interest of the parties in the joint venture will be equal to their respective interests in the E20/900 Assets. Each party shall be the beneficial owner as tenant in common of an undivided share of the joint venture property in proportion to their joint venture interest.
74. The Company may earn a further 19% interest in the E20/900 Assets by spending \$1,000,000 (**Earn-in Commitment**) on the Tenement within 3 years from the Settlement Date (**Earn-in Period**). On satisfaction of the Earn-in Commitment by the Company within the Earn-in Period, the Company's total interest and joint venture interest will be 70%. If the Company fails to meet the Earn-in Commitment during the Earn-in Period the Company is deemed to have offered Neon a right to acquire the Company's interest for the nominal consideration of \$1 in cash and Neon has 60 days from the end of the Earn-in Period to exercise its acquisition right. If the acquisition right is exercised, the Heads of Agreement will be at end and the parties will be released from their future obligations under the Heads of Agreement and the joint venture.
75. For the period from the Settlement Date until the completion and announcement by the Company of a definitive feasibility study and the board of the Company resolves to commence the development of a mine on E20/900 (**Free Carry Period**), the Company agrees to solely fund all costs incurred in connections with the activities of the exploration and development of E20/900 and free carry Neon's remaining joint venture interest. Upon expiry of the Free Carry Period, each party must contribute to the joint venture in proportion to their then joint venture interest.
76. If either party wishes to sell, assign or otherwise dispose of any or all of its joint venture interest to a third party, that party must first irrevocably offer the sale interest to the other party on terms no less favourable than those being offered to that third party.
77. The parties agreed that the joint venture terms in the Heads of Agreement is deemed to included standard commercial terms that are typically included in sale and joint venture agreements in relation to exploration and mining joint venture and that the formal agreement to be entered into in accordance with the Heads of Agreement will include such terms.
78. **Heads of Agreement – Tenement Acquisition – E28/2652:** Crosspick Resources Pty Ltd (ACN 114 895 886) (**Crosspick**) as vendor and the Company as purchaser are parties to a legal binding heads of agreement dated 1 February 2018.
79. By the Heads of Agreement, the Company agrees to acquire, either directly or through a wholly owned subsidiary, and Crosspick agrees to sell, a 51% interest in the assets being the tenement (**E28/2652**) and associated mining information and statutory licences (**E28/2652 Assets**), to form an unincorporated joint venture in respect of the exploration of E28/2652.
80. The Heads of Agreement is subject to and conditional upon the satisfaction (or waiver) (**Conditions Precedent**) of the following:

- (a) the completion of due diligence on the E28/2652 Assets to the satisfaction of the Company;
 - (b) the parties obtaining all necessary shareholder and regulatory approvals required to give effect to the transactions contemplated by the Heads of Agreement;
 - (c) the Company receiving valid applications for fully paid ordinary shares in the capital raising of the minimum amount required by the ASX to ensure the Company can satisfy the re-admission criteria pursuant to the ASX Listing Rules, and conditional approval from the ASX to re-admit the Company's securities to official quotation on the ASX;
 - (d) execution by Crosspick of such form of restriction agreements that may be required by the ASX to assist the Company with re-admission of its securities to quotation on the ASX;
 - (e) there be no material adverse change with respect to Crosspick or the E28/2652 Assets; and
 - (f) execution of a formal agreement.
81. The Conditions Precedent must be satisfied (or waived by the Company) on or before 5:00pm on 30 April 2018 or as otherwise agreed by the parties. Settlement will occur on that date which is 2 business days after the satisfaction (or waiver) of the Conditions Precedent (**Settlement Date**).
82. In consideration for the acquisition of the E28/2652 Assets, the Company agrees to issue 2,500,000 shares (**Consideration Shares**) and 5,000,000 options each to acquire a share at \$0.03 on or before the date that is three years after issue (**Consideration Securities**) to Crosspick at settlement. The parties acknowledge that the ASX may require that part or all of the Consideration Securities be subject to escrow restrictions in accordance with ASX Listing Rules.
83. The Company on and from settlement will grant Crosspick a right to a royalty of 2.0% of Net Smelter Return in respect of any further production from E28/2652.
84. On and from settlement the parties will be deemed to have established a joint venture for the purpose of exploration and development of E28/2652 on the commercial terms set out in the Heads of Agreement and otherwise on terms agreeable by the parties and interest of the parties in the joint venture will be equal to their respective interests in the E28/2652 Assets. Each party shall be the beneficial owner as tenant in common of an undivided share of the joint venture property in proportion to their joint venture interest.
85. The Company may earn a further 19% interest in the E28/2652 Assets by spending \$1,000,000 (**Earn-in Commitment**) on the Tenement within 3 years from the Settlement Date (**Earn-in Period**). On satisfaction of the Earn-in Commitment by the Company within the Earn-in Period, the Company's total interest and joint venture interest will be 70%. If the Company fails to meet the Earn-in Commitment during the Earn-in Period the Company is deemed to have offered Crosspick a right to acquire the Company's interest for the nominal consideration of \$1 in cash and Crosspick has 60 days from the end of the Earn-in Period to exercise its acquisition right. If the acquisition right is exercised, the Heads of Agreement will be at end and the parties will be released from their future obligations under the Heads of Agreement and the joint venture.
86. For the period from the Settlement Date until the completion and announcement by the Company of a definitive feasibility study and the board of the Company resolves to commence the development of a mine on E28/2652 (**Free Carry Period**), the Company agrees to solely fund all costs incurred in connections with the activities of the exploration and development of E28/2652 and free carry Crosspick's remaining joint venture interest. Upon expiry of the Free Carry Period, each party must contribute to the joint venture in proportion to their then joint venture interest.
87. If either party wishes to sell, assign or otherwise dispose of any or all of its joint venture interest to a third party, that party must first irrevocably offer the sale interest to the other party on terms no less favourable than those being offered to that third party.

