



TAITON RESOURCES  
LIMITED



# PROSPECTUS

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# Prospectus

Taiton Resources Limited  
ACN 062 284 084



Taiton Resources  
Limited

The Offers comprise:

- (a) an initial public offering of a minimum of 35,000,000 Shares and a maximum of 50,000,000 Shares to be issued at a price of \$0.20 per Share to raise a minimum of \$7,000,000 and a maximum of \$10,000,000 (before costs) (**Capital Raising Offer**);
- (b) a priority offering of up to 3,145,806 free-attaching Options to be issued to existing Shareholders who subscribe for a minimum of 10,000 Shares under the Capital Raising Offer, of one (1) free-attaching Option for every two (2) Shares held on the Priority Offer Record Date (**Priority Offer**);
- (c) an offer to Eligible Shareholders who take up their full Entitlement under the Priority Offer to apply for Priority Offer Options in excess of their Entitlement, from the Priority Offer Options not applied for under the Priority Offer, for no additional consideration (**Shortfall Offer**);
- (d) an offer of up to 2,000,000 Options to be issued to the Lead Manager (or its nominees) as part consideration for the provision of lead manager and bookrunner services provided to the Company (**Lead Manager Offer**); and
- (e) an offer of up to 3,000,000 Options to be issued to the Underwriters (or their nominees) as part consideration for the provision of underwriting services to the Company (**Underwriter Offer**),

(together, the **Offers**).

The Capital Raising Offer is underwritten for up to 35,000,000 Shares, being to a value of \$7,000,000, by the Underwriters.

It is proposed that the Offers will close at 5:00pm (WST) on 21 October 2022. The Company reserves the right to close the Offers earlier or to extend this date without notice. Applications must be received before that time.

## IMPORTANT NOTICE

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

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







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## Important Information

### The Offers

This Prospectus is issued by Taiton Resources Ltd (ACN 062 284 084) (**Company**) for the purpose of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The offers in this Prospectus comprise: (i) an initial public offering of a minimum of 35,000,000 Shares and a maximum of 50,000,000 Shares to be issued at a price of \$0.20 per Share to raise a minimum of \$7,000,000 and a maximum of \$10,000,000 (before costs); (ii) a priority offering of up to 3,145,806 free-attaching Options to be issued to existing Shareholders who subscribe for a minimum of 10,000 Shares under the Capital Raising Offer, of one (1) free-attaching Option for every two (2) Shares held on the Priority Offer Record Date (iii) a shortfall offer relating to Options not applied for under the Priority Offer; (iv) an offer of up to 2,000,000 Options to be issued to the Lead Manager (or its nominees) as part consideration for the provision of lead manager and bookrunner services provided to the Company; and (v) an offer of up to 3,000,000 Options to be issued to the Underwriters (or their nominees) as part consideration for the provision of underwriting services to the Company.

### Lodgement and listing

This Prospectus is dated, and was lodged with ASIC on, 23 September 2022 (**Prospectus Date**). Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Application will be made to ASX within seven days of the Prospectus Date for Official Quotation of the Shares the subject of the Capital Raising Offer.

### Expiry Date

This Prospectus expires on the date which is 13 months after the Prospectus Date (**Expiry Date**). No Securities will be issued on the basis of this Prospectus after the Expiry Date.

### Not investment advice

The information in this Prospectus is not investment or financial product advice and does not take account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company.

In particular, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser before deciding whether to invest in the Company. See Section 3 for the key risks relating to an investment in the Company, noting there may be other risks relevant to your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company, the repayment of capital by the Company or any return on investment in the Securities made pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers, other

than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company, the Directors, the Lead Manager or any other person in connection with the Offers.

Sanlam Private Wealth Pty Ltd (ACN 136 960 775) has acted as Lead Manager to the Capital Raising Offer. To the maximum extent permitted by law, the Lead Manager and its affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

### Exposure Period

The Corporations Act prohibits the Company from processing Applications in the seven day period after the Prospectus Date (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

### No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

### Conditional Offers

The Offers contained in this Prospectus are conditional on certain events occurring. If these events do not occur, the Offers will not proceed and Applicants will be refunded their Application Monies (without interest). See Section 1.6 for further details on the conditions attaching to the Offers.

### Electronic Prospectus and Application Forms

During the Exposure Period, an electronic version of this Prospectus (without an Application Form) will be available at [www.taiton.com.au](http://www.taiton.com.au) to only persons in Australia. Application Forms will not be made available until after the Exposure Period has expired.

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be a resident in Australia and must only access this Prospectus from within Australia.

The Prospectus is not available to persons in other jurisdictions in which it may not be lawful to make such an invitation or offer to apply for Securities. If you access the electronic version of this Prospectus, you should ensure that you download and read the Prospectus in its entirety.

Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company's registered office during the offer period by contacting the Company as detailed in the Corporate Directory. Applications will only be accepted on the Application Form attached to, or accompanying, this Prospectus. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to a paper copy.

