

**ACN 009 161 522 LIMITED
(TO BE RENAMED "RAIDEN RESOURCES LIMITED")
ACN 009 161 522**

NOTICE OF ANNUAL GENERAL MEETING

The 2017 Annual General Meeting of the Company will be held at the offices of the Company at 108 Outram Street, West Perth, Western Australia on Monday, 8 January 2018 at 10:00am (WST).

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

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9486 7244.

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

ACN 009 161 522 LIMITED
(TO BE RENAMED "RAIDEN RESOURCES LIMITED")
ACN 009 161 522

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2017 annual general meeting of Shareholders of ACN 009 161 522 Limited (to be renamed "Raiden Resources Limited") (**Company**) will be held at the offices of the Company at 108 Outram Street, West Perth, Western Australia on Monday, 8 January 2018 at 10:00am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Saturday, 6 January 2018 at 4:00pm (WST).

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

AGENDA

ORDINARY BUSINESS

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2017 which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 - Remuneration Report

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

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or

- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 - Re-election of Director - Mr Michael Davy

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

"That, in accordance with Article 10.3(c) of the Constitution or section 250V of the Corporations Act (as applicable) and for all other purposes, Mr Michael Davy, who retires and being eligible, offers himself for re-election, is elected as a Director on the terms and conditions in the Explanatory Memorandum."

4. Resolution 3 - Re-election of Director - Mr Nicholas Young

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

"That, in accordance with section 250V of the Corporations Act and for all other purposes, Mr Nicholas Young, who retires and being eligible, offers himself for re-election, is elected as a Director on the terms and conditions in the Explanatory Memorandum."

Note: If less than 25% of the votes cast on the relevant resolution are voted against adoption of the Remuneration Report at the 2016 annual general meeting or if more than 50% of the votes cast on the relevant resolution are voted against the Spill Resolution at the 2016 annual general meeting, the Chair will withdraw Resolution 3.

5. Resolution 4 - Re-election of Director - Ms Kyla Garic

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

"That, in accordance with section 250V of the Corporations Act and for all other purposes, Ms Kyla Garic, who retires and being eligible, offers herself for re-election, is elected as a Director on the terms and conditions in the Explanatory Memorandum."

Note: If less than 25% of the votes cast on the relevant resolution are voted against adoption of the Remuneration Report at the 2016 annual general meeting or if more than 50% of the votes cast on the relevant resolution are voted against the Spill Resolution at the 2016 annual general meeting, the Chair will withdraw Resolution 4.

6. Resolution 5 - Approval to change in nature and scale of activities

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 11.1.2 and for all other purposes, Shareholders approve the significant change in the nature and scale of the Company's activities resulting from the Acquisition and the Capital Raising, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed and any associates of those persons.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

However, the Company will not disregard a vote if:

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

7. Resolution 6 - Approval to create a new class of securities: Performance Shares

To consider and, if thought fit, to pass with or without amendment, as a **special resolution** the following:

"That, subject to each of the other Acquisition Resolutions being passed, for the purpose of Article 6.3 of the Constitution, section 246B of the Corporations Act and for all other purposes, the Company be authorised to create a new class of shares (Performance Shares) on the terms and conditions set out in Schedule 4 and the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

However, the Company will not disregard a vote if:

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

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

8. Resolution 7 - Approval to issue Consideration Securities

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to:

(a) 75,000,000 Shares; and

(b) 200,000,000 Performance Shares,

(together, Consideration Securities) to the Vendors (or their respective nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Vendors (and their respective nominees) and any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

However, the Company will not disregard a vote if:

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

9. Resolution 8 - Approval to issue Capital Raising Shares

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 250,000,000 Shares at \$0.02 each on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

However, the Company will not disregard a vote if:

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

10. Resolution 9 - Approval to issue Facilitator Securities

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to:

- (a) 40,000,000 Shares; and
- (b) 13,000,000 Options,

*(together, **Facilitator Securities**) to the Facilitator (or its nominees) on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Otsana Pty Ltd (and its nominees) and any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

The Company will not disregard a vote if:

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

11. Resolution 10 - Approval to issue Attaching Options

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

*"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 32,000,000 Options (**Attaching Options**) to*

those sophisticated or professional investors who participated in the Interim Capital Raising on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

However, the Company will not disregard a vote if:

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

12. Resolution 11 - Approval of conversion of Convertible Notes

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to:

- (a) 5,000,000 Shares; and
- (b) 5,000,000 Options,

*(together, **Convertible Note Securities**) to the Noteholders (or their respective nominees) upon conversion of the Convertible Notes on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Noteholders (and their nominees) and any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

The Company will not disregard a vote if:

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

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

13. Resolution 12 - Election of Director - Mr Dusko Ljubojevic

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

"That, subject to each of the other Acquisition Resolutions being passed and Completion occurring, for the purpose of Article 10.2(c) of the Constitution and for all other purposes, Mr Dusko Ljubojevic, who is eligible and has consented to act, be elected as Director on and from Completion."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

However, the Company will not disregard a vote if:

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

14. Resolution 13 - Election of Director - Mr Martin Pawlitschek

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

"That, subject to each of the other Acquisition Resolutions being passed and Completion occurring, for the purpose of Article 10.2(c) of the Constitution and for all other purposes, Mr Martin Pawlitschek, who is eligible and has consented to act, be elected as Director on and from Completion."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

However, the Company will not disregard a vote if:

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

15. Resolution 14 - Participation in Capital Raising by related party - Ms Kyla Garic

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

"That, subject to each of the Acquisition Resolutions being passed and Completion occurring, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 2,500,000 Capital Raising Shares to Ms Kyla Garic (or her nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Ms Kyla Garic (or her nominees) or any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of their respective associates.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

The Company will not disregard a vote if:

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

16. Resolution 15 - Participation in Capital Raising by related party - Mr Nicholas Young

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

"That, subject to each of the Acquisition Resolutions being passed and Completion occurring, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 2,500,000 Capital Raising Shares to Mr Nicholas Young (or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Nicholas Young (or his nominees) or any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of their respective associates.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

The Company will not disregard a vote if:

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

17. Resolution 16 - Participation in Capital Raising by related party - Mr Michael Davy

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

"That, subject to each of the Acquisition Resolutions being passed and Completion occurring, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 2,500,000 Capital Raising Shares to Mr Michael Davy (or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Michael Davy (or his nominees) or any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of their respective associates.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

The Company will not disregard a vote if:

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

18. Resolution 17 - Participation in Capital Raising by related party - Mr Dusko Ljubojevic

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

"That, subject to each of the Acquisition Resolutions being passed and Completion occurring, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 2,500,000 Capital Raising Shares to Mr Dusko Ljubojevic (or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Dusko Ljubojevic (or his nominees) or any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of their respective associates.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

The Company will not disregard a vote if:

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

19. Resolution 18 - Participation in Capital Raising by related party - Mr Martin Pawlitschek

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

"That, subject to each of the Acquisition Resolutions being passed and Completion occurring, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 2,500,000 Capital Raising Shares to Mr Martin Pawlitschek (or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Martin Pawlitschek (or his nominees) or any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of their respective associates.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

The Company will not disregard a vote if:

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

20. Resolution 19 - Approval to change Company name

To consider and, if thought fit, to pass as a **special resolution** the following:

"That, subject to each of the other Acquisition Resolutions being passed and Completion occurring, and pursuant to and in accordance with section 157 of the

Corporations Act and for all other purposes, the name of the Company be changed to "Raiden Resources Limited" with effect from the date that ASIC alters the details of the Company's registration."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

The Company will also disregard any votes cast on this Resolution by a person whose votes cast on any of the Acquisition Resolutions are to be disregarded in accordance with a voting exclusion statement.

However, the Company will not disregard a vote if:

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

21. Resolution 20 - Maximum Non-executive Directors' fees

To consider and, if thought fit, to pass as an **ordinary resolution** the following:

"That, pursuant to and in accordance with Article 10.5 of the Constitution and for all other purposes, the total amount of director's fees that may be paid to the Company's non-executive directors as a whole be set at a maximum of \$300,000."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by an executive Director and any associates of those persons and any other member of the Key Management Personnel or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'M Davy', with a large, sweeping underline.

Michael Davy
Non-Executive Director
ACN 009 161 522 Limited
Dated: 7 December 2017

ACN 009 161 522 LIMITED
(TO BE RENAMED "RAIDEN RESOURCES LIMITED")
ACN 009 161 522

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of the Company, at 108 Outram Street, West Perth, Western Australia on Monday, 8 January 2019 at 10am (WST).

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

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

Section 2	Action to be taken by Shareholders
<i>Ordinary Business</i>	
Section 3	Annual Report
Section 4	Resolution 1 - Remuneration Report
Section 5	Resolutions 2, 3 & 4 - Re-election of Directors - Messrs Davy and Young and Ms Garic
<i>Special Business - Acquisition of Timok Resources Pty Ltd</i>	
Section 6	Conditional Acquisition Resolutions
Section 7	Background to the Acquisition of Timok Resources Pty Ltd
Section 8	Risks associated with the Acquisition
Section 9	Resolution 5 - Approval to change in nature and scale of activities
Section 10	Resolution 6 - Approval to create a new class of securities: Performance Shares
Section 11	Resolution 7 - Approval to issue Consideration Securities
Section 12	Resolution 8 - Approval to issue Capital Raising Shares
Section 13	Resolution 9 - Approval to issue Facilitator Securities
Section 14	Resolution 10 - Approval to issue Attaching Options

Section 15	Resolution 11 - Approval of conversion of Convertible Notes
Section 16	Resolutions 12 & 13 - Election of Directors - Messrs Ljubojevic and Martin Pawlitchek
Section 17	Resolutions 14 - 18 - Participation in Capital Raising by related parties
Section 18	Resolution 19 - Approval to change Company name
Section 19	Resolution 20 - Maximum Non-Executive Directors' Fees
Schedule 1	Definitions
Schedule 2	Vendors and Participants
Schedule 3	Terms and Conditions of Options
Schedule 4	Terms and Conditions of Performance Shares
Schedule 5	Pro forma consolidated statement of financial position
Schedule 6	Independent Geologist's Report

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

2. Action to be taken by Shareholders

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

2.1 Voting in person

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

2.2 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of

votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

(b) Proxy vote if appointment specifies way to vote

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

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

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

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

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

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

2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with section 250BD of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report the subject of the relevant Resolution; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person who is excluded from voting on the relevant Resolution and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chair intends to exercise all available proxies in favour of Resolution 1.

ORDINARY BUSINESS

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2017.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.asx.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (d) the preparation and content of the Auditor's Report;
- (e) the conduct of the audit;
- (f) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (g) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders.

The Directors' Report contains the Remuneration Report, which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

As the Remuneration Report received a Strike at the 2015 annual general meeting. Shareholders should be aware that, if the Company receives a Strike at the 2016 annual general meeting and Shareholders vote in favour of resolution 2 of the 2016 annual general meeting (Spill Resolution), then this will result in a re-election of the Board at this Meeting.

Conversely, if the Remuneration Report does not receive a Strike at the 2016 annual general meeting, Shareholders should be aware that if a Strike is received in relation to the Remuneration Report at this Meeting and a second Strike is received at the 2018 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

5. Resolutions 2, 3 & 4 - Re-election of Directors - Messrs Davy and Young and Ms Garic

5.1 General

Note: If less than 25% of the votes cast on the relevant resolution are voted against adoption of the Remuneration Report at the 2016 annual general meeting or if more than 50% of the votes cast on the relevant resolution are voted against the Spill Resolution at the 2016 annual general meeting, the Chair will withdraw Resolutions 3 and 4.

As outlined in Section 4, the Remuneration Report received a Strike at the 2015 annual general meeting. Shareholders should be aware that, if the Company receives a Strike at the 2016 annual general meeting and Shareholder vote in favour of resolution 2 of the 2016 annual general meeting (Spill Resolution), then this will

result in a re-election of the Board at this Meeting in accordance with section 250V of the Corporations Act.

If the Company receives a Strike and resolution 2 (Spill Resolution) is passed at the 2016 annual general meeting, the Vacating Directors will cease to hold office immediately before the end of this Meeting in accordance with section 250W of the Corporations Act. The business of this Meeting will include Resolutions 2, 3 and 4 to re-elect the Directors or appoint persons to offices vacated by the Vacating Directors.

In accordance with section 250X of the Corporations Act, if there would be fewer than 3 Directors after this Meeting, two positions will be filled by persons or Vacating Directors who have the highest percentage of votes favouring appointment.

Article 10.3(c) of the Constitution also requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number). Article 10.3(f) of the Constitution provides that a Director who retires is eligible for re-election.

The Company currently has 3 directors, and accordingly, one must retire. Article 10.3(e) of the Constitution provides that the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

In the event that Resolutions 3 and 4 are withdrawn, then pursuant to these Articles, Mr Michael Davy will retire by rotation and, being eligible, will seek re-election.

The Board (excluding Mr Davy) recommends that Shareholders vote in favour of Resolution 2.

The Board (excluding Mr Young) recommends that Shareholders vote in favour of Resolution 3.

The Board (excluding Ms Garic) recommends that Shareholders vote in favour of Resolution 4.

Resolutions 2, 3 and 4 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 2, 3 and 4.

5.2 Mr Michael Davy

Mr Davy is an accountant with 15 years' experience. His experience is broad having worked in oil and gas, resources, property, food distribution, restaurants and start-up technology companies. Mr Davy is also a director and owner of a number of successful private companies. During the past five years Mr Davy has held directorships in numerous ASX listed companies.

5.3 Nicholas Young

Mr Young holds a Bachelor of Commerce, majoring in Accounting and Finance, is a Chartered Accountant and has completed the Insolvency Education Program at the Australian Restructuring Insolvency and Turnaround Association. Nicholas commenced his career in the Corporate Restructuring division of an accounting firm and has gained valuable experience in Australia and Southern Africa, across a wide range of industries, including mining and exploration, mining services, renewable energy, professional services, manufacturing and transport. Mr Young has been involved in

the recapitalisation of various ASX-listed companies and is currently a non-executive director of MHM Metals Limited.

5.4 Kyla Garic

Ms Garic is a Chartered Accountant and Director of Onyx Corporate. Onyx Corporate provides financial reporting and accounting services, including reconstruction and accounting compliance for companies undergoing recapitalisation.

SPECIAL BUSINESS - ACQUISITION OF TIMOK RESOURCES PTY LTD

6. Conditional Acquisition Resolutions

The Acquisition Resolutions (Resolutions 5 to 19 (inclusive)) are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any of the Acquisition Resolutions are not approved at the Meeting, none of the Acquisition Resolutions will take effect and the Acquisition Agreement and other matters contemplated by the Acquisition Resolutions will not be completed.

If Shareholders reject the Acquisition Resolutions (and, therefore the Acquisition), it is possible that the Company will proceed into liquidation. In those circumstances, it is unlikely that there will be any return to Shareholders. The Acquisition Resolutions are therefore important and will affect the future of the Company. Shareholders are urged to give careful consideration to the Notice and the contents of the Explanatory Memorandum.

7. Background to the Acquisition of Timok Resources Pty Ltd

7.1 Existing activities of the Company

The Company was incorporated on 7 January 1986 and admitted to the Official List of ASX on 12 March 1987. The Company was the ultimate holding company of a group of mining services companies that serviced the NSW Hunter Valley's thermal coal mining industry.

The Company's securities were suspended from official quotation on 5 January 2015 at the request of the Company, and have remained suspended since that date. This was due to the Company entering the process of recapitalising or selling all or parts of the business. The process was initially expected to be completed by 31 March 2015 however the suspension is still in place at the date of the Notice.

Following completion of a deed of company arrangement (**DOCA**) on 24 October 2017, the Company has been actively seeking to identify and evaluate new opportunities both in related or non-related industries that may increase Shareholder value. Further information on the history of the Company and the DOCA can be found in sections 3.1 and 3.2 of the Company's previous notice of general meeting released to ASX on 8 August 2017.

7.2 Change in the nature and scale of activities

As announced on 24 November 2017, the Company has entered into a conditional binding agreement (**Acquisition Agreement**) with Timok Resources Pty Ltd (ACN 622 750 485) (**Timok**) pursuant to which the Company will acquire 100% of the issued

capital of Timok (**Acquisition**). A summary of the material terms of the Acquisition Agreement is set out in Section 7.6(a) below.

Timok has entered into two option deeds (**Option Deeds**) to acquire 100% of two Serbian entities, Skarnore Resources d.o.o. (**Skarnore**) and Kingstown Resources d.o.o. (**Kingstown**), which have an aggregate interest in 6 granted exploration licences and 4 pending applications for exploration licences in Serbia which are prospective for gold and copper (together, **Licences**). Completion of the Acquisition Agreement is conditional, inter alia, upon completion of the Option Deeds. A summary of the material terms of the Option Deeds is set out in Section 7.6(b).

Further information regarding the operations of Timok, Skarnore and Kingstown is set out in Section 7.4 below.

Following Completion of the Acquisition the Company intends to focus on exploration of the Licences as well as assess further complementary acquisitions.

ASX has advised the Company that, given the Company is proposing to make a change in its activities from a mining support services company to a copper and gold exploration company, it requires the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules prior to Completion of the Acquisition. For this reason, the Company is seeking Shareholder approval pursuant to Resolution 5 for the Company to change the nature and scale of its activities under Listing Rule 11.1.2.

The Company proposes to, subject to Shareholders' approval of the Acquisition Resolutions and the terms of the Acquisition Agreement, including satisfaction or waiver of the conditions precedent summarised in Section 7.6(a) below:

- (a) create a new class of shares, being the Performance Shares, which are to be issued to the Vendors (or their respective nominees) as part-consideration for the Acquisition (Resolution 6);
- (b) issue 75,000,000 Shares and 200,000,000 Performance Shares to the Vendors (or their respective nominees) at Completion in consideration for the Company's acquisition of 100% of the issued capital in Timok (**Consideration Securities**) (Resolution 7);
- (c) raise up to \$5,000,000 (before costs) via a prospectus offer (**Prospectus**) by the offer of up to 250,000,000 Shares at an issue price of \$0.02 each (**Capital Raising**) (Resolution 8);
- (d) issue up to 40,000,000 Shares and 13,000,000 Options (**Facilitator Options**) (together, **Facilitator Securities**) to the Facilitator (or its nominee) for facilitation services provided with respect to the Acquisition and the Capital Raising (Resolution 9);
- (e) elect 2 proposed Directors nominated by Timok to the Board, being Mr Dusko Ljubojevic and Mr Martin Pawlitschek (Resolutions 12 and 13);
- (f) approve the participation by certain related parties (being the Directors and proposed Directors) in the Capital Raising (Resolutions 14 - 18); and
- (g) change the Company's name to "Raiden Resources Limited" subject to Completion and with effect from the date ASIC alters the details of the Company's registration (Resolution 19).

The Company notes that the Facilitator Securities are intended to be issued instead of the 50,000,000 Options previously approved by Shareholders at the general meeting held on 8 September 2017 for issue to the Facilitator. These previously approved options were not issued.

The Company is also seeking Shareholder approval to set the total amount of director's fees that may be paid to the Company's non-executive Directors as a whole at a maximum of \$300,000 (Resolution 20). Resolution 20 is not an Acquisition Resolution.

Other information considered material to the Shareholders' decision on whether to pass the Acquisition Resolutions (and the other Resolutions) is set out in this Explanatory Memorandum, and Shareholders are advised to read this information carefully.

7.3 Capital Raisings

As a requirement of the Acquisition Agreement and as announced on 24 November 2017, the Company has undertaken a capital raising (**Interim Capital Raising**) by way of a placement of 32,000,000 Shares (**Placement Shares**) to raise approximately \$640,000 (before costs) (**Placement**). Shareholder approval for the issue of the Placement Shares was obtained at the general meeting of the Company held on 8 September 2017. The Placement Shares were issued to sophisticated or professional investors identified in Part 2 of Schedule 2, none of whom is a related party of the Company (**Participant**).

For every Placement Share issued to a Participant under the Interim Capital Raising, the Company has agreed to issue (subject to Shareholder approval of Resolution 8) one attaching Option exercisable at \$0.02 and expiring 3 years after the date of issue, for no cash consideration and on the terms set out in Schedule 3 (**Attaching Option**).

The Company has also entered into convertible note deeds with unrelated third parties to raise a further \$100,000 (before costs) (**Convertible Notes**). The Convertible Notes are (subject to prior shareholder approval) convertible to Shares at Completion of the Acquisition at a deemed price of \$0.02 each, with one free-attaching Option for every Share issued, on the same terms as the Attaching Options.

The Company is therefore also seeking Shareholder approval at the Meeting to issue:

- (a) 32,000,000 Attaching Options to the Participants (Resolution 10); and
- (b) up to 5,000,000 Shares and 5,000,000 Options on conversion of the Convertible Notes to the Noteholders (or their respective nominees) (**Convertible Note Securities**) (Resolution 11).

7.4 Overview of Timok Group

(a) General

Timok is a holding company incorporated in Western Australia which has options to acquire 100% of the issued capital of Skarnore and Kingstown, which hold various exploration licences located in Serbia (together, the **Timok Group**).

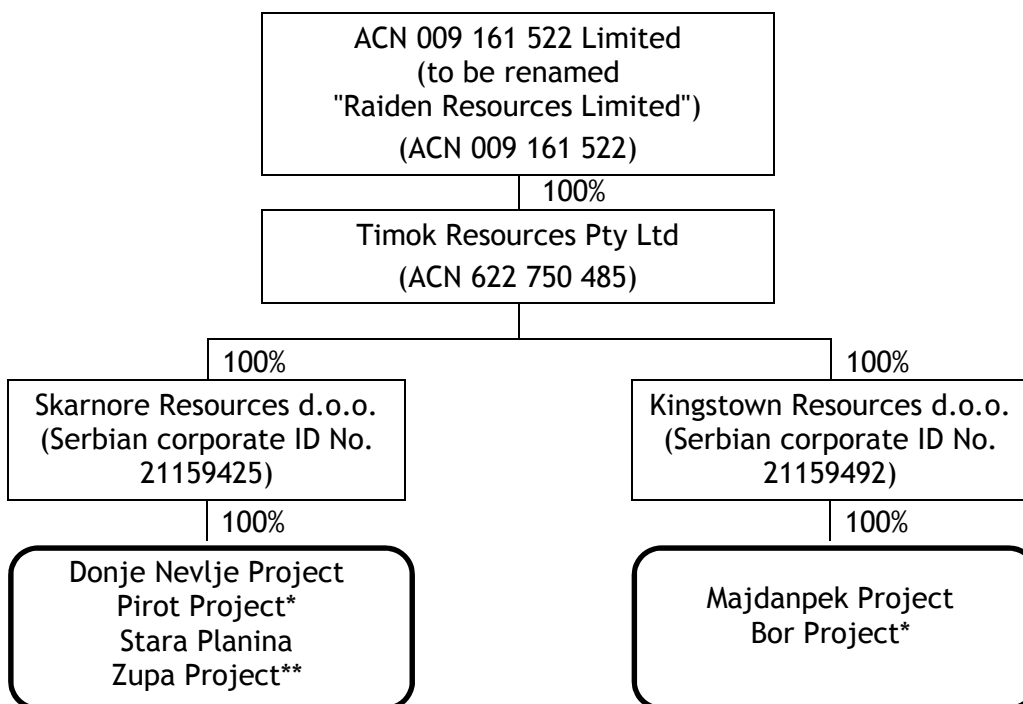
The Timok Group has an interest in 6 granted exploration licences located in the Republic of Serbia which cover a total of 306.46 square kilometres of the West Tethyan Metallogenic Belt of Eastern Europe. The Timok Group

currently operates 4 projects (Donje Nevlje, Stara Planina, Majdanpek and Zupa), with 2 projects under application or partial application or partially under application (Piot and Bor) as detailed below in Section 7.4.

The Timok Group is currently waiting to hear the outcome of 4 pending licence applications for which it is the registered applicant.

(b) **Corporate Structure**

The diagram below summarises the expected corporate structure of the Company following completion of the Acquisition Agreement:



*These Projects include Licences that are currently under application.

**This Project comprises of a Licence that is currently in the process of transfer to Skarnore. Skarnore is party to an agreement with the current owner of the relevant licence pursuant to which Skarnore has right to explore on the Licence. See Section 7.6(d) for details.

(c) Licences and Projects

Project	Licence name	Registered holder (100%)	Size (km ²)	Grant Date	Expiry Date	Licence No.
Skarnore Licences						
Donje Nevlje Project	Donje Nevlje	Skarnore Resources	73.89	22/06/16	13/07/19	310-02-1547/2015-02
Pirot Project	Pirot	Skarnore Resources	21.00	Application submitted - pending response from ministry		
Stara Planina Project	Stara Planina	Geo Consulting Studio doo (subject to Geoconsulting Joint Venture Agreement)	65.53	26/08/15	25/08/18	310-02-495/2015-02
Zupa Project	Velika Zupa	Balkan Mineral Corporation doo (in process of transfer to Skarnore Resources)	85.48	14/07/17	13/09/20	310-02-1656/2016-02
Kingstown Licences						
Majdanpek Project	Zapadni Majdanpek	Kingstown Resources	68.85	08/12/16	09/05/20	310-02-1096/2016-02
	Majdanpek pojas	Kingstown Resources	6.88	30/03/17	15/06/20	310-02-1510/2016-02
Bor Project	Tilva Njagra Istok	Kingstown Resources	5.83	27/03/17	17/05/20	310-02-1584/2016-02
	Bor	Kingstown Resources	15.84	Application submitted - pending		
	Južni Bor	Kingstown Resources	10.48	Application submitted - pending		

Project	Licence name	Registered holder (100%)	Size (km ²)	Grant Date	Expiry Date	Licence No.
	Istočni Veliki Krivelj	Kingstown Resources	2.86	Application submitted - pending		

The location of the Projects in Serbia is shown in Figure 1 below.

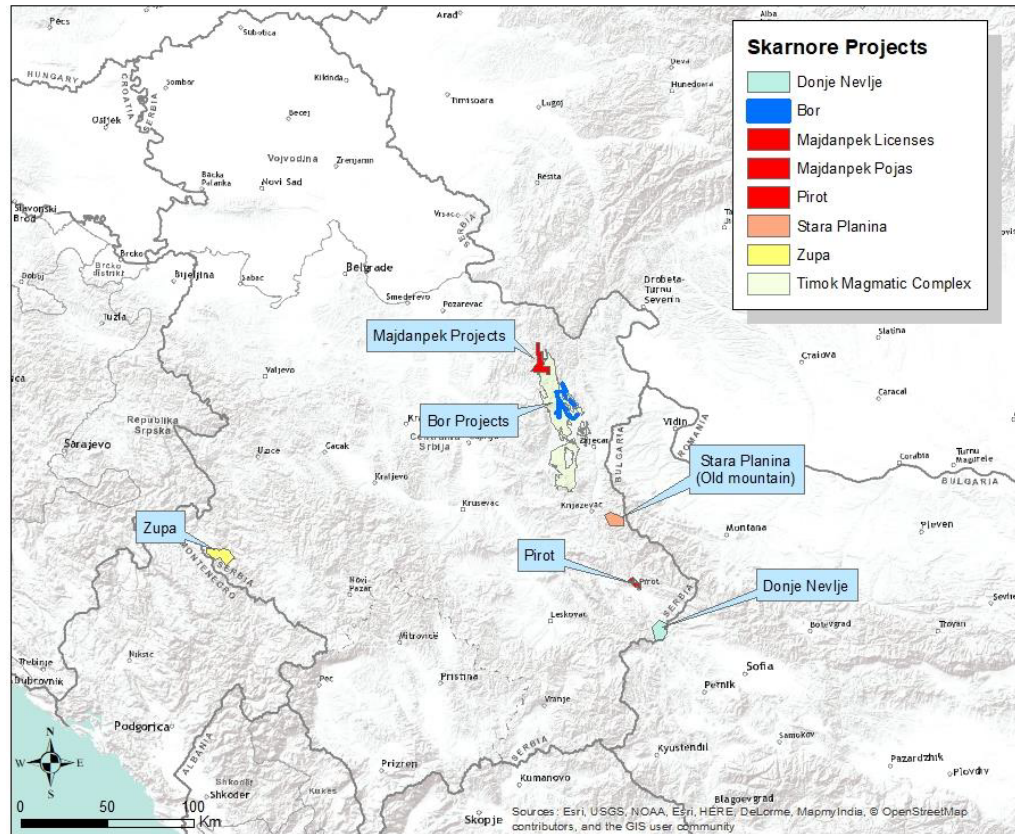


Figure 1 - Map of Projects in Serbia

(d) Ongoing joint venture negotiations

As at the date of this Notice, Skarnore and Kingstown are in advanced stage negotiations with a major international mining company (**Partner**) in respect of a potential an earn in and joint venture agreement covering three of the Timok Group's Licences, being the Zapadni Majdanpek, Donje Nevlje and Majdanpek Pojas Licences (**JV Licences**).

There is no guarantee that these negotiations will result in a joint venture agreement (on the above terms or otherwise) being executed. The Company will keep the market informed of the progress of negotiations in accordance with its continuous disclosure obligations.

(e) Majdanpek Project (100% Kingstown)

The Majdanpek project consists of 2 granted exploration licences, totalling approximately 76 km². The project is located on the northern extremity of the Timok Magmatic Complex. The project is in a highly mineral endowed part of the complex, with a number of defined deposits including past and current producers located immediately adjacent to the Licences.

On the eastern boundary, the project neighbours the Majdanpek porphyry deposit. On the South -Eastern boundary, the project is approximately 500m from the high grade Coka Marin epithermal deposit (State company Mining Lease). On the north western boundary the project is adjacent to the Blagojev Kamen project, which hosts a number of past producing bonanza grade gold mines. On the south western boundary the project is adjacent to Dundee Precious Metals' Zagubica license, which hosts the Bigar Hill, Korkan, and Korkan East deposits. The same gold bearing structures and stratigraphy continue from these deposits into the western part of the Majdanpek permit, whilst the eastern and central portion the permit covers Timok belt volcanics and intrusives prospective for copper porphyry and associated copper-gold epithermal deposits.

Despite its strategic location and a number of copper anomalies defined by the State Survey within the Timok volcano-sedimentary sequence on the project, the project area remains only lightly explored with no previous concerted efforts to target blind/buried copper porphyry or associated copper gold epithermal deposits.

Kingstown intends to focus its exploration program on two types of exploration models. Within the volcano-sedimentary Timok Magmatic Complex sequence. Kingstown will be targeting blind copper porphyry and copper-gold epithermal mineralisation, whilst on the South Western boundary the exploration will focus on the conglomerate sequences which host the Bigar Hill gold deposit, just to the south and the high grade vein deposits just adjacent to the north western boundary.

Due to its proximity to the operating Majdanpek mine and advanced Coka Marin and Bigar Hill deposits, the project is in a brown-fields setting, with potential synergies for smaller discoveries to be toll treated at nearby existing facilities.

For further information see the Independent Geologist's Report in Schedule 6.

(f) Donje Nevlje Project (100% Skarnore)

The Donje Nevlje Licence covers an area of approximately 74 km² and is located about 125 km southeast of the productive Timok Magmatic Complex, which is host to the Bor and Majdanpek copper and gold mines. The mines at Bor have been producing gold and copper for over 100 years.

The project forms part of the regional Banat - Timok - Srednogorie zone of Cretaceous calc-alkaline volcanics associated with a distinctive arc extending from southern Romania, through eastern Serbia and extending into central Bulgaria

Geological mapping and exploration in the 1960's confirmed the compatibility of the stratigraphy and lithologies, primarily andesite volcanics and pyroclastics of Upper Cretaceous age, with those of the Timok Magmatic Complex. Three phases of volcanism have been recognised within the region giving rise to lithologies that include andesitic flows and pyroclastics with younger Cretaceous sandstones, marlstones, and tuffs.

Mineralisation at the Donje Nevlje Licence includes disseminated copper mineralisation and hydrothermal rock alteration that are interpreted to be related to a porphyry copper system. Pyrite, chalcopyrite, magnetite and sphalerite are the main ore minerals, and a skarn assemblage of garnet,

vesuvianite, epidote and chlorite has also been identified within and close to the intrusive complex. This project represents a substantially sized target with evidence of copper mineralisation, which has not seen a systematic evaluation by high-resolution geophysics and systematic drill testing. Skarnore plans to follow up with target definition programs and drill testing.

For further information see the Independent Geologist's Report in Schedule 6.

(g) Stara Planina (Joint Venture - Skarnore)

Skarnore has an interest in the Stara Planina Licence under an earn-in and joint venture agreement with the registered holder of the Stara Planina Licence, Geo Consulting Studio doo ('GeoConsulting Joint Venture Agreement'). Under the GeoConsulting Joint Venture Agreement Skarnore has a right to earn in up to a 90% interest, and an option to acquire a 100% interest, in an incorporated joint venture to be set up in respect of the Stara Planina Licence. The terms of the GeoConsulting Joint Venture Agreement are summarised below in Section 7.5. There are various risks associated with the GeoConsulting Joint Venture Agreement, which are summarised in Section 0.

The Stara Planina Licence (approximately 63 km²), covers an inlier of Palaeozoic gabbros intruded by Permo-Carboniferous granodiorite. The Licence contains known vein-type bismuth-copper-gold-antimony mineralisation in the Gradiste area and at the Aljin Do mine, which was abandoned after the World War II. Subsequently former-Yugoslav state agencies undertook limited exploration. Rio Sava (Rio Tinto subsidiary in Serbia) investigated the area in 2003, followed by Reservoir Capital.

The geology is comparable to that at Deli Jovan, a past producing gold mine in eastern Serbia, and the Ogosta gold deposit in Bulgaria. The exploration target is a high-grade, intrusion-related gold-copper deposit, possibly associated with a deeper copper porphyry targets. In addition, the potential for additional high-grade gold-bearing epithermal vein mineralisation is significant.

The geology of the Stara Planina Licence area consists of an early Paleozoic gabbro that is intruded by Permo-Carboniferous granodiorite with associated quartz veining. The gabbro borders to the NE, at a major NNW-SSE trending fault, with basement gneiss, greenschist and marble. Throughout the Licence area mineralisation is controlled by the NW-SE trending penetrative structures, and is invariably associated with ductile deformation of the gabbros.

In the Gradiste area, the Stara Planina Licence contains several occurrences of gold-bearing quartz-carbonate vein mineralisation associated with chlorite-epidote-carbonate alteration of the gabbros. Some of these were investigated previously by underground exploration adits. In the Aldinac area there are several mapped occurrences of copper, gold, tungsten and uranium mineralisation associated with quartz veining and quartz-sericite-pyrite alteration of granodiorite.

Previous modern explorers (Rio Tinto and Reservoir Capital), have defined two target zones which will be the focus of Skarnore's immediate exploration efforts. The anomalies are characterised by large (+3km strike) and coherent, copper soil anomalies.

Skarnore recently completed a preliminary induced polarisation (IP) program over the two geochemical anomalies. The results of the IP program are encouraging and indicate the presence of disseminated and possibly massive sulphides, extending over a significant area and underlying the surficial geochemical and alteration trends. Skarnore intends to complete additional geophysical mapping and geochemical work prior to testing targets with drilling.

For further information see the Independent Geologist's Report in Schedule 6.

(h) **Zupa Project (in process of transfer to Kingstown)**

Balkan Mineral Corporation doo (**Balkan**) is the holder of the Velika Zupa Licence. Balkan and Skarnore commenced the procedure for transferring the Velika Zupa Licence to Skarnore with the Serbian Ministry of Mining and Energy on 27 September 2017. As at the date of this Notice the Company is not aware of any reason why the transfer of the Velika Zupa Licence to Skarnore will not be completed.

Velika Zupa Licence, covering an area of approximately 85 km² is located in the south west part of Serbia and within the Dinaric Alp zone within the Western Tethyan belt. The permit is located adjacent to the Cadinje polymetallic deposit and is currently in advanced stages of exploration by a local Serbian development company.

The licence has not seen previous systematic exploration work, but shows numerous occurrences of hydrothermal alteration and structural as well as geophysical indications of a buried intrusive. The area is targeted for polymetallic skarn and manto-type replacement deposits associated with a blind intrusion. An example schematic of a skarn style deposit is shown in Figure 3.

Kingstown intends to embark on a program of mapping, geochemistry and possibly geophysics to define targets for drill testing.

For further information see the Independent Geologist's Report in Schedule 6.