88. The parties agreed that the joint venture terms in the Heads of Agreement is deemed to included standard commercial terms that are typically included in sale and joint venture agreements in relation to exploration and mining joint venture and that the formal agreement to be entered into in accordance with the Heads of Agreement will include such terms.
89. **Heads of Agreement – Tenement Acquisition – E80/4808:** Sammy Resources Pty Ltd (ACN 117 304 006) (**Sammy Resources**) as vendor and the Company as purchaser are parties to a legal binding heads of agreement dated 6 February 2018.
90. By the Heads of Agreement, the Company agrees to acquire, either directly or through a wholly owned subsidiary, and Sammy Resources agrees to sell, a 51% interest in the assets being the tenement (**E80/4808**) and associated mining information and statutory licences (**E80/4808 Assets**), to form an unincorporated joint venture in respect of the exploration of E80/4808.
91. The Heads of Agreement is subject to and conditional upon the satisfaction (or waiver) (**Conditions Precedent**) of the following:
- (a) the completion of due diligence on the E80/4808 Assets to the satisfaction of the Company;
 - (b) the parties obtaining all necessary shareholder and regulatory approvals required to give effect to the transactions contemplated by the Heads of Agreement;
 - (c) the Company receiving valid applications for fully paid ordinary shares in the capital raising of the minimum amount required by the ASX to ensure the Company can satisfy the re-admission criteria pursuant to the ASX Listing Rules, and conditional approval from the ASX to re-admit the Company's securities to official quotation on the ASX;
 - (d) execution by Sammy Resources of such form of restriction agreements that may be required by the ASX to assist the Company with re-admission of its securities to quotation on the ASX;
 - (e) there be no material adverse change with respect to Sammy Resources or the E80/4808 Assets; and
 - (f) execution of a formal agreement.
92. The Conditions Precedent must be satisfied (or waived by the Company) on or before 5:00pm on 30 April 2018 or as otherwise agreed by the parties. Settlement will occur on that date which is 2 business days after the satisfaction (or waiver) of the Conditions Precedent (**Settlement Date**).
93. In consideration for the acquisition of the E80/4808 Assets, the Company agrees to issue 5,000,000 shares (**Consideration Shares**) and 10,000,000 options each to acquire a share at \$0.03 on or before the date that is three years after issue (**Consideration Securities**) to Sammy Resources at settlement. The parties acknowledge that the ASX may require that part or all of the Consideration Securities be subject to escrow restrictions in accordance with ASX Listing Rules.
94. On and from settlement the parties will be deemed to have established a joint venture for the purpose of exploration and development of E80/4808 on the commercial terms set out in the Heads of Agreement and otherwise on terms agreeable by the parties and interest of the parties in the joint venture will be equal to their respective interests in the E80/4808 Assets. Each party shall be the beneficial owner as tenant in common of an undivided share of the joint venture property in proportion to their joint venture interest.
95. The Company may earn a further 19% interest in the E80/4808 Assets by spending \$500,000 (**Earn-in Commitment**) on the Tenement within 18 months from the Settlement Date (**Earn-in Period**). On satisfaction of the Earn-in Commitment by the Company within the Earn-in Period, the Company's total interest and joint venture interest will be 70%.



96. For the period from the Settlement Date until the satisfaction of the Earn-in Commitment and the expiration or the expiration of the Earn-in Period (**Free Carry Period**), the Company agrees to solely fund all costs incurred in connections with the activities of the exploration and development of E80/4808 and free carry Sammy Resources' remaining joint venture interest. Upon expiry of the Free Carry Period, each party must contribute to the joint venture in proportion to their then joint venture interest.
97. If either party wishes to sell, assign or otherwise dispose of any or all of its joint venture interest to a third party, that party must first irrevocably offer the sale interest to the other party on terms no less favourable than those being offered to that third party.
98. The parties agreed that the joint venture terms in the Heads of Agreement is deemed to included standard commercial terms that are typically included in sale and joint venture agreements in relation to exploration and mining joint venture and that the formal agreement to be entered into in accordance with the Heads of Agreement will include such terms.

Qualifications and Assumptions

99. This Report is subject to the following qualifications and assumptions:
- (a) This Report is accurate as at the date(s) the Searches that were performed.
 - (b) We have assumed the accuracy and completeness of all Tenement searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT.
 - (c) We assume that the registered holder of a Tenement has a valid legal title to the Tenement.
 - (d) 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.
 - (e) With respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements complied with the applicable Future Act Provisions.
 - (f) We have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives.
 - (g) Unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing.
 - (h) Reference in the Schedule to any area of land are taken from details shown on Searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey.
 - (i) The information in the Schedule is accurate as at the date the relevant Searches.

Yours faithfully



All Mining Legal Pty Ltd

SCHEDULE

PART I – TENEMENT SCHEDULE

Tenement	Registered Holder	Application Date	Grant Date	Expiry Date	Area	Minimum Annual Expenditure	Other interests	Notes
1. E20/900	Neon Space Pty Ltd	6 May 2016	16 December 2016	15 December 2021	17 Graticular Blocks	\$20,000.00 ¹	Nil	2
2. E28/2652	Crosspick Resources Pty Ltd	27 September 2016	19 April 2017	18 April 2022	15 Graticular Blocks	\$20,000.00 ³	Nil	Nil
3. E80/4808	Sammy Resources Pty Ltd	19 June 2013	11 September 2014	10 September 2019	41 Graticular Blocks	\$61,500.00 ⁴	Nil	5

¹ This represents the minimum expenditure commitment for years 1-3 of grant.

² The areas of application for general purpose lease 20/21 and mining leases 20/99, 20/192 and 20/435 are excluded from the grant of E20/900. The prior written consent of the Minister for Mines is required before commencing any exploration activities on Sanitary Site Reserve 21643 (Licence condition 5). Mining on a strip of land 30 metres wide with the Vermin Proof Fence Reserve 12300 as the centre line being restricted to below a depth of 15 metres from the natural surface (Licence condition 6).

³ This represents the minimum expenditure commitment for years 1-3 of grant.

⁴ This represents the minimum expenditure commitment for years 4-5 of grant.