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

#### **Notice to foreign investors**

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

The distribution of this Prospectus in jurisdictions outside of Australia (including electronically) may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

#### **Competent Persons Statement**

The information in this Prospectus that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves on the Taiton mineral properties is based on, and fairly represents, information and supporting documentation prepared by Richard Hall, a Competent Person who is a fellow of the Australasian Institute of Mining and Metallurgy and a member of the Geological Society of Australia (**Competent Person**). Mr Hall is employed by Midas Touch Geological Services (ABN 71 102 710 250). Mr Hall has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**).

Mr Hall consents to the inclusion of the matters based on his information in the form and context in which it appears in this Prospectus and has not withdrawn his consent before lodgement of this Prospectus with ASIC.

All information in this Prospectus that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves on the Taiton mineral properties has been prepared and reported in accordance with the JORC Code.

#### **Taxation**

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

The Company does not propose to give any taxation advice and, to the maximum extent permitted by law, the Company, its Directors and other officers and each of their respective advisers accept no responsibility or liability for any taxation consequences of subscribing for Securities under this Prospectus. You should consult your own professional tax advisers in regard to tax implications of the Offers.

#### **Using this Prospectus**

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

#### **Statements of past performance**

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

#### **Forward-looking statements**

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

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the Prospectus Date, are expected to take place.

The Company does not undertake to, and does not intend to, update or revise any forward-looking statements, or publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Any forward-looking statements are subject to various risks that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Forward-looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 3. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

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



### **Photographs and diagrams**

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

### **Disclaimer**

Except as required by law, and only to the extent so required, none of the Company, the Directors, the Company's management, the Lead Manager or any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

### **Company website**

Any references to documents included on the Company's website at [www.taiton.com.au](http://www.taiton.com.au) are for convenience only, and none of the documents or other information available on the Company's website is incorporated into this Prospectus by reference.

### **Miscellaneous**

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

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

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



## Corporate Directory

### Directors

Datuk Siak Wei (Chris) Low  
Noel Ong  
Chee Cheong (David) Low  
Florence Drummond  
Mark Strizek

Non-Executive Chairman and Director  
Managing Director  
Executive Director  
Non-Executive Director  
Non-Executive Director

### Company Secretary

Ian Gregory

### Registered and Principal Office

Level 13, 200 Queen Street  
Melbourne Vic 3000

Phone: (03) 8648 6431  
Email: [info@taiton.com.au](mailto:info@taiton.com.au)  
Website: [www.taiton.com.au](http://www.taiton.com.au)

### Share Registry\*

Automic Pty Ltd  
Level 5, 126 Phillip Street  
Sydney NSW 2000

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

### Corporate Lawyers

HWL Ebsworth Lawyers  
Level 20, 240 St Georges Terrace  
Perth WA 6000

### Lead Manager

Sanlam Private Wealth Pty Ltd  
Level 7, 100 Collins Street  
Melbourne VIC 3000

### Auditors\*

William Buck Audit (Vic) Pty Ltd  
Level 20, 181 William Street  
Melbourne VIC 3000

### Investigating Accountant

William Buck Audit (Vic) Pty Ltd  
Level 20, 181 William Street  
Melbourne VIC 3000

Moore Australia Audit (Vic) Pty Ltd  
Level 44, 600 Bourke Street  
Melbourne VIC 3000

### Underwriters to Capital Raising Offer

UBB Investment Bank Limited  
Unit 10(C), Level 10, Main Office Tower, Financial Park,  
87000 Labuan, Malaysia

Global Bridge Group Limited  
23-02, Frasers Tower  
182 Cecil Street  
Singapore 069547

Asiapacific Businesslink Sdn Bhd  
Suite 2A-12-1, Block 2A, Plaza Sentral,  
Jalan Stesen Sentral 5,  
50470 Kuala Lumpur, Malaysia

### Independent Geologist

Midas Touch Geological Services  
18/10 Fairhaven Terrace  
Hillarys WA 6025

### Proposed Stock Exchange Listing

Australian Securities Exchange (**ASX**)  
Proposed ASX Code: T88

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

## Letter from the Chairman

Dear Investor

On behalf of the Board of Taiton Resources Ltd, I am pleased to present this Prospectus and to invite you to become a Shareholder in the Company.

The Company is a mineral and exploration company with a focus on Australian gold and other polymetallic commodities, including the acquisition of attractive exploration and development resource projects.

The Company has acquired a number of tenements in both Western Australia and South Australia in an effort to diversify the exploration portfolio of the Company. The Company's tenements in Western Australia comprise the Lake Barlee Project and are located in the Lake Barlee area, approximately 65 kilometres southeast of Youanmi. The Lake Barlee Project tenements are considered prospective for gold.

The Company currently has two projects in South Australia, being the Highway Project and the Challenger West Project. The Highway Project is located in central South Australia, approximately 190 kilometres north of Port Augusta. The Company believes this area hosts a potentially new mineral district with high metallogenic potential and large volume deposits.