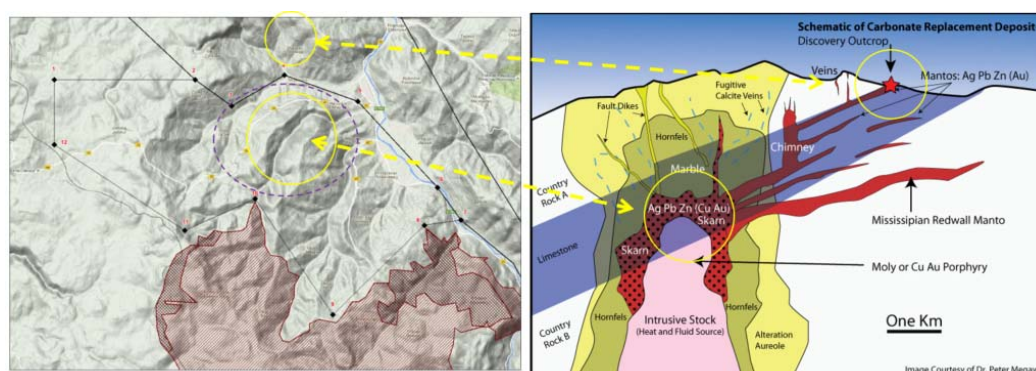


Figure 2 (left): Zupa Area Map & Example schematic skarn style deposit

Figure 3 (right): Example schematic skarn style deposit

(i) **Pirot Project (under application by Skarnore)**

The Pirot project (approximately 21 km²) is located in South Eastern Serbia, approximately 20km from the northern periphery of the Donje Nevlje

project. Skarnore is in the process of executing the application requirements for the Pirot Licence under a 90 day exclusivity period, granted by the Serbian Ministry of Mining and Energy.

A 1960's, State sponsored aeromagnetic survey defined the area as anomalous. Follow up mapping by state agencies, concluded that the volcano-sedimentary sequence, which are present within the permit are of the same age and within a similar setting as the lithology within the Timok Magmatic Complex, which hosts a number of Tier one porphyry deposits.

Regional geochemical sampling conducted by Yugoslav state agencies defined a number of anomalies, one of which is associated with a granodiorite intrusion, located on the southern segment of the permit. On the basis of this work, the State Geological Survey designated a 'porphyry target' within and on the contact of the granodiorite.

To date no drilling has been executed on the anomalies. Skarnore plans to follow up and advance the historical work with the objective of defining a drill target in the near future.

For further information see the Independent Geologist's Report in Schedule 6.

(j) Bor Project (under application by Kingstown)

The Bor project consists of 1 granted licence (approximately 6 km²) and 3 separate exploration licence applications (approximately 32 km²). The Ministry is currently in a litigation process with a third party in respect of a portion (covering 3.28 km²) of one of the licences application (the "Bor Licence"). This portion of the Bor Licence cannot be granted to Kingstown unless and until this litigation is resolved in favour of the Ministry.

The Bor project is located in the Timok Magmatic Complex, a world class mineral district which hosts the tier one Bor and Majdanpek deposits. These 2 mines, which are currently in operation, also account for the majority of Serbian Copper and Gold production over the last 100 years.

Kingstown's Bor project covers the areas which are adjacent to the Serbian state mining company's Bor complex. Much of the area covered by the Bor project has not had any significant modern exploration conducted over it to date. Skarnore plans to conduct mapping, geochemical sampling and geophysics on the granted licence, with the objective of defining a drill target in the near future.

For further information see the Independent Geologist's Report in Schedule 6.

(k) Further information

Further information about the Timok Group's projects and licences is set out in the Independent Geologist's Report in Schedule 6.

7.5 Competent Person's Statement

The information in this Notice that relates to geological data, historical data, exploration data, maps and diagrams is based on information compiled by Mr Martin Pawlitschek, a Competent Person who is a Fellow of the Australian Institute of Geoscientists.

Mr Pawlitschek is currently a consultant vendor to the Company and, post re-admission will be appointed as a non-executive director of the Company. Mr Pawlitschek is a shareholder of Timok Resources Pty Ltd and will receive securities in the Company as consideration under the acquisition if it proceeds.

Mr Pawlitschek has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralization and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets', and as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pawlitschek consents to the inclusion in the Notice of the matters based on his information in the form and context in which it appears.

The information in this Notice that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Dr Travis Murphy, a Competent Person who is a member of the Australian Institute of Geoscientists; and by Ms Ivy Chen a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy.

The information in this Notice that relates to the field visit in Serbia is based on information compiled and conclusions derived by Dr Belinda van Lente, a Competent Person who is a Pri.Sci.Nat SACNASP (South African Council for Natural Scientific Professions).

Drs Murphy and van Lente, and Ms Chen are all fulltime employees of CSA Global.

Drs Murphy and van Lente, and Ms Chen have sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralization and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets', and as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Drs Murphy and van Lente, and Ms Chen consent to the inclusion in the Notice of the matters based on their information in the form and context in which it appears

7.6 Material Contracts

(a) Acquisition Agreement

As announced on 24 November 2017, the Company has entered into a conditional binding agreement with Timok pursuant to which the Company will acquire 100% of the issued capital of Timok.

In consideration for 100% of the issued capital of Timok, the Company will issue to the Vendors (or their respective nominees) a total of 75,000,000 Shares and 200,000,000 Performance Shares.

The Performance Shares will convert into Shares on a one for one basis upon satisfaction of the following milestones and otherwise on the terms set out in Schedule 4:

The Performance Shares will convert upon satisfaction of any one of the following milestones before the applicable Expiry Date:

- (i) 62,500,000 Performance Shares (**Class A Performance Shares**) will convert upon the announcement by the Company to ASX of the delineation of a Mineral Resource on the Company Licenses of at least 100Kt of contained copper equivalent (reported in accordance with clause 50 of the JORC Code) at or above 0.2% copper equivalent and which is prepared and reported in accordance with the JORC Code;
- (ii) 62,500,000 Performance Shares (**Class B Performance Shares**) will convert upon the announcement by the Company to ASX of the results of a Scoping Study and that the Board has resolved to undertake a Pre-Feasibility Study on all or part of the Company Licenses; and
- (iii) 75,000,000 Performance Shares (**Class C Performance Shares**) will convert upon the announcement of a Positive Pre-Feasibility Study in respect of a Company Project (or Company Projects),

(each referred to as a **Milestone**).

Any copper equivalent Mineral Resource will be calculated using the following formula (including any other potentially economic minerals that may also be found):

Copper equivalent Mineral Resource (CuEq tonne) = ((Ni contained tonnes x Ni price/tonne) + (PGM contained ounces x PGM price/ounce) + (Au contained ounces x Au price/ ounce) + (Ag contained ounces x Ag price/ounces) + (Pb contained tonnes x Pb price/tonne) + (Zn contained tonnes x Zn price/tonne) + (Mo contained tonnes x Mo price/tonne)) / (Cu price/tonne).

Capitalised terms used in this item have the meaning given to them in the JORC Code, unless expressly defined otherwise in Schedule 4.

The Company has also agreed to issue the Facilitator Securities to the Facilitator (or its nominees) at Completion in part consideration of corporate advisory, lead manager and facilitator services provided in connection with the Acquisition.

The Company has also agreed to pay \$100,000 to the Facilitator at Completion as a success fee in part consideration of corporate advisory, lead manager and facilitator services provided in connection with the Acquisition. Subject to Completion, the Company will engage will engage the Facilitator and Discovery Capital as corporate advisor for a period of no less than 12 months for a total monthly fee of \$7,500.

Subject to Completion, the Company will also enter into a mandate with certain Vendors for the provision of technical and in country advisory services to the Company.

Completion of the Acquisition remains conditional upon the satisfaction (or waiver) of the following material conditions precedent:

- (i) **Company due diligence:** completion of legal and technical due diligence by the Company on Timok's business and operations by 5 January 2018, to the sole satisfaction of the Company;

- (ii) **Shareholder approvals:** the Company obtaining all necessary Shareholder approvals required by the Corporations Act and the Listing Rules in relation to the Acquisition including, without limitation, approval for:
 - (A) the change in the nature and scale of the Company's activities;
 - (B) the creation of the Performance Shares as a new class of securities;
 - (C) the issue of the Consideration Securities, Capital Raising Shares, Facilitator Securities, Attaching Options and Convertible Note Securities;
 - (D) the election of Dusko Ljubojevic and Martin Pawlitschek as Directors; and
 - (E) the change of the Company's name to "Raiden Resources Limited";
- (iii) **ASX waivers and confirmations:** the Company obtaining all requisite waivers and confirmations considered necessary to give effect to the Acquisition, including ASX confirming that the Company has satisfied Chapters 1 and 2 of the ASX Listing Rules and the Company receiving conditional approval from ASX to reinstate the securities of the Company to trading on conditions satisfactory to the Company (acting reasonably);
- (iv) **restriction agreements:** execution of all restriction agreements required by ASX or the Listing Rules;
- (v) **Capital Raising:** the Company undertaking a capital raising of not less than \$5,000,000 at an issue price of \$0.02 per Share, with the closing of the capital raising to occur contemporaneously with Completion; and
- (vi) **third party consents:** the Company and Timok obtaining any other necessary third party consents to allow the Company and Timok to lawfully complete the Acquisition, including but not limited to assignment of any relevant agreements in accordance with their terms.

If the Conditions Precedent are not satisfied (or waived) on or before 5.00pm (WST) on 22 February 2018, the Acquisition Agreement may be terminated by Timok or the Company.

Completion under the Acquisition Agreement is conditional upon the simultaneous occurrence (as nearly as possible) of completion under the Option Deeds. Completion of the Acquisition Agreement is taken to have occurred only when (inter alia):

- (i) Completion occurs under the Option Deed;
- (ii) Skarnore and Kingstown become wholly owned subsidiaries of Timok; and

- (iii) Timok acquires the legal and beneficial interests in the Licenses as a result of its 100% ownership of Skarnore and Kingstown.

(b) **Option Deeds**

Timok has entered into two separate Option Deeds with each of Skarnore and Kingstown on identical terms.

Pursuant to the Option Deeds, Timok is entitled to an exclusive 30 days period to conduct due diligence investigations on Skarnore and Kingstown, and the shareholders of Skarnore and Kingstown grant Timok an exclusive option to acquire 100% of the issued capital of Skarnore and Kingstown respectively.

The aggregate exclusivity fees payable by Timok for the exclusive due diligence period is \$2.00 and the aggregate consideration payable by Timok for the acquisition of 100% of the issued capital of Skarnore and Kingstown if the options are exercised is \$2.00.

(c) **Geoconsulting Joint Venture Agreement**

Skarnore is party to an earn-in and joint venture agreement dated 28 September 2016 with Geo Consulting Studio doo (**Geo Consulting**), who is the registered holder of the Stara Planina Licence. Geo Consulting is not a related party of, or otherwise associated with, Skarnore or any of the Vendors.

There are various risks associated with the GeoConsulting Joint Venture Agreement, which are summarised in Section 0.

The Geoconsulting Joint Venture Agreement requires Geo Consulting to incorporate a joint venture company (**JV Company**), shares in which will initially be held 100% by Geo Consulting. The Stara Planina Licence will then be transferred to the JV Company. Skarnore will have control of management and administration of the JV Company.

As at the date of this Notice, the JV Company is yet to be incorporated.

Skarnore can earn up to a 90% shareholding in the JV Company as follows:

- (i) expenditure of 250,000 Euro on the Stara Planina Licence gives Skarnore the right to 25% of the shares in JV Company;
- (ii) expenditure of 500,000 Euro and performing at least 2000 metres of exploration drilling on the Stara Planina Licence gives Skarnore the right to 51% of the shares in JV Company;
- (iii) expenditure of 1,500,000 Euro on the Stara Planina Licence gives Skarnore the right to 70% of the shares in JV Company;
- (iv) performance of a pre-feasibility study on the Stara Planina Licence and confirmation of that study by an independent body gives Skarnore the right to 80% of the shares in JV Company; and
- (v) securing conditions for a bankable feasibility study on the Stara Planina Licence or the approval of an "exploitation right" over the

Stara Planina Licence by a competent state body gives Skarnore the right to 90% of the shares in JV Company.

If Skarnore earns 90% of the shares in the JV Company, Geo Consulting can elect to either convert its 10% shareholding into a 1% royalty in the JV Company or retain its 10% shareholding and contribute the JV Company funding requirements in proportion to its shareholding.

Skarnore has the option to acquire 100% of the JV Company shares by payment of:

- (i) 250,000 Euro, if paid later than 12 months but within 36 months of the date of the Geoconsulting Joint Venture Agreement; or
- (ii) 300,000 Euro, if paid later than 36 months after the date of the Geoconsulting Joint Venture Agreement.

Skarnore is required to pay Geo Consulting an annual fee of 20,000 Euro in exchange for Geo Consulting offering its services for the performance of exploration work on the Stara Planina Licence. This fee is payable by Skarnore whether or not it actually engages Geo Consulting to perform any exploration work.

Both Skarnore and Geo Consulting may sell or transfer their shares in JV Company, subject to a right of first refusal (pre-emption right) in favour of the other party.

Skarnore can withdraw from the Geoconsulting Joint Venture Agreement subject to Skarnore paying Geo Consulting an amount equal to 75% of and unperformed projected work for the second and third years of exploration works.

(d) Balkan Exploration Agreement

Skarnore and Balkan Mineral Corporation doo (**Balkan**) are party to an agreement dated 29 November 2017 pursuant to which Balkan engages Skarnore to undertake exploration activities in respect of the Velika Zupa Licence area (**Balkan Exploration Agreement**). No fees are to be payable by Balkan to Skarnore for these exploration activities.

Pursuant to the Balkan Exploration Agreement, Balkan grants Skarnore full access to the Velika Zupa Licence, and full discretion as to the exploration activities undertaken by Skarnore on the Velika Zupa Licence.

Skarnore is entitled to retain a copy of all information it develops by providing the exploration services on the Velika Zupa Licence.

The Balkan Exploration Agreement will remain in force until rendering of the decision by the Ministry approving the transfer of the Velika Zupa Licence to Skarnore.

(e) Interim Capital Raising Placement Applications

Each of the investors who participated in the Interim Capital Raising has provided the Company with a signed application form by which it has applied for Shares and Options under the Interim Capital Raising (**Interim Capital Raising Placement Applications**). Pursuant to the Interim Capital Raising

Placement Applications, each investors whose participation in the Interim Capital Raising is less than \$500,000 has warranted that it is a person to which an offer of the Company's securities does not require disclosure under part 6D.2 of the Corporations Act.

(f) **Convertible Note Deeds**

The Company has entered into four separate convertible note deeds (**Convertible Note Deeds**) with four unrelated third parties (together, the **Noteholders**) providing for the issue, on 27 November 2017, of convertible notes with an aggregate value of \$100,000 (**Convertible Notes**).

The Convertible Note Deeds contain the following terms and conditions:

- (i) the Convertible Notes are unsecured;
- (ii) the Convertible Notes are repayable with interest within 2 business day of the maturity date, being 9 April 2018, (unless converted earlier);
- (iii) subject to prior shareholder approval, the Convertible Notes will be automatically redeemed on Completion by way of issue of Shares at a conversion price of \$0.02 with an additional 1 free attaching Option for each Share issued pursuant to the Convertible Notes Offer;
- (iv) the Options issued on conversion of the Convertible Notes are expected to be subject to an escrow period of up to 24 months from the date of Official Quotation and the Noteholder agrees to enter into an escrow deed as required by ASX or the ASX Listing Rules;
- (v) the Convertible Notes are not redeemable at the election of the Noteholder; and
- (vi) interest is payable by the Company in the amount of 10% of the principal amount only if the Convertible Notes do not convert prior to the Maturity Date.

The Convertible Note Deeds contain additional provisions considered standard for converting note agreements of this nature.

The funds raised pursuant to the Convertible Note Deeds have been used by the Company for working capital.

(g) **Technical Advisor Mandate**

On 6 December 2017 the Company entered into a consultancy agreement (**Technical Advisor Mandate**) pursuant to which it has engaged Martin Pawlitschek, Srdjan Vlaikovic and Marko Curic as the nominated persons of the consultant, Horizon Capital Management LLC (**Consultant**). Each of Horizon Capital Management LLC, Martin Pawlitschek, Srdjan Vlaikovic and Marko Curic is also a Vendor. Mr Martin Pawlitschek is an incoming Director and is a related party to the Company only by reason of the Acquisition. Mr Dusko Ljubojevic is managing member and shareholder of Horizon Capital Management LLC. Mr Dusko Ljubojevic is an incoming Director and is a related party to the Company only by reason of the Acquisition.

The nature of the technical advisory services include but are not limited to providing technical assistance (including in-country assistance) and management services in respect of the Licences to the Company.

The Consultant will be entitled to receive an aggregate monthly cash fee of \$10,000 for a period of 10 months in consideration for the Consultant providing ongoing technical advisory services as set out above.

(h) **Interim Capital Raise Mandate**

The Facilitator entered into an agreement with the Company dated 21 June 2017 to act as corporate advisor to the Company in connection with the Interim Capital Raising (**Interim Capital Raise Mandate**).

The material terms of the Interim Capital Raise Mandate have been superseded and replaced by the Lead Manager Mandate other than accrued rights and obligations.

In consideration for providing corporate advisory services the Facilitator was entitled to receive a 1-2% management fee on total monies raised during the term of the Interim Capital Raise Mandate and an additional 4-5% on any capital raised by the Facilitator or any other AFSL holders that the Facilitator introduces. Under the Joint Corporate Advisor Mandate, the Facilitator agreed to accept payment of \$44,400 in full and final satisfaction of all accrued obligations and liabilities of the Company under the Interim Capital Raise Mandate.

Mr Nicholas Young is an authorised representative of the Facilitator. The Board considers the Lead Manager Mandate to be on arms' length and commercial terms.

(i) **Lead Manager Mandate**

The Facilitator entered into an agreement with the Company dated 29 November 2017 to act as lead manager to the Company in connection with the Offers and the Acquisition (**Lead Manager Mandate**). In consideration for these services, the Company will upon the Company's re-listing on ASX:

- (i) pay to the Facilitator:
 - (A) a capital raising fee of 6% plus GST of the total capital raised under the Public Offer;
 - (B) a \$100,000 success fee; and
- (ii) issue to the Facilitator (or its nominees) 40,000,000 Shares and 13,000,000 Options under the Facilitator Offer.

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

Mr Nicholas Young is an authorised representative of the Facilitator. The Board considers the Lead Manager Mandate to be on arms' length and commercial terms.

(j) **Joint Corporate Advisor Mandate**

The Facilitator and Discovery have entered into an agreement with the Company dated 29 November 2017 to act as joint corporate advisers to the Company in connection with the Offers and the Acquisition (**Joint Corporate Advisor Mandate**). In consideration for these services, the Facilitator and Discovery (or their nominees), on successful completion of the Acquisition are entitled to receive a monthly cash corporate advisory fee of \$7,500 plus GST for a period of 12 months in consideration for the Facilitator and Discovery providing ongoing corporate advisory services. The corporate advisory fee is payable by the Company as follows:

- (i) \$5,000 plus GST to Discovery (or its nominee); and
- (ii) \$2,500 plus GST to the Facilitator (or its nominee).

As noted in Section 7.6(h), under the Joint Corporate Advisor Mandate the Facilitator has also agreed to accept payment by the Company of \$44,400 in full and final satisfaction of all accrued obligations and liabilities of the Company under the Interim Capital Raise Mandate.

The Joint Corporate Advisor Mandate otherwise contains terms standard for a mandate of this nature.

Mr Nicholas Young is an authorised representative of the Facilitator. The Board considers the Joint Corporate Advisor Mandate to be on arms' length and commercial terms.

(k) **Onyx Service Agreement**

Onyx Corporate has entered into two agreements with the Company dated 23 November 2017 (**Onyx Service Agreements**).

One agreement requires Onyx Corporate to provide historical financial reporting and account reconstruction services to the Company for the period from 1 January 2017 to 30 June 2017. In consideration for these services Onyx is entitled to receive an amount of \$16,500 payable by the Company upon Admission.

The other agreement requires Onyx to provide chief financial officer and company secretarial services to the Company from the period commencing 1 October 2017. In consideration for these services, Onyx Corporate, is entitled to receive an ongoing monthly cash fee of \$6,750 in consideration for Onyx Corporate providing ongoing chief financial officer and company secretarial services. Should the Company require Onyx to provide payroll, consolidations or book-keeping maintenance for any subsidiaries, the monthly cash fee will increase to \$8,750. Additional tasks undertaken by Onyx outside its basis scope of services will be charged at a rate of \$200 per hour.

The Onyx Corporate Service Agreements otherwise contain terms standard for service agreements of this nature.

Mr Nicholas Young is director and minority shareholder of Onyx Corporate. Ms Kyla Garic (a Director and Company secretary as at the date of this Prospectus) is a director and major shareholder (50%) of Onyx Corporate. The Board considers that the Onyx Corporate service agreements to be on arms' length and commercial terms.

(l) **Director Agreements**

(i) **Executive Services Agreement - Mr Dusko Ljubojevic**

The Company will enter into an executive services agreement with Mr Dusko Ljubojevic on terms to be agreed pursuant to which Mr Ljubojevic will serve the Company in the capacity as Executive Director.

(ii) **Non-Executive Director Agreements**

The Company will enter into a non-executive director letter agreement with each of its non-executive Directors who will sit on the Board post Completion on standard terms.

(iii) **Deeds of indemnity, insurance and access**

The Company will enter into deeds of indemnity and release with each of the Directors who will sit on the Board following Completion on standard terms.

7.7 ASX Waivers

The Company has applied to ASX for waivers from:

- (a) Listing Rule 2.1 condition 2 to permit the Company to issue Shares at no less than \$0.02 per Share under the Capital Raising (Resolution 8); and
- (b) Listing Rule 1.1 condition 12 to permit the Company to have Options on issue with an exercise price of no less than \$0.02 each (Resolutions 9, 10 and 11).

The Company understands the grant of these waivers for similar re-compliance transactions is common and expects the waivers above will be granted by ASX in due course. If the waivers were not granted the Company will need to review and re-assess the transaction in its entirety. The Company will make an announcement with respect to the outcome of the waiver applications.

7.8 Pro forma balance sheet

A reviewed pro forma statement of financial position of the Company as at 30 June 2017 based on the audited accounts of the Company and the accounts of Timok, Skarnore and Kingstown is set out in Schedule 5.

7.9 Pro forma capital structure

The pro forma capital structure of the Company following completion of the Acquisition and Capital Raising is set out below:

	Shares	%	Options²	Performance Shares³
Existing Company Securities ¹	40,430,796	9.9	-	-
Consideration Securities (Resolutions 6 & 7)	75,000,000	18.3	-	200,000,000

	Shares	%	Options ²	Performance Shares ³
Capital Raising Shares (Resolution 8)	250,000,000	60.9	-	-
Facilitator Securities (Resolution 9)	40,000,000	9.7	13,000,000	-
Attaching Options (Resolution 10)	-	-	32,000,000	-
Convertible Note Securities (Resolution 11)	5,000,000	1.2	5,000,000	-
TOTAL⁴	410,430,796	100	50,000,000	200,000,000

Notes:

1. Includes 32,000,000 Shares issued under the Interim Capital Raising.
2. Unquoted Options exercisable at \$0.02 each and expiring 3 years from the date of issue. Full terms and conditions of the Options are set out in Schedule 3.
3. Comprised of 62,500,000 Class A Performance Shares, 62,500,000 Class B Performance Shares and 75,000,000 Class C Performance Shares. Full terms of the Performance Shares are set out in Schedule 4.
4. Assuming no further Securities are issued, no Options are exercised and no Performance Shares are converted.

7.10 Voting power of the Facilitator

The Facilitator does not currently hold any Shares or have any voting power in the Company.

The maximum voting power of the Facilitator in the Company in the following events is:

- (a) assuming Completion of the Acquisition, all of the Capital Raising Shares, Facilitator Securities and Convertible Note Securities are issued and no Options or Performance Shares are converted - 9.7%;
- (b) assuming Completion of the Acquisition, all Capital Raising Shares, Facilitator Securities and Convertible Note Securities are issued and only Facilitator Options are converted to Shares - 12.5%; and
- (c) assuming Completion of the Acquisition, all Capital Raising Shares, Facilitator Securities and Convertible Note Securities are issued and all Options and Performance Shares are converted to Shares - 8.0%.

The Facilitator may nominate nominees to receive the Facilitator Securities (or a portion thereof) and this would reduce the Facilitator's voting power shown above.

It is not expected that any one Vendor or the Facilitator (and their respective associates) will have voting power in the Company exceeding 5% following Completion of the Acquisition and the Capital Raising.

7.11 Proposed budget

The Company intends to use the funds raised under the Interim Capital Raising, Convertible Notes and the Capital Raising, together with the Company's existing cash reserves post-Acquisition, following the reinstatement of the Company's Securities to quotation on the Official List of ASX as follows:

Funds Available	Amount (\$)
Existing cash reserves of the Company	-
Funds raised by the Interim Capital Raising	640,000
Funds raised by the Convertible Notes	100,000
Funds to be raised from the Capital Raising	5,000,000
TOTAL	5,740,000

Allocation of funds¹	Amount (\$)	%
Expenditure on Majdanpek Project	404,000	7
Expenditure on Donje Nevlje Project	663,506	12
Expenditure on Stara Planina	860,974	15
Expenditure on Zupa Project	465,974	8
Expenditure on Piroć Project	0	0
Expenditure on Bor Project	88,208	2
Sub-total Exploration	2,482,662	43
Costs associated with the Acquisition	240,095	4
Repayment of DOCA to Syndicate	440,000	8
Expenses of the offer	446,695	8
General working capital ²	2,130,548	37
TOTAL	5,740,000	100

Notes:

1. The Company notes that the Licences for the Zupa Project and part of the Bor Project remain in the application phase. The Company has no reason to believe that the applications will not be granted. Funding allocated to the Bor Project in the table above is currently only allocated to the Company's granted tenure within that Project. If and when the Licence applications in the Bor Project are granted, funding currently allocated to the 1 granted Bor Licence will be reallocated on a pro-rata basis across all granted Licences in the Bor Project. If and when any of the applications making up the Piroć

Project are granted, \$163,351 of the funding currently allocated to the Stara Planina Project will be reallocated to the granted Pirot Project Licences on a pro-rata basis.

2. The Company also notes that in the event that the negotiations referred to in Section 7.4(d) result in a joint venture being entered into over the Zapadni Majdanpek, Donje Nevlje and Majdanpek Pojas Licences, it is likely that the Partner will be responsible for sole funding those licences. If this is the case, the Company intends to reallocate the funding allocated to those Licences to exploration on its other granted Licences on a pro-rata basis.
3. General working capital will be utilised by the Company to pay for the corporate and administration costs of the Company generally and for cost overruns in forecast expenditures (if any).

The above table is a statement of current intentions as at the date of this Notice. Shareholders 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 the outcome of operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

The Board is satisfied that upon completion of the Capital Raising, the Company will have sufficient working capital to meet its stated objectives.

The use of further equity funding or Share placements will be considered by the Board where it is appropriate to accelerate a specific business objective or project.

For the immediate future, the Company's focus will be on the continued development and expansion of the Company's operations, together with assessing further complementary acquisition opportunities.

7.12 Indicative timetable

An indicative timetable for the Acquisition is as follows:

Event	Indicative Timing
Despatch of this Notice of Meeting to Shareholders	8 December 2017
Lodgement of Prospectus	10 December 2017
and Prospectus offers anticipated to open	18 December 2017
Prospectus offers close	2 January 2018
Annual General Meeting ASX notified whether Shareholders' approval has been granted for the Resolutions	8 January 2018
Issue of Attaching Options pursuant to Resolution 10	9 January 2018

Event	Indicative Timing
Subject to Directors' satisfaction that the conditions precedent in Acquisition Agreement are satisfied (or waived), Completion of the Acquisition Agreement, including: - issue of the Consideration Securities pursuant to Resolutions 6 & 7; - issue of the Capital Raising Shares pursuant to Resolution 8; - issue of Facilitator Securities pursuant to Resolution 9; and - issue of Convertible Note Securities pursuant to Resolution 11.	15 January 2018
Reinstatement of Shares on ASX (subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules and subject to ASX agreeing to reinstate the Shares to quotation)	1 February 2018

This timetable is a proposed indicative timetable only and the Board reserves the right to vary the dates in accordance with the Listing Rules.

7.13 Composition of Board of Directors

The Board currently comprises of:

- (a) Ms Kyla Garic (Non-Executive Director);
- (b) Mr Nicholas Young (Non-Executive Director); and
- (c) Mr Michael Davy (Non-Executive Director).

Subject to Completion of the Acquisition, Ms Kyla Garic will resign as Director, Mr Michael Davey and Mr Nicholas Young will remain on the Board and Timok's nominees, Mr Dusko Ljubojevic and Mr Martin Pawlitschek, will be appointed as Directors, subject to Shareholder approval.

Mr Nicholas Young will remain on the Board until such time as a suitable (Australian resident) replacement is identified, at which time Mr Young will retire and the replacement director appointed.

Ms Garic will remain Company Secretary.

See Sections 16.2 for further information on the proposed Directors.

7.14 Board intentions if Completion occurs

In the event that the conditions precedent to the Acquisition are satisfied (including successful completion of the Capital Raising), the funds raised from the Capital Raising, together with the Company's existing cash reserves and funds received from the Interim Capital Raising and Convertible Notes, will be used to:

- (a) undertake a planned exploration campaign to identify and delineate and a substantial mineral resource within the Projects;
- (b) expand the Company's holdings in the immediate vicinity of the Projects;

- (c) finance business development and marketing costs; and
- (d) otherwise contribute to the working capital of the Company.

It is intended to allocate the funds raised from the Interim Capital Raising, Capital Raising and existing cash reserves as set out in Section 7.11 above.

7.15 Advantages of the proposals in the Acquisition Resolutions

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on each Acquisition Resolution:

- (a) Shareholders will be exposed to the resource industry, with an indirect interest in gold and copper exploration assets;
- (b) the Company will receive a cash injection via the Capital Raising;
- (c) the Company may be re-instated to the ASX;
- (d) the nominated directors of Timok bring additional experience and knowledge to the Board;
- (e) the Acquisition provides the Company with the opportunity to increase the value of the Company;
- (f) the Acquisition represents a significant opportunity for the Company to increase the scale of its activities which should increase the number and size of the investor pool that may invest in the Company's Shares;
- (g) the Company may be able to raise further funds at higher prices by way of share equity as a result of the Acquisition which may aid in the development of the Projects and development of the Company;
- (h) Timok is being acquired for no initial cash outlay by the Company, and the Company will therefore be able to retain its existing cash balance for exploration expenditure and working capital purposes; and
- (i) the issue of the Performance Shares as consideration to the Vendors aligns the Vendors' interests with Shareholders' interests.

7.16 Disadvantages of the proposals in the Acquisition Resolutions

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on each Acquisition Resolution:

- (a) the Acquisition and the Capital Raising will result in the issue of Securities to the Vendors and new investors, which will have a dilutionary effect on the holdings of existing Shareholders;
- (b) the change of operations as a result of the Acquisition may not suit the risk profile or be consistent with the objectives of all Shareholders;
- (c) the Projects may not turn out to be commercially viable and thus losses may be incurred. In general terms, investments in listed mining development companies should be considered speculative; and

- (d) there are inherent risks associated with the change in scale and nature of the Company's activities. Some of these risks are summarised in Section 8.1 below.

7.17 Taxation

The Acquisition may give rise to income tax implications for the Company and Shareholders.

Existing Shareholders are advised to seek their own taxation advice on the effect of the Resolutions on their personal taxation position and neither the Company, nor any existing Director or advisor to the Company accepts any responsibility for any individual Shareholder's taxation consequences on any aspect of the Acquisition or the Resolutions.

7.18 Plans for the Company if the Acquisition Resolutions are not passed or if the Acquisition does not proceed

If the Acquisition Resolutions are not passed or if the Acquisition is otherwise not completed, the Company will continue to seek potential acquisitions across all industries.

7.19 Directors' interests in the Acquisition Agreement

Mr Nicholas Young is an employee of the Facilitator. None of the Company's existing Directors have any other interest in the Acquisition pursuant to the Acquisition Agreement.

8. Risks associated with the Acquisition

This Section identifies the major areas of risk associated with the Acquisition, but should not be taken as an exhaustive list of the risk factors to which the Company and its Security holders are exposed. References to the Company in this Section 8 include Timok post-Completion.

8.1 Risks relating to the change in nature and scale of activities

(a) Reinstatement of Shares to quotation on ASX

The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company will not be able to satisfy one or more of those requirements. Should this occur the Company's listed securities will remain suspended from quotation until such time as the Company does re-comply with the Listing Rules.

Further, pursuant to ASX's long term suspended entities policy in ASX Guidance Note 33, in the event the Company is unable to proceed with the Capital Raising or meet the requirements of Chapters 1 and 2 of the Listing Rules it will be removed from the Official List by ASX (see the Important Note under the indicative timetable on page vii for further information).

(b) Dilution risk

The Company currently has 40,430,796 Shares on issue. On Completion, the Company proposes to issue Securities (being Shares, Options and Performance Shares) pursuant to the Acquisition Agreement and in connection with the Capital Raising.

On Completion and assuming the Consideration Securities, Capital Raising Shares, Facilitator Securities, Convertible Note Securities and Attaching Options have been issued (assuming full subscription under the Capital Raising and no convertible Securities are exercised or converted), the existing Shareholders will retain approximately 9.9% of the issued capital of the Company, the Vendors (or their nominees) will hold an aggregate of 18.3%, the Facilitator (or its nominees) will hold an aggregate of 9.7%, the Noteholders (or their nominees) will hold an aggregate of 1.2% and the investors under the Capital Raising will hold an aggregate of 60.9% of the issued capital in the Company.

The Company will issue Options under to the Facilitator (or its nominees) and in connection with the Interim Capital Raising and the conversion of the Convertible Notes, as well as Performance Shares as part consideration to the Vendors. There is a risk that the interests of the Shareholders will be further diluted on conversion of these Options and Performance Shares.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company.

(c) Liquidity risk

On Completion, the Company proposes to issue the Securities under the Consideration Offer to the Vendors (or their respective nominees) and the Facilitator Securities to the Facilitator (or its nominees). These Securities will be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules. This could be considered an increased liquidity risk as the issued capital will not be able to be traded freely for a period of time.

(d) Contractual and Completion risk

Pursuant to the Acquisition Agreement the Company has agreed to acquire Timok subject to the fulfilment of certain conditions precedent including completion under the Option Deeds. If any of the conditions precedent are not satisfied or waived, or any of the counterparties do not comply with their obligations, completion of the Acquisition may be deferred or not occur. Failure to complete the Acquisition would mean the Company may not be able to meet the requirements of ASX for re-quotation of its Securities, and the Company's listed securities will remain suspended from quotation until such time as the Company does re-comply with the Listing Rules.

Further, pursuant to ASX's long term suspended entities policy in ASX Guidance Note 33, in the event the Company is unable to proceed with the Capital Raising or meet the requirements of Chapters 1 and 2 of the Listing Rules it will be removed from the Official List by ASX (see the Important Note under the indicative timetable on page vii for further information).

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

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

(e) Integration risk of the Acquisition

The operating results of the Company will depend on the success of management in integrating the acquisition of Timok. There is no guarantee that the Company will be able to integrate this new acquisition into the Company successfully, or that any economic benefits will be able to be realised from the integration. There is a risk that the Company's future profitability and prospects could be adversely impacted if successful integration is not achieved in an orderly and timely fashion.

8.2 Specific risks to the Company's operations and the mining industry

There are a number of specific risks involved for the Company, and consequently its securityholders, in the acquisition of Timok, including risks specific to the business and assets of Timok, which include the following non-exhaustive list.

(a) Future capital requirements

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

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

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

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

(b) Operational risks

The operations of the Company may be affected by various factors, including:

- (vii) failure to locate or identify mineral deposits;
- (viii) failure to achieve economic grades in exploration and forecast modelled grades, quantities and recoveries during mining;
- (ix) operational and technical difficulties encountered in mining;
- (x) insufficient or unreliable infrastructure (such as power, water and transport);
- (xi) difficulties in commissioning and operating plant and equipment;
- (xii) mechanical failure or plant breakdown;
- (xiii) unanticipated metallurgical problems which may affect extraction costs;
- (xiv) adverse weather conditions; and
- (xv) community and non-governmental organisation activities hindering operations.