⁵ The rights of ingress to and egress from miscellaneous licence 80/52 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence (Licence condition 7). No excavation, excepting shafts, approaching closer to the Great Northern Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the Great Northern Highway or Highway verge being confined to below a depth of 30 metres from the natural surface (Licence condition 8). No interference with Geodetic Survey Station SSM-DIXON RANGE 23, 24, 25, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86 & SSM-DG16 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

PART II – NATIVE TITLE CLAIMS AND ABORIGINAL HERITAGE

Native Title Claims

Tribunal Number	Federal Court Number	Application Name	Registered	Status
WC2004/010	WAD6033/1998	Wajarri Yamatji #1	Yes	Active (Partially Determined)
WC1994/011	WAD6007/1998	Purnululu	Yes	Active
WC1999/044	WAD6182/1998	Malarngowem	Yes	Active
WC2017/001	WAD186/2017	Maduwongga	Yes	Active

ILUAs

Tenement	Short Name	Type
E20/900	Nil	Nil
E28/2652	Nil	Nil
E80/4808	Nil	Nil

Aboriginal Heritage Information

Tenement	Registered Aboriginal Site/s	Other Heritage Places
E20/900	No Registered Aboriginal Sites in Mining Tenement	No Other Heritage Place in Mining Tenement
E28/2652	One Registered Aboriginal Site in Mining Tenement DPLH Registered Site 19142 – Lake Rebecca (Mythological)	No Other Heritage Place in Mining Tenement
E80/4808	No Registered Aboriginal Sites in Mining Tenement	No Other Heritage Place in Mining Tenement

8. Key persons and corporate governance

8.1 Board of Directors

The Board is responsible for:

- setting and reviewing strategic direction and planning;
- reviewing financial and operational performance;
- identifying principal risks and reviewing risk management strategies; and
- considering and reviewing significant capital investments and material transactions.

Upon completion of the Offers, Greg Bandy and Nathan Rayner will step down as Directors and the Justin Tremain and Andrew Radonjic will be appointed to the Board. Accordingly, from completion, the Board will be comprised of:

- Jason Bontempo – Non-Executive Director;
- Justin Tremain – Non-Executive Director; and
- Andrew Radonjic – Non-Executive Director.

Collectively, the Board will have significant experience in the mining and finance industries. Brief profiles of each Director on the Existing Board and the Proposed Board are set out in Sections 8.2 and 8.3.

8.2 Existing Board

Greg Bandy

Managing Director

Greg Bandy has over 15 years of experience in retail, corporate and capital markets, both in Australia and overseas. Mr Bandy worked as a Senior Client Adviser at Montagu Stockbrokers and Patersons Securities for over 10 years before moving to the corporate sector.

A former director of Empire Beer Group Limited, Mr Bandy oversaw the acquisition of Car Parking Technologies (now Smart Parking Limited (ASX: SPZ) before stepping down as an Executive Director.

Mr Bandy is also currently the Managing Director of Red Emperor Resources NL (ASX: RMP).

Mr Bandy was appointed as a Director on 15 August 2011.

Nathan Rayner

Non-Executive Director

Nathan Rayner is a Petroleum Engineer with over 15 years of experience, specialising in managing technical teams, resource evaluations and developing gas projects globally. Mr Rayner held the position of Evaluation Manager for Addax Petroleum Ltd, based in Geneva, managing its West African new discovery field development planning, appraisal programs and resource portfolio.

Mr Rayner previously held the positions of Chief Operating Officer with both Dart Energy Ltd, based in Singapore and Sunbird Energy Limited (now Interpose Holdings Limited). Mr Rayner is also currently a director of Red Emperor Resources NL (ASX: RMP).

Mr Rayner was appointed as a Director on 23 October 2014.

Jason Bontempo

Non-Executive Director

Jason Bontempo has worked in investment banking and corporate Advisory since qualifying as a Chartered Accountant with Ernst & Young in 1997.

Mr Bontempo has worked for investment banks in Australia and the UK and has been closely involved with the advising and financing of companies in the resources industry specialising in asset sales and AIM / ASX listings. Mr Bontempo is also currently a director of First Cobalt Corp. (ASX: FCC) and Red Emperor Resources NL (ASX: RMP).

Mr Bontempo was appointed as a Director on 7 July 2011.

8.3 Proposed Board**Jason Bontempo**

Non-Executive Director

See Section 8.2.

Justin Tremain

Non-Executive Director

Justin Tremain graduated from University of Western Australia with a Bachelor of Commerce degree. Mr Tremain co-founded ASX listed Renaissance Minerals Limited in June 2010 and served as Managing Director until its takeover by Emerald Resources NL (ASX: EMR) in November 2016.

Mr Tremain is the Managing Director of ASX listed Novo Lito Limited (ASX: NLI), a Non-Executive Director of Emerald Resources NL and the Non-Executive Chairman of Berkut Minerals Limited (ASX: BMT).

Prior to founding Renaissance Minerals, Mr Tremain had over 10 years' investment banking experience in the natural resources sector. He has held positions with Investec, NM Rothschild & Sons and Macquarie Bank and has extensive experience in the funding of natural resource projects in the junior to mid-tier resource sector. Mr Tremain has undertaken numerous Advisory assignments for resource companies, including acquisition and disposal assignment and project Advisory roles.

Mr Tremain is proposed to become a Non-Executive Director of the Company on completion of the Offers.

Andrew Radonjic

Non-Executive Director

Andrew Radonjic is a geologist and holds a master's degree in Mineral Economics. He has over 30 years of experience in mining and exploration, with a specific focus on gold and nickel in the Eastern Goldfields of Western Australia.

During Mr Radonjic's career he has been instrumental in the discovery of three significant gold deposits as well as a major tin/tungsten deposit.

Mr Radonjic is proposed to become a Non-Executive Director of the Company on completion of the Offers.

8.4 Company Secretary**Aaron Bertolatti**

Company Secretary

Aaron Bertolatti is a qualified Chartered Accountant and Company Secretary with over 10 years' experience in the mining industry and accounting profession. Mr Bertolatti has both local and

international experience and provides assistance to a number of resource companies with financial accounting and stock exchange compliance.

Mr Bertolatti has significant experience in the administration of ASX listed companies, corporate governance and corporate finance.

Mr Bertolatti was appointed as Company Secretary on 1 September 2014.

8.5 Senior management

The Board will initially be responsible for the business operations of the Company. The Company will consider engaging personnel to form a senior management team as and when required.

8.6 Director interests

Other than as set out below or elsewhere in this Prospectus, no existing Director or Proposed Director holds at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

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

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to an existing Director or Proposed Director to induce them to become, or qualify as, a Director or for services in connection with the formation or promotion of the Company or the Offers.

8.6.1 Remuneration

The Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting of Shareholders, which is \$50,000 per annum. The Company is seeking Shareholder approval at the General Meeting to increase the maximum aggregate remuneration payable to Non-Executive Directors to \$200,000 per annum.

The remuneration of Directors is reviewed annually by the Company.

The Directors are also entitled to be reimbursed out of the funds of the Company such reasonable travelling, accommodation and other expenses the Directors may incur when travelling to or from meetings or when otherwise engaged in the business of the Company.