The Challenger West Project is located approximately 78 kilometres west of the Commonwealth Hill Airport, and is close in proximity to the well-established Challenger gold mine. Taiton was fortunately the last new entrant to the area in light of restrictions imposed on applications by the South Australian Department for Energy and Mining, and has extensive coverage of gravity ridges west of Challenger.

The purpose of this Prospectus is to issue a minimum of 35,000,000 Shares and a maximum of 50,000,000 Shares to be issued at a price of \$0.20 per Share to raise a minimum of \$7,000,000 and a maximum of \$10,000,000 (before costs) under the Capital Raising Offer. The Minimum Subscription under the Capital Raising Offer is fully underwritten by three separate underwriters in the proportions set out in this Prospectus (refer to Section 6.4 for further details). This Prospectus also incorporates a priority offer to existing Shareholders who subscribe for a minimum of 10,000 Shares under the Capital Raising Offer of one (1) free-attaching Option for every two (2) Shares held on the Priority Offer Record Date (up to a maximum of 3,145,806 Options) and a shortfall offer relating to Options not applied for under the Priority Offer.

The Prospectus also incorporates secondary offers of Options to both the Lead Manager and Underwriters in consideration for services provided in connection with the initial public offering of the Company, the terms of which are set out in this Prospectus.

The proceeds from the Offers will be utilised to enable the Company to continue systematically exploring its Projects, pay administration costs, fund general working capital and pay the costs of the Offers.

This Prospectus contains detailed information about the Offers and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company.



Potential investors in the Company should carefully consider those risks if considering participation in the Capital Raising Offer (refer to Section 3 for further information on the risks).

Before deciding on whether to invest in the Company, you should read this Prospectus carefully and consult with your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

We look forward to welcoming you as a Shareholder should you decide to take up Securities pursuant to the Offers.

Yours faithfully

**Datuk Siak Wei (Chris) Low**  
**Non-Executive Chairman**



## Key details of the Offers

Capital structure <sup>(1)</sup>	Shares		Options	Performance rights
	Minimum Subscription	Maximum Subscription		
Existing Securities on issue	22,889,542	22,889,542	Nil	Nil
Total number of Securities to be issued under the Offers	35,000,000	50,000,000	8,145,806	Nil
Total number of General Meeting Securities to be issued <sup>(2)</sup>	Nil	Nil	5,600,000	6,000,000
Total number of Securities to be issued to the Vendors <sup>(3)</sup>	2,000,000	2,000,000	Nil	Nil
Total number of Securities to be issued to creditors <sup>(4)</sup>	13,100,000	13,100,000	Nil	Nil
<b>Total Securities on issue on completion of the Offers<sup>(5)</sup></b>	<b>72,989,542</b>	<b>87,989,542</b>	<b>13,745,806</b>	<b>6,000,000</b>
<b>Fully diluted capital structure on completion of the Offers<sup>(6)</sup></b>	<b>92,735,348</b>	<b>107,735,348</b>		

### Notes:

- 1) Please refer to Section 2.4 for further details relating to the Company's current capital structure.
- 2) See Section 7.4 and 7.5 for the terms and conditions of the Performance Rights and Board and Management Options, respectively.
- 3) See Section 6.2 for further details relating to the issue of Shares in respect of the Highway Project Agreement.



- 4) 13,100,000 Shares to be issued upon the Company obtaining a conditional admission letter from ASX on terms satisfactory to the Company's directors, acting reasonably, which, once satisfied, will result in ASX admitting the Company to the official list of ASX, in respect of the conversion of debts arising out of loan facility agreements in the manner set out below:
  - (a) 10,100,000 Shares to be issued to APB (or their nominee);
  - (b) 2,500,000 Shares to be issued to Global Bridge (or their nominee);
  - (c) 200,000 Shares to be issued to Yin Chu Lai (or their nominee);
  - (d) 200,000 Shares to be issued to Lenore Theresa Radonjic (or their nominee); and
  - (e) 100,000 Shares to be issued to Grant Parker (or their nominee).
- 5) Assuming no further Shares are issued and none of the Options or Performance rights are exercised.
- 6) Assuming all Options and Performance rights are issued and exercised and no other Shares or convertible Securities are issued and exercised.

## Indicative Timetable

Event	Date
Lodgement of Prospectus with ASIC	Friday, 23 September 2022
Priority Offer Record Date	Friday, 23 September 2022
Opening Date for the Offers	Monday, 3 October 2022
Expected Issue Date under the Offers	Friday, 28 October 2022
Expected dispatch of holding statements	Thursday, 3 November 2022
Expected date for Official Quotation on ASX	Friday, 4 November 2022

**Note:**

The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. The Company reserves the right to vary the dates and times of the Offers (including, to vary the Opening Date and Closing Date, to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offers before Completion) in each case without notifying any recipient of this Prospectus or any Applicants, which may have a consequential effect on other dates. If the Offers are cancelled or withdrawn before the allotment of Securities, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Applicants are therefore encouraged to lodge their Application Form and deposit the Application Monies as soon as possible after the Opening Date if they wish to invest in the Company. The admission of the Company to the Official List of the ASX and the commencement of quotation of the Shares are subject to confirmation from the ASX.