In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.

(c) Government regulation and political risk in the mining industry

Kingstown and Skarnore's operating activities are subject to laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters.

While the Company believes that Kingstown and Skarnore are in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its subsidiaries or its properties, which could have a material adverse impact on the Company's current operations or planned development projects.

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.

Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Company cannot be sure whether any

necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company or its subsidiaries from proceeding with any future exploration or development of its properties. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

(d) Exploration success

Mineral exploration and project development are high risk undertakings. There can be no assurance that further exploration on the Company's projects will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. Until the Company is able to realise value from its mineral projects, it is likely to incur ongoing operating losses.

(e) Drilling and exploration programs

There are operational risks associated with the Company's planned drilling and exploration programs. The planned surface sampling, drilling and exploration programs at the Company's mineral projects may be affected by a range of factors, including (but not limited to): geological and ground access conditions; unanticipated operational and technical difficulties encountered in sampling and drilling activities; adverse weather conditions, environmental accidents, and unexpected shortages or increases in the costs of consumables, spare parts, and labour; mechanical failure of operating plant and equipment; prevention of access by reason of political or civil unrest, outbreak of hostilities, outbreak of disease or inability to obtain regulatory consents or approvals; terms imposed by government on development of mining projects including conditions such as equity participation, royalty rates and taxes; and risks of default or non-performance by third parties providing essential services.

There is a particular risk that the non-regular (i.e. non-graticular) tenement shapes of the Bor project tenements may prove difficult for significant exploration campaigns. This may also limit the Company's capacity to develop appropriate infrastructure on those tenements in the event of successful discovery of mineralisation.

No assurance can be given that planned and future exploration will be successful or that a commercial mining operation will eventuate at any of the Company's mineral projects.

(f) Tenure, access and grant of applications

The Company's operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities in Serbia. In particular, four of the Licences are currently in the application phase and one of the Licences is also in the process of being transferred to the Company. Although the Company is not aware of any reason why these Licences will not be granted or transferred to the Company, there is no assurance that the Licences will be granted or transferred, or that delays will not occur in connection with obtaining all necessary grant, renewals or transfers of licences/permits from the 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, subsidiaries of the Company must receive licences/permits from appropriate governmental authorities. There is no certainty that Kingstown or Skarnore will continue to hold all licences/permits necessary to develop or continue operating at any particular property.

Tenements are subject to the applicable mining acts and regulations in Serbia. Following Completion, the Company will be required to comply with Serbian land access laws, water rights acts, and environmental, and cultural laws among others. Compliance with these requirements appear manageable with consultation with the respective parties and government officials however, there is a risk that for an unforeseen reason, the Company may not be granted the required licence or permits to carry out the proposed works, which could lead to unforeseen delays or changes to proposed work programs, thus having the ability to materially impact upon the Company's operations and financial circumstances.

Under Serbian mining law, an exploration licence can be revoked upon the occurrence of specified events that are not remedied within prescribed periods. Such events include but are not limited to not conducting exploration activities in accordance with the approved programme, conducting exploration activities outside of the permit area, failing to submit annual reports, failing to undertake adequate rehabilitation works and failing to comply with occupational health and safety laws.

The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Serbia and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of granted tenements for reasons beyond the control of the Company could be significant.

(g) Stara Planina Joint venture risk

The Timok Group is not the holder of the Stara Planina Licence, which is held by Geo Consulting Studio doo. Skarnore is a party to the Geoconsulting Joint Venture Agreement with the holder in respect of the Stara Planina Licence. The Geoconsulting Joint Venture Agreement is summarised in Section 7.6(c). The Company's Serbian legal advisors have identified various risks in relation to the Geoconsulting Joint Venture Agreement as summarised below.

- (i) Skarnore has made investments, whereby the JV Company has not been incorporated nor the Licence transferred: Under the terms of the Geoconsulting Joint Venture Agreement the holder of the Stara Planina Licence was required to commence the legal procedure of transfer of the Stara Planina Licence to the JV Company following within 10 days of expiry of the due diligence period under the agreement. This date has passed, and as at the date of this Notice, the holder has not yet incorporated the JV Company nor initiated the transfer of the Stara Planina Licence. Skarnore has commenced expenditure on the Stara Planina Licence. If the JV Company is not formed and/or the Stara Planina Licence transferred to it, there is a risk that the Company will not be able to recover its investment on

the Stara Planina Licence from the holder of the Stara Planina Licence.

- (ii) The risk of unenforceability of the obligation of the Licence holder to transfer the shares in the JV Company to Skarnore: The Geoconsulting Joint Venture Agreement provides that Skarnore may earn the right to shares in the JV Company through expenditure on the Stara Planina Licence. Serbian law requires that, for the transfer of shares in the JV Company to be enforceable, the Geoconsulting Joint Venture Agreement be verified by a public notary. As at the date of this Notice, the Geoconsulting Joint Venture Agreement has not been verified. There is a risk that, even if the JV Company is incorporated and the Stara Planina Licence is transferred to it, The Company will not be able to enforce its right to shares on the JV Company.
- (iii) No deadlock resolution provisions for the JV Company are stipulated in the Geoconsulting Joint Venture Agreement.
- (iv) The Geoconsulting Joint Venture Agreement provides that Skarnore has an unconditional financial obligation in the amount of EUR 20,000 expenditure on the Licence annually.
- (v) The Geoconsulting Joint Venture Agreement contains an unclear option in favour of the holder of the Licence to convert its shares in the joint venture to a royalty.
- (vi) The potential unenforceability of Skarnore's right to acquire all interests related to the Licence: The Geoconsulting Joint Venture Agreement contemplates certain rights and obligations in respect of the Stara Planina Licence that accrue after the date that the Stara Planina Licence is due to expire. For example, Skarnore has a right to purchase 100% of the shares in the JV Company, including all right related to the Stara Planina Licence, that continues after the date that the Stara Planina Licence is due to expire. There is a risk that such rights and obligations are not enforceable.
- (vii) The Geoconsulting Joint Venture Agreement contains a potentially inoperative right to manage the JV Company.
- (viii) A lack of clarity in the financial expenses provided under the Geoconsulting Joint Venture Agreement in the case of termination of the agreement and exiting the JV Company.
- (ix) A lack of clarity in the Geoconsulting Joint Venture Agreement around the rights of Skarnore to buy the Licence.

In light of the various issues identified in respect of the Geoconsulting Joint Venture Agreement, there is risk that the Company will be unable to realise its rights under the agreement, or to recover its expenditure on the Stara Planina Licence.

Furthermore, the Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party.

(h) **Environmental**

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 bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

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

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

In particular, the Stara Planina Licence is partially located in an area which comprises the Stara Planina nature park. The development of mining projects is permitted within areas in Serbia classified as "nature parks" subject to compliance with relevant environmental protections. The area of the Stara Planina nature park that overlaps the Company's licence is classified as "zone 3" which is subject to the lowest level of protection for nature park areas (the highest level being "zone 1"). Nonetheless, there is a risk that the relevant Serbian authorities may impose conditions on future mining development in the Stara Planina nature park which may result in delays or other difficulties to the Company's activities in that area. The Company considers this is a low risk in light of current and previous land use within the Stara Planina nature park and the Serbian government's past conduct.

(i) **Mine development risk**

Possible future development of a mining operation at any of the Company's future 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 and treatment of ore.

(j) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

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

(k) Acquisition of project data

The conduct of the Company's activities are affected by to the Company's ability to acquire data in relation to its Projects. The Company's ability to acquire project data may be affected by various factors, including:

- (i) language;
- (ii) a variety of grid projection systems;
- (iii) verification of historical hard copy records;
- (iv) digital capture of historical records; and
- (v) verification of historical quality control and quality assurance data.

For the majority of the Company's Projects, project data is known to exist that is currently not available to the Company. There is a risk that an inability to access this information may have a negative impact on the considered mineral potential of any or all of the Company's Projects.

(l) Insurance risks

There are significant exploration and operating risks associated with exploring for minerals, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company's subsidiaries will be subject to liability for environmental risks such as pollution and abuse of the environment.

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, such insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material

adverse effect on the business, financial condition and results of the Company effected. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

(m) Commodity price volatility and exchange rate risk

The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. Consequently, any future earnings are likely to be closely related to the price of copper and gold commodities and the terms of any off-take agreements that the Company enters into.

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

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

8.3 Market risks

(a) Regulatory risks

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Regulatory areas which are of particular significance to the Company include environmental compliance and rehabilitation, mining, taxation, employee relations, worker health and safety, waste disposal, protection of the environment, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

(b) Reinstatement to ASX's Official List

The Company's Shares are currently suspended from trading on the ASX. In the event the Acquisition Resolutions are approved at the Meeting, it is anticipated that the Company's Securities will remain suspended until

completion of the Acquisition and Capital Raising, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements, or that ASX policy with respect to reinstatement may be amended and that its listed securities may consequently remain suspended from quotation.

Further, pursuant to ASX's long term suspended entities policy in ASX Guidance Note 33, in the event the Company is unable to proceed with the Capital Raising or meet the requirements of Chapters 1 and 2 of the Listing Rules it will be removed from the Official List by ASX (see the Important Note under the indicative timetable on page vii for further information).

8.4 General risks

(a) Share Price

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. There is no assurance that the price of the Shares will increase following quotation on the ASX, even if the Company's earnings increase.

Some of the factors which may affect the price of the Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, inclusion in or removal from market indices, the addition or departure of key personnel, actual or anticipated fluctuations in the Company's results and recommendations of analysts in relation to those results, fluctuations in the industry in which the Company operates and general operational and business risks.

Other factors which may negatively affect investor sentiment and influence the Company specifically or the stock market more generally include acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and mining and exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to security holders arising from the transactions the subject of this Notice or otherwise.

(b) Bribery, corruption, or other improper acts

The Company may incur fines or penalties, damage to its reputation or suffer other adverse consequences if its Directors, officers, employees, consultants, agents, service providers or business partners violate, or are alleged to have violated, anti-bribery and corruption laws in Serbia, Australia or any future jurisdictions in which the Company may operate.

The Company cannot guarantee that its internal policies and controls will be effective in each case to ensure that it is protected from reckless or criminal acts committed by its Directors, officers, employees, consultants, agents, service providers or business partners that would violate Australian laws,

Serbian laws or the laws of any other country in which the Company may operate in the future. Any such improper actions could subject the Company to civil or criminal investigations in Australia, Serbia or other countries that could lead to substantial civil or criminal monetary and non-monetary penalties against the Company, and could damage the Company's reputation. Even the allegation or appearance of improper or illegal actions could damage the Company's reputation and result in significant expenditures in investigating and responding to such actions and may in turn have an adverse effect on the Company's future financial performance and position.

(c) Economic

General economic conditions in Australia, Serbia and any other future jurisdictions that the Company may operate in may have an adverse effect on the Company's business activities and on their ability to fund those activities. Economic factors include, but are not limited to, the introduction of tax reform, new legislation, movements in investor interest, inflation rates currency exchange rates and terrorism or other hostilities.

(d) Force majeure

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

(e) Litigation risks

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. Neither the Company, Timok, Skarnore nor Kingstown are currently engaged in any litigation.

(f) Enforcing liabilities against assets outside of Australia may be difficult

The majority of the Company's assets will be located outside of Australia. As a result, it may be difficult to enforce judgments obtained in Australian courts against those assets. In addition, there is uncertainty as to whether the courts of Serbia or any other jurisdictions in which the Company operates would recognise or enforce judgments of Australian courts obtained against the Company based on provisions of the laws of Australia. Furthermore, because the majority of the Company's assets are or will be located outside Australia, it may also be difficult to access those assets to satisfy an award entered against the Company in Australia. As a result of all of the above, Shareholders may have more difficulty in protecting their interests in the face of actions taken by management, the Board or controlling Shareholders than they would as shareholders of a company with assets in Australia.

(g) Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, assets or projects complementary to the Company's existing operations. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of

companies, assets and projects, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the short term operational goals and retaining key staff and customer and supplier relationships.

(h) **Policies and legislation**

Any material adverse changes in government policies or legislation of Australia, Serbia or any other country that the Company has economic interests in may affect the viability and profitability of the Company.

Serbia is a member of numerous organisations such as the United Nations, Council of Europe, Organisation for Security and Co-operation in Europe, Partnership for Peace, Organisation of the Black Sea Economic Cooperation, and Central Europe Free Trade Organisation. Serbia has been a European Union membership candidate since 2012 and has been negotiating its European Union accession since January 2014. The country is acceding to the World Trade Organisation and is a militarily neutral state.

8.5 No guarantee in respect of investment

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

9. Resolution 5 - Approval to change in nature and scale of activities

9.1 General

Resolution 5 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities via the Acquisition.

A detailed description of the Acquisition is outlined in Section 7 above.

Resolution 5 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

The Board recommends that Shareholders vote in favour of Resolution 5.

Resolution 5 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 5.

9.2 Listing Rule 11.1

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and/or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and

- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the company were applying for admission to the Official List.

ASX has advised that it requires the Company to:

- (a) obtain the approval of its Shareholders for the proposed change of activities pursuant to Listing Rule 11.1.2; and
- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under Listing Rule 11.1.2 and pursuant to Listing Rule 11.1.3 in order to re-comply with Chapters 1 and 2 of the Listing Rules.

Details of the assets to be acquired by the Company and the proposed changes to the structure and operations of the Company are provided throughout this Explanatory Memorandum.

10. Resolution 6 - Approval to create a new class of securities: Performance Shares

10.1 General

Resolution 6 seeks Shareholder approval for the Company to be authorised to issue the Performance Shares as a new class of shares.

A company with a single class of shares on issue which proposes to issue new shares not having the same rights as its existing shares, is taken to vary the rights of existing Shareholders unless the Constitution already provides for such an issue.

Section 246B of the Corporations Act and Article 6.3 of the Constitution provide that the rights attaching to a class of shares cannot be varied without:

- (a) a special resolution passed at a meeting of the members holding shares in that class; or
- (b) the written consent of the members who are entitled to at least 75% of the votes that may be cast in respect of shares in that class.

Pursuant to the Acquisition Agreement, the Company proposes to issue (amongst other Securities) 200,000,000 Performance Shares, on the terms and conditions set out in Schedule 4.

The purpose of the issue of the Performance Shares is to link part of the consideration for the Acquisition to certain key performance criteria as set out in Schedule 4 (**Performance Milestones**). If the Performance Milestones are not achieved within the prescribed timeframe, the Performance Shares will not be converted and will lapse accordingly.

The Company currently has only one class of shares on issue being fully paid ordinary shares. The terms of the Performance Shares are not the same as the Shares. Accordingly, the Company seeks approval from Shareholders for the issue of the Performance Shares.

Resolution 6 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

The Board recommends that Shareholders vote in favour of Resolution 6.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chair intends to exercise all available proxies in favour of Resolution 6.

10.2 Listing Rules

Listing Rule 12.5 imposes an ongoing obligation on a listed entity to have a structure that is appropriate for a listed entity. The Board is of the view that establishing the class of Performance Shares the subject of this Resolution 6 is appropriate for the structure of the Company.

Listing Rule 6.1 provides that the terms that apply to each class of equity security must, in ASX's opinion, be appropriate and equitable.

The Company has sought and expects to receive approval from ASX for the terms of the Performance Shares required under Listing Rule 6.1.

11. Resolution 7 - Approval to issue Consideration Securities

11.1 General

Resolution 7 seeks Shareholder approval for the issue of 75,000,000 Shares and 200,000,000 Performance Shares (**Consideration Securities**) to the Vendors (or their respective nominees) pursuant to the Acquisition Agreement.

There are 13 Vendors in total. The Vendors all unrelated parties of the Company or are only related parties of the Company by reason of the Acquisition. The Consideration Securities to be issued pursuant to this Resolution 7 will be issued such that no individual Vendor and their associates will hold more than 5% of the Shares on issue.

Resolution 7 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

The Board recommends that Shareholders vote in favour of Resolution 7.

Resolution 7 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 7.

11.2 Listing Rule 7.1

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

The effect of Resolution 7 will be to allow the Company to issue the Consideration Securities during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

11.3 Technical information required by Listing Rule 7.3

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

- (a) the maximum number of Consideration Securities to be issued is as follows:
 - (i) 75,000,000 Shares;
 - (ii) 62,500,000 Class A Performance Shares;
 - (iii) 62,500,000 Class B Performance Shares; and
 - (iv) 75,000,000 Class C Performance Shares;
- (b) the Consideration Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Consideration Securities will be issued in consideration for the Vendors' shares in Timok and therefore will be issued at an issue price of nil;
- (d) the Consideration Securities will be issued to the Vendors (or their respective nominees) who are not related parties of the Company, or will be related parties of the Company only by virtue of the Acquisition, in the proportions set out in Part 1 of Schedule 2;
- (e) Shares to be issued as part of the Consideration Securities will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) Performance Shares to be issued as part of the Consideration Securities will be a new class of shares (Shareholder approval for which is being sought pursuant to Resolution 6) and will be issued on the terms set out in Schedule 4;
- (g) no funds will be raised from the issue of the Consideration Securities as they are to be issued in consideration for the Vendors' shares in Timok;
- (h) it is intended that the Consideration Securities will be issued on the same date, being the date of Completion; and
- (i) a voting exclusion statement is included in the Notice.

12. Resolution 8 - Approval to issue Capital Raising Shares

12.1 General

Resolution 8 seeks Shareholder approval for the issue of up to 250,000,000 Shares at an issue price of \$0.02 per Share (**Capital Raising Shares**) to raise up to \$5,000,000 (before costs) under the Capital Raising.

The Capital Raising Shares will be issued under a Prospectus to be issued by the Company in order to re-comply with Chapters 1 and 2 of the Listing Rules.

The Company has applied to ASX for, and expects to receive, a waiver from Listing Rule 2.1 condition 2 to permit the issue price of the Capital Raising Shares to be \$0.02 each.

Resolution 8 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

The Board recommends that Shareholders vote in favour of Resolution 8.

Resolution 8 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 8.

12.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 11.2 above.

The effect of Resolution 8 will be to allow the Company to issue the Capital Raising Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

12.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Capital Raising Shares:

- (a) the maximum number of Capital Raising Shares to be issued is 250,000,000;
- (b) the Capital Raising Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the issue price for the Capital Raising Shares will be \$0.02 per Share;
- (d) the Capital Raising Shares are proposed to be issued at the Board's discretion pursuant to a public offer via a Prospectus for the purpose of Listing Rule 1.1 condition 3. Other than those related parties which are the subject of Resolution 14, none of the subscribers for the Capital Raising will be related parties of the Company;
- (e) the Capital Raising Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company's intended use of the funds raised from the issue of the Capital Raising Shares is set out in Section 7.11 above;
- (g) it is intended that the Capital Raising Shares will be issued on the same date, being the date of Completion; and
- (h) a voting exclusion statement is included in the Notice.

13. Resolution 9 - Approval to issue Facilitator Securities

13.1 General

Resolution 9 seeks Shareholder approval for the issue of up to 40,000,000 Shares and 13,000,000 Options (**Facilitator Securities**) to the Facilitator (or its nominees) on Completion in lieu of corporate advisory, lead manager and success fees for their services in relation to the Interim Capital Raising, Convertible Notes, Capital Raising and the Acquisition.

The Facilitator Securities will be subject to any trading restrictions required by the Listing Rules and are expected to be restricted for a period of two years from the date that the Company is re-admitted to ASX.

Resolution 9 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

The Board recommends that Shareholders vote in favour of Resolution 9.

Resolution 9 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 9.

13.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 11.2 above.

The effect of Resolution 9 will be to allow the Company to issue the Facilitator Securities during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

13.3 Technical information required by Listing Rule 7.3

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

- (a) up to a maximum of 40,000,000 Shares and 13,000,000 Options will be issued to the Facilitator (or its nominees);
- (b) the Facilitator Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Facilitator Securities will be issued for nil cash consideration in satisfaction of services provided by the Facilitator who has assisted, or will assist, the Company with the Interim Capital Raising, Convertible Notes, Capital Raising and Acquisition;
- (d) the Facilitator Securities will be issued to the Facilitator (or its nominees), who are not related parties of the Company;
- (e) the Shares issued as part of the Facilitator Securities will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options issued as part of the Facilitator Securities will be issued on the terms and conditions set out in Schedule 3; and

- (g) no funds will be raised from the issue of the Facilitator Securities as they are to be issued in consideration for the Facilitator's services in facilitating the Acquisition;
- (h) it is intended that the Facilitator Securities will be issued on the same date, being the date of Completion; and
- (i) a voting exclusion statement is included in the Notice.

14. Resolution 10 - Approval to issue Attaching Options

14.1 General

Resolution 10 seeks Shareholder approval for the issue of 32,000,000 Options (**Attaching Options**) to sophisticated and professional investors who participated in the Interim Capital Raising and who are identified in Part 2 of Schedule 2 (**Participant**). Subject to Shareholder approval of this Resolution 10, each Participant will receive one free Attaching Option for every 1 Placement Share subscribed for under the Interim Capital Raising. None of the Participants (or their nominees) in the Interim Capital Raising were related parties of the Company.

Resolution 10 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

The Board recommends that Shareholders vote in favour of Resolution 10.

Resolution 10 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 10.

14.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 11.2 above.

The effect of Resolution 10 will be to allow the Company to issue the Attaching Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

14.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Attaching Options:

- (a) the maximum number of Attaching Options is 32,000,000;
- (b) the Attaching Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of all the Attaching Options will occur on the same date;
- (c) the Attaching Options will be issued for nil cash consideration in connection with the Interim Capital Raising as outlined in Section 7.3;
- (d) the Attaching Options will be issued to the Participants (or their respective nominees), none of whom is a related party of the Company (other than as a result of the Acquisition) in the proportions set out in Part 2 of Schedule 2;

- (e) the Attaching Options issued will issued on the terms and conditions detailed in Schedule 3;
- (f) no funds will be raised from the proposed issue of Attaching Options. The funds raised from the conversion of the Attaching Options will be applied towards working capital; and
- (g) a voting exclusion statement is contained in the Notice.

15. Resolution 11 - Approval of conversion of Convertible Notes

15.1 General

On 27 November 2017 the Company issued convertible notes for an aggregate \$100,000 (excluding interest) (**Convertible Notes**). Resolution 11 seeks Shareholder approval for the issue of the following Securities to the Noteholders (or their respective nominees) for the conversion of the Convertible Notes:

- (a) 5,000,000 Shares at a deemed conversion price of \$0.02 per Share; and
 - (b) 5,000,000 free-attaching Options,
- (together, the **Convertible Note Securities**).

Resolution 11 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

The Board recommends that Shareholders vote in favour of Resolution 11.

Resolution 11 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 11.

15.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 11.2 above.

The effect of this Resolution will be to allow the Company to issue the Shares upon conversion of the Convertible Notes during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

15.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the conversion of the Convertible Notes:

- (a) the maximum number of Convertible Note Securities to be issued is as follows:
 - (i) 5,000,000 Shares; and
 - (ii) 5,000,000 Attaching Options;

- (b) the Convertible Note Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Shares will be issued upon conversion of the Convertible Notes for nil cash consideration at a deemed issue price of \$0.02 each, and accordingly no funds will be raised;
- (d) the Options are free attaching to the Shares to be issued upon conversion of the Convertible Notes, and accordingly no funds will be raised;
- (e) the Convertible Note Securities will be issued to the Noteholders (or their respective nominees), none of whom is a related party of the Company as follows:
 - (i) Atollo Investments Pty Ltd: 25,000 Shares and 25,000 Attaching Options;
 - (ii) Benefico Pty Ltd: 30,000 Shares and 30,000 Attaching Options;
 - (iii) Kojin Pty Ltd: 20,000 Shares and 20,000 Attaching Options; and
 - (iv) Sunset Tidal Pty Ltd: 25,000 Shares and 25,000 Attaching Options;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Options will be issued on the terms and conditions set out in Schedule 3;
- (h) no funds will be raised from the issue of the Convertible Note Securities. Funds raised from the conversion of any Convertible Note Securities will be applied towards working capital;
- (i) it is intended that the Convertible Note Securities will be issued on the same date, being the date of Completion; and
- (j) a voting exclusion statement is contained in the Notice.

16. Resolutions 12 & 13 - Election of Directors - Messrs Ljubojevic and Pawlitchek

16.1 General

Article 10.2(c) of the Company's Constitution allows the Company to elect any person as a Director by ordinary resolution at a general meeting.

Pursuant to the Acquisition Agreement, at Completion it is proposed that Mr Dusko Ljubojevic and Mr Pawlitchek each be elected as Directors of the Company.

Resolutions 12 and 13 seek approval for the election of Mr Ljubojevic and Mr Pawlitchek respectively as a Director on and from Completion if each of the other Acquisition Resolutions are approved by Shareholders. Mr Ljubojevic and Mr Pawlitchek will be appointed as Executive Director and Non-Executive Director respectively.

Resolutions 12 and 13 are Acquisition Resolutions and are subject to Shareholders passing each of the Acquisition Resolutions.

The Board recommends that Shareholders vote in favour of Resolutions 12 and 13.

Resolutions 12 and 13 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 12 and 13.

16.2 Mr Dusko Ljubojevic

B. Science - Geology (Honours)

Mr Ljubojevic currently serves as the Head of Small Scale Mining and Geology for Barrick Gold Corporation's Asset Development Group. Based between South Africa and Europe, Mr Ljubojevic is responsible for technical evaluations and strategy advisement for all the exploration and development projects within Barrick's Asset Development Groups' portfolio, Mr Ljubojevic has over 12 years of experience as a geologist, with experience in greenfield and brownfield exploration, including positions in open pit and underground environments. He has extensive experience in Africa and Europe, Asia, and North America and notably a significant amount of experience in the Eastern European region. Mr Ljubojevic has previously held positions with a number of ASX listed exploration and development companies in Africa.

Mr Ljubojevic has been involved in the formation and running in a number of start-up exploration companies which secured projects and were subsequently funded. Mr Ljubojevic is also on the technical advisory board of, Balkan Mineral Resources which is currently advancing its Cadinje Skarn deposit to development in Serbia.

16.3 Mr Martin Pawlitchek

M Science, B. Science - Applied Geology (Honours), Dip. Applied Chemistry.

Mr Pawlitchek currently serves as Senior Vice President of Geology for a mining focussed Private Equity fund. Mr Pawlitchek is based in Europe and is responsible for undertaking technical due diligence on mining projects, principally from a geology and resource risk perspective, but also to evaluate exploration upside. He has taken part in over forty detailed due diligence reviews and site visits over the last three years and was a key member in the selection of the funds projects to date.

Mr Pawlitchek has over 20 years of experience primarily in exploration and resource drilling with some exposure to underground and open pit mines. During his 11-year tenure with BHP Billiton, he oversaw numerous exploration programs in Australia, Laos and several countries in Southern and Central Africa. Later in his career with BHPB he was responsible for the technical aspects setting up several new business opportunities in the diamond sector in Botswana, South Africa, Angola and DRC. The Angolan projects resulted in the discovery of several large, diamond-bearing kimberlites.

Mr Pawlitchek later joined one of the junior companies set up by BHP Billiton and moved forward an ambitious diamond exploration program in the DRC. From there he continued his career in the junior sector with a move to Senegal where he managed a large portfolio of exploration permits for gold in Eastern Senegal, which resulted in the development of what is now the 10MOz Sabodala gold camp with an annual output in excess of 200KOz of gold. He also had early input in the evaluation of the Grand Cote Mineral sands project on the coast of Senegal, this is now the world's largest mineral sands dredging operation.

17. Resolutions 14 - 18 - Participation in Capital Raising by related parties

17.1 General

Pursuant to Resolution 8 the Company is seeking Shareholder approval for the Capital Raising, being the issue of up to 250,000,000 Capital Raising Shares to raise up to a total of \$5,000,000 before costs.

Ms Garic, Mr Young, Mr Davy, Mr Ljubojevic and Mr Pawlitschek (together, the **Related Party Participants**) each may wish to participate in the Capital Raising, subject to shareholder approval being obtained.

Resolutions 14 to 18 seek Shareholder approval for the issue of up to a total of 12,500,000 Shares to the Related Party Participants (or their nominees) arising from the participation by the Related Party Participants in the Capital Raising (**Participation**).

Resolution 14 to 18 are ordinary resolutions.

17.2 Chapter 2E of the Corporations Act and Listing Rule 10.11

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The Directors, consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Related Party Participants on the same terms as Shares issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

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

As the Participation involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the Participation as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Shares to the Related Party Participants (or their nominees) will not be included in the use of the Company's 15% placement capacity pursuant to Listing Rule 7.1.

17.3 Technical information required by Listing Rule 10.13

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

- (a) the Capital Raising Shares will be issued to Ms Garic, Mr Young, Mr Davy, Mr Ljubojevic and Mr Pawlitschek (or their respective nominees);
- (b) the maximum number of Capital Raising Shares to be issued to the Related Party Participants is 12,500,000 in the following proportions:
 - (i) up to 2,500,000 Shares to Ms Garic (or her nominee);
 - (ii) up to 2,500,000 Shares to Mr Young (or his nominee);
 - (iii) up to 2,500,000 Shares to Mr Davy (or his nominee);
 - (iv) up to 2,500,000 Shares to Mr Ljubojevic (or his nominee); and
 - (v) up to 2,500,000 Shares to Mr Pawlitschek (or his nominee);
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (d) Ms Garic, Mr Young and Mr Davy are Directors and therefore related parties of the Company;
- (e) Mr Ljubojevic and Mr Pawlitschek are proposed Directors and therefore related parties of the Company;
- (f) the issue price of the Capital Raising Shares will be \$0.02 per Share, being the same as all other Securities issued under the Capital Raising;
- (g) the Capital Raising Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (h) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in Section 7.11 of this Explanatory Statement.

17.4 Section 195

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

Some of the Directors may have a material personal interest in the outcome of Resolution 14 to 18.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

18. Resolution 19 - Approval to change Company name

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 19 seeks the approval of Shareholders for the Company to change its name to "Raiden Resources Limited".

If Resolution 19 is passed the change of name will be effective from the date that ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

Resolution 19 is an Acquisition Resolution and subject to Shareholders passing each of the Acquisition Resolutions.

The Board recommends that Shareholders vote in favour of Resolution 19.

Resolution 19 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chair intends to exercise all available proxies in favour of Resolution 19.

19. Resolution 20 - Maximum Non-Executive Directors' Fees

Article 10.5(a) of the Constitution provides that the Company may pay its non-executive Directors a maximum total amount of director's fees that is determined by the Company in general meeting, or until so determined, as the Directors resolve.

Article 10.5(e) Constitution provides that remuneration of executive Directors must, subject to the provisions of any contract between each of the executive Directors and the Company, be fixed by the Directors.

The Company's Constitution was adopted at the general meeting of Shareholders held on 8 September 2017.

Resolution 20 seeks the approval of Shareholders to set the total amount of director's fees that may be paid to the Company's non-executive Directors as a whole at a maximum of \$300,000.

At the Company's 2013 annual general meeting held on 25 November 2013, Shareholders resolved, in accordance with clause 11.6.1 of the Company's constitution in place at the time, that the maximum aggregate remuneration payable to all the Directors of the Company for their ordinary services as Directors be set at \$320,000.

To avoid uncertainty in light of the variance between the requirements of Article 10.5 of the current Constitution and clause 11.6.1 of the Company's former constitution, Shareholders are being asked to approve \$300,000 as the maximum total amount of directors fees that may be paid to the Company's non-executive Directors as a whole.

The remuneration of any executive Directors going forward will be fixed by the Directors in accordance with Article 10.5 of the Constitution.

The Board recommends that Shareholders vote in favour of Resolution 20.

The Chair intends to exercise all available proxies in favour of Resolution 20.

Schedule 1 - Definitions

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

\$ means Australian Dollars.

Acquisition means the acquisition by the Company of Timok in accordance with the Acquisition Agreement.

Acquisition Agreement means the share sale agreement between the Company, Timok and the Vendors for the acquisition of Timok by the Company, dated 24 November 2017.

Acquisition Resolutions means Resolutions 5 to 19 (inclusive).

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2017.

Article means an article of the Constitution.

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

ASIC means the Australian Securities and Investments Commission.

Attaching Options means the 32,000,000 Options proposed to be issued to Participants which are the subject of Resolution 10.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors of the Company.

Business Day means a day that is not a Saturday, Sunday or public holiday in Western Australia.

Capital Raising means the Company's proposal under Resolution 8 to raise up to a total of \$5,000,000 (before costs) via a public offer under a Prospectus.

Capital Raising Shares means the Shares proposed to be issued under the Capital Raising.

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

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means ACN 009 161 522 Limited (to be renamed "Raiden Resources Limited") (ACN 009 161 522).

Completion means completion of the Acquisition in accordance with the Acquisition Agreement.

Consideration Securities means the 75,000,000 Shares and 200,000,000 Performance Shares proposed to be issued to the Vendors (or their respective nominees) which are the subject of Resolution 7.

Constitution means the constitution of the Company as at the date of the Meeting.

Convertible Notes means the convertible notes issued by the Company, as outlined in Section 7.3, the conversion of which into Shares and Options is subject to Shareholder approval pursuant to Resolution 11.

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

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Security has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

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

Facilitator means Otsana.

Facilitator Options means the 13,000,000 Options proposed to be issued to Otsana (or its nominee).

Facilitator Securities means the 40,000,000 Shares and Facilitator Options proposed to be issued to Otsana (or its nominee), which are the subject of Resolution 9.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Geoconsulting Joint Venture Agreement means the earn-in and joint venture agreement dated 28 September 2016 between Skarnore and Geo Consulting Studio doo in respect of the Stara Planina Licence.

Independent Geologist's Report means the report of CSA Global Pty Ltd ACN 077 165 532 included as Schedule 6.

Interim Capital Raising means the capital raising detailed in Section 7.3.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Kingstown means Kingstown Resources d.o.o. Beograd, a company duly incorporated and validly existing under the laws of the Republic of Serbia, registered with the Business Registration Agency of the Republic of Serbia, corporate identification number 21159492.

Licences means the licences described in Section 7.4(c).

Listing Rules means the listing rules of ASX.

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

Noteholders means the holders of the Convertible Notes, being Atollo Investments Pty Ltd, Benefico Pty Ltd, Kojin Pty Ltd and Sunset Tidal Pty Ltd.

Notice means this notice of annual general meeting.

Official List means the official list of ASX.

Option means an option to acquire a Share, exercisable at \$0.02 on or before 3 years from the date of issue and otherwise on the terms and conditions set out in Schedule 3.

Option Deeds means:

- (a) the option deed between Timok, Kingstown and the shareholders of Kingstown dated on or about 10 November 2017 pursuant to which Timok has been granted the option to acquire 100% of the issued capital of Kingstown; and
- (b) the option deed between Timok, Skarnore and the shareholders of Skarnore dated 10 November 2017 pursuant to which Timok has been granted the option to acquire 100% of the issued capital of Skarnore.

Optionholder means the holder of an Option.

Otsana means Otsana Pty Ltd (ACN 145 168 216) trading as Otsana Capital.

Participant has the meaning given to it in Section 7.3.

Performance Share means a performance share in the Company on the conversion terms set out in Schedule 4, and which is the subject of Resolutions 6 and 7.

Placement Share has the meaning given to it in Section 7.3.

Projects means Donje Nevlje, Stara Planina, Madjanpek, Zupa, Pirot and Bor projects which are located in Serbia in the West Tethyan Metallogenic Belt of Eastern Europe.

Prospectus means the prospectus proposed to be issued by the Company in relation to the Capital Raising.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Securities means all Equity Securities of the Company, including Shares, Options and Performance Shares.

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

Shareholder means a holder of a Share.

Skarnore means Skarnore Resources d.o.o. Beograd, a company duly incorporated and validly existing under the laws of the Republic of Serbia, registered with the Business Registration Agency of the Republic of Serbia, corporate identification number 21159425.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report (as relevant).

Timok means Timok Resources Pty Ltd (ACN 622 750 485).

Timok Group means Timok, Kingstown and Skarnore.

Vacating Directors means the Directors who were directors of the Company when the resolution to make the director's report considered at the last annual general meeting of the Company was passed, being Messrs Michael Davy and Nicholas Young, and Ms Kyla Garic.

Vendors means all of the shareholders of Timok as detailed in Part 1 of Schedule 2.