The remuneration (including superannuation) paid to the Directors for the 2 financial years prior to the date of this Prospectus, and paid or payable to the Directors for the current financial year, is set out below.

Director	FY 2016	FY 2017	FY 2018
Greg Bandy ¹	\$235,887	\$218,814	\$180,000
Jason Bontempo	\$51,446	\$41,143	\$36,000
Nathan Rayner ³	\$53,076	\$37,574	\$36,000

Notes:

1. Greg Bandy will step down as a Director upon completion of the Offers.
2. Nathan Rayner will step down as a Director upon completion of the Offers.

From completion of the Offers, the annual remuneration (inclusive of any applicable superannuation) payable to the Directors will be as follows:

Director	Salary / fees per annum
Jason Bontempo	\$36,000
Justin Tremain	\$30,000
Andrew Radonjic	\$30,000

Note: Subject to Shareholder approval at the General Meeting, each Director will also receive 2,000,000 Performance Rights.

8.6.2 Securities

As at the date of this Prospectus no existing Director or Proposed Director has a relevant interest in any Securities.

At the General Meeting, the Company is seeking Shareholder approval for the issue of 2,000,000 Performance Rights to each of Jason Bontempo, Justin Tremain and Andrew Radonjic as a form of remuneration and to incentivise their performance. The Performance Rights vest upon the Company achieving a VWAP of \$0.03 over a period of 20 trading days.

The anticipated relevant interests of the Directors in Securities upon completion of the Offers is as follows:

Director	Shares	Options	Performance Rights
Jason Bontempo	-	-	2,000,000
Justin Tremain	-	-	2,000,000
Andrew Radonjic	-	-	2,000,000

Note: Grant of the Performance Rights is subject to Shareholder approval at the General Meeting. See Section 10.3 for the terms of the Performance Rights.

8.7 Corporate governance

8.7.1 Board composition

The Board currently comprises of one Executive Director and 2 Non-Executive Directors. Upon completion of the Offers, the Board will comprise of 3 Non-Executive Directors. The Board does not currently have a permanent Chairperson and those duties (including at meetings) will be shared amongst the Directors. The Company will consider appointing a permanent Chairperson at a later time.

The Board considers an independent Director to be a Non-Executive Director who is not a substantial Shareholder or a member of management and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that Director's judgment. Of the existing Board, Jason Bontempo and Nathan Rayner are considered to be independent Directors.

The Company considers that all 3 Directors comprising the Board from completion of the Offers (i.e. Jason Bontempo, Justin Tremain and Andrew Radonjic) will be independent Directors. Accordingly, the composition of the Board will be in line with the recommendations of the ASX Corporate Governance Council as a majority of its members will be independent Directors.

8.7.2 Policies

The Board recognises the importance of good corporate governance and establishing the accountability of the Board and management. To the extent relevant and practical, the Company has adopted a corporate governance framework that is consistent with the *Corporate Governance Principles and Recommendations (3rd Edition)* published by ASX Corporate Governance Council (**Recommendations**).

The Board has adopted the following suite of corporate governance policies which are available on the Company's website, including:

- Board Charter
- Audit and Risk Committee Charter
- Nomination Committee Charter
- Disclosure – Continuous Disclosure
- Trading Policy
- Shareholder Communications Strategy
- Corporate Code of Conduct
- Remuneration Committee Charter
- Performance Evaluation
- Disclosure – Risk Management
- Diversity Policy

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

The Company is required to report any departures from the Recommendations in its annual financial report. At the date of this Prospectus, the Company complies with the Recommendations other than to the extent set out below.

Recommendation	Comments
Principle 1: Lay solid foundations for management and oversight A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.	
1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	The Company's diversity policy provides a framework for the Company to achieve: (a) a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals; (b) a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff; (c) improved employment and career development opportunities for women; (d) a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and (e) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity, (collectively, the Objectives). The Board is responsible for developing measurable objectives and strategies to meet the Objectives of the diversity policy (Measurable Objectives) and monitoring the progress of the Measurable Objectives through the monitoring, evaluation and

Recommendation	Comments
	reporting mechanisms listed below. The Board may also set Measurable Objectives for achieving gender diversity and monitor their achievement. The Board will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary. The Company's diversity strategies include: (a) recruiting from a diverse pool of candidates for all positions, including senior management and the Board; (b) reviewing succession plans to ensure an appropriate focus on diversity; (c) identifying specific factors to take account of in recruitment and selection processes to encourage diversity; (d) developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development; (e) developing a culture which takes account of domestic responsibilities of employees; and (f) any other strategies the Board develops from time to time. The Company has not formally established measurable objectives for achieving gender diversity given the current stage of its operations and number of employees. The Company has however adopted a Diversity Policy which outlines the Company's objectives in the provision of equal opportunities in respect of employment and employment conditions. The Diversity Policy is available on the Company's website. The Company will review the requirement to set and report on measurable objectives for achieving gender diversity as the Company's operations and employee numbers grow.

Principle 2: Structure the Board to add value

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

2.1 The board of a listed entity should:	
(a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, (3) and disclose: (4) the charter of the committee; (5) the members of the committee; and (6) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	The Board is not currently of a sufficient size and structure to establish a nomination committee. At present, the full Board carries out the duties that would ordinarily be assigned to a nomination committee under the written terms of reference for that committee. The Board is responsible for the appointment of the Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination. The Board regularly reviews the composition of the Board to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. As the Company grows in size, it is planned that the Company will establish a separate nomination committee with its own nomination committee charter.

Principle 4: Safeguard integrity in corporate reporting

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

4.1 The board of a listed entity should:	
(a) have an audit committee which:	The Board is not currently of a sufficient size and structure to establish an audit committee. At present, the full Board carries out

Recommendation	Comments
(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	the duties that would ordinarily be assigned to an audit under the written terms of reference for that committee. As the Company grows in size, it is planned at the Company will establish a separate audit committee with its own audit committee charter. Under the Board's charter, the specific responsibilities of the Board include to recommend to shareholders the appointment of the external auditor and to meet with the external auditor when required and without management being present. The Board meets with the Company's auditors at regular intervals to continually assess and monitor the performance of the external auditors.