## Investment Overview

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

Topic	Summary	More information
<b>The Company, its business model and strategy</b>		
Who is the issuer of the Prospectus?	Taiton Resources Ltd (ACN 062 284 084) (Company).	
Who is the Company and what does it do?	<p>The Company is an early-stage mineral exploration and development company focused on gold and other commodities within projects located in the South Australia and Western Australia. From its incorporation in 1993 until 2016 the Company has undergone several business transformations and undertaken business activities such as the establishment of renewable energy parks, carbon credit markets, oil and gas exploration and has also been involved in coal/non-food biomass to gas and liquid fuel projects. However, following an evaluation of the Company's operations in 2016, the Company decided not to proceed with the development of a gasification coal project and the tenure on the coal tenement was not renewed. The Company has since secured agreements in respect of a number of tenements that are considered prospective for gold and other metals (together, the <b>Target Commodities</b>).</p> <p>The Company has acquired the abovementioned tenements to assemble a portfolio of projects across both South Australia and Western Australia.</p> <p>On Admission, the Company's projects will comprise the:</p> <ul style="list-style-type: none"> <li>(a) Lake Barlee Project, located in Western Australia;</li> <li>(b) Highway Project, located in South Australia; and</li> <li>(c) Challenger West Project, located in South Australia,</li> </ul> <p>(together, the <b>Projects</b>).</p>	Section 2.1
What is the Company's business model, growth strategy and key objectives?	The Company is an early-stage mineral exploration and development company. Its primary function is the discovery, delineation and/or development of mineral resource projects. The Company has historical exploration data generated by several companies over the past thirty years, including drilling results with significant levels of gold and other polymetallic mineralisation. The Company's	Section 2.3(a) and Section 2.3(b)



Topic	Summary	More information
	<p>business model will be to utilise this historical data to design exploration programs to delineate additional mineralisation.</p> <p>Following Admission, the Company's primary focus is to increase Shareholder wealth through the exploration, development and acquisition of mineral resource projects. The primary focus will be on undertaking exploration and evaluation of the Projects described in this Prospectus. Funds raised through this prospectus will be applied to exploration of minerals on the Projects, in particular to:</p> <ul style="list-style-type: none"><li>(a) further compilation and assessment of historical data;</li><li>(b) surface geophysical and geochemical surveys; and</li><li>(c) implementation of reverse circulation and / or diamond core drilling programs.</li></ul> <p>Although the Company's immediate focus will be on the existing Projects, as with most exploration entities, it will pursue and assess other new business opportunities in the resource sector over time which complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. The Board will assess the suitability of investment opportunities by utilising its experience in evaluating projects. There are uncertainties in the process of identifying and acquiring new and suitable projects. The Company confirms that it is not currently considering other acquisitions and that future acquisitions are likely to be in the mineral resource sector.</p>	
Where does the Company operate and what are its main business activities?	The Company's projects are located throughout the Gawler Ranges region of South Australia and the Lake Barlee region of Western Australia. See Section 2.5 for project specific location details.	Section 2.5
How does the Company propose to achieve its objectives?	<p>Following Admission, the Company's primary focus is to increase Shareholder wealth through the exploration, development and acquisition of mineral resource projects. The primary focus will be on undertaking exploration and evaluation of the Projects described in this Prospectus. Funds raised through this prospectus will be applied to exploration of minerals on the Projects, in particular to:</p> <ul style="list-style-type: none"><li>(a) further compilation and assessment of historical data;</li><li>(b) surface geophysical and geochemical surveys; and</li></ul>	Section 2.3(b)



Topic	Summary	More information
	<p>(c) implementation of reverse circulation and / or diamond core drilling programs.</p> <p>Although the Company's immediate focus will be on the existing Projects, as with most exploration entities, it will pursue and assess other new business opportunities in the resource sector over time which complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. The Board will assess the suitability of investment opportunities by utilising its experience in evaluating projects. There are uncertainties in the process of identifying and acquiring new and suitable projects. The Company confirms that it is not currently considering other acquisitions and that future acquisitions are likely to be in the mineral resource sector.</p>	
What are the key dependencies of the Company's business model?	<p>The significant dependencies impacting the Company's business model are:</p> <ul style="list-style-type: none"><li>(a) the maintenance (including renewal) of the tenements in which the Company has or acquires an interest;</li><li>(b) tenure access and the grant of current or future licence applications;</li><li>(c) commodity price volatility and exchange rate risk;</li><li>(d) the ability to meet resource and reserves and exploration targets;</li><li>(e) the accuracy of historical data pertaining to exploration targets, resource and reserve estimates in relation to the Projects and any future acquired interests;</li><li>(f) the ability to raise further funds to satisfy expenditure requirements, exploration and operating costs; and</li><li>(g) minimising environmental impact and complying with health and safety requirements.</li></ul>	Section 2.3(c)
Will the Company require more capital?	<p>The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The Company believes its available cash and the net proceeds of the Offers should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.</p>	Section 2.7