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

Schedule 2 - Vendors and Participants

PART 1 - VENDORS

Vendor	Number of Timok Shares	Entitlement to Consideration Securities			
		Shares	Performance Shares		
			Class A	Class B	Class C
Discovery Services Pty Ltd	15,000	15,000,000	12,500,000	12,500,000	15,000,000
Horizon Capital Management LLC	9,375	9,375,000	7,812,500	7,812,500	9,375,000
Martin Pawlitschek	9,375	9,375,000	7,812,500	7,812,500	9,375,000
Srdjan Vlaikovic	9,375	9,375,000	7,812,500	7,812,500	9,375,000
Marko Ćuric	9,375	9,375,000	7,812,500	7,812,500	9,375,000
Attollo Investments Pty Ltd	3,750	3,750,000	3,125,000	3,125,000	3,750,000
Buzz Capital Pty Ltd	3,750	3,750,000	3,125,000	3,125,000	3,750,000
Jbcm Consulting Pty Ltd	3,750	3,750,000	3,125,000	3,125,000	3,750,000
Elaine Fortmann	3,750	3,750,000	3,125,000	3,125,000	3,750,000
Sunset Tidal Pty Ltd	3,000	3,000,000	2,500,000	2,500,000	3,000,000
Hm Pension Fund Pty Ltd	2,700	2,700,000	2,250,000	2,250,000	2,700,000
Romfal Sifat Pty Ltd	1,350	1,350,000	1,125,000	1,125,000	1,350,000
Mr Faldi Ismail and Mrs Roumelia Rozanna Ismail	450	450,000	375,000	375,000	450,000

PART 2 - PARTICIPANTS

Participants		Entitlement to Attaching Options
1	Mr Andrew Steven Young	1,000,000
2	Eleanor Jean Reeves	2,500,000
3	Mr Jackie Au Yeung	5,000,000
4	Silver Knight Holdings Pty Ltd	1,000,000
5	Oska Nominees Pty Ltd	1,250,000
6	Mr Jodet Durak	1,000,000
7	Cttr Growth Pty Ltd	1,000,000
8	Willing Vale Pty Ltd	1,000,000
9	Kelverley Pty Ltd	1,000,000
10	Hm Pension Fund Pty Ltd	1,250,000
11	Sacco Developments Australia	1,000,000
12	Relf Hospitality Pty Ltd	1,250,000
13	Mr Luke Cain Gundry	1,000,000
14	Otis Developments Pty Ltd	500,000
15	Bom Schlaarp Pty Ltd	1,250,000
16	Marcus Ashley Robb	500,000
17	Jathro Pty Ltd	500,000
18	Mr Steven Stacey Bryson-Haynes	500,000
19	Beirne Trading Pty Ltd	1,500,000
20	Jeffrey Elliott	1,250,000
21	Red Terra Investments Pty Ltd	1,250,000
22	Getmeoutofhere Pty Ltd	1,250,000
23	Ms Fiona Nicole Van Den Berg	1,250,000
24	Noonan Radiology Pty Ltd	500,000
25	The Gas Super Fund Ltd	2,500,000

Schedule 3 - Terms and conditions of Options

2. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

3. Exercise Price

Subject to item 11 below, the amount payable upon exercise of each Option will be \$0.02 each (**Exercise Price**).

4. Expiry Date

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

5. Exercise Period

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

6. 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 relevant Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

7. 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 relevant Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

8. Timing of issue of the Shares on exercise

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

- (a) 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;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of the Shares issued pursuant to the exercise of the Options.

9. Shares issued on exercise

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

10. Quotation of the 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.

11. Reconstruction of capital

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

12. 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 the Company's shareholders during the currency of the Options without exercising the Options.

13. 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.

14. Unquoted

The Company will not apply for quotation of the Options on ASX unless the Board resolves otherwise.

15. Transferability

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

Schedule 4 - Terms and Conditions of Performance Shares

1. General

- (a) **(Share capital)** Each Performance Share is a share in the capital of the Company.
- (b) **(General meetings)** Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A Holder has the right to attend general meetings of the Company.
- (c) **(No voting rights)** A Performance Share does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No dividend rights)** A Performance Share does not entitle the Holder to any dividends.
- (e) **(No rights on winding up)** A Performance Share has no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (f) **(Transfer of Performance Shares)** The Performance Shares are not transferable.
- (g) **(Reorganisation of Capital)** In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (h) **(Quotation)** The Performance Shares will not be quoted on ASX.
- (i) **(No participation in entitlements and bonus issues)** Subject always to the rights under item 1(g) ((Reorganisation of Capital), Holders will not be entitled to participate in new issues of capital offered to Shareholders such as bonus issues and entitlement issues.
- (j) **(Amendments required by ASX)** The terms of the Performance Shares may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (k) **(No other rights)** A Performance Share does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

2. Conversion of the Performance Shares

(a) Definitions

In this item 2:

- (i) **Company Licenses** means the Licenses, over which the Company (or a wholly owned subsidiary) has a right to conduct exploration activities and mine, as at the date of Completion;
- (ii) **Company Project** means an exploration or mining project owned by the Company or through its wholly owned subsidiaries located on the Company Licences;
- (iii) **JORC Code** means the JORC Code means the Joint Ore Reserves Committee's Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition);
- (iv) **Mineral Resource, Scoping Study and Pre-Feasibility Study** each have the meaning given to that term in the JORC Code; and
- (v) **Positive** means there is no technical, commercial or economic impediment to the development of the Company Project which cannot be reasonably expected to be able to be overcome in normal circumstances so as to deliver a positive net present value to the Company Project using an 8% discount rate.

(b) **Milestones**

The Performance Shares will convert upon satisfaction of any one of the following milestones before the applicable Expiry Date:

- (i) 62,500,000 Performance Shares (**Class A Performance Shares**) will convert upon the announcement by the Company to ASX of the delineation of a Mineral Resource on the Company Licenses of at least 100Kt of contained copper equivalent (reported in accordance with clause 50 of the JORC Code) at or above 0.2% copper equivalent and which is prepared and reported in accordance with the JORC Code;
- (ii) 62,500,000 Performance Shares (**Class B Performance Shares**) will convert upon the announcement by the Company to ASX of the results of a Scoping Study and that the Board has resolved to undertake a Pre-Feasibility Study on all or part of the Company Licenses; and
- (iii) 75,000,000 Performance Shares (**Class C Performance Shares**) will convert upon the announcement of a Positive Pre-Feasibility Study in respect of a Company Project (or Company Projects),

(each referred to as a **Milestone**).

Any copper equivalent Mineral Resource will be calculated using the following formula (including any other potentially economic minerals that may also be found):

$$\text{Copper equivalent Mineral Resource (CuEq tonne)} = ((\text{Ni contained tonnes} \times \text{Ni price/tonne}) + (\text{PGM contained ounces} \times \text{PGM price/ounce}) + (\text{Au contained ounces} \times \text{Au price/ ounce}) + (\text{Ag contained ounces} \times \text{Ag price/ounces}) + (\text{Pb contained tonnes} \times \text{Pb price/tonne}) + (\text{Zn contained tonnes} \times \text{Zn price/tonne}) + (\text{Mo contained tonnes} \times \text{Mo price/tonne})) / (\text{Cu price/tonne}).$$

Capitalised terms used in this item have the meaning given to them in the JORC Code.

(c) **Change in Control Event**

- (i) All Performance Shares on issue shall automatically convert into Shares basis up to a maximum number that is equal to 10% of the Company's issued capital (as at the date of any of the following events) upon the happening of either of the following events:
 - (A) **takeover bid:** the occurrence of the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of more than 50.1% of Shares and that takeover bid has become unconditional; or
 - (B) **Scheme of arrangement:** the announcement by the Company that Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either cancelled transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.
- (ii) The Company must ensure the allocation of Shares issued under item 2(c)(i) is on a pro rata basis to all Holders in respect of their respective holdings of Performance Shares and all remaining Performance Shares held by each Holder will automatically consolidate into one Performance Share and will then convert into one Share.

(d) **Expiry Dates**

The expiry dates for the Performance Shares are as follows:

- (i) Class A Performance Shares: the Milestone must be achieved on or before 5.00pm (WST) on the date which is 48 months after the date of issue of the Performance Shares;
- (ii) Class B Performance Shares: the Milestone must be achieved on or before 5.00pm (WST) on the date which is 54 months after the date of issue of the Performance Shares; and
- (iii) Class C Performance Shares: the Milestone must be achieved on or before 5.00pm (WST) on the date which is 60 months after the date of issue of the Performance Shares

(each referred to as an **Expiry Date**).

To the extent that any Performance Shares have not converted into Shares by the applicable Expiry Date, such Performance Shares will automatically consolidate into one Performance Share and will then convert into one Share.

(e) **Conversion of Performance Shares**

Any conversion of Performance Shares into Shares is on a one for one basis.

(f) **Takeover Provisions**

- (i) If the conversion of Performance Shares (or part thereof) under item 2(b) or (c) would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1). Following a deferment under this item 2(f)(i), the Company shall at all times be required to convert that number of Performance Shares that would not result in a contravention of section 606(1).
- (ii) Where paragraph item 2(f)(i) applies, if requested to do so by the affected Holder, the Company must seek to obtain the approval of its shareholders under section 611, item 7 of the Corporations Act for the conversion of the affected Performance Shares at the Company's next annual general meeting.
- (iii) A Holder must promptly notify the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under item 2(b) or (c) may result in the contravention of section 606(1), failing which the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).
- (iv) The Company may (but is not obliged to) by written notice request that a Holder confirm to the Company in writing within 7 days if they consider that the conversion of Performance Shares under item 2(b) or (c) may result in the contravention of section 606(1). If the Holder does not confirm to the Company within 7 days that they consider such conversion may result in the contravention of section 606(1), then the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).

(g) Quotation

If the Company is listed on the ASX at the time, upon conversion of the Performance Shares into Shares in accordance with these terms, the Company must on or before the date of the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.

(h) Conversion procedure

The Company will procure that the Holder is issued with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into Shares.

(i) Ranking of Shares

The Shares into which the Performance Shares will convert will rank *pari passu* in all respects with the Shares on issue at the date of conversion.

Schedule 5 - Pro forma consolidated statement of financial position

	ACN 009 161 522 Limited Audited Balance Sheet at 30 June 2017	Timok Resources Pty Ltd Unaudited Balance Sheet at 30 June 2017	Adjustment Note 1	Adjustments Notes 2-4 & 6	Adjustment Note 5	Adjustments Note 7-8	Unaudited Proforma at 30 June 2017
	AUD	AUD	AU	AU	AU	AU	AUD
Current Assets							
Cash and cash equivalents	2,490,597	991	(2,490,597)	261,600	4,235,630	-	4,498,221
Trade and other receivables	-	308	-	-	-	-	308
Other assets	-	1,847	-	-	-	-	1,847
Total Current Assets	2,490,597	3,146	(2,490,597)	261,600	4,235,630	-	4,500,376
TOTAL ASSETS	2,490,597	3,146	(2,490,597)	261,600	4,235,630	-	4,500,376
Current Liabilities							
Trade and other payables	11,063,070	1,835	(11,063,070)	-	-	-	1,835
Syndicate loan	22,758,000	-	(22,318,000)	(440,000)	-	-	-
Borrowings	-	3,325	-	-	-	-	3,325
Total Current Liabilities	33,821,070	5,160	(33,381,070)	(440,000)	-	-	5,160
Non-current Liabilities							
Borrowings	-	46,223	-	100,000	-	(100,000)	46,223
Total non-current Liabilities	-	46,223	-	100,000	-	(100,000)	46,223
TOTAL LIABILITIES	33,821,070	51,383	(33,381,070)	(340,000)	-	(100,000)	51,383
NET ASSETS	(31,330,473)	(48,237)	30,890,473	601,600	4,235,630	100,000	4,448,993
EQUITY							
Issued capital	18,382,865	2	-	(17,735,849)	4,700,000	900,000	6,247,018
Reserves	-	(2,894)	-	2,894	-	162,924	162,924
Accumulated losses	(49,713,338)	(45,345)	30,890,473	18,334,555	(464,370)	(962,924)	(1,960,949)
TOTAL EQUITY	(31,330,473)	(48,237)	30,890,473	601,600	4,235,630	100,000	4,448,993

Notes on Pro Forma

- (1) Settlement of DOCA extinguishing assets and liabilities and DOCA Payment (made via Syndicate, refer Note 6) of \$440,000;
- (2) Interim Capital Raise by way of a placement of 32,000,000 shares @ \$0.02 net of costs;
- (3) Issue of the Convertible Loan to raise \$100,000;
- (4) Under the terms of the Acquisition, SZG acquires all the issued share capital of Timok Resources Pty Ltd by issuing a total of 75,000,000 Consideration Shares, to the Timok Resources Pty Ltd Vendors, giving the Timok Resources Pty Ltd Vendors a controlling interest in SZG and equating to a controlling interest in the combined entity following the Acquisition. Timok Resources Pty Ltd has thus been deemed the acquirer for accounting purposes as it will own approximately 64.97% (75,000,000 / 115,430,796) of the consolidated entity (prior to the shares issued in relation to the Offer). The acquisition of Timok Resources Pty Ltd by SZG is not deemed to be a business combination, as SZG is not considered to be a business under AASB 3 Business Combinations.

As such the consolidation of these two companies is on the basis of the continuation of Timok Resources Pty Ltd with no fair value adjustments, whereby Timok Resources Pty Ltd is deemed to be the accounting parent. Therefore the most appropriate treatment for the transaction is to account for it under AASB 2 Share Based Payments, whereby Timok Resources Pty Ltd is deemed to have issued shares to SZG shareholders in exchange for the net assets held by SZG.

In this instance, the value of the SZG shares provided has been determined as the notional number of equity instruments that the shareholders of Timok Resources Pty Ltd would have had to issue to SZG to give the owners of SZG the same percentage ownership in the combined entity. We have deemed this to be \$647,016.

The pre-acquisition equity balances of SZG are eliminated against this increase in Share Capital upon consolidation and the balance is deemed to be the amount paid for the ASX listing status of SZG, being \$647,016;
- (5) Capital raising of \$5,000,000 through the issue of 250,000,000 shares at \$0.02, net of costs;
- (6) The repayment of Syndicate Loan used to settle the DOCA totalling to \$440,000;
- (7) The conversion of Convertible Loan into 5,000,000 ordinary shares and 5,000,000 free attaching options; and
- (8) The issue of 40,000,000 Facilitator Shares and 13,000,000 Facilitator Options with exercise price of \$0.02 and expiring 3 years from issue.

Schedule 6 - Independent Geologist's Report



CSA Global
Mining Industry Consultants



Independent Technical Assessment

Independent Technical Assessment Report for ACN 009 161 522 Ltd Serbian Projects

CSA Global Report N° R391.2017
30 November 2017

www.csaglobal.com

Report prepared for

Client Name	ACN 009 161 522 Limited
Project Name/Job Code	SKAITR01
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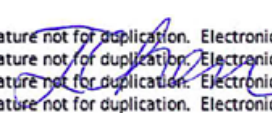
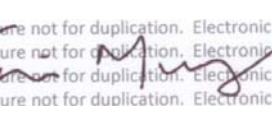
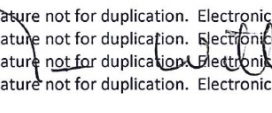
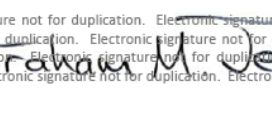
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Executive Summary

The Company has assembled a portfolio of prospective tenements in eastern Serbia. These projects occur primarily in the Timok Magmatic Complex. This district is known to host porphyry copper-gold-molybdenum deposits. The known deposits, external to the Company's tenement package, have historically sustained large-scale open-cut, underground block-cave mines such as the copper-gold deposits and mines in the Bor metallogenic zone, and the recently discovered Cukaru Peki epithermal copper-gold deposit.

The Company is also awaiting transfer of the Velika Zupa tenement (comprising the Zupa project) in the far western region of Serbia. This region is dominated by an ophiolite Belt, manifest as outcropping serpentinite. The Zupa tenement is dominated by Carboniferous-age meta-sandstones in structural and unconformable contact with Triassic limestones and volcanics, with potentially to host significant economic skarn mineralisation.

This report describes the prospectivity of the Company's tenements to host copper-gold mineralization related to intrusive/volcanic activity, i.e. porphyry, epithermal, and associated skarn-type deposits.

The previous exploration work completed by other parties and a narrative discussion of the results obtained are discussed. A substantive amount of data, for which access is currently limited to determine materiality, pertains to the work done on the projects prior to the Company's involvement. This body of work comprises data ranging from the post WWII era, to contemporary exploration, and requires further verification and validation of the data quality and data collection methods, before the data is categorised and imported into digital format for use.

The planned activities of the Company are early-stage in nature and will facilitate prospect and target identification, with some preliminary testing of these as work progresses. The Company has commenced this data acquisition and categorisation process, and the quantity and quality of information discussed in this report has primarily been regarded as sufficient to be used for exploration prioritisation purposes only. No exploration results are reported in this assessment. Any results were treated as either positive or negative indications of potential for significant mineralisation only, which may require additional investigation.

An effort was made to summarise this body of data in order to contain the size and readability of the report. Maps of the areas are presented, and commentary on the significance of historical drilling, completed by parties other than the Company, where such information is available, are provided.

CSA Global have relied on a solicitors' report on tenure attached to this prospectus prepared on the 27th of October 2017, by Serbian law firm Janković, Popović & Mitić in Belgrade.

Stara Planina Project

The project hosts areas of geochemical anomalism which are defined by multi-element geochemistry, with significant Cu values. These areas form the basis of additional exploration to identify potential intrusion related / porphyry style mineralization. As part of this, the company has recently executed a short Induced-polarisation programme over the two geochemical anomalies, with results guiding potential drill-hole testing of targets.

The company plans to execute further IP survey lines in order to identify any anomalies as well as test targeted zones of potential massive sulphide mineralization. A drilling programme is proposed to commence as soon as the results are completed.

Further mineralization styles will be considered on completion of the initial work programme.

CSA Global recommends that the accessible adits from historical mining could potentially provide a good target for mapping and sampling. Multi-element geochemistry may enable differentiation of alteration domains by host-rock and assist in vectoring to the key areas of the system. Care should be taken when sampling the waste

dumps. This is due to the mixed rock types and minerals that could render the use of geochemical and geophysical sampling results problematic for use in the understanding of the underlying geology.

Donje Nevlje Project and Pirot Project

The Donje Nevlje project (comprised of the Donje Nevlje tenement) is an early stage exploration project for porphyry copper and related epithermal or skarn mineralization. The data which is available at this time indicates, that the work executed by previous explorers, has delineated a number of high priority areas that are compatible to the porphyry model, and associated mineralization styles. The work in these areas has defined target zones which will be the focus of the immediate exploration programmes.

The Company intends to target the following deposit types on the Donje Nevlje tenement:

- Blind porphyry deposits: analogous to those mined in the northern regions of this metallogenic belt, at Bor and Majdanpek.
- Epithermal deposits: located in close proximity, and/or above porphyry systems.
- The lease is characterised by extensive limestone units, which are host-rocks to skarn mineralization; and numerous faults and structural domains which may act as potential fluid conduits, implicit in deposit formation.

CSA Global considers the Donje Nevlje project to be prospective for porphyry and epithermal copper-gold mineralisation and skarn-type mineralization. The geology of the tenement is consistent with the Timok Magmatic Complex, 125km to the north-northwest; and the potential for analogous deposit styles is high. Proposed exploration recommended includes:

- The application of further ground-geophysics to increase knowledge around single-line IP anomalies.
- The tenement is structurally complex and will benefit from detailed geological and alteration mapping by the Company geologists.
- Airborne EM to detect near-surface (down to ca 200-400m below surface) high tenor epithermal and skarn mineralization.

The Company intends to target the following deposit types on the Pirot project (comprised of the Pirot tenement):

- Blind porphyry bodies
- Skarn mineralization
- Epithermal mineralization

The initial work programme proposed will include follow-up and infill geochemical sampling of the area considered prospective, followed by geophysical surveys (magnetic and IP) on any anomalous zones. Any prospective areas defined will be targeting by a drilling campaign. The objective on the Pirot project will be to define a drill target in a short time frame and in a cost-effective work programme.

CSA Global recognise the potential for intrusive-related copper-gold mineralisation on the Pirot project based on the limited data available and consider the proposed activities of the Company's work programme appropriate for early-stage target development and testing

Majdanpek Project

The Company intends to target the following deposit types on the Majdanpek Project (comprised of the Zapadni Majdanpek tenement and the Majdanpek Pojas tenement):

- The Leja prospects; located in the south-western segment of the permit, within the prospective, Cretaceous Volcano-sedimentary sequence which is part of the Timok Magmatic Complex. This target area is adjacent to the Coka Marin deposit – located approx. 500m from the tenement boundary.

- A trend defined by two NNE trending sedimentary units, which transgress the southern part of the Majdanpek project, and hosts the Bigar Hill Gold deposit located a short distance south of the Majdanpek project.
- The northern part of the project, which is characterised by Gneiss and sedimentary geology are considered to be prospective for high grade Au, Ag, and W mineralization, as longer term exploration targets..

Planned work within the Majdanpek project includes soil sampling, IP surveys, and drill target testing.

CSA Global consider the use of airborne electromagnetic (EM) as an appropriate means to detect potential skarn and epithermal mineralization, both comprising zones of semi-massive sulphides. Disseminated sulphides in porphyry systems and dispersed sedimentary-hosted deposits may be more effectively detected using induced polarization (IP) surveys, following ground activities to identify areas of interest. IP has been effective in locating porphyry mineralization in other parts of this district, and globally as a key stage of porphyry-copper-gold deposit discovery.

Bor Project

The volcanic suite in this terrane is considered prospective for porphyry and epithermal Cu-Au. The carbonate-bearing lithologies in the north-east are prospective for skarn-type deposits.

Within the Bor project (comprised of the Bor application, Tilva Njagra Istok tenement, Juzni Bor application and Istocni Veliiki Krivelj application), the Company proposes to target high grade epithermal and skarn mineralization, which may be associated with the numerous porphyry deposits located directly adjacent to the ground holding. The primary target will be lower tonnage – high grade skarn and epithermal deposits. These potential ore bodies may be relatively small, but high grade, based on observations of the adjacent Bor Mine.

CSA Global considers the approach of targeting relatively small, but high-grade mineralization in the near-surface as a practical use of exploration expenditure. Employing geophysical methods, both airborne and ground based, could increase the likelihood of discovery of these deposits, particularly where the sulphide contents are high.

CSA Global recommends systematic multi-element analysis and short-wave infrared spectrographic analysis from which to carry out alteration mapping, potential providing a direct vector to potential mineralisation. Discovery of any epithermal mineralization may have the potential to lead to a porphyry-copper-gold system at depth.

The shape and narrow east-west dimension of the tenements limits the exploration potential; however, the significant mineral endowment of the area warrants thorough exploration, even under these spatial constraints.

Zupa Project

The Zupa project (comprised of the Velika Zupa tenement) is located in a distinct geological terrane from the previously discussed Company projects. The far western region of Serbia related to the tenure is dominated by an Ophiolite Belt, manifest as outcropping Serpentinite in the northeast of the project area. The Zupa tenement is dominated by Carboniferous-age meta-sandstones in structural and unconformable contact with Triassic limestones and volcanics.

The Company intends on embarking on a programme of early stage exploration activities including:

- Geological mapping and soil sampling.
- Ground geophysics.
- Trenching/rock-chip sampling, and
- Drilling to test known and developed targets during the campaign.

Based on the geology and observations made, CSA Global considers the exploration potential within the Zupa licence is two-fold:

- Assessment of skarn potential associated with volcanic/limestone contacts in proximity to major structures, and
- Investigation of the potential for a deeper Porphyry-system associated with the skarn mineralization and pyritic alteration, analogous with that observed in the Bor Metallogenic Province. This target-type is conceptual in nature.

The early-stage approach in terms of field activities is also considered appropriate to the level of current understanding of the tenement in terms of geology and potential endowment.

Overall Conclusions

CSA Global was largely unable to review or validate any data that would normally be considered material to an exploration programme. It is acknowledged that the Company is the early stage of assessing these projects and determining exploration priorities, at least partially as a result of a lack of information.

The mineral properties held by the Company are considered to be “exploration projects” that are intrinsically speculative in nature. CSA Global considers, however, that the projects identification and acquisition has been based on sound technical merit. The projects are also considered to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of their economic potential, consistent with the proposed programmes.

Acquisition of project data is considered a key technical risk. Data related issues to be considered include:

- language;
- a variety of grid projection systems;
- verification of historical hard copy records;
- digital capture of historical records; and,
- verification of historical quality control and quality assurance data.

For the majority of projects, additional data is known to exist but is currently not available as part of this review or to the Company. Access to this information may have a material impact on the considered mineral potential of any or all of the projects, either positive or negative.

There is a degree of tenure-related risk as several of the project areas and sub-project areas (Piroć, Zupa, Stara Planina, Jućni Bor, Bor, Istocni Veliki Krivelj) are pending approval from the State authorities, or subject to complex joint venture conditions (see Section 4.3). The Company anticipates that tenure security will be successfully resolved, however until grants of tenure can be confirmed, the risk to tenure remains.

Tenement geometry of the Bor project tenements is a technical risk in that non-regular (i.e. non-graticular) tenement shapes will prove difficult for significant exploration campaigns, and may provide limited opportunity to develop appropriate infrastructure in the event of successful discovery of mineralisation, thereby potentially impacting economic viability

CSA Global concludes that the Company’s portfolio of projects offers prospects for discoveries in an environment that has been relatively unexplored using modern methods to date. Significant hiatuses in the exploration and mineral development history of Serbia suggests that application of modern airborne geophysical methods (e.g. VTEM) may see new discoveries being made. The presence of existing and historical mines in the region support the proposed model of mineralisation and structural controls.

The following points highlight the potential of this portfolio:

- Well-endowed terrane with large historical deposits, and significant recent discoveries.
- Ground selection in proximity to deposits and mines of significance, in prospective host rocks to porphyry-epithermal and skarn mineralization.

- Opportunity exists to apply modern geophysical methods (e.g. VTEM) to previously under-explored areas.

Exploration and evaluation programmes summarised in the ITAR amount to a total expenditure of A\$2.5 million, of which the Company plans to spend A\$0.8 million on the Stara Planina Project, A\$0.7 million on the Donje Nevlje Project, \$0.5 million on the Zupa project, \$0.4 million on the Majdanpek and A\$0.09 million on the Bor Project. CSA Global notes that if and when any of the applications making up the Pirot Project are granted, \$163,351 of the funding currently allocated to the Stara Planina Project will be reallocated to the granted Pirot Project Licences on a pro-rata basis..

The total expenditure comprises approximately A\$1.3 million in the first year of activity, and a total of \$2.5 million in the first two years. The Company intends to raise total of \$5.0 million in this Public Offer.

And at least half of the liquid assets held, or funds proposed to be raised by the Company, are understood to be committed to the exploration, development and administration of the mineral properties, satisfying the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b). CSA Global also understands that the Company has sufficient working capital; to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

The Company has prepared staged exploration and evaluation programmes, specific to the potential of the projects, which are consistent with the budget allocations. CSA Global considers that the relevant areas have sufficient technical merit to justify the proposed programmes and associated expenditure satisfying the requirements of ASX Listing 1.3.3(a)

The proposed exploration budgets also exceed the anticipated minimum annual statutory expenditure for work commitments on the various project tenements.

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1 Introduction

1.1 Context, Scope and Terms of Reference

CSA Global Pty Ltd (CSA Global) was requested by ACN 009 161 522 Ltd (“the Company”) to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus to support a reverse takeover involving the Company's acquisition of various projects located in Serbia (detailed below) via the acquisition by the Company of Timok Resources Pty Ltd (“Timok”) and the issue of 250,000,000 shares at an issue price of \$0.02 each to raise a total of \$5,000,000 for the Company to enable a listing on the Australian Securities Exchange (ASX). The funds raised will be used for the purpose of exploration and evaluation of the Project areas in Serbia.

In this ITAR, references to the Company's projects or tenements assumes that the acquisition of Timok has completed and the Company is the holder of or has an interest in the projects via its wholly owned subsidiaries Skarnore Resources d.o.o (“Skarnore”), or Kingstown Resources d.o.o (“Kingstown”).

This ITAR details 6 principal projects, reflecting tenements grouped spatially and by similar geology. The projects comprise early-stage exploration opportunities, with some targets approaching drill-ready status.

The ITAR is subject to the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2015 (“VALMIN1 Code”). In preparing this ITAR, CSA Global:

- Adhered to the VALMIN Code.
- Took due note of the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and the ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports and ASIC Regulatory Guide 112 – Independence of Experts.
- Relied on the accuracy and completeness of the data provided to it by The Company, and that The Company made CSA Global aware of all material information in relation to the projects.
- Relied on the Company's representation, and the independent solicitors report in the prospectus, that it will hold adequate security of tenure for exploration and assessment of the projects to proceed.
- Required that The Company provide an indemnity to the effect that the Company would compensate CSA Global in respect of preparing the report against any and all losses, claims, damages and liabilities to which CSA Global or its Associates may become subject under any applicable law or otherwise arising from the preparation of the Report to the extent that such loss, claim, damage or liability is a direct result of the Company or any of its directors or officers knowingly providing CSA Global with any false or misleading information, or the Company, or its directors or officers knowingly withholding material information.
- Required an indemnity that the Company would compensate CSA Global for any liability relating to any consequential extension of workload through queries, questions, or public hearings arising from the reports.

1.2 Compliance with the VALMIN and JORC Codes

The report has been prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM),

¹ Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code), 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. < <http://www.valmin.org> >

the JORC² Code and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Expert Report's (IER).

1.3 Principal Sources of Information and Reliance on Other Experts

CSA Global has based its review of the Project on information made available to the principal authors by the Company, along with technical reports prepared by consultants, government agencies and previous tenements holders, and other relevant published and unpublished data. CSA Global has also relied upon discussions with the Company's management for information contained within this assessment. This report has been based upon information available up to and including 30th November 2017.

There is a paucity of data that can be easily validated and verified, given the early stages of all the project areas. Of necessity, the majority of the data has been gleaned from public domain sources, government data and old reports. CSA Global has endeavoured, by making enquiries as much as was possible, to confirm the authenticity, accuracy, and completeness of the technical data upon which this report is based. Unless otherwise stated, information and data contained in this technical report or used in its preparation has been provided by the Company in the form of documentation.

The Company was provided a final draft of this report and requested to identify any material errors or omissions prior to its lodgement.

Descriptions of the mineral tenure; tenure agreements, encumbrances and environmental liabilities were provided to CSA Global by the Company or its technical consultants. The Company has warranted to CSA Global that the information provided for preparation of this report correctly represents all material information relevant to the Project. Full details on the tenements is provided in the Independent Solicitor's Report elsewhere in the prospectus.

1.4 Authors of the Report

CSA Global is a privately owned, mining industry consulting company headquartered in Perth, Western Australia. CSA Global provides geological, resource, mining, management and corporate consulting services to the international resources sector and has done so for more than 30 years.

This Independent Technical Assessment (ITA) has been prepared by a team of consultants sourced principally from CSA Global's Perth, Western Australia office. The individuals who have provided input to the ITA have extensive experience in the mining industry and are members in good standing of appropriate professional institutions. The Consultant preparing this ITA is a specialist in the field of geology and exploration, in particular relating to gold and copper.

The following individuals, by virtue of their education, experience and professional association, are considered Competent Persons, as defined in the JORC Code (2012), for this report. The Competent Persons' individual areas of responsibility are presented below:

Principal author – Dr Travis Murphy (Principal Consultant - CSA Global in Brisbane Queensland) is responsible for the entire report.

Dr Murphy is a geologist with over 22 years' experience across multiple sectors of the resource industry; including exploration, mine operations, planning and production as well as technical research roles.

Travis has proven leadership skills and successes in exploration (lead team to discovery), mining (application of geoscience to mining and minerals processing), and applied research (project lead in significant DNRM-GSQ funded Cloncurry Cu-Au prospectivity analysis).

² Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. (The JORC Code), 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). < <http://www.jorc.org> >

He specialises in structural geology, exploration and mine geology, and targeted geometallurgy/deposit-knowledge

Author - Dr Belinda van Lente (Senior Resource Geologist - with CSA Global in Horsham United Kingdom) completed the field visit to Serbia between the 3rd to the 9th of November 2017.

DR van Lente is a resource geologist with nine years of industry experience, in the consulting and production environment. Experience includes Mineral Resource Estimates and audits on various commodities, specialising in Archaean and epithermal gold deposits in Mali, South Africa, Ghana, USA and Tanzania. Clear understanding of the methods, standards and procedures used in the estimation and declaration of Mineral Resource estimates with further experience covering areas of grade control, database management and QAQC.

Author – Ivy Chen (Principal Consultant - with CSA Global in Perth, Western Australia) is responsible for the entire report.

Ms Chen is a corporate governance specialist, with 28 years' experience in mining and resource estimation. She served as the national geology and mining adviser for the Australian Securities and Investments Commission (ASIC) from 2009–2015. Ivy's experience in the mining industry in Australia and China, as an operations and consulting geologist includes open pit and underground mines for gold, manganese and chromite, and as a consulting geologist she has conducted mineral project evaluation, strategy development and implementation, through to senior corporate management roles. Ivy joined the VALMIN committee in 2015

Peer reviewer – Mr Marcus Willson (Manager Exploration and Evaluation of CSA Global in Perth, Western Australia) is responsible for the entire report.

Mr Willson has approximately 30 years of minerals industry experience. He is widely experienced in all aspects of gold exploration from regional generative studies through to resources delineation and feasibility programmes. Marcus has worked on diverse deposit styles including orogenic, porphyry, and epithermal mineral system in diverse geological districts located in Canada, USA, Chile, Venezuela, Suriname, Guyana, China, and Indonesia. Marcus has specialist skills in the tectono-stratigraphic evaluation of mineral belts. Past roles include senior technical and management roles ranging from junior to major international mining companies including Placer Dome Inc and Lihir Gold Ltd. Marcus has written and supervised the completion of many independent technical reports and valuation reports under JORC, VALMIN, CIMVal and NI43-101 codes.

1.5 Independence

Neither CSA Global, nor the authors of this report, has or has had previously, any material interest in the Company or the mineral properties in which the Company has an interest. CSA Global's relationship with the Company is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. Fees are being charged to the Company at a commercial rate for the preparation of this report, the payment of which is not contingent upon the conclusions of the report. The fee for the preparation of this report is approximately A\$47,000

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of the Company. No member or employee of CSA Global has, or has had, any shareholding in the Company.

There is no formal agreement between CSA Global and the Company as to the Company providing further work for CSA Global.

1.6 Declarations

1.6.1 Purpose of this document

This report has been prepared by CSA Global at the request of, and for the sole benefit of the Company. Its purpose is to provide an ITA of the Company's Serbian Projects.

The report is to be included in its entirety or in summary form within a prospectus to be prepared by the Company in connection with an IPO. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 30th November 2017 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

1.6.2 Competent Person's Statement

The information in this report that relates to geological data, historical data, exploration data, maps and diagrams is based on information compiled by Mr Martin Pawlitschek, a Competent Person who is a Fellow of the Australian Institute of Geoscientists.

Mr Pawlitschek is currently a consultant vendor to the Company and, post re-admission will be appointed as a non-executive director of the Company. Mr Pawlitschek is a shareholder of Timok Resources Pty Ltd and will receive securities in the Company as consideration under the acquisition if it proceeds.

Mr Pawlitschek has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralization and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets', and as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pawlitschek consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Dr Travis Murphy, a Competent Person who is a member of the Australian Institute of Geoscientists; and by Ms Ivy Chen a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy.

The information in this report that relates to the field visit in Serbia is based on information compiled and conclusions derived by Dr Belinda van Lente, a Competent Person who is a Pri.Sci.Nat SACNASP (South African Council for Natural Scientific Professions).

Drs Murphy and van Lente, and Ms Chen are all fulltime employees of CSA Global.

Drs Murphy and van Lente, and Ms Chen have sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralization and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets', and as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Drs Murphy and van Lente, and Ms Chen consent to the inclusion in the report of the matters based on their information in the form and context in which it appears

1.7 About this Report

This report describes the prospectivity of the Company's tenements, located dominantly within eastern Serbia, for copper-gold mineralization related to intrusive/volcanic activity, i.e. porphyry, epithermal, and associated skarn-type deposits.

The geology and mineralization for each tenement or project area is discussed, as well as the previous exploration work completed by other parties and a narrative discussion of the results obtained there from. A substantial amount of data from previous work done on the projects ranges in age from the post WWII era, to contemporary exploration; these data require further verification and validation of the data quality and data collection methods, before the data is categorised and digitally captured.