Principle 6: Respect the rights of securityholders

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

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| <p>6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p> | <p>Shareholders are encouraged to attend and participate in general meetings. Accordingly, meetings are held during normal business hours and at a location considered to be most convenient for the greatest possible number of shareholders to attend.</p> <p>However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.</p> |
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Principle 7: Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

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| <p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.</p> <p>The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back quarterly to the Board.</p> <p>The Company's process of risk management and internal compliance and control includes:</p> <p>(a) identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks.</p> <p>(b) formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls.</p> <p>(c) monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.</p> <p>As the Company grows in size, it is planned at the Company will establish a separate audit and risk committee with its own committee charter.</p> |
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| <p>7.3 A listed entity should disclose:</p> | <p>The Company does not have an internal audit function.</p> |
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Recommendation	Comments
(a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Management oversees the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements. The Board reviews reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures. When the Board is of a sufficient size and nature, it will establish and delegate to an Audit and Risk Committee responsibility for implementing the Company's risk management system.

Principle 8: Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

8.1 The board of a listed entity should:	The full Board is responsible for the determination of the remuneration of directors and senior executives and ensuring that such remuneration is appropriate and not excessive.
(a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Where considered necessary, the Board may engage a remuneration consultant to assist with setting and reviewing the Company's executive and non-executive remuneration policies to ensure the Company attracts and retains executives and Directors who will create value for shareholders. As the Company grows in size, it is planned at the Company will establish a separate remuneration committee with its own remuneration committee charter.

9. Material contracts

Set out in this Section 9 is a summary of the material contracts to which the Company is a party that may be material in terms of the Offers, for the operation of the business of the Company, or otherwise may be relevant to a potential investor in the Company.

The whole of the provisions of the contracts are not repeated in this Prospectus and any intending applicant who wishes to gain a full knowledge of the content of the material contracts should inspect the same at the registered office of the Company.

9.1 Term Sheets

The Company has entered into 3 separate binding term sheets to acquire majority interests in the Projects from the Sellers. Summaries of the key terms of the Term Sheets are set out in Section 2.3.

9.2 Joint Venture Agreement

The Company and Sammy Resources have entered into an unincorporated joint venture agreement (**Joint Venture Agreement**), pursuant to which the terms of the unincorporated joint venture arrangement with respect to the exploration of the McKenzie Springs Project are set out.

The key terms and conditions of the Joint Venture Agreement is as follows:

- **(Participating Interests)**: as at the date of completion of the Proposed Acquisition (**JV Commencement Date**), the Company will have a 51% joint venture interest and Sammy Resources will have a 49% joint venture interest.
- **(Earn-in Right)**: with effect from the JV Commencement Date, Sammy Resources grants the Company the sole and exclusive right, but not the obligation, to earn a further 19% joint venture interest in the McKenzie Springs Project by sole-funding \$500,000 in expenditure (**Earn-in Obligations**) within 18 months (**Earn-in Period**).
- **(Free Carry Period)**: during the period from the JV Commencement Date until the earlier of:
 - the date on which the Company satisfies the Earn-in Obligation;
 - the expiry of the Earn-in Period; and
 - the Company agreeing to cease sole funding the McKenzie Springs Project by providing one month's written notice to Sammy Resources,

the Company agrees to solely fund all expenditure of the McKenzie Springs Project and will free-carry Sammy Resources joint venture interest.
- **(Conduct in the Free Carry Period)**: during the Free Carry Period the Company will be solely and exclusively entitled to undertake and make all decisions relating to the exploration of the McKenzie Springs Project;
- **(Manager)**: the Company has been appointed as the manager of the joint venture arrangement from the JV Commencement Date until the Joint Venture Agreement is terminated in accordance with its terms, the Company resigns as manager, the Company no longer holds the largest joint venture interest or the Company suffers an insolvency event.
- **(Dilution)**: with effect from the expiry of the Free Carry Period, the joint venture interests of a joint venture party may be reduced and diluted as follows:

- if, within 14 days of the adoption of an approved programme and budget, a joint venture party gives notice to the other party and the Manager that it does not wish to contribute to the joint venture activities; or
- if a defaulting joint venture party fails to remedy such default within 14 days of receiving written notice, the non-defaulting joint venture party may provide written notice to the other party providing that its joint venture interest be reduced and diluted.
- **(Withdrawal):** a joint venture party who is in default under the Joint Venture Agreement may not withdraw from the Joint Venture Agreement until the default is remedied whereas a non-defaulting joint venture party may withdraw by giving 30 days writing notice to the other party provided that the withdrawing party has satisfied all its obligations under the Joint Venture Agreement accruing up until the date of withdrawal.
- **(Assignment):** a joint venture party may not assign the whole or any part of its joint venture interest without the consent of the other party, which they may give or refuse in their absolute discretion.

The Joint Venture Agreement otherwise contains terms and conditions considered standard for an agreement of this nature.

Prior to completion of the Offers, the Company proposes to enter into unincorporated joint venture agreements in relation to the Sentinel Project and South Big Bell Project with each of Crosspick Resources and Neon Space on substantially the same terms and conditions as the Joint Venture Agreement.

9.3 Royalty Deeds

In accordance with the Term Sheets, the Company has entered into 2 royalty deeds (**Royalty Deeds**) with:

- Neon Space and Nero Projects Australia Pty Ltd ACN 148 194 772 (**Nero**); and
- Crosspick Resources and Nero,

pursuant to which the Company agrees to pay a 2% net smelter royalty to:

- Nero (as the nominee of Neon Space) with respect the South Big Bell Project; and
- Nero (as the nominee of Crosspick Resources) with respect to the Sentinel Project.

The Royalty Deeds are otherwise on identical terms, and the key terms are as follows:

- **(Royalty):** the Company will pay Nero a net smelter return at the rate of 2% in each calendar quarter in which any product is disposed of for proceeds;
- **(Assignment):** a party may assign its rights under the Royalty Deed to a third party with the prior written consent of the other party;
- **(Interest in Projects):** to enable Nero to protect its rights under the Royalty Deed, the Company grants a proprietary interest in the Projects in favour of Nero;
- **(Registration of Royalty Interest):** if requested by Nero, the Company must do all things reasonably necessary to assist Nero to register its royalty interest; and
- **(Caveat):** Nero's interest in the Project constitutes a caveatable interest and Nero may lodge a caveat under the Mining Act to protect its interest under the Royalty Deed.