Topic	Summary	More information
<b>Key risks</b>		
<p>Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks and uncertainties. The risk factors set out in Section 3, and other general risks applicable to all investments in listed securities, may affect the value of the Securities in the future. An investment in the Company should be considered speculative. Investors may lose some or all of their investment.</p> <p>A non-exhaustive list of the key risk factors affecting the Company is set out below. Investors should refer to Section 3 for a more detailed summary of risks. The occurrence of any one of the risks below could adversely impact the Company's operating and financial performance.</p>		
<b>Limited Operating History</b>	While the Company was incorporated on 18 November 1993, as of January 2021 the Company's primary focus has shifted to mineral exploration and therefore has limited operational and financial history on which to evaluate its business and prospects in this context (refer to Section 2 for a summary of the Company's history). The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, its projects. Until the Company is able to realise value from the projects, it is likely to incur operational losses.	Section 3.1(a)
<b>Grant and renewal of tenements</b>	The Company's exploration activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities including minimum annual expenditure requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Although the Company has no reason to think that the tenements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.	Section 3.1(b)
<b>Land access</b>	<p>In respect to the access of land in Australia, there may be certain regulation and restriction on the ability of exploration and mining companies to have access to land. The Company currently has a focus on various exploration tenements located in South Australia and Western Australia.</p> <p>Under South Australian, Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within its tenements,</p>	Section 3.1(c)



Topic	Summary	More information
	<p>including pastoral leases, petroleum tenure and other mining tenure in respect of exploration or mining activities on the tenements.</p> <p>Notwithstanding the above requirements and associated risks, the Company has sufficient access its projects in order to satisfy the commitments test under Listing Rule 1.3.2(b) for its proposed exploration program and budget. To the extent the Company intends to undertake activities in other areas of the Tenements, it may require additional access agreements.</p> <p>Whilst the Company does not presently consider this to be a material risk to its planned exploration, there is a risk that any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.</p>	
<b>Operational risks</b>	<p>The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions, fire, explosions and other incidents beyond the control of the Company.</p> <p>These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.</p>	Section 3.1(d)
<b>Future capital needs and additional funding</b>	<p>The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the IPO should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.</p> <p>The Company's funding requirements depend on numerous factors including the Company's ability to generate income from its projects, the outcome of future exploration and work programs and the acquisition of any new projects.</p> <p>The Company may require further funding in addition to current cash reserves to fund future exploration activities or the acquisition of new projects. 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. Additional equity financing, if available, may be dilutive to shareholders and/or occur at prices lower than the</p>	Section 3.1(e)



Topic	Summary	More information
	<p>market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed it may be required to reduce the scope of its exploration operations.</p> <p>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.</p> <p>However, the Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and South Australia and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenements for reasons beyond the control of the Company could be significant.</p>	
<b>Minimum expenditure requirements</b>	<p>In order to maintain an interest in the exploration licences in which the Company is involved, the Company is committed to meet the conditions under which the licences were granted and the obligations of the Company are subject to minimum expenditure commitments required by Australian mining legislation. The extent of work performed on each exploration licence may vary depending upon the results of the exploration programme which will determine the prospectivity of the relevant area of interest. As at the date of this Prospectus, the Company is not in breach of its minimum expenditure commitments. There is a risk that if the Company fails to satisfy these minimum expenditure requirements at the time of expiry, the Company may be required to relinquish part or all of its interests in these licences. Accordingly, whilst there is no guarantee that the Australian authorities will grant the Company an extension of the licences, the Company is not aware of any reason why the licences would not be renewed upon expiry.</p>	Section 3.1(f)
<b>Resource estimates and targets</b>	<p>Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.</p> <p>In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.</p>	Section 3.1(g)
<b>Payment obligations</b>	<p>Under the licences and certain other contractual agreements to which the Company is or may in the future become party, the Company is or may become subject to payment and other obligations. In particular, mineral licence holders are required to expend the funds necessary to meet the minimum work</p>	Section 3.1(h)