The Company has commenced this data acquisition and categorisation process.

The information discussed in this report can be regarded as indicative of priority areas for exploration targeting. No exploration results are reported in this assessment, any results were treated as either positive or negative indications to justify further investigation of potential for significant mineralisation only.

An effort was made to summarise this body of data, to contain the size and readability of the report. Maps of the areas are presented and indicative statistics on the historical drilling completed by parties other than the Company are provided.

The mineral properties held by the Company are considered to be “exploration projects” that are intrinsically speculative in nature. CSA Global considers, however, that the projects identification and acquisition has been based on sound technical merit. The projects are also considered to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of their economic potential, consistent with the proposed programmes.

Please note that all map coordinates are in WGS84 Zone 34N datum unless otherwise stipulated.

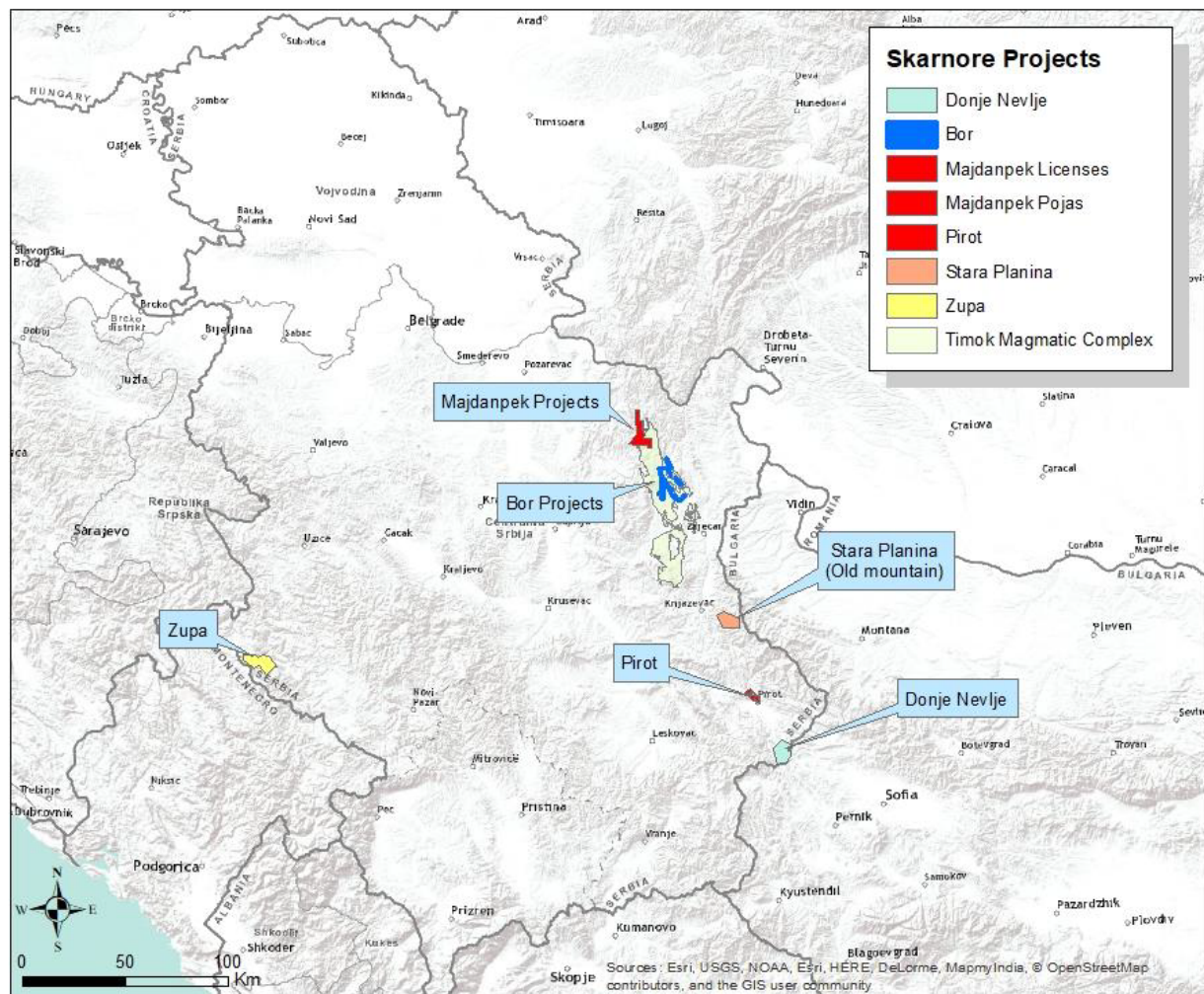


Figure 1: The Company's projects in Serbia

2 Regional Geology

2.1 Mineral Endowment of Serbia

The metallogenic endowment of Serbia is divided into three distinct NNW trending belts: the Dinaric, Serbo-Macedonian, and Carpatho-Balkan Mineral Provinces (Jelenkovic et al., 2008). These are demarcated on Figure 2 as DMP, SMMP and CBMP; respectively.

The DMP is dominated by a north-west trending Ophiolite Belt, separated from a domain of volcanic and sedimentary rocks by a tectonic margin, west of which the terrane is known as the East Bosnian-Dormitor Block. The structural corridor is host to skarn-type copper deposits in Triassic Limestones, while the area to the west comprises Triassic volcanics and limestones in structural contact with Permian metasedimentary rocks. A rift-setting is envisaged for this tectonostratigraphic domain (Jelenkovic et al, 2008).

The SMMP is dominated by crystalline schists, greenschist to amphibolite facies, and Palaeozoic granitoids; covered by shallow-marine Cretaceous and younger clastic sedimentary rocks (Jelenkovic et al., 2008). Mineral deposits associated with this province are dominated by lead-zinc and subordinate copper, related to intracontinental rifting (Jelenkovic et al., 2008). The project areas discussed in this report do not lie within the SMMP, and this metallogenic domain will not be discussed further.

The CBMP is situated in eastern Serbia (Figure 1) and comprises domains of clastic sedimentary rocks (Silurian to Triassic sandstones) and younger carbonate units overlying a Cambrian greenschist basement (Jelenkovic et al., 2008). Intrusive and volcanic activity has occurred in the Timok and Stara Planina areas (Figure 1). Mineral deposits associated with this province are dominated by intrusive/volcanic-related ore genesis and include porphyry copper-molybdenum-gold, and skarn zinc-lead-copper deposits (Zimmerman et al., 2008); related to a collisional tectonic regime

Known copper resources of eastern Serbia are predominantly located within the Bor Metallogenic Zone (Jelenkovic et al., 2008), (Figure 2).

2.2 Timok Magmatic Complex and Metallogenic Zone

The Timok Magmatic Complex (TMC) occurs within the Cretaceous Carpatho-Balkanides volcano-sedimentary belt, which extends for over 1,500km (70km wide) from Romania, through Eastern Serbia, and into Bulgaria; and this section of the Tethyan Eurasian Metallogenic Belt (Jankovic, 1997) is of significance in terms of mining activity in Europe.

The TMC (Figure 3) comprises three main phases of late-Cretaceous volcanic and intrusive activity (Zimmerman et al., 2008).

Stage 1: Occurring in the east of the TMC, this stage is characterised by andesitic stratovolcanos and contemporaneous sub-volcanic diorite and quartz-diorite intrusions (Zimmerman et al., 2008). Porphyry and epithermal copper-gold-molybdenum deposits, including Bor, are associated with this phase and the component dioritic intrusives.

Stage 2: This stage is characterised by andesitic basalts and sub-volcanic monzonite, granodiorite, and diorite intrusions. This is the most widespread and voluminous volcanic/intrusive event in the TMC. Porphyry copper deposits (e.g. Dumitru Potok) are associated with the monzonite complexes.

Stage 3: This stage is dominated by minor latite/Quartz-latite volcanic domains and quartz-diorite to tonalite dykes. No mineralization has been found to date associated with this phase of volcano-intrusive activity.

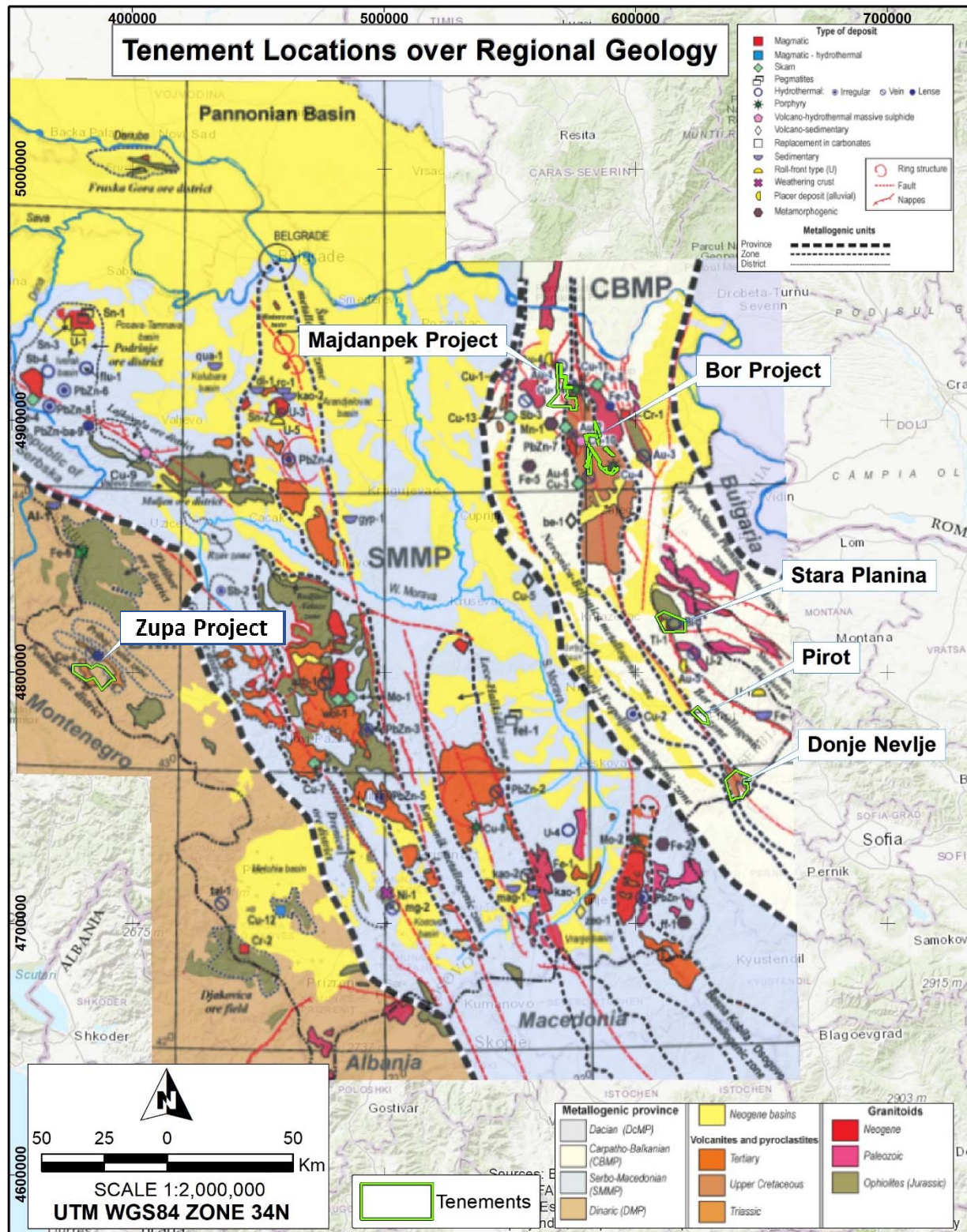


Figure 2. The Company's tenements and main metallogenic units and mineral deposits. Includes some important metallic and industrial mineral occurrences in Serbia (Jelenkovic et al., 2008), appended with the Company's tenements.

The episode of magmatism in the TMC spanned ca. 10 million years and migrated from east to west across the TMC (Banjesevic, 2010), evolving from the stage 1 andesitic lithologies through to Stage 3 latitic volcanics. High resolution Re-Os dating of ore from multiple sites within the broader southern Carpathian- Balkan region

indicate that mineralization occurs during 0.5 to 2.0m.y. volcano-hydrothermal episodes, within ca. 6 to 10m.y. district-scale events (Zimmerman et al., 2008).

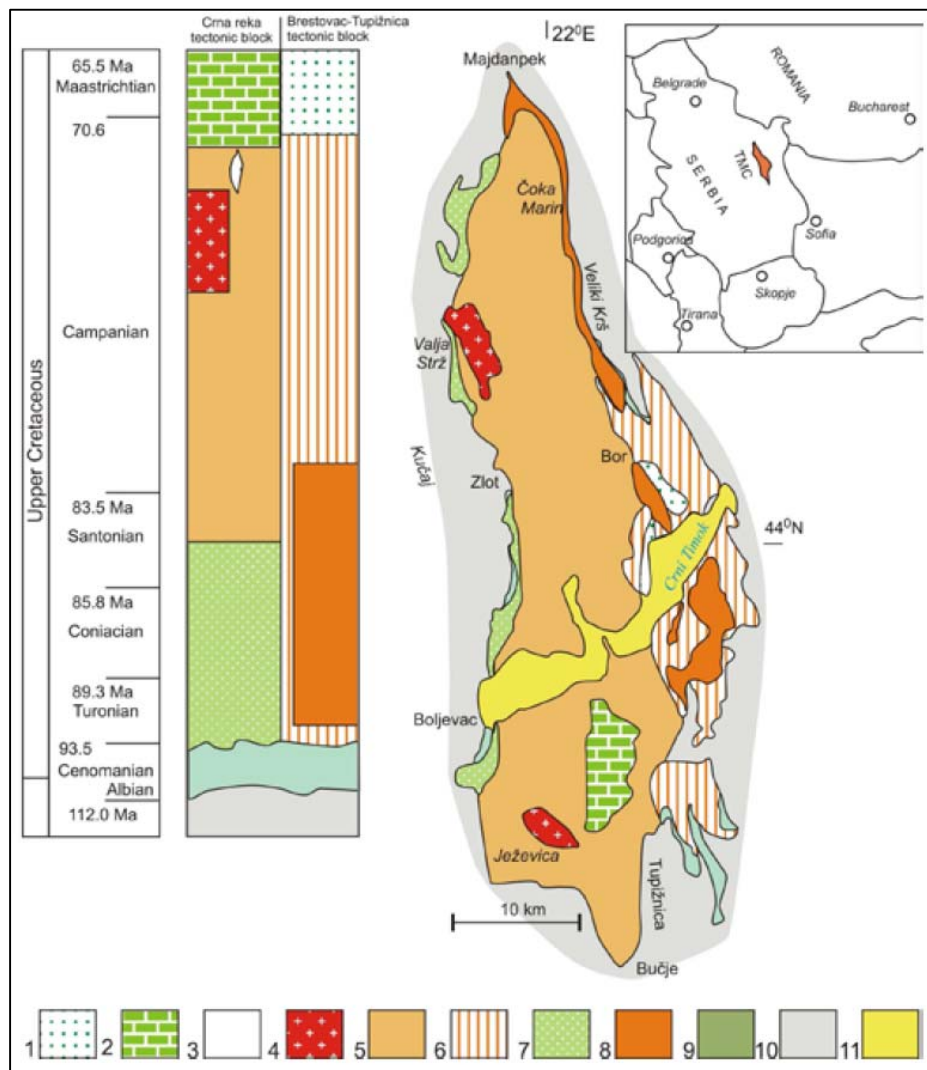


Figure 3. Geological Divisions of the Timok Magmatic Complex (Jelenkovic et al, 2016)

Legend: 1. Bor clastites, 2. Vrbovac reef, 3. Boljevac latite, 4. Valja Strž plutonite, 5. Osnić basaltic andesite and Ježevica andesite, 6. Metovnica epiclastite, 7. Oštrelj sediments, 8. Timok andesite, 9. Lenovac clastites, 10. TMC basement rock, 11. Neogene and Quaternary sediments.

2.3 Exploration Model

Structurally, the Timok Magmatic Complex is characterized by rift-like extensional features with major deposits positioned along deep normal faults which border Early Cretaceous thrust-nappe systems (Zimmerman et al., 2008). The schematic cross-section illustrated in Figure 4 demonstrates the interplay of district-scale structures and intrusive activity, culminating in focussing of hydrothermal activity and deposit formation. Descriptive deposit characteristics listed in Table 1 relate to the schematic porphyry, epithermal, and skarn positions illustrated in Figure 3, with known deposits identified for each category.

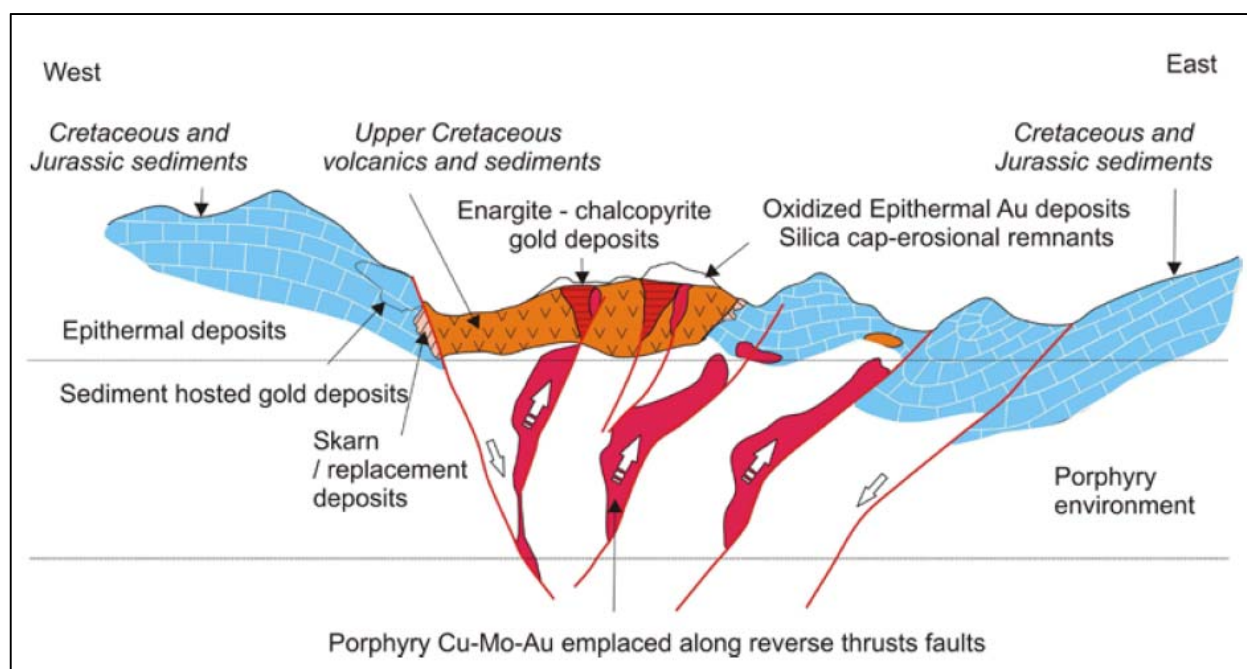


Figure 4. Schematic cross-section illustrating the setting of the main deposit-types in the TMC (Jelenkovic et al., 2016).

Commodity	Genetic type	Morphology	Structural-textural variety	Mineral paragenesis	Cu (%)	Au (g/t)	Examples
Cu-Au	Porphyry copper deposits	s, iel, vez	s-d	py, cpy, mg, mo	0.1–0.7	0.07–0.25 locally 1 g/t	Majdanpek
	Hydrothermal-volcanogenic deposits	s, l, i	m-s, v-i	py, en, chl, co, bo, cpy, sph, ga	1.0–7.0	0.8–3.0	Bor, Lipa
		v	m-s, i-c, i	py, en, te, bo, cpy	0.1–0.64	0.1–0.7	Kraku Bugar-esku
	Ore clasts	l	m-s	py, co, en, chl, bo, cpy	3.5	5.4	Novo Okno
Au	High sulphidation	l	d	el, nAu, Au-tl, en, lu, chl, co, sph, ga		0.84	Hydroquartzite
		s, c	m-s, d		2.1–3.3	2	Tilva Mika, M, N
		s, c	v, v-i		0.66–1.0		Kamenjar
		v, l	m-s			0.1–3.4	Čoka Kupjatra
		vez	m-s, v-i			0.1–2	Root parts of Tilva Roš
	Low sulphidation	v, i	m-s	el, nAu, py, sph, cpy		3–23	Zlače
	Sediment-hosted	i, l, v	i, v	py		0.8–1.3	Bigar Hill
Pb-Zn, Ag	Skarn	i, l	m-s, s-d	ga, sph	0.21		Valja Saka
Cu, Au	Skarn	i, l	m-s, s-d	cpy, py	0.21		Beljevina
Fe	Skarn	i, l	m-s, s-d	mg	0.21		Potoj Čuka

Abbreviations: 1) Morphology: c: column, i: irregular, iel: irregularly elongated lenses, l: lense, s: stock, v: vein, vez: very elongated zones. 2) Structural-textural variety: i: impregnations, i-c: irregular clusters, m-s: massive sulphides, o-v: ore veins, s-d: stockwork-disseminate, v-i: veinlets-impregnation. 3) Minerals: Au-tl: Au-telluride, bo: bornite, chl: chalcocite, co: covellite, cpy: chalcopryite, el: electrum, en: enargite, ga: galena, lu: luzonite, mg: magnetite, mo: molybdenite, nAu: native gold, py: pyrite, sph: sphalerite, te: tetrahedrite.

Table 1. The main groups of metallic mineral deposits in the Bor metallogenic zone (Jelenkovic et al., 2016).

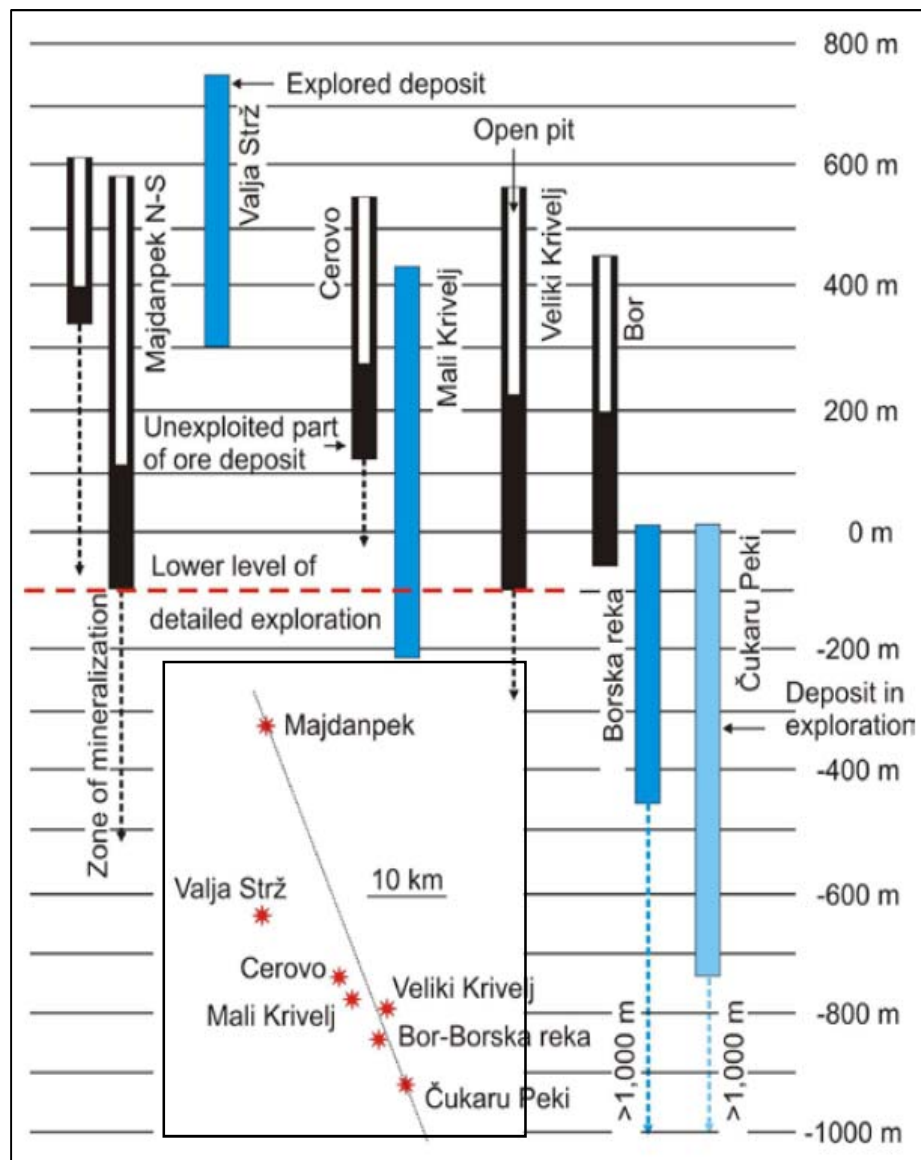


Figure 5. Representation of the vertical extent of selected copper deposits in the Bor Metallogenic Zone. Inset: Inset plan-view illustrating the spatial relationships of these deposits (Jelenkovic et al., 2016).

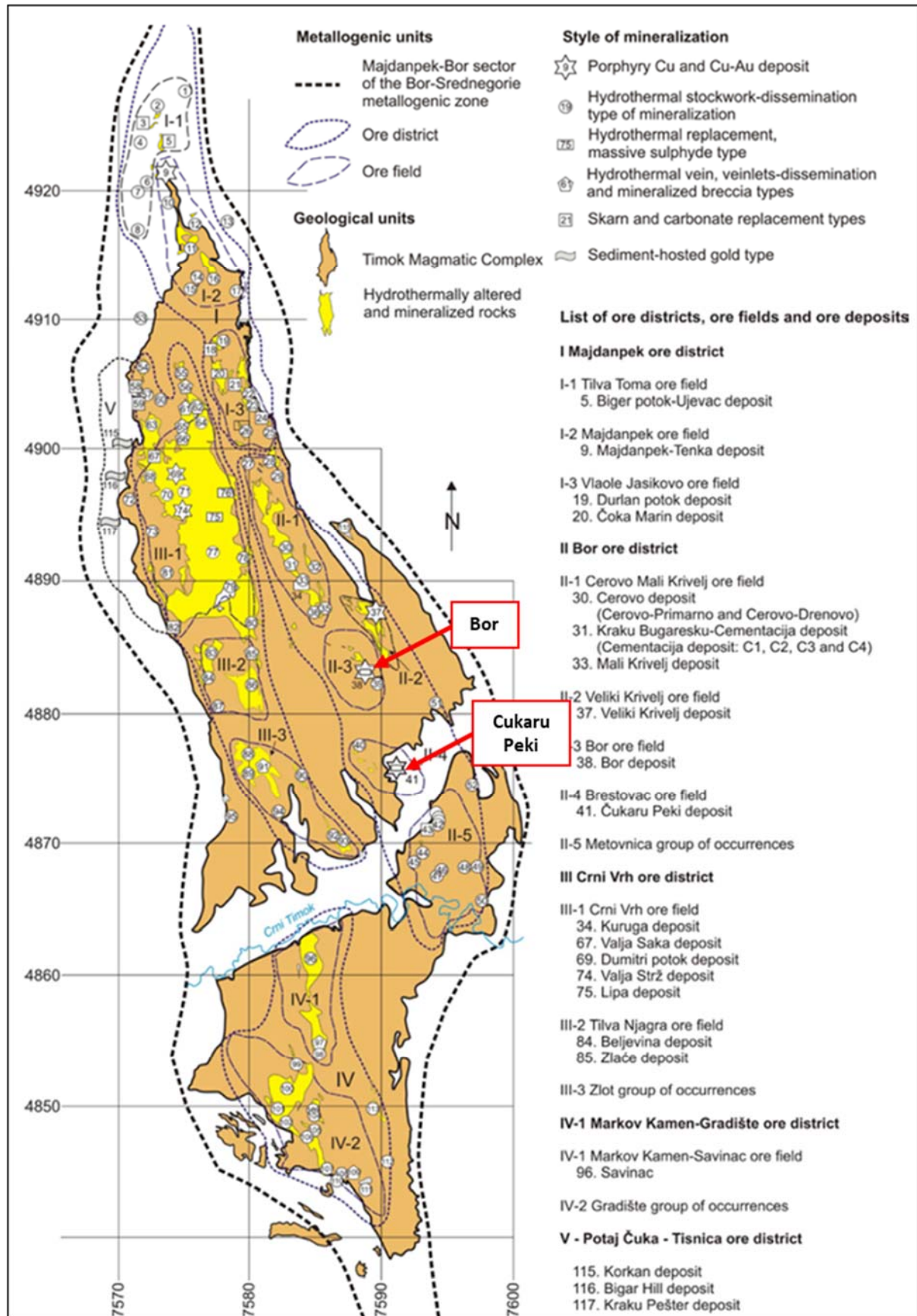


Figure 6. Metallogenic districts, ore-fields, and deposits of the Bor Metallogenic Zone. (dominated by the Timok Magmatic Complex) (after Jelenkovic, 2016). Locations of some of the major deposits, are highlighted for clarity.

3 Field Visit

Dr Belinda van Lente, an employee of CSA Global, visited the Bor, Majdanpek West, Stara Planina, Donje Nevlje, Pirot and Zupa projects, located in Serbia, over seven days from 3rd – 9th November 2017.

This visit was required for the purposes of inspection, ground truthing, review of activities, and collection of information and data.

Objectives included:

- Inspect the principal assets within the Bor, Majdanpek West, Stara Planina, Donje Nevlje, Pirot and Zupa projects.
- Complete initial geological assessment, including outcropping mineralization and, areas of historical exploration and mining.
- Review access in the tenement areas.
- Review geology within the tenements.

CSA Global was given full access to the relevant tenements and discussions were held with the Company personnel to obtain information on the planned exploration work.

The following conclusions were made from the site visit:

- Local Company geologists associated with the project are familiar with the geology, deposit type and mineralization within the tenements. These geologists have previous experience within the Stara Planina, Donje Nevlje and Zupa projects, respectively.
- The tenements include hydrothermal rock alteration and copper mineralization that could be related to porphyry copper systems.
- Selected historical exploration, sampling and mining locations, within relevant tenements, were confirmed with visual inspection and located by handheld GPS. However, some areas were overgrown since historic activities and could not be assessed.
- Historical workings provide a guide to the presence of elevated grades of mineralization, and overlaying these occurrences gives good immediate indication of whether identified structures are mineralised. As such, these provide an excellent targeting tool for further detailed exploration.

The method of exploration proposed by the Company is systematic and will include the following:

- Mapping, rock chip sampling and prospecting at multiple scales, testing historical mining sites and geology/alteration zones of interest.
- Soil geochemistry.
- Geophysics – ground magnetic and IP surveys to identify structural targets, alteration zones and/or sulphide-rich zones using IP. Alteration will be outlined using radiometric surveys (e.g. potassic zones).
- Drill testing - in future programmes are expected for appropriate targets with drill spacing and inclination appropriate to the target. The method of choice is diamond drilling.

CSA Global notes that, although the regolith at the tenements is variable (with limited outcrop for detailed mapping within some tenements), the combination of historical geophysical surveys and initial soil geochemistry, accompanied by historical mining occurrences, has already identified targets for early stage porphyry copper exploration and related epithermal or skarn mineralization.

4 Stara Planina Project

4.1 Location, Access and Infrastructure

The Stara Planina project is approximately 200km southeast of Belgrade, and 10km from the town of Knjaževac (Figure 7), with a municipal population of ca. 35,000.

Access is generally good throughout the project, with a tarred road runs through the middle of it. Several dirt roads, which includes forest tracks, are present and can be readily negotiated with a 4-wheel drive vehicle. A railway line is less than 30km away.



Figure 7. General location of the Stara Planina project.
Detailed tenement shapes are presented in following figures.

4.2 Climate, Topography and Vegetation

The Stara Planina project area experiences an annual range of temperatures from -3 to 33°C, peak monthly rainfall of ca. 130mm in May/June, and peak snowfall of ca. 35cm in December/January (www.worldweatheronline.com).

The Balkan mountain range (Latin Serbian Stara Planina, meaning "Old Mountain") is a mountain range in the eastern part of the Balkan Peninsula. The highest point in the region is Midžor on Stara Planina Mountain (2,169m), which is also the second highest peak in the Republic of Serbia. The lowest point is 176 m high and is situated in the Knjaževac valley (Wikipedia, 2017).

The topography in the Stara Planina project area ranges from ca. 200m to approximately 700m (www.floodmap.net), with rolling hills (Figure 8).



*Figure 8. Stara Planina project.
Photograph of the typical topography within the Stara Planina project area (locality 70, Appendix 2).*

The town of Knjaževac is located at the mouth of the Trgoviški Timok river and the Svrliški Timok river, which together form the Beli Timok river. The Beli Timok river flows towards Zaječar and together with the Crni Timok river forms the Timok river.

The Stara Planina mountain range within the Knjazevac municipality was proclaimed a conservation area in 1997 due to the diverse flora and fauna.

Enquiries by CSA Global of the Company have indicated that while the Stara Planina licence area is partially located on Stara Planina conservation area, the Company does not anticipate that the Company will be prohibited from exploring in the Company's licence area. The Company has informed CSA Global that it is

aware that application for permission to mine will subsequently be required, as with any other mining application in Serbia, should exploration be successful. Notably, companies' target areas are located, either outside of the boundaries of the nature park; or in areas within the park, where the relevant laws allow for mining and development, but with imposed conditions. The nature of these conditions is not known to the company at this time and the company plans to make further inquiries if the exploration efforts are successful. CSA Global cautions that this presents an additional risk to access for areas of the licence that fall within the conservation area.

4.3 Tenure

Current Stara Planina project tenement outline is displayed in Figure 9, and relevant tenement details listed in Table 2.