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

9.4 Lead Manager Mandate

The Company and 708 Capital Pty Ltd (**Lead Manager**) entered into a capital raising mandate (**Lead Manager Mandate**) pursuant to which the Lead Manager agreed to act as the sole lead manager and book runner for the Public Offer.

The key terms and conditions of the Lead Manager Mandate are as follows:

- (**Term**): the engagement of the Lead Manager ends on the date that Shares are issued under the Public Offer; and
- (**Fees**): as consideration for the services, the Company will:
 - pay a fee equal to 6% of the total amount raised under the Public Offer (inclusive of a 1% management fee); and
 - issue 12,000,000 New Options at an issue price of \$0.0001 each to the Lead Manager (and/or its nominees).

The Lead Manager Mandate otherwise contains terms and conditions that are considered standard for an agreement of this nature.

9.5 Director engagement letters

The Company entered into engagements letter with each of Jason Bontempo, Justin Tremain and Andrew Radonjic for their appointments as Non-Executive Directors. The remuneration payable to the Directors is set out in Section 8.6.

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

9.6 Deeds of access, indemnity and insurance

The Company has entered into deeds of access, indemnity and insurance with each existing Director and Proposed Director which confirm each Director's right of access to certain books and records of the Company for a period of 7 years after the Director ceases to hold office. This 7-year period can be extended where certain proceedings or investigations commence before the 7 years expires. The deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Under the deeds, the Company must arrange and maintain Directors' and Officers' insurance during each Director's period of office and for a period of 7 years after a Director ceases to hold office. This 7-year period can be extended where certain proceedings or investigations commence before the 7 years expires.

The deeds are otherwise on terms and conditions considered standard for deeds of this nature in Australia.

9.7 Escrow agreements

Please see Section 1.8 for details of the escrow agreements to be entered into by the Company prior to re-admission to the official list of ASX. The escrow agreements will be on ASX's standard terms and conditions as set out in Appendix 9B of the Listing Rules.

10. Additional information

10.1 Rights and liabilities attaching to Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution. A copy of the Company's Constitution is available upon request by contacting the Company on +61 9488 5220.

Ranking of Shares

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Shares issued pursuant to this Prospectus will rank equally with existing Shares.

Voting rights

Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

Dividend rights

Subject to any rights or restrictions attached to a class of Shares, the Company may pay Dividends as the Directors resolve but only out of profits of the Company.

Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of 75% of the Shares, or with the sanction of a special resolution passed at a general meeting.

Transfer of Shares

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Listing Rules require or permit the Company to do so.

Annual general meetings

Each shareholder is entitled to receive notice of, and to attend and vote at, annual general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

Rights on winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- divide among the shareholders the whole or any part of the Company's property; and
- decide how the division is to be carried out between the Shareholders.

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among the member in the proportions which the amount paid (including amounts credited) on the Shares of a member is of the total amounts paid and payable (including amounts credited) on the Shares of all members.

10.2 New Options

The terms of the New Options are set out below.

(a) Entitlement and issue price

Each Option entitles the holder to subscribe for one Share upon exercise of the Option. New Options issued to the Sellers (and/or their nominees) under the Term Sheets will be issued for nil cash consideration. New Options issued to the Lead Manager (and/or its nominees) under the Lead Manager Mandate will be issued for \$0.0001 each.

(b) Exercise Price

Subject to clause (j) (Reconstruction of capital), the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date that is 3 years after issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period 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.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors,

If a notice delivered under (g)(ii) above for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(k) 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 without exercising the Options.

(l) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) Unquoted

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

(n) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

10.3 Performance Rights

The terms of the Performance Rights are set out below.

(a) Grant Price

Each Performance Right will be granted by the Company for nil cash consideration.

(b) Rights

- (i) The Performance Rights do not carry any voting rights in the Company.
- (ii) The Performance Rights confer on the holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders of Performance Rights have the right to attend general meetings of shareholders.
- (iii) The Performance Rights do not entitle the holder to any dividends.
- (iv) The Performance Rights do not confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (v) The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

- (vi) The Performance Rights do not confer the right to participate in new issues of securities such as entitlement issues. 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) the number of Shares which must be issued on the exercise of a Performance Right will be increased by the number of Shares which the holder would have received if the Performance Right had been exercised before the record date for the bonus issue.
- (vii) If at any time the issued capital of the Company is reorganised, the Performance Rights are to be treated in the manner set out in Listing Rule 7.21 (assuming that the Listing Rules apply), being that the number of Performance Rights or the conversion ratio or both will be reorganised so that the holder of the Performance Rights will not receive a benefit that holders of ordinary shares do not receive and so that the holders of ordinary shares will not receive a benefit that the holder of the Performance Rights does not receive.
- (viii) The Performance Rights give the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.

(c) Exercise

- (i) Subject to clause (c)(ii) below, a class of Performance Rights (**Class**) immediately vests and becomes exercisable by the holder into Shares (**Conversion Shares**) on a one for one basis upon and subject to the Company providing written notice (**Vesting Notice**) to the holder that the Company (or a subsidiary) has satisfied the relevant condition (**Condition**) by the relevant deadline (**Deadline**) set out below.

Class	Condition	Deadline
Class A	The Company achieving a VWAP of at least \$0.03 over a period of 20 trading days.	5 years from the date of grant.

- (ii) A Performance Right cannot vest within 3 months of the Performance Right being granted.
- (iii) In order to exercise a Class into Conversion Shares following receipt of a Vesting Notice, the holder must provide written notice (**Exercise Notice**) to the Company of its election to exercise the Class into the Conversion Shares. The holder must pay \$0.001 upon exercise of each Performance Rights. A Class may only be exercised into Conversion Shares once.
- (iv) Despite any other provision, the exercise of any Performance Rights is subject to the Company obtaining any required shareholder or regulatory approval for the purpose of issuing the Conversion Shares. If exercise of all or part of the Performance Rights would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**) then the exercise of each Performance Right that would cause the contravention will be deferred until such time or times that the exercise would not at a later date result in a contravention of section 606(1) of the Corporations Act. The holder must give prior written notice to the Company if it considers that the exercise of all or part of its Performance Rights may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Performance Rights under these terms and conditions will not result in any person being in contravention of section 606(1) of the Corporations Act.
- (v) The Company must issue Conversion Shares in the name of the holder (or its nominee) within 7 days of receiving a valid Exercise Notice.