Topic	Summary	More information
	commitments attaching to the licences. Failure to meet these work commitments will render the licence liable to be cancelled.	
<b>Exploration costs</b>	The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.	Section 3.1(i)
<b>Native title risk</b>	<p>Access to land for exploration purposes can be adversely affected by land ownership, including private (freehold) land, pastoral lease and native title land or claims under the <i>Native Title Act 1993</i> (Cth) (<b>NTA</b>) (or similar legislation in the jurisdiction where the Company operates). The effect of the NTA is that existing and new tenements held by the Company may be affected by native title claims and procedures.</p> <p>There is a risk that a determination could be made that native title exists in relation to land the subject of a tenement held or to be held by the Company which may affect the operation of the Company's business and development activities. In the event that it is determined that native title does exist or a native title claim has been registered, the Company may need to comply with procedures under the NTA in order to carry out its operations or to be granted any additional rights required. Such procedures may take considerable time, involve the negotiation of significant agreements, may involve access rights, and require the payment of compensation to those persons holding or claiming native title in the land the subject of a tenement. The involvement in the administration and determination of native title issues may have a material adverse impact on the position of the Company in terms of cash flows, financial performance, business development, and the Share price.</p>	Section 3.1(j)
<b>Native title claims, ILUAs and heritage risks affecting the Tenements</b>	<p>The Company is aware that some of the WA Tenements overlap, and therefore are affected by, the native title claims of the Marlinyu Ghoorlie people. The Company is also aware that the SA Tenements all overlap the native title determination and claims of the Antakirinja Matu-Yankunytjatjara peoples. Further, the Company is aware that EL6784 overlaps the native title determination of the Gawler Ranges People. For more information, please refer to section 7 of the Solicitor's Report in in Annexure C.</p> <p>The Company notes that the SA Tenements overlap various Indigenous Land Use Agreements (<b>ILUAs</b>). For further information, please refer to section 7 of the Solicitor's Report in Annexure C.</p>	Section 3.1(k)



Topic	Summary	More information																					
	<p>There remains a risk that in the future, native title and/or registered native title claims may affect the land the subject of the Tenements or in the vicinity.</p> <p>The existence of native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder, provided the Tenements have been validly granted in accordance with the NTA.</p> <p>However, if any of the Tenements were not validly granted in compliance with the NTA, this may have an adverse impact on the Company's activities.</p> <p>The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the NTA.</p> <p>There remains a risk that additional Aboriginal sites may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of those tenements.</p>																						
<b>Directors, key managers, interests, benefits and related party transactions</b>																							
<p>Who are the Company's Directors and key management personnel?</p>	<p>As at the date of this Prospectus, the Board comprises of:</p> <ul style="list-style-type: none"> <li>(a) Datuk Siak Wei (Chris) Low - Non-Executive Chairman and Director;</li> <li>(b) Noel Ong - Managing Director;</li> <li>(c) Chee Cheong (David) Low - Executive Director;</li> <li>(d) Mark Strizek - Non-Executive Director; and</li> <li>(e) Florence Drummond - Non-Executive Director.</li> </ul>	Section 5.1																					
<p>What interests do the Directors and key management personnel have in the securities of the Company at the Prospectus Date and on Admission?</p>	<p>The Directors, key management personnel and their related entities have the following interests in Securities as at the date of this Prospectus:</p> <table border="1" data-bbox="400 1509 1382 2016"> <thead> <tr> <th data-bbox="400 1509 879 1610">Director and key management personnel</th> <th data-bbox="879 1509 1094 1610">Shares</th> <th data-bbox="1094 1509 1382 1610">Voting power (%)<sup>(1)</sup></th> </tr> </thead> <tbody> <tr> <td data-bbox="400 1610 879 1677">Datuk Siak Wei (Chris) Low<sup>(2)</sup></td> <td data-bbox="879 1610 1094 1677">4,481,930</td> <td data-bbox="1094 1610 1382 1677">19.58%</td> </tr> <tr> <td data-bbox="400 1677 879 1744">Noel Ong<sup>(3)</sup></td> <td data-bbox="879 1677 1094 1744">4,000,000</td> <td data-bbox="1094 1677 1382 1744">17.48%</td> </tr> <tr> <td data-bbox="400 1744 879 1812">Chee Cheong (David) Low<sup>(4)</sup></td> <td data-bbox="879 1744 1094 1812">4,088,000</td> <td data-bbox="1094 1744 1382 1812">17.86%</td> </tr> <tr> <td data-bbox="400 1812 879 1879">Mark Strizek</td> <td data-bbox="879 1812 1094 1879">Nil</td> <td data-bbox="1094 1812 1382 1879">Nil</td> </tr> <tr> <td data-bbox="400 1879 879 1946">Florence Drummond</td> <td data-bbox="879 1879 1094 1946">Nil</td> <td data-bbox="1094 1879 1382 1946">Nil</td> </tr> <tr> <td data-bbox="400 1946 879 2016">Kah Hui Tan<sup>(5)</sup></td> <td data-bbox="879 1946 1094 2016">4,000,000</td> <td data-bbox="1094 1946 1382 2016">17.48%</td> </tr> </tbody> </table>	Director and key management personnel	Shares	Voting power (%) <sup>(1)</sup>	Datuk Siak Wei (Chris) Low <sup>(2)</sup>	4,481,930	19.58%	Noel Ong <sup>(3)</sup>	4,000,000	17.48%	Chee Cheong (David) Low <sup>(4)</sup>	4,088,000	17.86%	Mark Strizek	Nil	Nil	Florence Drummond	Nil	Nil	Kah Hui Tan <sup>(5)</sup>	4,000,000	17.48%	Section 5.6
Director and key management personnel	Shares	Voting power (%) <sup>(1)</sup>																					
Datuk Siak Wei (Chris) Low <sup>(2)</sup>	4,481,930	19.58%																					
Noel Ong <sup>(3)</sup>	4,000,000	17.48%																					
Chee Cheong (David) Low <sup>(4)</sup>	4,088,000	17.86%																					
Mark Strizek	Nil	Nil																					
Florence Drummond	Nil	Nil																					
Kah Hui Tan <sup>(5)</sup>	4,000,000	17.48%																					