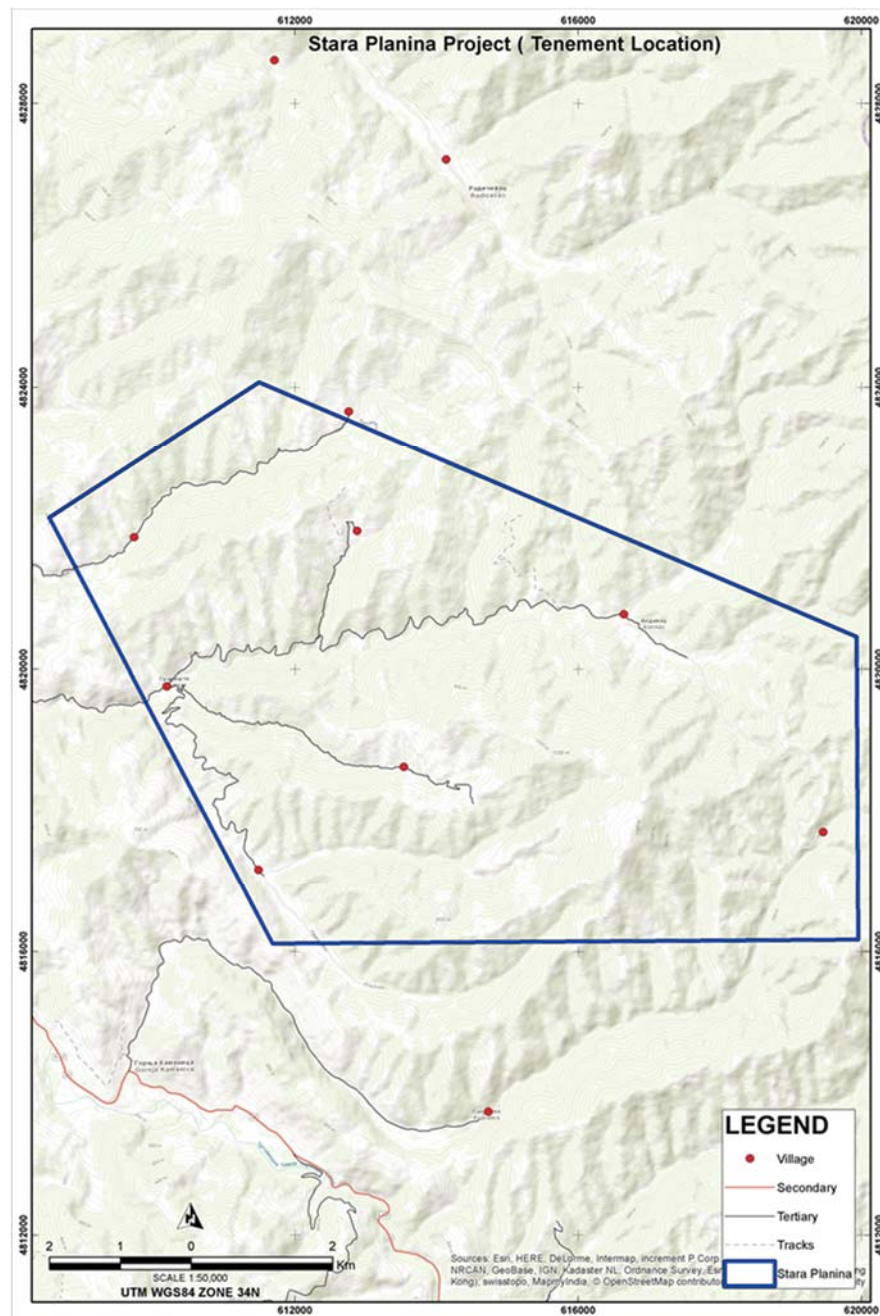


Figure 9. Stara Planina tenement boundary overlain on topography

Table 2. Stara Planina Tenement details

Project	Licence name	Registered holder (100%)	Size (km ²)	Grant Date	Expiry Date	Licence No.
Stara Planina Project	Stara Planina	Geo Consulting Studio doo (subject to Geoconsulting Joint Venture Agreement)	63.53	26/08/15	25/08/18	310-02-495/2015-02

CSA Global notes that the arrangement between the current holder of the Stara Planina licence, Geo Consulting Studio (GCS), and Skarnore (a subsidiary of the Company) is a complex joint venture arrangement and presents uncertainty in relation to the eventual successful transfer of the title from GCS to the Company. Full details are provided in the solicitors' report attached to the prospectus prepared by Serbian law firm Janković, Popović & Mitić in Belgrade. Eight risks are detailed in the report, which in summary are:

- Skarnore has made investments, whereby the Joint Company has not been incorporated nor the Approval for Conducting Exploration (ACE) has been transferred;
- The risk of unenforceability of the obligation of Holder of the ACE to transfer the shares in the Joint Company to Skarnore;
- Deadlock resolution provisions for the Joint Company are not stipulated;
- Skarnore's unconditional financial obligation in the amount of EUR 20,000 expenditure on the licence annually;
- Unclear option right of the Holder of the ACE to convert the Holder's share in the joint venture to a royalty;
- Unenforceability of Skarnore's right to acquire all interests related to the ACE;
- Inoperative right to manage the Joint Company;
- Lack of clarity in the financial expenses in case of termination of the agreement and exiting the Joint Company;
- Lack of clarity around the rights of Skarnore to buy the ACE.

The risks associated with this are also noted and discussed more fully in Section 4 of the prospectus.

CSA Global recommends that this uncertainty around tenure is also considered, when assessing the prospectivity of the Stara Planina project. **Geology**

4.3.1 Regional Geology

The Stara Planina project comprises part of a Palaeozoic inlier, and is situated east of the Bor metallogenic zone, the main corridor of copper-gold deposits (Figure 2). The region is characterised by NW trending structural domains which appear to influence the orientation of intrusive lithologies.

4.3.2 Stara Planina Local Geology

The Stara Planina Exploration Permit covers an inlier of Palaeozoic gabbros intruded by Permo-Carboniferous graniodiorite. (Figure 10). The permit contains known vein-type bismuth copper-gold-antimony mineralization in the Gradiste area at the Aljin do mine, associated with altered (chlorite and sericite) gabbro, and which was abandoned after World War II. No production statistics for either gold or bismuth mining are available for reporting or verification.

In addition, the project contains a number of poly-metallic mineral occurrences (Figure 11). On the basis of the proximity of these occurrences to the margins of the felsic intrusions (Figure 10 and Figure 11), the geological setting and the element associations, it is reasonable that a number of these occurrences may be intrusion related. Table 3 lists the mineral occurrences by deposit style and age.

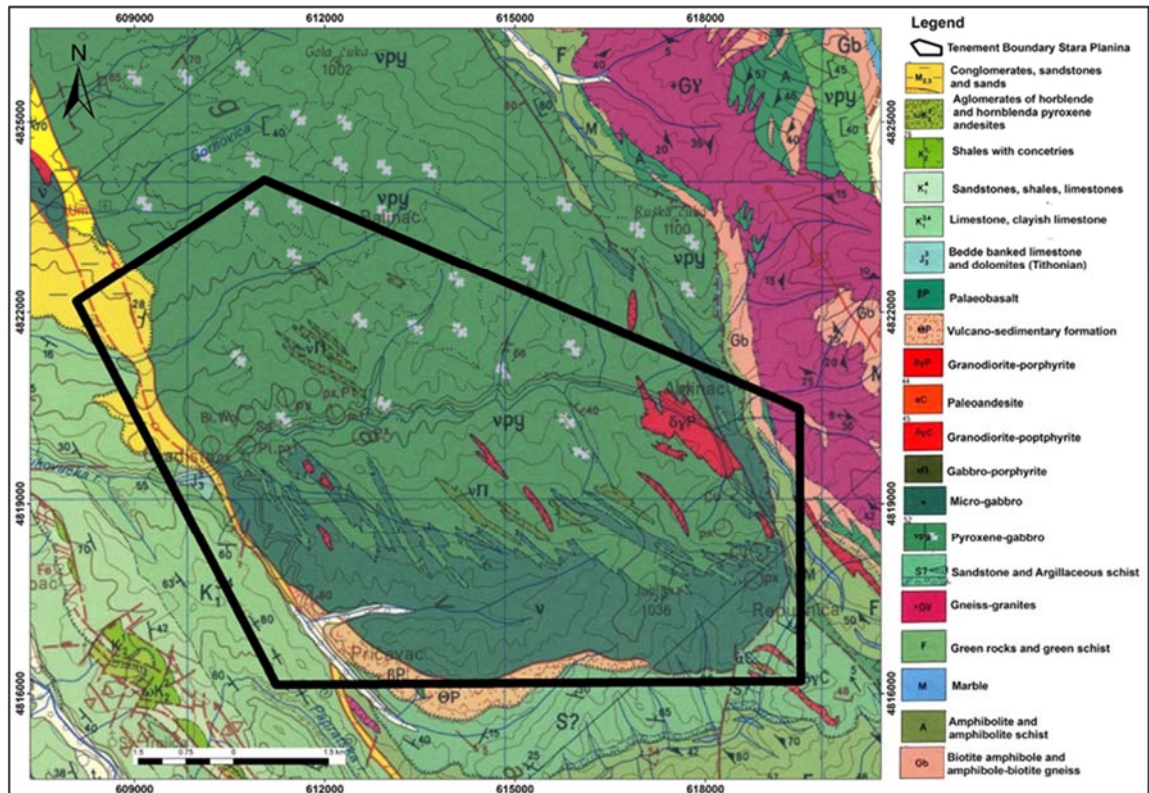


Figure 10. Geological map of the Stara Planina tenement area

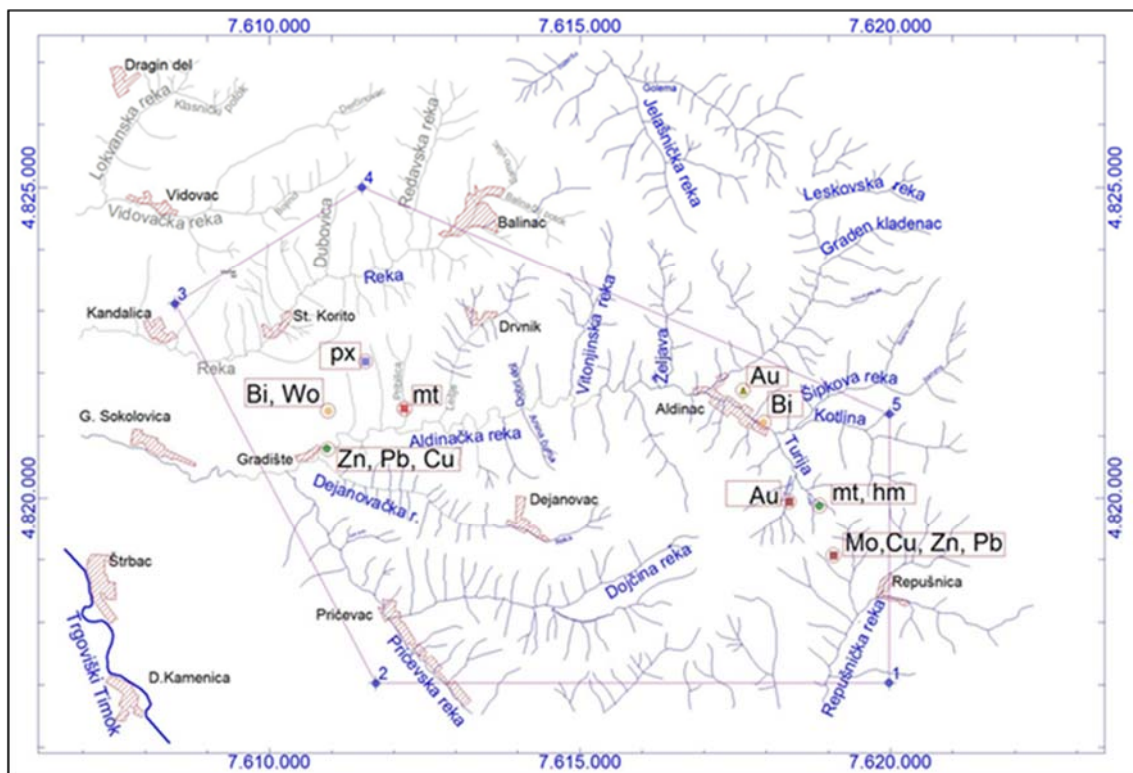


Figure 11. Mineral occurrences within the Stara Planina tenement area (GCS, 2014).

REGISTERED OCCURRENCE OF MINERAL RESOURCES				
Geochronological group	No.	Raw material	Type of deposits - appearances	Locality
Precambrian age	1.1	manganese (Mn)	undefined	Pisan Bukva border crossing (Stara Planina)
Paleozoic age	2.1	chromite (Cr)	magmatic differentials	serpentinite Aldinca and Papratne
	2.2	ilmenite (Ti-Fe)		gabbro: Aljin to-Zaglavak-the river "Lokvanska"-Žleburinska kosa
	2.3	magnetite (Fe ₃ O ₄) with hematite (Fe ₂ O ₃) and limonite (FeOH)		on contact crystalline shale And Aldinac granophyre
	2.4	Gold (Au)	pegmatite and hydrothermal quartz pyrite veins	Janj, Radičevo and Ravno Bučje granite massif
		gold-bearing quartz pyrite veins	crystalline shale and gabbro	Aldinac (Žleburine)
	2.5	Coal (carbon st)	stone coal (Ug)	Runkula -Tovarnica
	2.6	Graphite shales	metamorph. graphite	Inovo, Balta Berilovac and Pričevac
	3	Polymetal ore formation Stara Planina Paleozoic age		
radioactive mineral	3.1	uranium mineralization	Hydrothermal	Janje, Aldinca and Zaglavka granite
non-radioactive mineral.	3.2	pyrite-chalcopyrite		along the contact of granite's penetrating through gabbro and diabase (Gradište, Aldinac, Repušnica and Lokva)
	3.3	pyrite-chalcopyrite-molyb		
	3.4	galena-sphalerite		
	3.5	pyrite-galena-sphalerite-bismuth		
Mesozoic ages	4.1	oolite iron ore (Fe)	sediment	
Cenozoic age	5.1	coal (Ug), and lignite	sediment	Dobra sreća-Podvis and Soko
	5.2	copper (Cu) - chalcocite, bornite, chalcopyrite, pyrite, malachite, azurite and limonite	Hydrothermal	Grbavče (Gramada)

Table 3. Registered occurrences of mineral occurrences in the Stara Planina area (from GCS, 2014)

4.4 Previous Work – Stara Planina

The following compilation has been provided by the Company as an account of the previous work conducted on the Stara Planina project area. This information is sourced from internal reports Geo Consulting Studio, 2014, 2015) and memoranda from previous tenement holders (Reservoir Capital Corp, ca.2007). CSA Global's understanding that data associated with past exploration is available for purchase, this was not available for review at time of writing. This dataset is indicated as including regional geology mapping, petrology analyses, trench mapping, rock and soil sampling details, and drilling data (Pers. Comm. Mr. Branislav Radošević, Geo Consult Studio). This data was not, however, available for review at time of this review.

Prior to the mining during World War II, what exploration or mineral exploitation activities are unknown. After World War II and the termination of mining, the Stara Planina area was reportedly explored for uranium by former-Yugoslav state agencies undertook limited exploration. However, CSA Global has not been able to confirm this.

In the period 1987-1988 Irish company Kenmare Resources plc did minor exploration in the area. Exactly what work that was completed and for what element they were exploring is unknown. They were, however, forced to withdraw due to EU sanctions.

In the period 2003-2004 Rio Tinto performed minor copper exploration in the area, also of an unknown nature, but also decided to pull out due to sovereign instability. Although limited, this exploration activity was the first to document porphyry style potential of the area.

Reconnaissance drilling by Reservoir Capital Corp. (Reservoir) intercepted pyrite and chlorite alteration but did not identify significant mineralization. Notably, Reservoir conducted drilling activities on a limited part of the project, and not its entirety. Reservoir was the most recent tenement-holder (circa 2011, please see <http://www.reservoircapitalcorp.com/s/News.asp?ReportID=459137>). The work conducted by Reservoir based on data provided on their website:

<http://www.reservoircapitalcorp.com/s/QwikReport.asp?IsPopup=Y&printVersion=now&XB09=344027>

Which included geological mapping. A 200x200m spaced soil sampling survey was completed and detailed orientation lines were undertaken, using unknown sampling and analytical methods, across known mineralization occurrences (Gradiste) (Figure 11). The results confirm persistent Cu (at levels greater than 10x crustal abundance), and Mo anomalism covering an area of about 2.5 x 0.75km along a NNW structural trend. Within this zone, gold is inconsistent but anomalous. The geochemically anomalous area is characterised by alteration (silicification, carbonate), mineralization (quartz veining with sulphides), and ductile deformation. Stockwork quartz veining with malachite staining has been discovered in the granodiorite.

The company acquired access to the ground in August 2015, though a joint venture agreement with GCS. Work completed by the Company on the permit to date:

- Investigation of historical activities and compilation of results where possible.
- Field scouting - ground truthing of anomalous zones
- Mapping of areas of interest in preparation of follow up programme
- Induced polarisation programme - 2x IP lines with anomalous zones recorded on both lines.

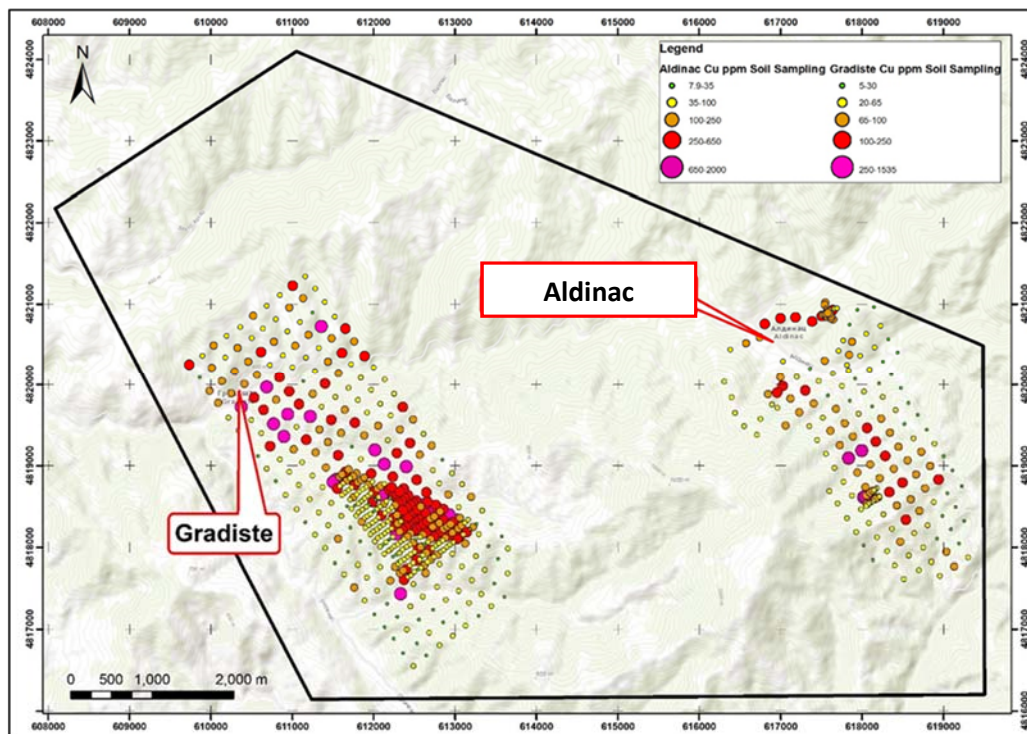


Figure 12. Copper in soil-samples in the Stara Planina tenement

Source:

<http://www.reservoircapitalcorp.com/s/QwikReport.asp?IsPopup=Y&printVersion=now&XB09=344027>.

Note that the ranges of copper occurrence are only illustrative of the presence of mineralisation, and should not be relied on.

4.5 Site Visit Observations

The main field observations made by CSA Global during their site visit at the Stara Planina project included:

- Generally good access throughout the permit.
- Thick zone of brecciated, altered and silicified gabbros, with chlorite, pyrite and chalcopyrite are at locality 65 (Appendix 2). These outcrops are reportedly associated with Au based on analyses completed by the former holding company (pers. comms. Mr. Branislav Radošević, Geo Consult Studio).
- Trenching and channelling related to historical exploration were observed. These are observed to be spatially related to shear zones, indicating that mineralisation is probably structurally controlled and follows the orientation of the granodiorite intrusions (pers. comms. Mr. Branislav Radošević, Geo Consult Studio). Results of the channelling and trenching could not be verified.
- Outcrops of granodiorite intruding into both granite and gabbro, with zones of oxidation and silicification were observed. Minerals as visually identified in this area include pyrite, malachite, chlorite and oxidised magnetite.
- Depth of oxidation increases to 200m above granodiorite intrusions, suggesting significant alteration zones that have been preferentially weathered.
- The historical mining operations completed by the Germans during World War II (WWII) were observed and included:
 - Three adit levels with gold production. These adits have been channel sampled during previous exploration activities and gave positive results (pers. comms. Mr. Branislav Radošević, Geo Consult Studio). These results could not be verified. The lower 2 levels have collapsed.
 - Two adit levels with bismuth production. Previous exploration (post-WWII) included collection of grab samples. The results from these exploration programmes have not been verified. Some rock samples show high oxidation and massive sulphides. Minerals visually identified include

pyrite, chalcopyrite, arsenopyrite, molybdenite and bismuth. The upper level adit has collapsed, but the lower adit extends 30 to 50m.

Observations made in the field are consistent with those that are associated with intrusion related mineral systems, and provide indicative evidence thereof.

4.6 Planned Exploration

The license hosts areas of geochemical anomalism which are defined by multi-element geochemistry, with significant Cu values. These areas form the basis of additional exploration to identify potential intrusion related / porphyry style mineralization. As part of this, the company has recently executed a short Induced-polarisation programme over the two geochemical anomalies, with results guiding potential drill-hole testing of targets.

The company plans to execute further IP survey lines in order to identify any anomalies as well as test targeted zones of potential massive sulphide mineralization. A drilling programme is intended to commence as soon as the results are completed.

Further mineralization styles will be considered on completion of the initial work programme.

CSA Global considers the Stara Planina project to be a prospective for intrusion-related copper-gold (+associated metals) mineralisation, including:

- Porphyry - / intrusion related Cu-Au
- High grade, vein hosted Au dominant mineralization
- Polymetallic, vein hosted mineralization.

Porphyry and epithermal deposits are usually hosted in the extrusive volcanic rocks equivalent to the causative intrusions. At Stara Planina, the host rocks are gabbroic and represent a distinct difference to volcanics as located elsewhere in the Bor Metallogenic zone and Timok Magmatic Complex. The expected alteration associated with, and used as vectors to mineralisation, may manifest differently in the mafic intrusives. Detailed mapping by the Company geologists will be required to 'calibrate' the alteration styles associated with mineralisation and apply this in target generation. The current programme of follow-up IP to build more knowledge around the single-line anomalies is appropriate. Multi-element geochemistry, incorporated into the Stara Planina Project budget, may enable differentiation of alteration domains by host-rock and assist in vectoring to the key areas of the system.

CSA Global recommends that the accessible adits from historical mining could potentially provide a good target for mapping and sampling. Care should be taken when sampling the waste dumps. This is due to the various rock types and minerals that could make the use of geochemical and geophysical sampling results problematic for use in the understanding of the underlying geology.

5 Donje Nevlje – Pirot Project

5.1 Location, Access and Infrastructure

The Donje Nevlje and Pirot projects are located in the southeast of Serbia (Figure 13), with the Donje Nevlje project bounded by the administrative border with Bulgaria.

Dimitrovgrad is the nearest town to Donje Nevlje project area, and it is about 360km from Belgrade by highway to Nis and main road to Dimitrovgrad. From Dimitrovgrad there are several small roads and forest tracks, into the project area, all of which can be readily negotiated with a 4-wheel drive vehicle (Csongradi, 2012). The main railway line from Serbia to Bulgaria (Nis to Sofia) passes through Dimitrovgrad, and is served by passenger as well as freight trains.



Figure 13. General location of the Pirot and Donje Nevlje projects.
Detailed tenement shapes are presented in following figures.

5.2 Climate, Topography and Vegetation

The Donje Nevlje and Pirot project areas experience an annual range of temperatures from -6 to 31°C, peak monthly rainfall of ca. 170mm in May/June, and peak snowfall of ca. 40cm in December/January (www.worldweatheronline.com).

The topography in the area ranges from ca. 350m to approximately 1,200m (www.floodmap.net), with rolling hills (Figure 14).



*Figure 14. Donje Nevlje project area
Photograph of the topography typical within the area (locality 81, Appendix 2).*

5.3 Tenure

Current Donje Nevlje project tenement shapes are displayed in Figure 15, and relevant tenement details listed in Table 4.

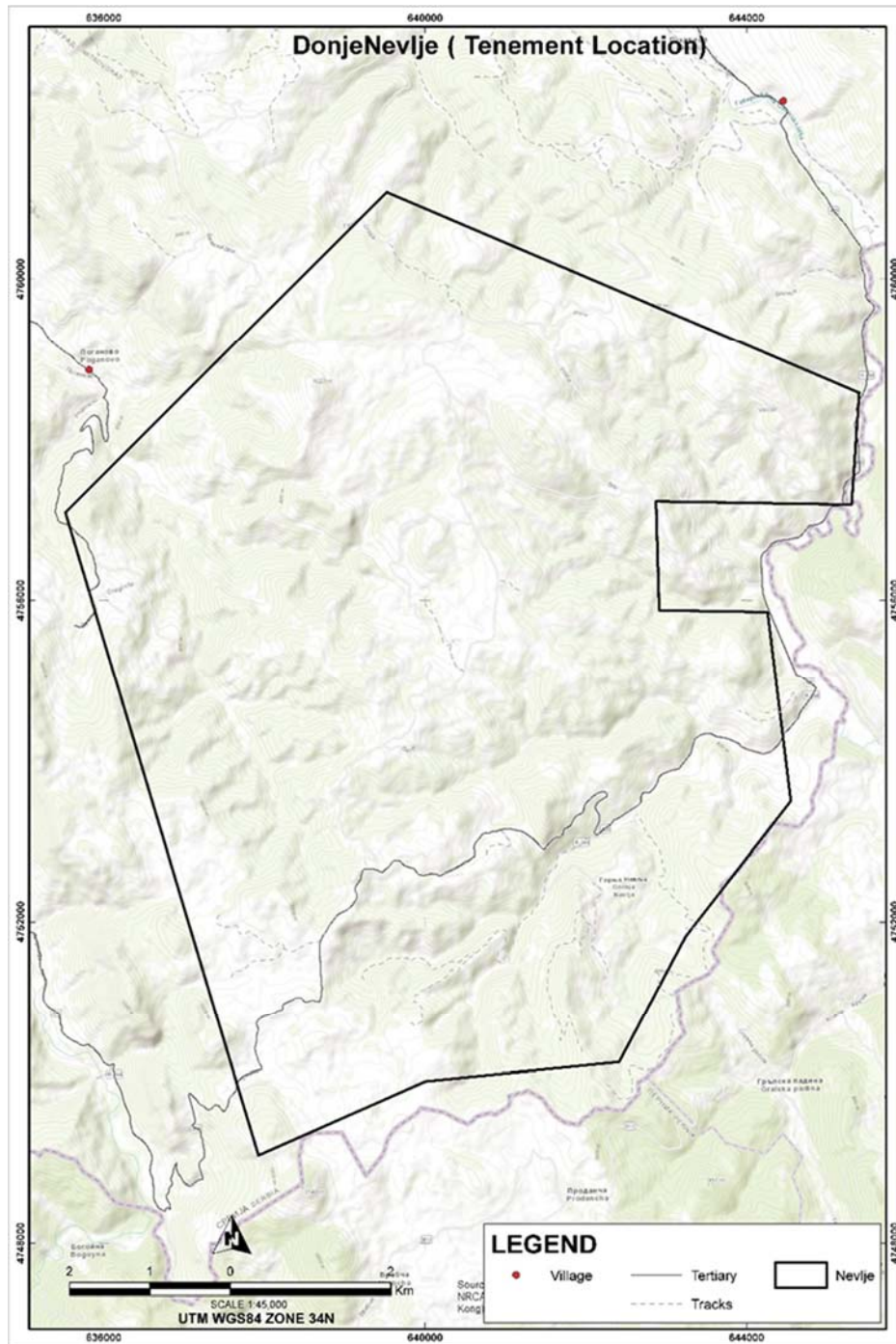


Figure 15. Donje Nevlje tenement boundary overlain on topography

Table 4. Donje Nevlje details.

Project	Licence name	Registered holder (100%)	Size (km ²)	Grant Date	Expiry Date	Licence No.
<i>Skarnore Licences</i>						
Donje Nevlje Project	Donje Nevlje	Skarnore Resources	73.89	22/06/16	13/07/19	310-02-1547/2015-02

The current Pirot project tenement outline is in Figure 16, and relevant tenement details listed in Table 5.

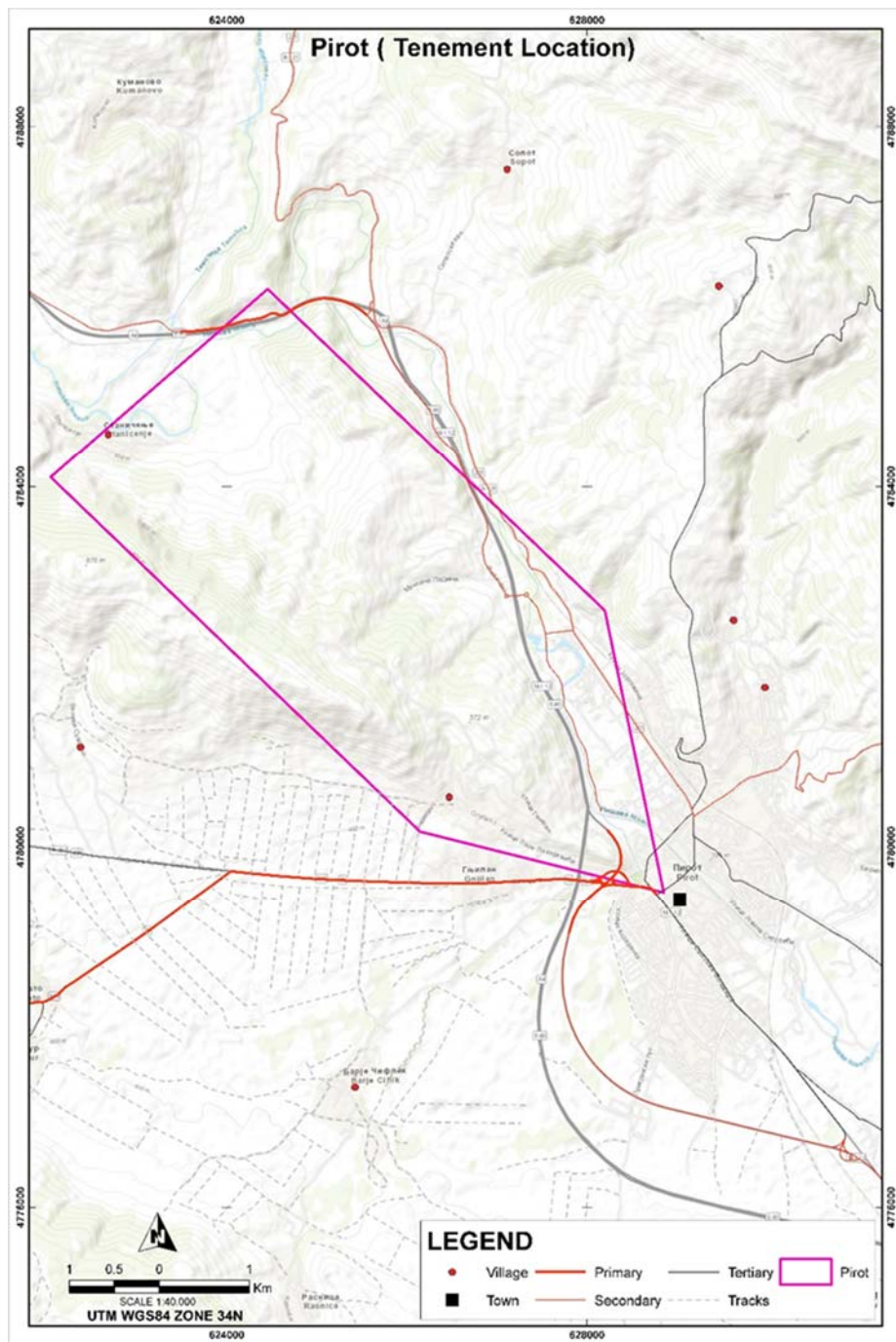


Figure 16. Pirot tenement boundary overlain on topography

Table 5. Pirot Tenement details.

Project	Licence name	Registered holder (100%)	Size (km ²)	Grant Date	Expiry Date	Licence No.
Pirot Project	Pirot	Skarnore Resources	21.00	Application submitted – pending response from ministry		

5.4 Geology

5.4.1 Regional Geology

The regional geology of the area in question is as discussed in Section 2 of this report. The Pirot and Donje Nevlje projects occur at the southern extent of the Bor Metallogenic Zone (Figure 2, Figure 3 and Figure 6).

5.4.2 Donje Nevlje Local Geology

The geology of the Donje Nevlje licence (Figure 17) represents the southern extension of the Bor Metallogenic Zone (Figure 2) and comprises similar Cretaceous volcanic and sub-volcanic lithologies, with younger Cretaceous clastic sedimentary rocks and limestones. The Donje Nevlje project is approximately 125km southeast of the productive Timok Magmatic Complex, which is host to the Bor and Majdanpek districts of copper – gold mineralization.

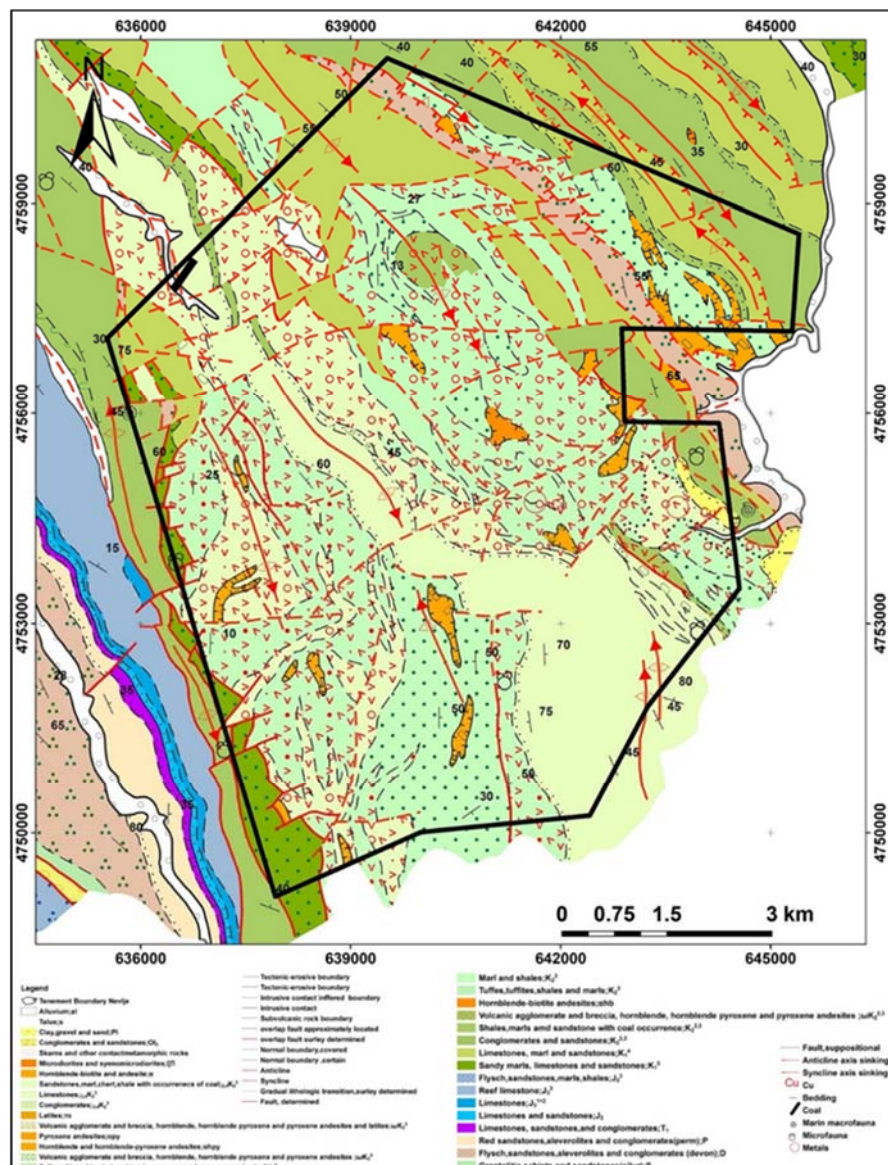


Figure 17. Geology of the Donje Nevlje tenement

Geological mapping and exploration in the 1960's confirmed the compatibility of the stratigraphy and lithologies, primarily andesite volcanics and pyroclastics of Upper Cretaceous age, with those of the Timok Magmatic Complex. The project was therefore considered perspective for porphyry, epithermal, and skarn copper-gold mineralization (Csongradi, 2012).

The Donje Nevlje mineralization is recorded in the Mineral Deposits of Serbia Ore Deposits database (Ministry of Mining and Energy, 2002) as a copper “deposit or prospect of unknown status” hosted by Upper Cretaceous andesites, pyroclastics and limestones. Pyrite, chalcopyrite, magnetite and sphalerite are listed as the main ore minerals, and a skarn assemblage of garnet, vesuvianite, epidote and chlorite are listed as the host rock mineralogy. The deposit is described as a replacement (skarn) type, as well as “unspecified deposits related to volcanic systems and shallow intrusives” (Ministry of Mining and Energy, 2002).

5.4.3 Pirot Local Geology

Similar to Donje Nevlje, the Pirot project comprises Cretaceous volcanics, clastic sedimentary rocks, and limestones (Figure 18). In the northwest of the project, a monzonite intrusion is largely obscured by recent sediments. This intrusive is projected to be in contact with calcareous sediments, in a setting conducive to skarn-type mineralisation. Similar to the Donje Nevlje project, the Pirot project is considered prospective for blind porphyry and epithermal copper-gold mineralization.