- (vi) Each Conversion Share will rank equally with a fully paid ordinary share in the capital of the Company.
- (vii) The Performance Rights will not be quoted on any securities exchange and the Company will not make an application for quotation in respect of them. However, if the Company is listed on the ASX at the relevant time, the Company must apply for quotation of any Conversion Shares on the ASX in accordance with the Listing Rules, subject always to the requirements of the Listing Rules, including those relating to escrow.

(d) Expiry

Despite any other provision, any Performance Rights which have not been validly exercised into Conversion Shares on or before the earlier of:

- (i) the date that the holder ceases to be engaged for services by the Company in any capacity; and
- (ii) the date that is 5 years from the grant of the Performance Rights,

will automatically be deemed to be cancelled by the Company for nil cash consideration.

(e) Transferability

The Performance Rights are not transferable.

(f) Compliance with Corporations Act, Listing Rules and Constitution

- (i) Despite anything else contained in these terms and conditions, if the Corporations Act, Listing Rules or Constitution prohibits an act being done, that act must not be done.
- (ii) Nothing contained in these terms and conditions prevents an act being done that the Corporations Act, Listing Rules or Constitution require to be done.
- (iii) If the Corporations Act, Listing Rules or Constitution conflict with these terms and conditions, or these terms and conditions do not comply with the Corporations Act, Listing Rules or the Constitution, the holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.
- (iv) The terms of the Performance Rights may be amended as necessary by the directors of the Company in order to comply with the Listing Rules, or any directions of ASX regarding the terms

(g) Change of Control Event

- (i) A change of control event (**Change of Control Event**) occurs where:
 - (A) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional; or
 - (B) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies.
- (ii) If a Change of Control Event occurs, the Company may in its sole and absolute discretion, and subject to the Listing Rules and clause (g)(iii) below, determine how unvested Performance Rights will be treated, including but not limited to

determining that unvested Performance Rights (or a portion of unvested Performance Rights) will become immediately exercisable into Conversion Shares with such exercise deemed to have taken place immediately prior to the effective date of the Change of Control Event.

- (iii) The total number of Conversion Shares issued under clause (g)(ii) above must not exceed 10% of the issued ordinary capital of the Company as at the date of exercise.
- (iv) Whether or not the Company determines to accelerate the vesting of any Performance Rights, the Company must give written notice of any proposed Change of Control Event to the holder.

10.4 Continuous disclosure

The Company is a “disclosing entity” for the purposes of Part 1.2A of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which will require it to disclose to ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.5 ASX waivers

Prior to completion of the Offers, the Company will seek the following waivers from ASX:

- a waiver with respect to Listing Rule 1.1 condition 12, to enable the Company to issue the New Options with an exercise price of less than \$0.20 each;
- a waiver with respect to Listing Rule 1.1 condition 12, to enable the Company to issue the Performance Rights with an exercise price of \$0.001 each, being a price that is less than \$0.20;
- a waiver with respect to Listing Rule 2.1 condition 2 to enable the Company to issue Shares under the Public Offer at \$0.02 each, being a price that is less than \$0.20; and
- a waiver with respect to Listing Rule 10.13.3 (or Listing Rule 14.7) to enable the Company to grant Performance Rights to related parties up to 3 months after the General Meeting, instead of one month.

10.6 Substantial holders

Subject to who applies for Shares under the Public Offer, the Company anticipates that the only persons (and/or their nominees) who will have a voting power in the Company of 5% or more upon completion of the Offers (on a post-Consolidation basis) are set out below. Prior to re-quotation of the Company's Shares on the ASX, the Company will announce to ASX details of its top 20 Shareholders by number of Shares.

Shareholder	Shares	Voting power
Seventy Three Pty Ltd ¹	33,000,000	10.97%
J & J Bandy Nominees Pty Ltd <J & J Bandy Super Fund A/C> ²	23,875,000	8.19%

Note:

1. Held as follows:
 - 32,000,000 Shares held by Seventy Three Pty Ltd <King Super Fund No 3 A/C>; and
 - 1,000,000 Shares held by Seventy Three Pty Ltd <King Super Fund No 2 A/C>.
2. This entity is controlled by the parents of Greg Bandy and, therefore, is a related party of the Company. The Company is informed, however, that this entity is not an associate of Mr Bandy for the purposes of section 12 of the Corporations Act.

10.7 Expert and adviser interests

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, underwriter or other person named in this Prospectus who has performed 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 has held in the 2 years prior to the date of this Prospectus, an interest in:

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

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offers.

708 Capital Pty Ltd has acted as lead manager to the Public Offer. Total fees payable to 708 Capital Pty Ltd for these services are set out in Section 9.4.

RSM Corporate Australia Pty Ltd has prepared the Investigating Accountant's Report which is included in Section 5. Total fees payable to RSM Corporate Australia Pty Ltd for these services are approximately \$10,000 plus GST.

Felicity Repacholi-Muir from FRM Geological Services has prepared the Independent Geologist's Report which is included in Section 1. Total fees payable to FRM Geological Services for these services are approximately \$17,500 plus GST.

Edwards Mac Scovell has acted as the legal adviser (other than in relation to the Solicitor's Tenement Report) to the Company in relation to the Offers. Total fees payable to Edwards Mac Scovell for these services are approximately \$50,000 plus GST. Further amounts may be paid to Edwards Mac Scovell under its normal time based charges.

All Mining Limited has prepared the Solicitor's Tenement Report which is included in Section 1. Total fees payable to All Mining Legal for the Solicitor's Tenement Report are approximately \$3,500 plus GST.

10.8 Consents

Each of the parties referred to below:

- does not make the Offers;
- has not authorised or caused the issue of this Prospectus;
- 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; and

- 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.

708 Capital Pty Ltd has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the lead manager to the Public Offer in the form and context in which it is named.

RSM Corporate Australia Pty Ltd has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the investigating accountant to the Company in the form and context in which it is named and to the inclusion of the Investigating Accountant's Report in Section 5 in the form and context in which it is included.

Felicity Repacholi-Muir has given, and has not before lodgement of this Prospectus withdrawn, her written consent to be named in this Prospectus as the independent geologist to the Company in the form and context in which she is named and to the inclusion of the Independent Geologist's Report in Section 1 in the form and context in which it is included.

Edwards Mac Scovell has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the legal adviser (other than in relation to the Solicitor's Tenement Report) to the Company in relation to the Offers in the form and context in which it is named.