Topic	Summary			More information		
	Ian Gregory	28,000	0.12%			
	David McSkimming	Nil	Nil			
	<b>Total</b>	<b>16,597,930</b>	<b>72.52%</b>			
	<b>Notes:</b>					
	1) Based on 22,889,542 Shares being on issue.					
	2) In accordance with section 608(1)(b)-(c) and (3) of the Corporations Act, Datuk Siak Wei (Chris) Low holds a Relevant Interest in 4,481,930 Shares, held follows:					
	(a) 2,881,930 Shares held by Datuk Siak Wei (Chris) Low; and					
	(b) 1,600,000 Shares held by APB, a company controlled by Datuk Low.					
	3) In accordance with section 608(1)(b)-(c) of the Corporations Act, Noel Ong holds a Relevant Interest in 4,000,000 Shares, held as follows:					
	(a) 2,000,000 Shares held by Samsø Pty Ltd, a company controlled by Mr Ong; and					
	(b) 2,000,000 Shares held by Silver Capital Pty Ltd, a company controlled by Mr Ong, as trustee for the Noel & Sandra Ong Super Fund.					
	4) In accordance with section 608(1)(b)-(c) of the Corporations Act, Chee Cheong (David) Low holds a Relevant Interest in 4,088,000 Shares, held follows:					
	(a) 2,088,000 Shares held by JCL Capital Pty Ltd, a company controlled by Mr Low; and					
	(b) 2,000,000 Shares held by Tungsten W Pty Ltd, a company controlled by Mr Low, as trustee for the KLCC Super Fund.					
	5) In accordance with section 608(1)(b)-(c) of the Corporations Act, Kah Hui Tan holds a Relevant Interest in 4,000,000 Shares, held follows:					
	(a) 1,000,000 Shares held by Kah Hui Tan;					
	(b) 1,000,000 Shares held by Irene Soi Khim Tan, the spouse of Mr Tan; and					
	(c) 2,000,000 Shares held jointly by Kah Hui Tan and Irene Soi Khim Tan as trustees for K & I Tan Superannuation Fund.					
	Based on the intentions of the Directors and key management personnel at the date of this Prospectus in relation to the Offers, the Directors and their related entities will have the following interests in Securities on Admission:					
	<b>Director and key management personnel</b>	<b>Shares</b>		<b>Voting power (%)<sup>(1)</sup></b>	<b>Options<sup>(2)</sup></b>	<b>Performance Rights<sup>(3)</sup></b>
		<b>Minimum Subscription</b>	<b>Maximum Subscription</b>			
	Datuk Siak Wei (Chris)	26,581,930	26,581,930	36.42%	1,200,000	Nil



Topic	Summary						More information
	Low <sup>(4)</sup>						
	Noel Ong	4,000,000	4,000,000	5.48%	1,000,000	2,000,000	
	Chee Cheong (David) Low	4,088,000	4,088,000	5.60%	1,000,000	2,000,000	
	Mark Strizek	Nil	Nil	Nil	300,000	Nil	
	Florence Drummond	Nil	Nil	Nil	300,000	Nil	
	Kah Hui Tan	4,000,000	4,000,000	5.48%	1,000,000	2,000,000	
	Ian Gregory	28,000	28,000	0.04%	500,000	Nil	
	David McSkimming	Nil	Nil	Nil	150,000	Nil	
	<b>Total</b>	<b>38,697,930</b>	<b>38,697,930</b>	<b>100%</b>	<b>5,450,000</b>	<b>6,000,000</b>	
	<b>Notes:</b>						
	1) Based on the Minimum Subscription.						
	2) Upon the Company obtaining a conditional admission letter from ASX on terms satisfactory to the Company's directors, acting reasonably, which, once satisfied, will result in ASX admitting the Company to the official list of ASX, and in accordance with Shareholder approval obtained at the Company's General Meeting on 5 August 2022, the Company will issue the Board and Management Options to the Directors and key management personnel in the manner set out below:						
	(a) 1,200,000 Board and Management Options to be issued to Datuk Siak Wei (Chris) Low (or his nominee);						
	(b) 1,000,000 Board and Management Options to be issued to Noel Ong (or his nominee);						
	(c) 1,000,000 Board and Management Options to be issued to Chee Cheong (David) Low (or his nominee);						
	(d) 300,000 Board and Management Options to be issued to Mark Strizek (or his nominee);						
	(e) 300,000 Board and Management Options to be issued to Florence Drummond (or her nominee);						
	(f) 1,000,000 Board and Management Options to be issued to Kah Hui Tan (or his nominee)						
	(g) 500,000 Board and Management Options to be issued to Ian Gregory (or his nominee); and						
	(h) 150,000 Board and Management Options to be issued to David McSkimming (or his nominee),						
	on the terms and conditions set out in Section 7.5.						