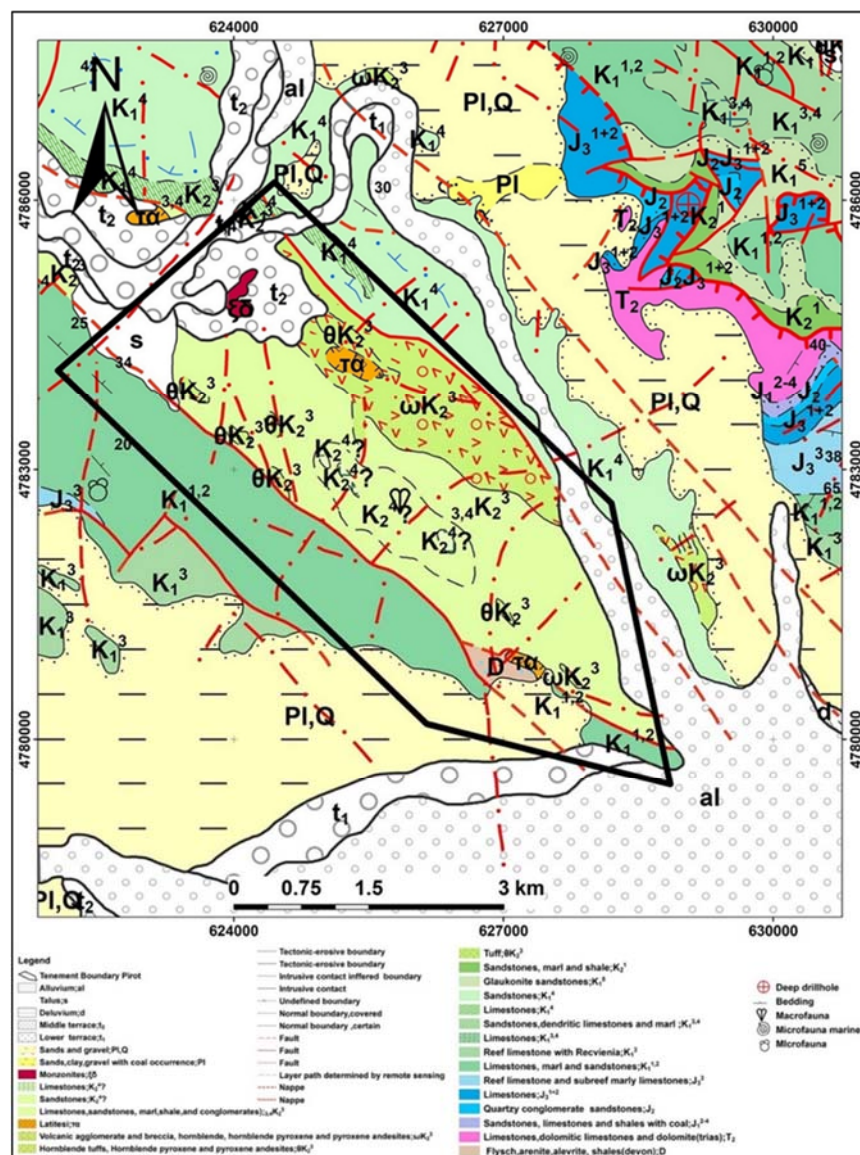


Figure 18. Geological map of the Pirot tenement

5.5 Previous Work

5.5.1 Previous Work – Donje Nevlje

No records were available for work undertaken before World War II. Based on a consulting report compiled for Empire minerals (Csongradi, 2012), in 1925 the first exploration work for copper mineralization in the Donje Nevlje area consisted of two short adits that were excavated near Borovo village. In 1936 another adit, only 30 m long, was excavated in Zelengrad area. In 1938/39, the French mining company that owned and operated Bor copper mines undertook further exploration in the Donje Nevlje area. This campaign included two shallow drill holes (120 m in total), but exploration was discontinued due to the disappointing results (Csongradi, 2012).

In the 1960's the Nis branch of Yugoslav Geological Survey, together with Geological Department of the Copper Institute in Bor, recommenced mineral exploration in the Donje Nevlje area. This work concluded that the lithologies and stratigraphical sequence are consistent with those in the Timok Magmatic Complex, which is located about 125km to the northwest and is the host to important copper and gold deposits at Bor and Majdanpek (Csongradi, 2012). An historic, unvalidated magnetic anomaly map (Figure 19) made available shows apparent magnetic anomalism similar to the southern part of the TMC.

Recent work by Empire Minerals (2008-2011) included ground magnetic surveys, as a follow-up to anomalies detected in airborne surveys, and soil geochemical sampling programmes. Both activities are indicated as having confirmed anomalies identified in exploration work ca 1960's (Csongradi, 2012).

Induced polarization surveys in 2011, across areas of coincident copper anomalism and magnetic anomalism' yielded domains of high chargeability considered to be targets for further exploration. These are yet to be tested with drilling (Csongradi, 2012).

The Company acquired the ground in June 2016. Work completed on the permit to date, by the Company include:

- Evaluation and digitisation of historical results as documented herein
- Field scouting and ground truthing of anomalous zones.
- Mapping of areas of interest in preparation for follow up work.

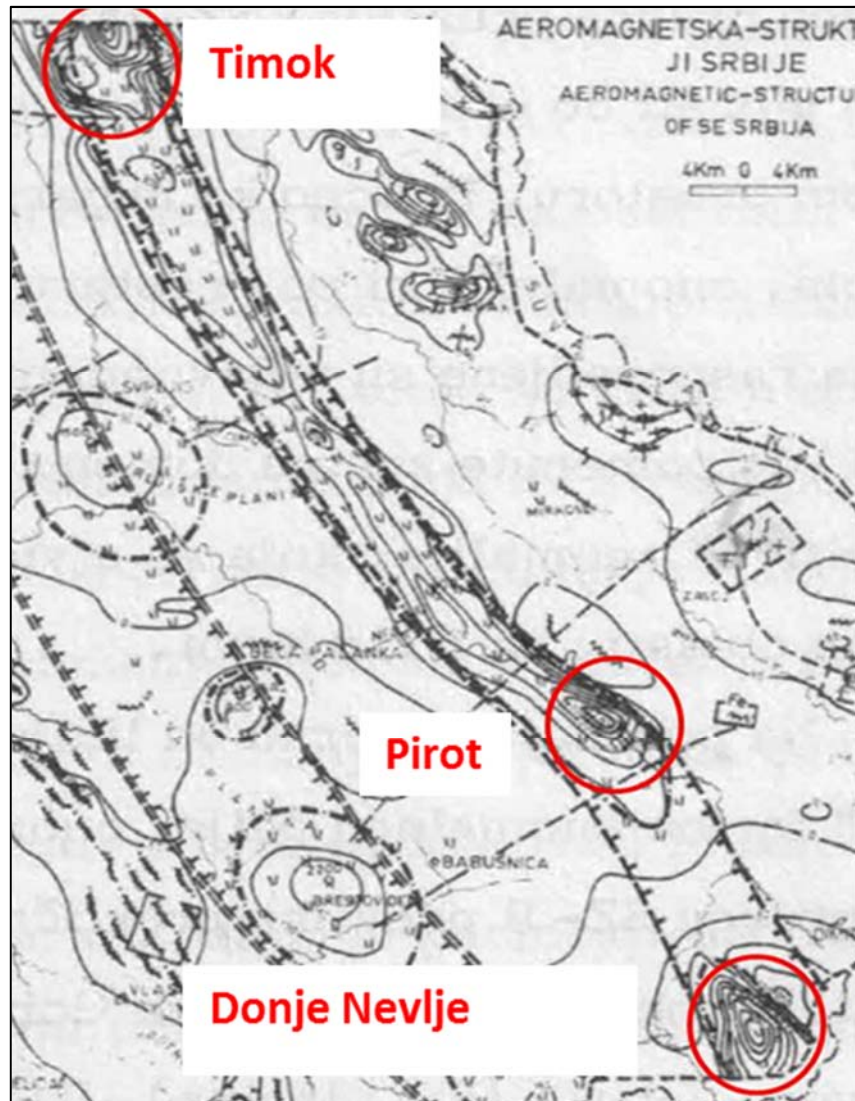


Figure 19. Historical aeromagnetic data (unvalidated, indicative only).

5.5.2 Previous Work – Pirot

The only information regarding historic exploration activities in the Pirot area is the provided aeromagnetic image of Figure 19, showing an apparent anomaly similar to one over the Timok deposit, and sited but not available regional maps indicating the (unvalidated) presence of surface anomalism determined by the state geological agency.

The magnetic anomalies correlate with reported geochemical anomalies; however, no information is available as to the detail of the mineral/s that defined the anomaly. At this time, it also is unclear how these anomalies were defined, as the sited regional maps do not provide adequate background information on the type and methodology of sample collection or analysis.

The Company has submitted an application for grant of tenure and is awaiting a response from the Serbian Ministry of Mining and Energy. Work completed on the permit to date include:

- Evaluation and digitisation of historical results.
- Field scouting and ground truthing of anomalous zones.
- Mapping of areas of interest in preparation for follow up programme.

5.6 Site Visit Observations

The main field observations made by CSA Global at the Donje Nevlje project included:

- The site is heavily vegetated which resulted in difficulty in accessing outcrops from which to make observations.
- Porphyritic andesite intrusions, showing alteration and fine-grained pyrite and chalcopyrite were visually verified.
- The location of a 282m hole that had been drilled historically, which had three intervals of Cu mineralization (pers. comms. Mr. Branislav Radošević, Geo Consult Studio), was visited. The results could not be verified.
- Areas of pyroclastics over the andesites, as well as areas that have been tectonically active, with a large percentage of quartz and calcite veins.
- Minerals visually identified include malachite, chlorite, epidote and azurite (Figure 20).
- Occurrence of a nodular porphyry, showing high silicification. The porphyry is magnetic (tested with swing magnetic pen), and no sulphides are present.



Figure 20. Malachite and Azurite mineralization on fracture surfaces in porphyritic Andesite. Locality 80 (Appendix 2).

Observations made in the field are consistent with those that are associated with intrusion related mineral systems, and provide indicative evidence thereof.

5.7 Planned Exploration

The Donje Nevlje project is an early stage exploration project for porphyry copper and related epithermal or skarn mineralization. The data which is available at this time indicates that the work executed by previous explorers has delineated a number of high priority areas that are compatible to the porphyry model, and

associated mineralization styles. The work in these areas has defined target zones which will be the focus of the immediate exploration programmes.

The Company intends to target the following deposit types on the Donje Nevlje project:

- Blind porphyry deposits: analogous to those mined in the northern regions of this metallogenic belt, at Bor and Majdanpek.
- Epithermal deposits: located in close proximity, and/or above porphyry systems. Historical trench sampling on the lease indicates that there is good potential for this style of mineralization.
- Potential for skarn mineralization: historical indications of skarn-type mineralization will be followed up in order to determine spatial extent and tenor. The lease is characterised with extensive limestone units, which are host-rocks to skarn mineralization; and numerous faults and structural domains as potential fluid conduits, implicit in deposit formation.

Although all work on this project will be dictated by a technical committee which will be formed between the Company and its potential JV partner, it has been indicated that the work will include:

- Scout mapping and sampling of the entire permit.
- Follow up geophysical exploration on the currently defined target zones in the southern sector. The exact nature of the geophysical exploration will also be decided by the committee.
- Further geophysics - possibly airborne EM/Magnetics to define further targets throughout the lease.

CSA Global considers the Donje Nevlje project to be prospective for porphyry and epithermal copper-gold mineralisation and skarn-type mineralization. The geology of the project is consistent with the Timok Magmatic Complex, 125km to the north-northwest; and the potential for analogous deposit styles is high. The application of further ground-geophysics to build more knowledge around single-line IP anomalies is a useful early-stage activity. The project is structurally complex and will benefit from detailed geological and alteration mapping by the Company geologists. Airborne EM would be useful in detecting near-surface (down to ca 200-400m below surface) high tenor epithermal and skarn mineralization.

5.8 Site Visit Observations

The main field observations made by CSA Global at the Pirot project included:

- The permit is heavily vegetated, which partially prevented access
- A single stop was made at a road cut, currently under construction and covering the contact zone where granodiorite porphyry intrudes into limestone (Figure 21).
 - Broken rocks next to the limestone outcrop contains silicified and altered porphyritic andesite, with chlorite and sericite (visually identified). No sulphides were evident.
 - Prior to road construction, malachite could be seen in the contact zone (pers. comms. Mr. Branislav Radošević, Geo Consulting Studio). None was seen in the current state of the outcrop.
 - The zone shows intense tectonic activity, with fractures and faulting and the presence of quartz veining.

Within the limited extent of available access, these observations, particularly the noted tectonic activity, can be consistent with mineralising processes.



Figure 21. Road cutting through granodiorite/limestone contact
Locality 83 (Appendix 2) on the north-western margin of the tenement.

5.9 Planned Exploration

The Company intends to target the following deposit types on the Pirot project:

- Blind porphyry bodies
- Skarn mineralization
- Epithermal mineralization

The limited historic data associated with Pirot project suggests the presence of a magnetic anomaly, which is potentially related to a number of intrusive bodies which have been mapped on the permit. Magnetic anomalies are known to be associated with intrusion related porphyry systems. In association with geochemical anomalies determined by the state geological agency, this provides early stage, indicative evidence only of potential for mineralisation. As such, the initial work programme will include follow-up and infill geochemical sampling of the area considered prospective, followed by geophysical surveys (magnetic and IP) on any anomalous zones.

Any target areas which are defined by the above-mentioned programmes will be targeting by a drilling campaign. The objective on the Pirot permit will be to define a drill target in a short time frame and in a cost-effective work programme.

CSA Global recognise the potential for intrusive-related copper-gold mineralisation on the Pirot project based on the limited data available and consider the proposed activities of the Company's work programme appropriate for early-stage target development and testing.

6 Majdanpek Project

6.1 Location, Access and Infrastructure

The Majdanpek project is located in eastern Serbia (Figure 22) in a long-lived mining district, with appropriate infrastructure to support large mining projects. The municipality, including Majdanpek town, comprises a population of approximately 19,000 (Wikipedia, 2017).

The population is predominantly involved in agriculture, farming and mining in Majdanpek mine.

Road traffic network is well developed within the exploration area. The most important road transport routes are Žagubica-Majdanpek and Kučevo –Majdanpek. Northward from the exploration area there is a regional road M-24 Požarevac-Kučevo-Majdanpek-Negotin. Railroad Bor-Majdanpek passes through the exploration area (GCS, 2014).

Ease of access varies throughout the permit. Many unsealed farm roads are present, but some of these have been overgrown. Most of the connectivity between rural environments is carried by dirt roads which are often impassable due to heavy rains or due to not being utilised.



Figure 22. General location of the Majdanpek Project projects.
Detailed tenement shapes are presented in following figures.

6.2 Climate, Topography and Vegetation (GCS, 2014)

Majdanpek experiences an annual range of temperatures from -3 to 29°C, peak monthly rainfall of ca. 180mm in May/June, and peak snowfall of ca. 75cm in December/January (www.worldweatheronline.com). There are significant temperature fluctuations during a year, summers are rather warm, and winters are cold with heavy snowfalls.

The topography in the area ranges from ca. 200m to approximately 800m (lowest point being the large open cut mine at Majdanpek) (www.floodmap.net). Figure 23 shows an example of the typical topography and vegetation of the project. The natural lowest point is ca. 300m in incised river valleys.

The Danube river flows for 54km along the Northern border of Majdanpek municipality. The project area is drained by the Pek river by numerous streams (constant and occasional). Of these streams, the significant ones are Todorova Reka, Crna Reka and Velika Leskova.

Lake basins at lower altitudes and slightly hilly relief are present in the northern and eastern part of the project. The central part of the project is more mountainous.



*Figure 23. Topography and vegetation of the Majdanpek project area.
Locality 56 (Appendix 2, east of the Bor project area).*

6.3 Tenure

The current Majdanpek project tenement outline is displayed in Figure 22, and relevant tenement details listed in Table 6. Figure 23 provides context of the tenement shape relative to adjacent tenement holders and proximity to known deposits and mines.

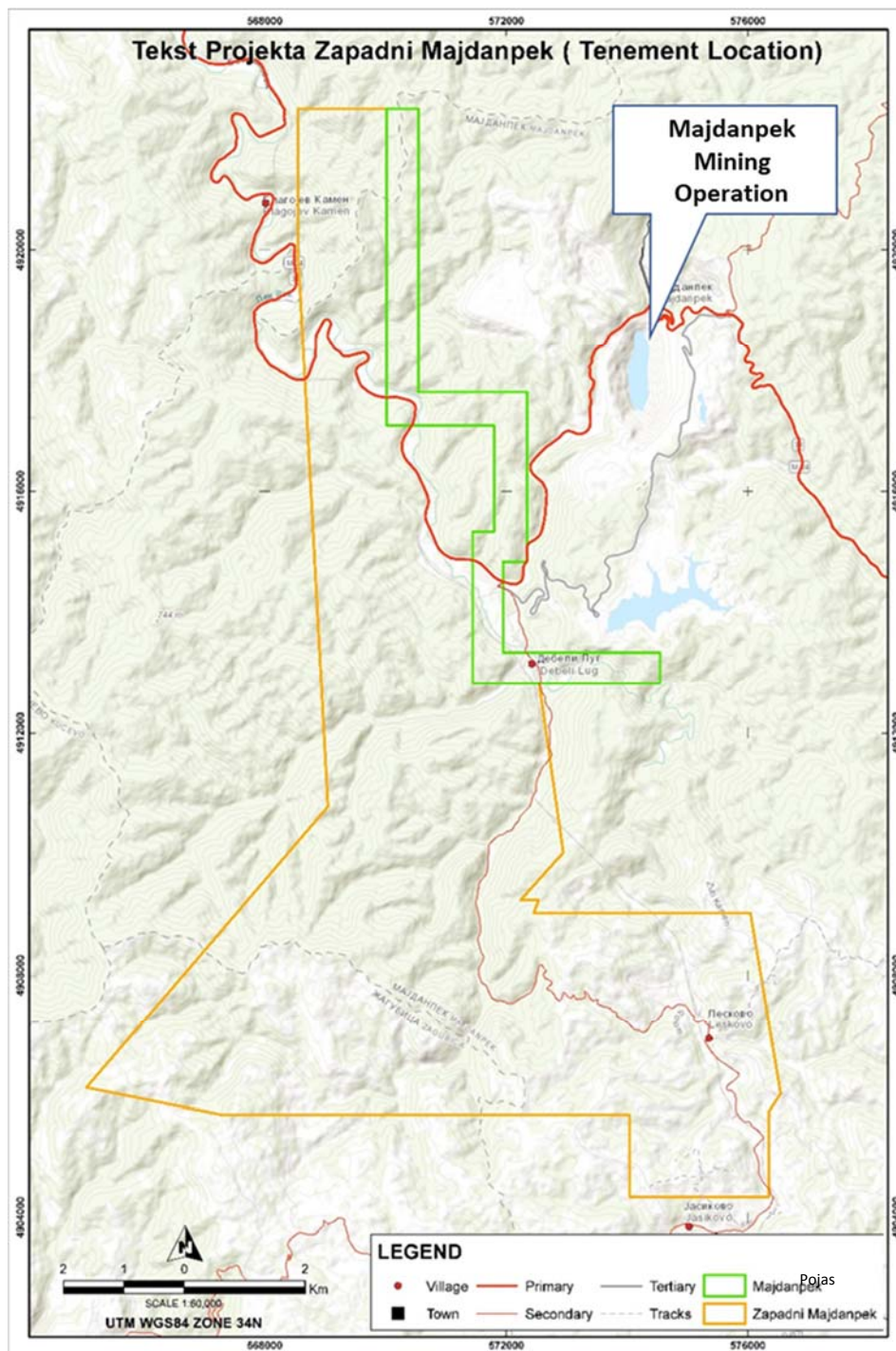


Figure 24. Tenement boundary for the Majdanpek Project

Table 6. Majdanpek Tenement details

Project	Licence name	Registered holder (100%)	Size (km ²)	Grant Date	Expiry Date	Licence No.
Majdanpek Project	Zapadni Majdanpek	Kingstown Resources	68.85	08/12/16	09/05/20	310-02-1096/2016-02
	Majdanpek pojas	Kingstown Resources	6.88	30.03.17	15/06/20	310-02-1510/2016-02

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6.4 Geology

6.4.1 Regional Geology

The regional geology of the area in question is as discussed in Section 2 of this report. The Majdanpek project is located in the Timok Magmatic Complex, within the Bor Metallogenic Zone (Figure 2 and Figure 3, and Figure 6).

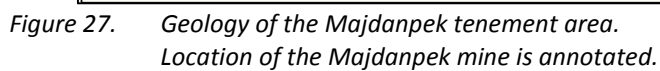
6.4.2 Local Geology and Deposits

The Majdanpek licence comprises volcanics of the Timok Complex overlying Jurassic limestones (Figure 27). This sequence is in faulted contact with Proterozoic Gneiss. Cretaceous andesitic sub-volcanic intrusives are located within the project and locally associated with copper occurrences. Jurassic limestones, as also found at the Majdanpek deposit approximately 4km from the project (Figure 24), occur within the project and are considered prospective for skarn-type mineralization.

The Majdanpek deposit and mine (Figure 27, Figure 26 and Figure 28) is regionally significant and comprises a complex of several types of mineralization formed in multistage processes: dominant porphyry copper-gold mineralization with molybdenite, massive sulphide (Figure 29), pyrite bodies, skarn magnetite and hydrothermal Pb-Zn sulphides in the form of massive-metasomatic bodies and ore veins (Jelenkovic et al., 2016).



Figure 26. Majdanpek Copper-Gold mine, Historical.



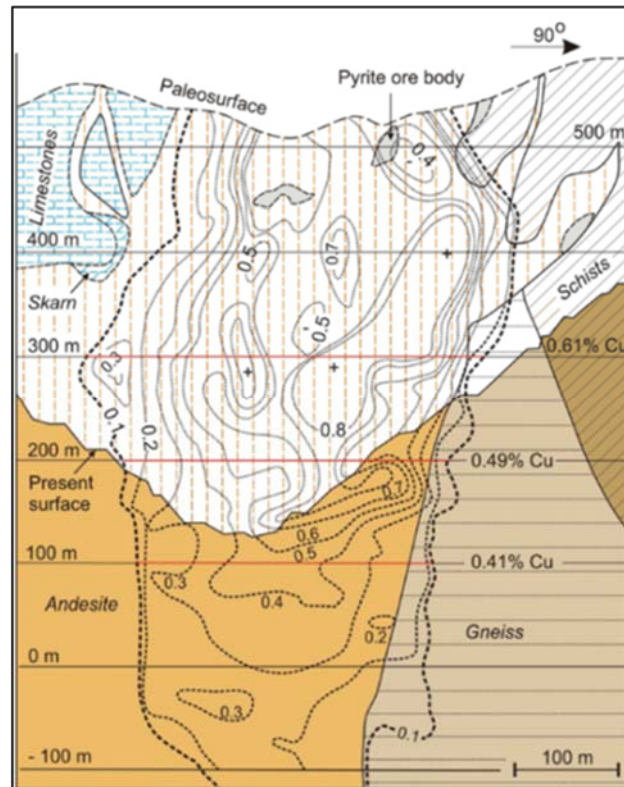


Figure 28. Cross-section through the Majdanpek porphyry copper deposit After (Vujic et al., 2005).



Figure 29. Massive pyrite with chalcopyrite. Locality 59 (Appendix 2) approximately 2km northeast of the Majdanpek tenement boundary.

6.5 Previous Work

At time of review, no data was made available to CSA Global in respect to past exploration for this project area. It is understood that this data may be available for purchase from Dundee Precious Metals. It has been indicated that this data comprises soil sampling results, stream sediment sampling results, trench sampling results, and drilling data. Such data may have a material impact on how the Company approaches exploration.

The Company gained access to the majority of the project in December 2016. Work completed on the permit to date includes:

- Investigation for historical results and data.
- Field scouting - ground truthing of anomalous zones.

6.6 Site Visit Observations

The main field observations made by CSA Global at the Majdanpek project included:

- The district is endowed with porphyry copper mineralization, as is evident from historical and current mining activities.
- Verified four locations of historical sampling and copper occurrences. The results of the sampling could not be verified.
- Quality of exposure varies, from poor exposure with soil cover, to good exposure in roadcuts.
- Porphyritic andesites varies from fresh to silicified to altered (visually identified chlorite and very fine-grained sericite).
- Instances of porphyry with phenocrysts of pyroxene were observed.
- Various contacts between andesite and limestone were observed.
- Visually identified occurrences of pyrite within limestone, which is considered as evidence of high temperature fluids.

The project is in close proximity to a significant porphyry-copper deposit, and contains the same broad host-rocks to mineralization (volcanics, sub-volcanic intrusives, carbonates). The carbonate-bearing lithologies are considered prospective for skarn-type deposits and the volcanics for porphyry and epithermal Cu-Au.

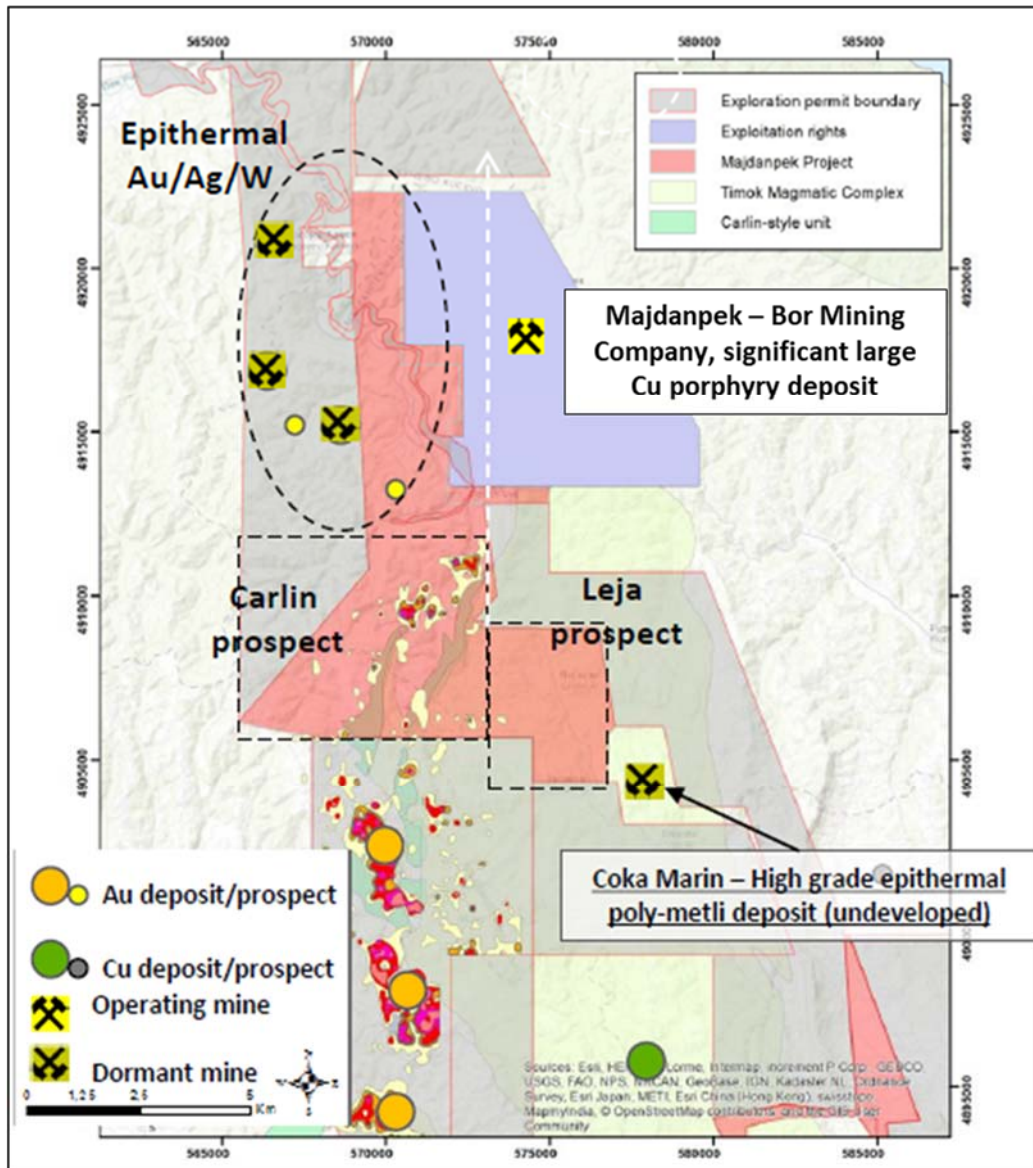


Figure 30: Majdanpek prospects- Leja and Carlin

Note: the Coka Marin deposit does not belong to the Company

6.7 Planned Exploration

The Company intends to target the following deposit types on the Majdanpek Project tenements:

1. The Leja prospects, located in the south-western segment of the permit, the prospects are located within the prospective, Cretaceous Volcano-sedimentary sequence which is part of the Timok Magmatic Complex. This target area is adjacent to the Coka Marin deposit – located approx. 500m from the permit boundary. This deposit is quoted as a VMS type in some government literature, however, the absence of other VMS deposits in the district suggest a different genesis. The likelihood is that the deposit is a medium sulphidation epithermal deposit (high Zn content/ lensoidal), being driven by a blind porphyry system at depth.
2. A trend is defined by two NNE trending sedimentary units, which transgress the southern part of the Majdanpek permit. These units host the well-endowed Bigar Hill Gold deposit (Figure 6) located a short distance south of the Majdanpek tenement. The Bigar Hill deposits are classed as a sedimentary-hosted style of gold deposit. Gold deposits of this nature are driven by high grade, structurally controlled 'feeder' units, with lower grade mineralization disseminated at higher levels.

-
3. The northern part of the permit, which is characterised by Gneiss and sedimentary geology is considered to be prospective for high grade Au, Ag and W mineralization. However, these types of narrow style deposits will not be the focus for the company in the near future, but will be followed up in the longer term.

Planned work within the Majdanpek project comprises:

- Soil sampling
- IP survey
- Target testing by drilling (method unspecified).

As this project will likely be subject to a joint venture with a 3rd party, where a joint technical committee will determine the work budget, the proposed target areas quoted here are subject to change and direction of the committee. In has, however been indicated that the like programme will target zones in the south and will likely be flown by a high resolution aero-magnetic / airborne EM survey. Any substantive anomalies detected will be followed up by a drill campaign.

CSA Global consider the use of airborne electromagnetic (EM) as the most appropriate means to detect potential skarn and epithermal mineralization, both comprising zones of semi-massive sulphides. Disseminated sulphides in porphyry systems and dispersed sedimentary-hosted deposits may be better suited to detection using induced polarization (IP) surveys once ground activities have identified areas of interest. IP has been effective in locating porphyry mineralization in other parts of this district, and globally as a key stage of porphyry-copper-gold deposit discovery.

7 Bor Project

7.1 Location, Access and Infrastructure

The Bor project is located in eastern Serbia (Figure 31). A well-developed road network exists within the project area with key transport routes between Bor-Majdanpek and Bor-Zaječar-Negotin. A regional road runs south of the exploration area, connecting Bor with Paraćin and the highway. The railway Bor-Majdanpek crosses through the exploration area. For the most part, the roadways between rural communities are unsealed, which may often be blocked, being impacted by heavy rain, or due to not being used (GCS, 2014). Access is generally good throughout the project.



Figure 31. General location of the Bor Project projects.
Detailed tenement shapes are presented in following figures.

7.2 Climate, Topography and Vegetation

Bor experiences an annual range of temperatures from -4 to 32°C, peak monthly rainfall of ca. 170mm in May/June, and peak snowfall of ca. 50cm in December/January (www.worldweatheronline.com). During the course of the year, temperatures vary significantly, with summers being quite hot, and winters cold with heavy snowfall.

The topography in the area is hilly to mountainous in relief and ranges from ca. 100m to approximately 815m (lowest point being the large open cut mine at Bor) (www.floodmap.net). The natural lowest point is ca. 250m in incised river valleys. Figure 32 shows an example of the typical topography, vegetation and access of the project.



*Figure 32. Topography and access in the Bor project area.
Locality 53 (Appendix 2).*

The project area is drained by permanent and occasional streams and rivers, the significant ones being Cerova, Ogašu Puira, Velja Latarica and Crvena reka, which all belong to the Danube basin.

7.3 Tenure

Current Bor project tenement outlines are displayed in Figure 33, and relevant tenement details listed in Table 7.

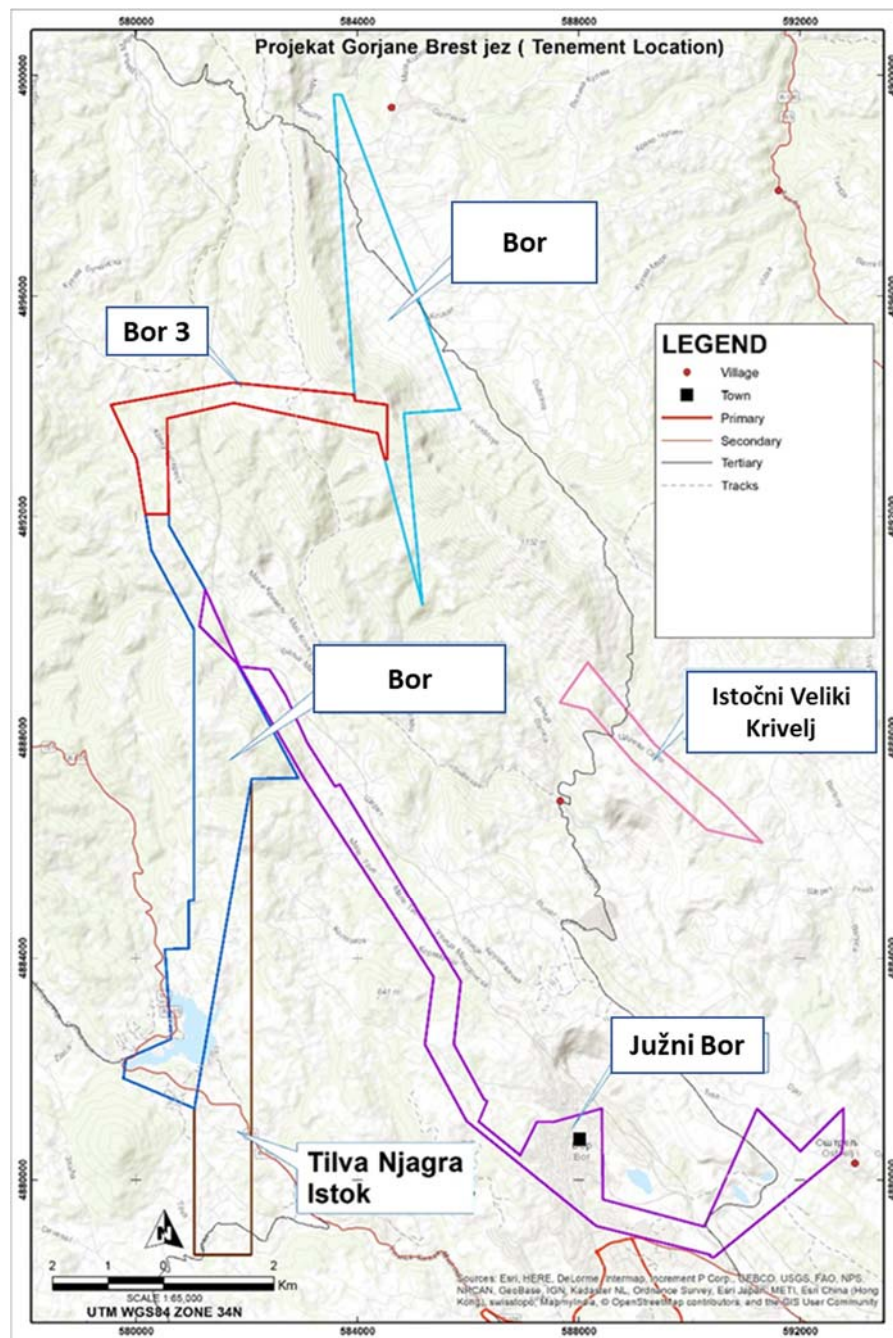


Figure 33. Bor project tenements overlain on topography

Note: The Bor 3 area application is on hold pending the outcome of litigation between the Ministry and a third party and does not form part of the “Bor Licence” as described in the report.

Table 7. Bor Project Tenement details

Project	Licence name	Registered holder (100%)	Size (km ²)	Grant Date	Expiry Date	Licence No.
Bor Project	Tilva Njagra Istok	Kingstown Resources	5.83	27/03/17	17/05/20	310-02-1584/2016-02
	Bor	Kingstown Resources	15.84	Application executed – pending final approval		
	Južni Bor	Kingstown Resources	10.48	Application submitted - pending		
	Istočni Veliki Krivelj	Kingstown Resources	2.86	Application submitted - pending		

The irregular tenement shapes are a function of the shape and distribution of existing Mining Leases (labelled 'Exploitation' areas on Figure 34) and exploration tenements held by other explorers.