All Mining Limited has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the legal adviser to the Company in relation to the Solicitor's Tenement Report in the form and context in which it is named and to the inclusion of the Solicitor's Tenement Report in Section 1 in the form and context in which it is included.

Advanced Share Registry Ltd has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the share registry to the Company in the form and context in which it is named.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

10.9 Offer expenses

The estimated expenses of the Offers (exclusive of GST) are set out below.

Expense	Amount
Capital raising fees	\$60,000
Expert and adviser fees (accounting, geologist, legal)	\$102,500
ASX fees	\$51,628
ASIC fees	\$2,400
Printing and registry costs	\$9,370
Total	\$225,898

10.10 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and no Director is aware of any material legal proceedings that are pending or threatened against the Company.

10.11 Taxation

The tax consequences of any investment in Securities will depend upon each applicant's particular circumstances. It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers by consulting their own professional tax advisers. Accordingly, the Company strongly recommends that all applicants obtain their own tax advice before deciding on whether or not to invest. Neither the Company, its Directors nor any of its advisers accept any liability or responsibility in respect of the taxation consequences of an investment in Securities under an Offer.

10.12 Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each existing Director and Proposed Director has consented to the lodgement of this Prospectus with ASIC and the issue of this Prospectus, and has not withdrawn that consent.

11. Definitions

Additional Offerees means the Sellers and the Lead Manager (and/or their nominees), as applicable.

Additional Offers means the Seller Offer and the Broker Offer.

Application Form means a Public Offer Application Form, a Seller Offer Application Form or a Broker Offer Application Form, as applicable.

Application Monies means the amount of money payable for Shares under the Public Offer at \$0.02 each.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Limited ABN 49 008 504 532.

ASX Settlement Operating Rules means the official settlement and operating rules of ASX Settlement.

Board means the board of Directors.

Broker Offer means the offer of 12,000,000 New Options to the Lead Manager (and/or its nominees) as consideration for broking services provided to the Company in connection with the Public Offer.

Broker Offer Application Form means a “Broker Offer Application Form” in the relevant form accompanying this Prospectus pursuant to which the Lead Manager (and/or its nominees) may apply for New Options under the Broker Offer.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date that the Offers close being 5.00pm (WST) on 23 April 2018, or any other time and date determined by the Company.

Company means Orca Energy Limited ACN 009 121 644 (to be renamed “Fin Resources Limited”).

Constitution means the constitution of the Company.

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

Crosspick Resources means Crosspick Resources Pty Ltd ACN 114 895 886.

Director means a director of the Company.

Existing Board means Greg Bandy, Jason Bontempo and Nathan Rayner.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus which period may be extended by up to a further 7 days.

FY means a financial year of the Company, being 1 July to 30 June.

General Meeting means the general meeting of Shareholders to be held by the Company on 13 April 2018, and any adjournment thereof.

Independent Geologist's Report means the independent geologist's report prepared by Felicity Repacholi-Muir of FRM Geological Services and included in Section 1.

Investigating Accountant's Report means the investigating accountant's report prepared by RSM Corporate Australia Pty Ltd and included in Section 5.

JORC Code means the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (2012 Edition).

Lead Manager means 708 Capital Pty Ltd ACN 142 319 202 (Australian Financial Services License No. 386279).

Lead Manager Mandate means the capital raising mandate between the Company and the Lead Manager summarised in Section 9.4.

Listing Rules means the official listing rules of ASX.

Loyalty Option means an Option to be offered under the Loyalty Option Offer.

Loyalty Option Offer means the offer of Options to Shareholders proposed to be undertaken within 3 months of re-quotation of the Company's Shares on the ASX, as described in Section 1.8.

McKenzie Springs Project means the McKenzie Springs Project described in Section 3.4.1.

Minimum Subscription means the subscription of 50,000,000 Shares at an issue price of \$0.02 each to raise \$1,000,000 before costs under the Public Offer.

Neon Space means Neon Space Pty Ltd ACN 148 157 975.

New Option means an Option on the terms set out in Section 10.2.

Offers means the Public Offer, the Seller Offer and the Broker Offer, and **Offer** means any one or more of them, as the context requires.

Opening Date means the date that the Offers open being 9:00am WST on 12 April 2018 (subject to any extension of the Exposure Period), or any other time and date determined by the Company.

Project means the McKenzie Springs Project, the South Big Bell Project or the Sentinel Project, and **Project** means any one or more of them, as the context requires.

Proposed Acquisition means the proposed acquisition by the Company of interests in the Projects pursuant to the Term Sheets.

Proposed Board means Jason Bontempo and the Proposed Directors.

Proposed Directors means Justin Tremain and Andrew Radonjic, and **Proposed Director** means any one or more of them, as the context requires.

Prospectus means this prospectus dated 4 April 2018.

Public Offer means the offer of 50,000,000 Shares under this Prospectus at an issue price of \$0.02 each to raise \$1,000,000 before costs.

Public Offer Application Form means a "Public Offer Application Form" in the relevant form accompanying this Prospectus pursuant to which a person may apply for Shares under the Public Offer.

Sammy Resources means Sammy Resources Pty Ltd ACN 117 304 006.

Section means a section of this Prospectus.

Security means an equity security (as that term is defined in Listing Rules) of the Company.

Seller Offer means the offer of 10,000,000 Shares and 20,000,000 New Options to the Sellers (and/or their nominees) as consideration for the purposes of the Proposed Acquisition.

Seller Offer Application Form means a “Seller Offer Application Form” in the relevant form accompanying this Prospectus pursuant to which a Seller (and/or its nominees) may apply for Securities under the Seller Offer.

Sellers means Sammy Resources, Neon Space and Crosspick Resources, and **Seller** means any one or more of them, as the context requires.

Sentinel Project means the Sentinel Project described in Section 3.4.2.

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

Solicitor’s Tenement Report means the solicitor’s report on tenements prepared by All Mining Limited and included in Section 1.

Share Registry means Advanced Share Registry Ltd ACN 127 175 946.

Shareholder means a holder of one or more Shares.

South Big Bell Project means the South Big Bell Project described in Section 3.4.3.

Term Sheets means the 3 binding term sheets between the Company and the Sellers in relation to the Company’s acquisition of 51% interests in the Projects and farm-in rights for further 19% interests as summarised in Section 2.3, and **Term Sheet** means any one or more of them, as the context requires.

VALMIN Code means the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets for Independent Expert Reports (2015 Edition).

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