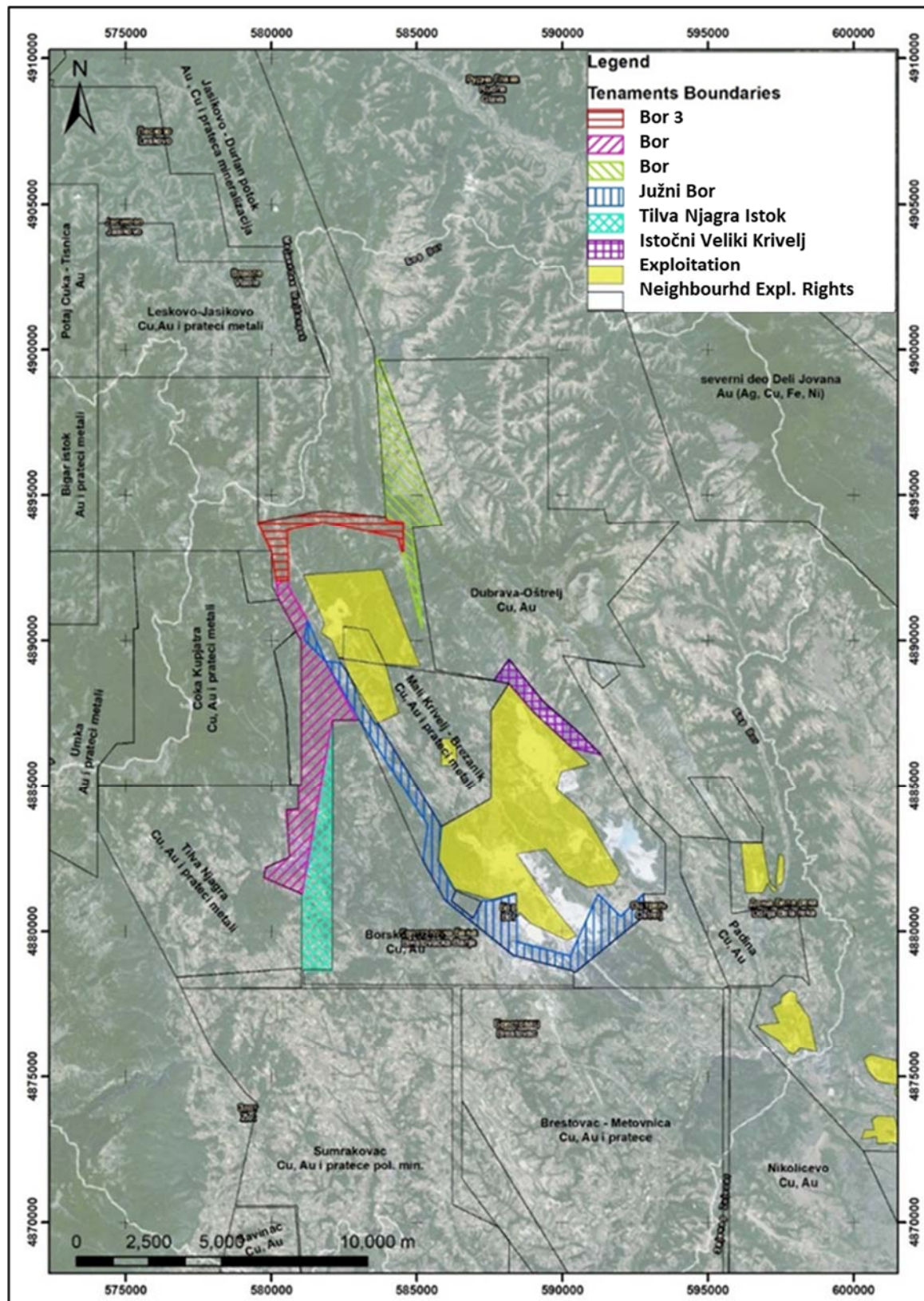


Figure 34. Bor project tenements in the context of other tenement holders in the district (the Company, 2017). *Note: The Bor 3 area application is on hold pending the outcome of litigation between the Ministry and a third party and does not form part of the "Bor Licence" as described in the report*

7.4 Geology

7.4.1 Regional Geology

The regional geology of the area in question is as discussed in Section 2 of this report. The Bor project tenements are located in the Timok Magmatic Complex, within the Bor Metallogenic Zone (Figure 3 and Figure 6).

7.4.2 Bor Project Local Geology

The Bor project tenements transgresses the prospective suite of andesitic volcanics and intrusives which host the regionally significant Bor mining complex (Figure 2 and Figure 6). The western tenements are almost wholly comprised of Cretaceous volcanics with lesser clastic sedimentary lithologies (Figure 35) and are considered prospective for porphyry and epithermal Cu-Au mineralization. The north-eastern tenement, 'Veliki Krivelj East' (Figure 34 to Figure 36), comprises limestone in structural contact with volcanics, indicative of potential prospectivity for skarn-type mineralization.

The copper-gold deposits of the Bor mining field are dominated by smaller high-grade deposits (high-sulphidation epithermal) in the near-surface, and deeper porphyry copper-gold deposits several magnitudes larger in tonnage but at significantly lower copper and gold grades. These two styles of deposit are represented by example cross sections from such deposits illustrated in Figure 37 and Figure 38.

The following compilation has been provided by the Company as an account of the previous work conducted on the Bor project area. This information is sourced from internal reports compiled by Geo Consulting Studio (2014).

The current tenement package is in close proximity to the Bor copper-gold mine which comprised 13 deposits, both epithermal and porphyry copper-gold, as illustrated on Figure 35. The Bor Mine peaked in production in the 1970's and 1980's when high-grade ore was still available, but suffered decreased activity in the 1990's (https://en.wikipedia.org/wiki/RTB_Bor) due to the change in ore tenor associated with transitioning from the epithermal to the porphyry system (Figure 36) with depth. At its peak in the 1980's, the Bor mine was operating at a rate of 4Mt/y of ore production, equivalent to 35,000t/y copper (Ministry of Mining, Serbia; 2002).

Three mines are active in the Bor Mining complex, two open cut mines, one producing at approximately 10-15Mt ore/y and the other on care-and-maintenance (RTB Bor, 2017). The underground mine at Bor, Jama Mine, accesses the Borska Reka porphyry deposit (Figure 36 and Figure 37), which has a length of approximately 1,000m and a width of 500m (Petrovic et al., 2012). The smaller, high-grade epithermal deposits were mined via open-cut and selective underground methods. However, the large Borska Reka Porphyry deposit requires larger-scale low-cost mining, and Petrovic et al (2012) conclude that block-caving is the most favourable extraction method (Figure 35). The presence of settlements, railroad, and the Bor River on the surface (Petrovic et al., 2012) and within the potential subsidence zone, is a limiting factor. The Bor open-cut mine is currently being back-filled with waste material (Figure 36) sourced from the two active mines in the complex.

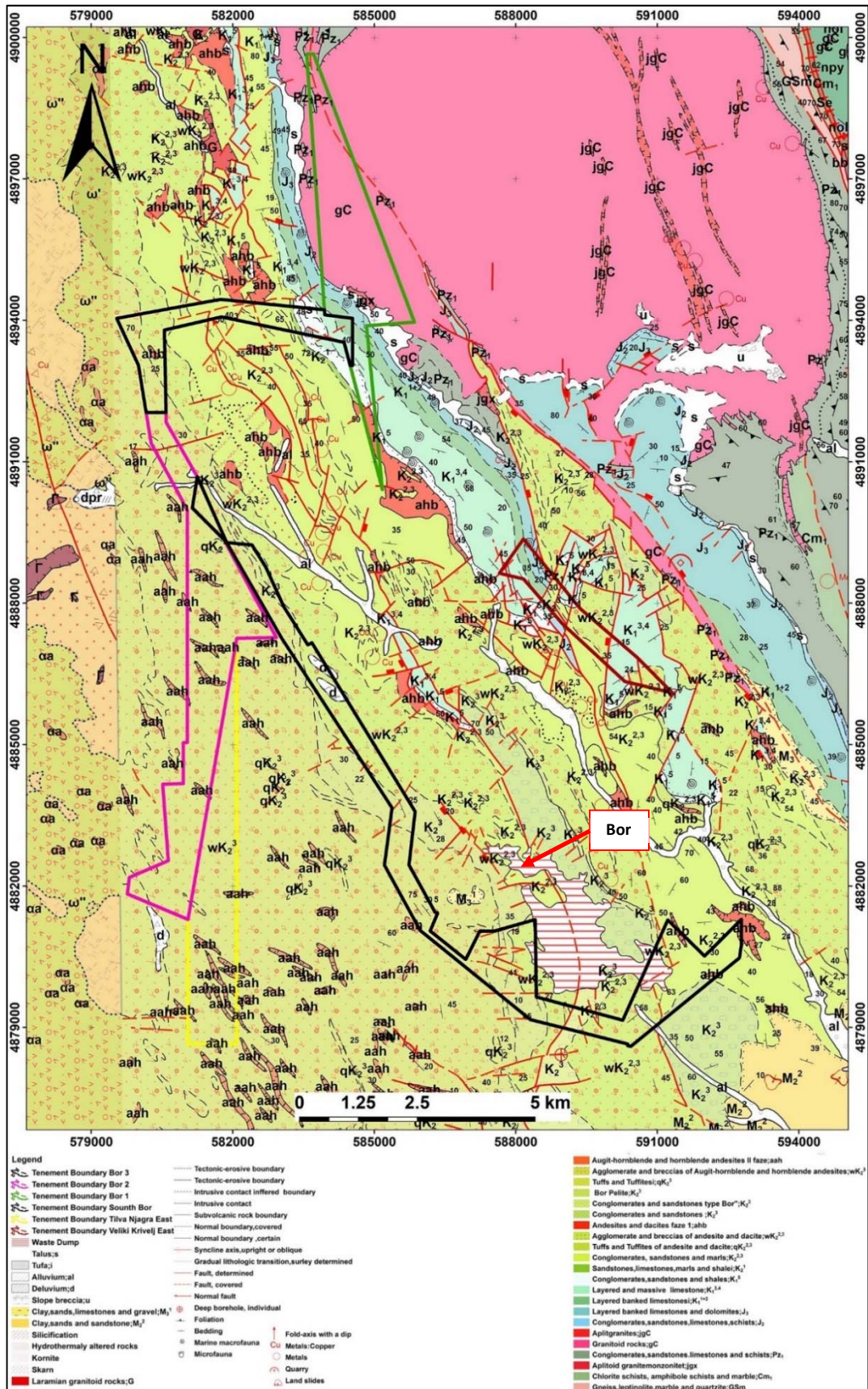


Figure 35. Geology of the Bor project area.

Location of the Bor mining complex is annotated. Note: The Bor 3 area application is on hold pending the outcome of litigation between the Ministry and a third party and does not form part of the “Bor Licence” as described in the report.

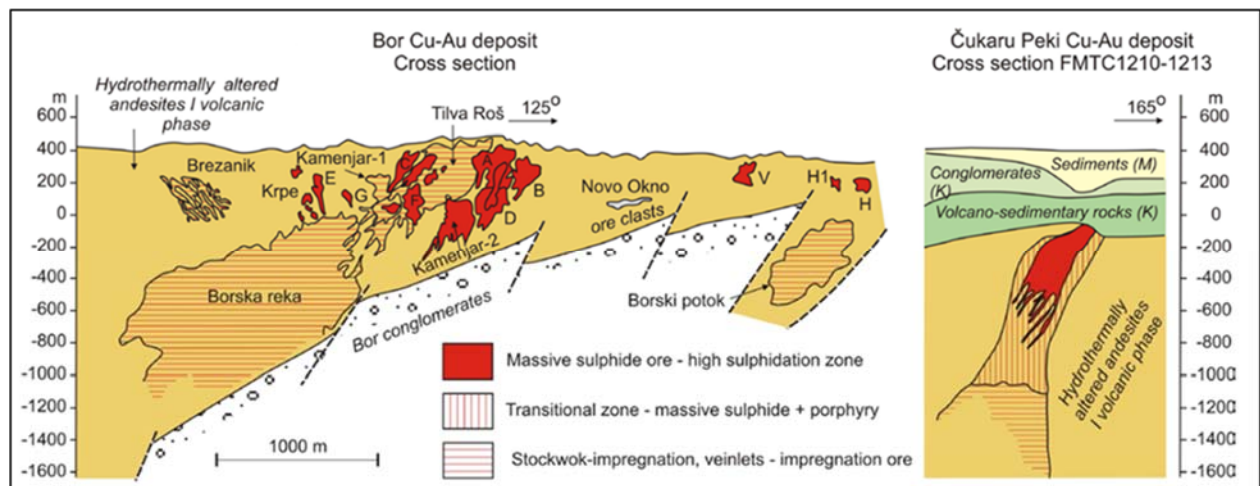


Figure 36. Longitudinal projection of the Bor Porphyry & Epithermal Cu-Au deposit and cross-section through the Čukaru Peki Epithermal deposit (Reservoir Minerals, 2014).

7.5 Previous Work

CSA Global was provided with no data in respect of previous exploration carried out within the existing tenements.

The area has been worked for both copper and gold since Roman times. In the 1960's, the Timok Magmatic Complex was evaluated for porphyry-copper-gold potential by the Serbian Geological Survey, which paved the way for many porphyry and epithermal copper-gold discoveries in the broader district.

The Company gained access to Tilva Njagra Istok in March 2017, and has achieved execution of applications for Bor, Južni Bor and Istočni Veliki Krivelj, which are all pending final approval. Work completed on the permit to date:

- Evaluation and digitisation of historical results
- Field scouting - ground truthing of anomalous zones

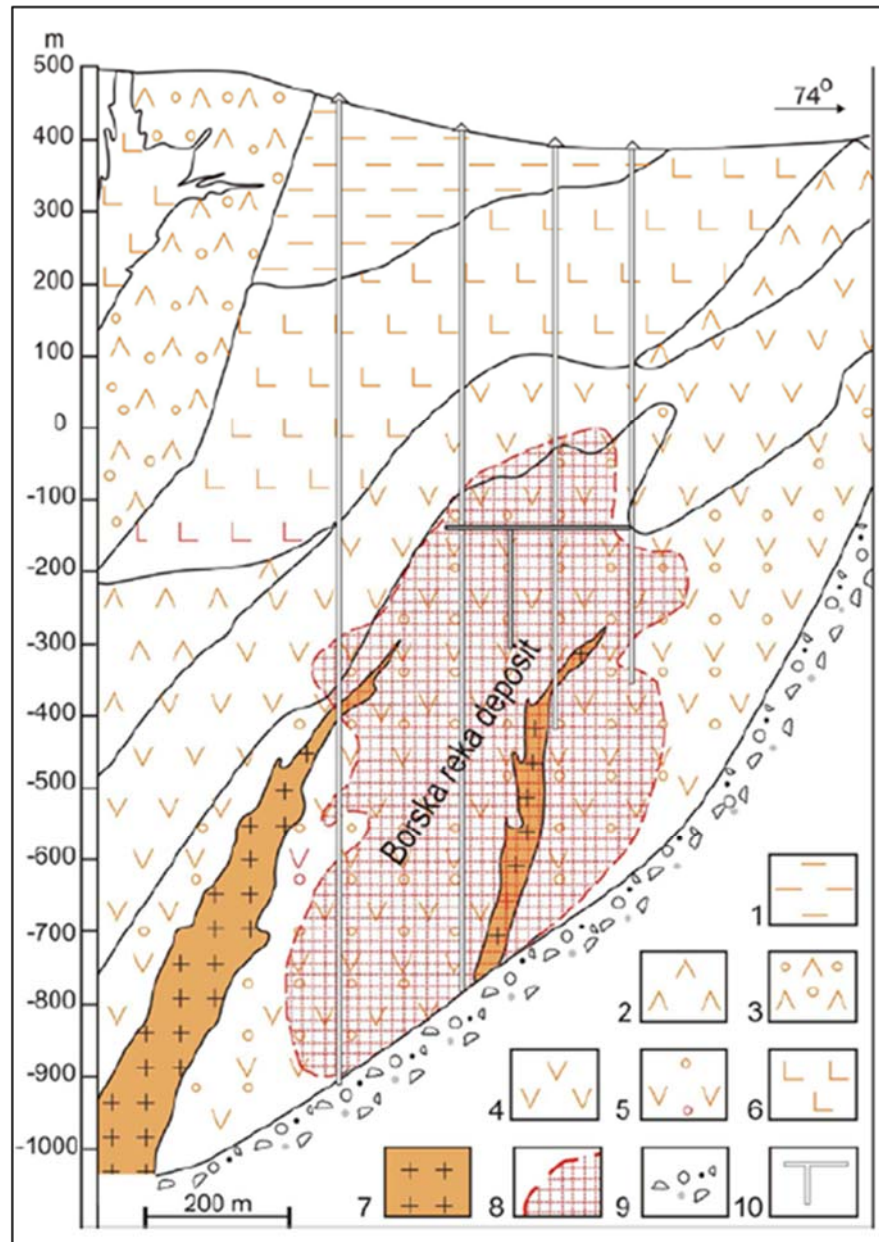


Figure 37. Cross-section through the Borska reka porphyry copper deposit (Simic & Mihajlovic, 2006), part of the Jama underground mine.

1) Pelite, 2) Hornblende augite andesite, 3) Hornblende-augite andesite pyroclasts, 4) Hornblende-biotite andesite, 5) Hydrothermally altered hornblende-biotite andesite, 6) Augite-hornblende andesite pyroclasts, 7) Quartz diorite porphyry, 8) Outline of the Borska reka mineral deposit, 9) Bor conglomerates, 10) Underground workings.

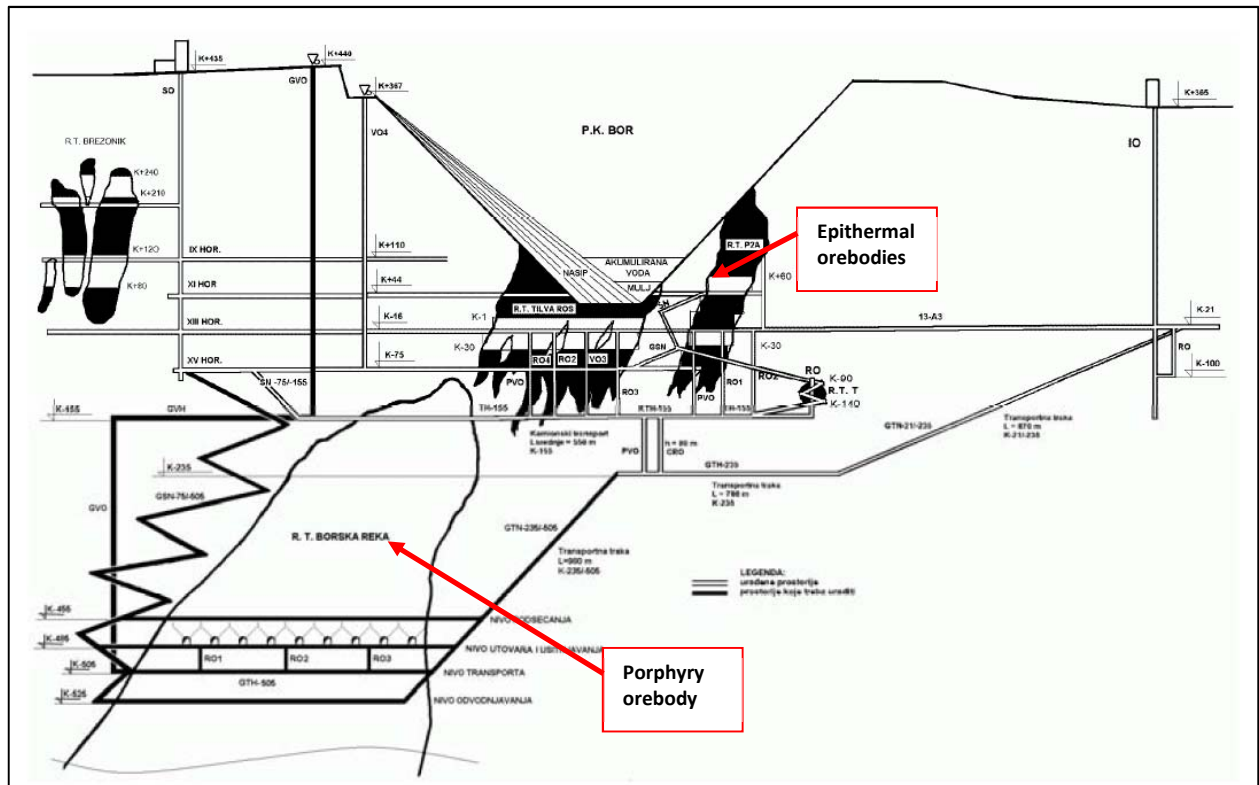


Figure 38. Cross-section through the Bor Mine illustrating orebody geometries and mine infrastructure (Petrovic et al, 2012)

7.6 Site Visit Observations

The main field observations made by CSA Global at the Bor projects included:

- Generally, good access throughout the permit.
 - Some parts of the project have poor exposure with large amounts of soil cover.
- The district is endowed with porphyry copper mineralization, as is evident from historical and current mining activities.
- Porphyritic andesite at various phases of alteration was observed (Figure 39). Minor amounts of magnetite and epidote were also observed.
- Porphyry is weakly magnetic with finely dispersed magnetite (tested with swing magnetic pen).



Figure 39. Porphyritic andesite with prevalent chlorite alteration. Locality 49 (Appendix 2).

The project is in close proximity to significant porphyry-copper and epithermal copper-gold deposits, and comprises the same host-rocks to mineralization (volcanics, sub-volcanic intrusives, carbonates). The volcanic suite in this terrane is considered prospective for porphyry and epithermal Cu-Au. The carbonate-bearing lithologies in the north-east are considered prospective for skarn-type deposits.

7.7 Planned Work Programme

Within the Bor project, the Company will be targeting high grade epithermal and skarn mineralization, which may be associated with the numerous porphyry deposits located directly adjacent to the ground holding.

The primary target will be lower tonnage – high grade skarn and epithermal deposits. These potential ore bodies will be relatively small, but high grade; and due to the location of the project in the heart of Serbia's mining district, any potential discovery would have a very low threshold in terms of requirement for development.



Figure 40. Bor Copper-Gold open-cut mine, actively back-filled with waste material.

Initially, the Company plans to generate a detailed evaluation of the district to determine structural controls and trends defining the high grade epithermal deposits within the district. It is anticipated that the results of this programme will assist in guiding the follow up technical work, which may involve detailed geophysics in the first instance.

CSA Global considers the approach of targeting relatively small, but high-grade mineralization in the near-surface as a practical use of exploration expenditure. Employing geophysical methods, both airborne and ground based, would increase the likelihood of discovery of these deposits, particularly where the sulphide contents are high. The abundant occurrences and deposits that occur in the area provide an opportunity to develop enhanced understanding of the local controls on these epithermal deposits and develop robust exploration strategies to assist discovery. Alteration systems associated with this type of mineralisation are well understood and CSA Global recommends systematic multi-element analysis and short-wave infrared spectrographic analysis from which to carry out alteration mapping, potential providing a direct vector to potential mineralisation. Discovery of any epithermal mineralization may have the potential to lead to a porphyry-copper-gold system at depth.

The shape and narrow east-west dimension of the tenements limits the exploration potential; however, the significant mineral endowment of the area warrants thorough exploration, even under these spatial constraints.

8 Zupa Project

8.1 Location, Access and Infrastructure

The Zupa project is located in the far west of Serbia at the administrative border with Montenegro (Figure 41). The area has a well-developed road network, with key transport routes to the Serbian-Montenegrin border crossing. Forestry roads are unsealed and might be impacted by heavy rain. Generally, good access was noted throughout the project during the site-visit to the area (refer to Appendix 2).



Figure 41: General location of the Zupa project (red dashed ellipse). A detailed tenement shape is presented in following figures.

8.2 Climate, Topography and Vegetation

The Zupa project area experiences an annual range of temperatures from -4 to 29°C, peak monthly rainfall of ca. 160mm in May/June, and peak snowfall of ca. 80cm in December/January (www.worldweatheronline.com).

The topography in the area ranges from ca. 500m to approximately 1,100m (www.floodmap.net). Figure 43 shows an example of the typical topography and vegetation of the project.



Figure 42. View of Prijepolje Town, looking northeast from the Zupa licence. Waypoint 91 (Appendix 2)



Figure 43. Looking south-southeast in the Zupa licence. Waypoint 89 (Appendix 2).

8.3 Tenure

The current Zupa project tenement outline is displayed in Figure 44, and relevant tenement details are listed in Table 8.

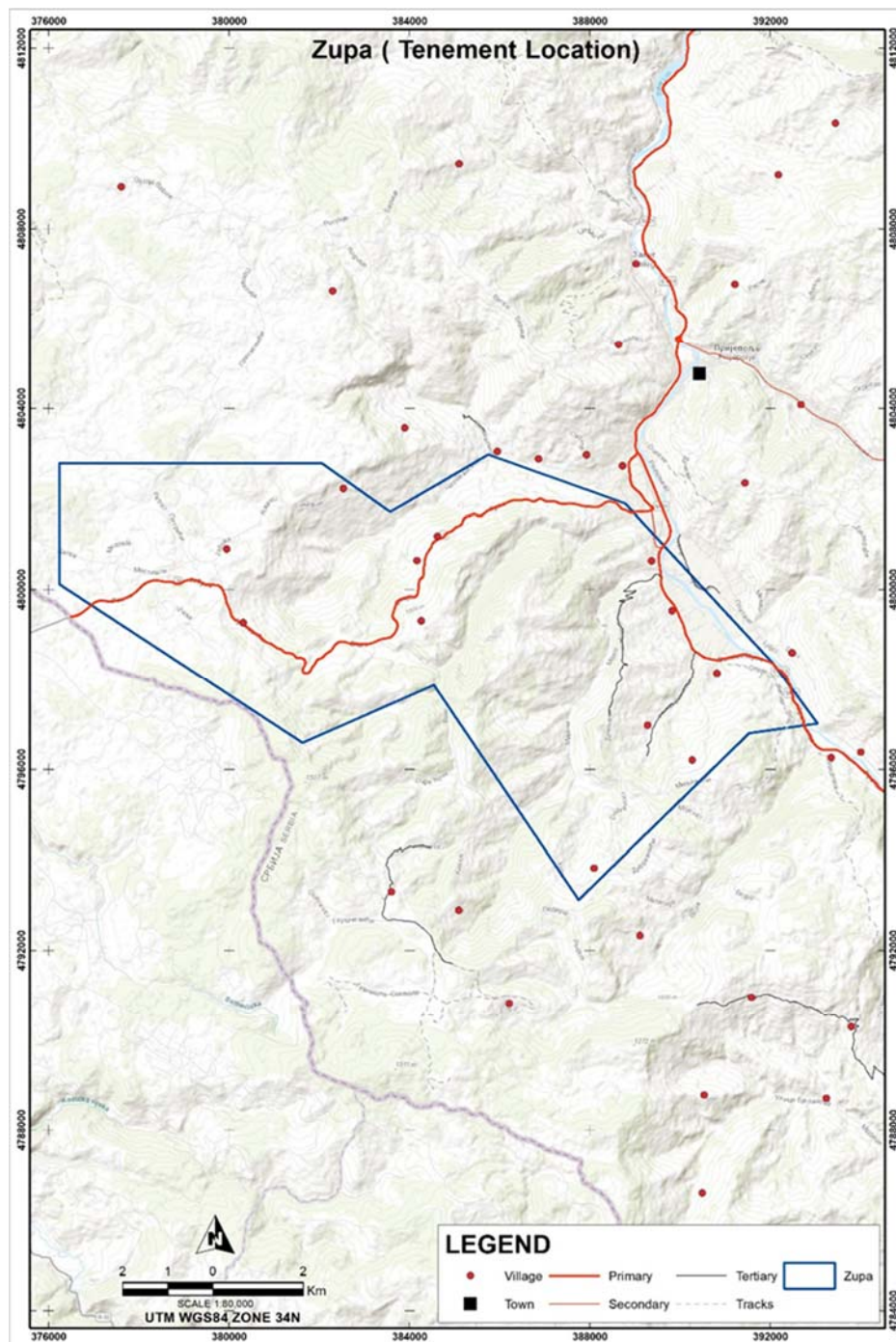


Figure 44. Velika Zupa tenement boundary overlain on topography.

Table 8. Zupa Tenement details

Project	Licence name	Registered holder (100%)	Size (km ²)	Grant Date	Expiry Date	Licence No.
Zupa Project	Velika Zupa	Balkan Mineral Corporation (in process of transfer to Skarnore Resources)	85.48	14/07/17	13/09/20	310-02-1656/2016-02

8.4 Geology

8.4.1 Regional Geology

The Zupa project is located in a distinct geological terrane from the previously discussed Company projects. The far western region of Serbia related to the tenure is dominated by an Ophiolite Belt, manifest as outcropping Serpentinite in the northeast of the map in Figure 46. A tectonic margin is represented by a buried structural corridor at A-A' (Figure 46) west of which the terrane is known as the East Bosnian-Dormitor Block (Jelenkovic et al., 2008). Together these two domains form the Dinaric Metallogenic Province (DMP) as annotated on Figure 1 and discussed in Section 2 of this report.

The East Bosnian-Dormitor Block comprises Triassic sedimentary rocks, limestones, and volcanics (Jelenkovic et al., 2008), and, although these differ in age to the Bor metallogenic Zone in the east, they are considered prospective for analogous deposit styles.

8.4.2 Zupa Project Local Geology

The Zupa project is dominated by Carboniferous-age meta-sandstones in structural and unconformable contact with Triassic limestones and volcanics Figure 46. ([Figure 42]). A NW striking structural corridor occurs in the western portion of the project, potentially analogous to the structure just outside the project to the northeast, and labelled as A-A' in Figure 46. The western structure occurs proximal to a mapped area of pyritic alteration, indicative of hydrothermal alteration. Note that this is also observed in the A-A' structure, which also controls skarn-type (Cu-Zn-Pb) mineralization at the Cadinje deposit to the north of the Company's Zupa project (Figure 47).



Figure 45: Massive sulphide (pyrite-chalcopyrite) from locality 91 (Appendix 2) to the northeast of the Zupa project near Cadinje (see Figure 47)

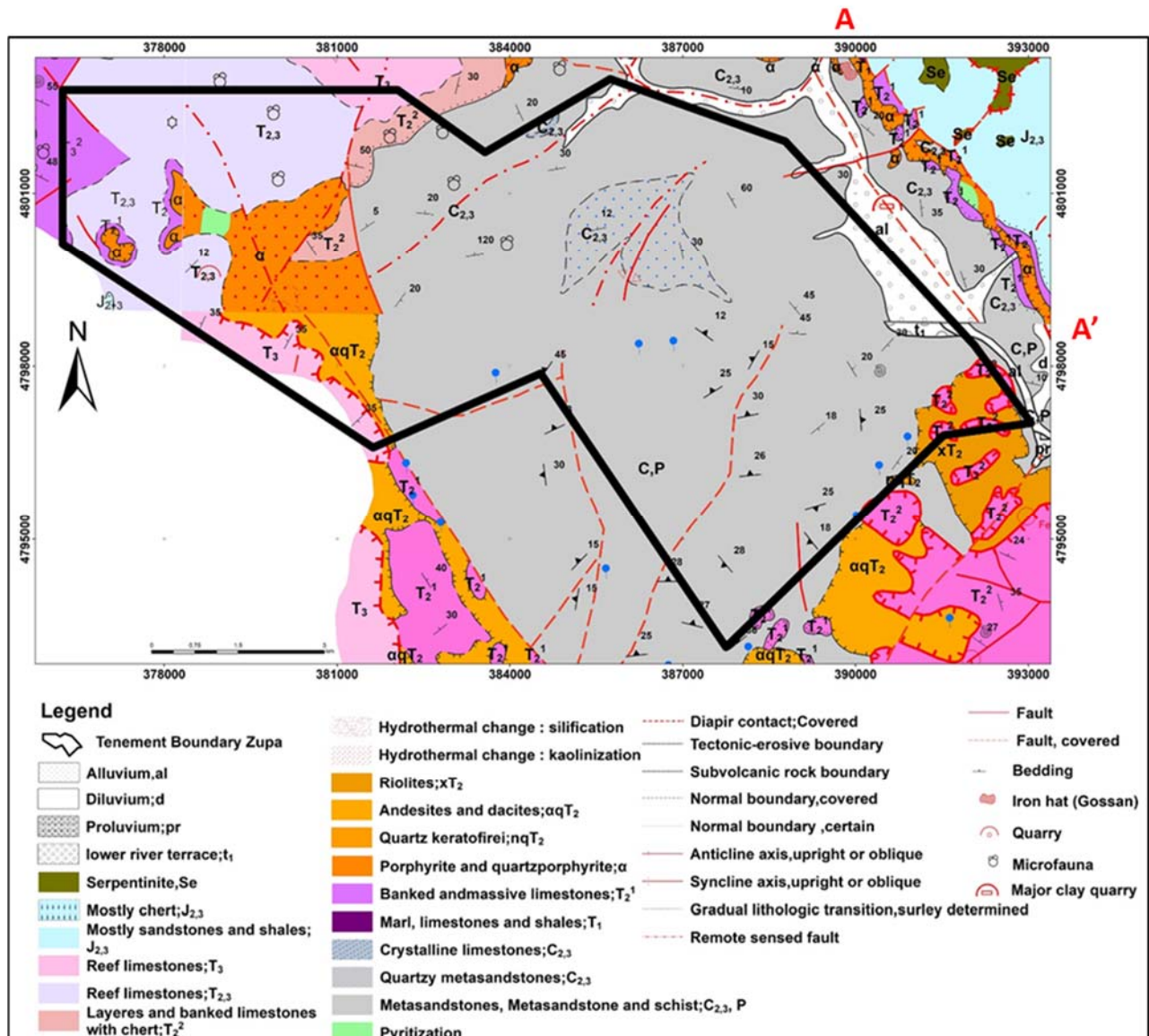


Figure 46: Geological map of the Zupa tenement

A-A' represents a structural feature juxtaposing Jurassic and Triassic geology. This structure is also related to mineralization in the district (see Figure 42).

Proxy Form

ACN 009 161 522 LIMITED

(To be renamed "Raiden Resources Limited")

ACN 009 161 522

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

ACN 009 161 522 Limited
(To be renamed "Raiden Resources Limited")
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (WST) on Saturday, 6 January 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution. A proxy need not be a shareholder of the Company.

PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and

vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a shareholder(s) of ACN 009 161 522 Limited (To be renamed "Raiden Resources Limited") and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (WST) on Monday, 8 January 2018 at the offices of the Company at 108 Outram Street, West Perth, Western Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 and 20: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 20, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Remuneration Report	☐	☐	☐	11 Approval of conversion of Convertible Notes	☐	☐	☐
2 Re-election of Director – Mr Michael Davy	☐	☐	☐	12 Election of Director – Mr Dusko Ljubojevic	☐	☐	☐
3 Re-election of Director – Mr Nicholas Young	☐	☐	☐	13 Election of Director – Mr Martin Pawlitschek	☐	☐	☐
4 Re-election of Director – Ms Kyla Garic	☐	☐	☐	14 Participation in Capital Raising by related party – Ms Kyla Garic	☐	☐	☐
5 Approval to change in nature and scale of activities	☐	☐	☐	15 Participation in Capital Raising by related party – Mr Nicholas Young	☐	☐	☐
6 Approval to create a new class of securities: Performance Shares	☐	☐	☐	16 Participation in Capital Raising by related party – Mr Michael Davy	☐	☐	☐
7 Approval to issue Consideration Securities	☐	☐	☐	17 Participation in Capital Raising by related party – Mr Dusko Ljubojevic	☐	☐	☐
8 Approval to issue Capital Raising Shares	☐	☐	☐	18 Participation in Capital Raising by related party – Mr Martin Pawlitschek	☐	☐	☐
9 Approval to issue Facilitator Securities	☐	☐	☐	19 Approval to change Company name	☐	☐	☐
10 Approval to issue Attaching Options	☐	☐	☐	20 Maximum Non-executive Directors' fees	☐	☐	☐



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

SZG PRX1802N