Topic	Summary	More information										
	<p>3) Upon the Company obtaining a conditional admission letter from ASX on terms satisfactory to the Company's directors, acting reasonably, which, once satisfied, will result in ASX admitting the Company to the official list of ASX, and in accordance with Shareholder approval obtained at the Company's General Meeting on 5 August 2022, the Company will issue Performance Rights in the manner set out below:</p> <p>(a) 2,000,000 Performance Rights to be issued to Noel Ong (or his nominee);</p> <p>(b) 2,000,000 Performance Rights to be issued to Chee Cheong (David) Low (or his nominee); and</p> <p>(c) 2,000,000 Performance Rights to be issued to Kah Hui Tan (or his nominee),</p> <p>on the terms and conditions set out in Section 7.4.</p> <p>4) In accordance with section 608(1)(a)-(c) and (3) of the Corporations Act, Datuk Siak Wei (Chris) Low will hold a Relevant Interest in up to 26,581,930 Shares, held follows:</p> <p>(a) 2,881,930 Shares currently held by Datuk Siak Wei (Chris) Low;</p> <p>(b) 1,600,000 Shares currently held by APB, a company controlled by Datuk Low;</p> <p>(c) 10,100,000 Shares to be issued to APB on conversion of debts (refer to Section 1.10(d) for further details); and</p> <p>(d) up to 12,000,000 Shares to be issued in accordance with the APB Underwriting Agreement (refer to Section 6.4 for further details).</p>											
<p>What are the remuneration arrangements and benefits of the Directors and key management personnel?</p>	<p>The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is currently set at \$500,000 per annum. The remuneration of the Executive Directors will be determined by the Board.</p> <p>The Company has entered into executive services agreements with Samsco Pty Ltd (Noel Ong) and JCL Capital Pty Ltd (Chee Cheong (David) Low) as well as letters of appointment with all Directors as set out in Section 6.6.</p> <p>On and from the date of the Company's admission to the official list of the ASX, the Directors will receive the following remuneration:</p> <table border="1" data-bbox="400 1648 1305 2018"> <thead> <tr> <th data-bbox="400 1648 853 1753">Director</th> <th data-bbox="853 1648 1305 1753">Remuneration (exclusive of superannuation) (\$)</th> </tr> </thead> <tbody> <tr> <td data-bbox="400 1753 853 1821">Datuk Siak Wei (Chris) Low</td> <td data-bbox="853 1753 1305 1821">60,000</td> </tr> <tr> <td data-bbox="400 1821 853 1888">Noel Ong<sup>1</sup></td> <td data-bbox="853 1821 1305 1888">180,000</td> </tr> <tr> <td data-bbox="400 1888 853 1955">Chee Cheong (David) Low<sup>2</sup></td> <td data-bbox="853 1888 1305 1955">180,000</td> </tr> <tr> <td data-bbox="400 1955 853 2018">Mark Strizek</td> <td data-bbox="853 1955 1305 2018">42,000</td> </tr> </tbody> </table>	Director	Remuneration (exclusive of superannuation) (\$)	Datuk Siak Wei (Chris) Low	60,000	Noel Ong <sup>1</sup>	180,000	Chee Cheong (David) Low <sup>2</sup>	180,000	Mark Strizek	42,000	<p>Section 5.8 and Section 6.6</p>
Director	Remuneration (exclusive of superannuation) (\$)											
Datuk Siak Wei (Chris) Low	60,000											
Noel Ong <sup>1</sup>	180,000											
Chee Cheong (David) Low <sup>2</sup>	180,000											
Mark Strizek	42,000											



Topic	Summary			More information						
	Florence Drummond	42,000								
	David McSkimming	180,000								
	Kah Hui Tan	120,000								
	<p><b>Notes:</b></p> <p>1) The Company has entered into an executive services agreement with Samsco Pty Ltd, a company controlled by Noel Ong, pursuant to which Mr Ong is engaged to provide managing director services to the Company. See Section 6.6(a) for details.</p> <p>2) The Company has entered into an executive services agreement with JCL Capital Pty Ltd, a company controlled by Chee Cheong (David) Low, pursuant to which Mr Low is engaged to provide executive directorial services to the Company. See Section 6.6(b) for details.</p>									
<p>What important contracts and/or arrangements with related parties is the Company a party to?</p>	<p>The Company has entered into the following related party transactions on arm's length terms:</p> <ul style="list-style-type: none"> <li>(a) loan facility agreements with APB and Datuk Siak Wei (Chris) Low (refer to Section 6.5(a) for details);</li> <li>(b) lease agreement with Noel Ong (refer to Section 6.5(b) for details);</li> <li>(c) APB Underwriting Agreement with Datuk Siak Wei (Chris) Low (refer to Section 6.5(c) for details);</li> <li>(d) executive services agreement with Samsco Pty Ltd (refer to Section 6.6 for details);</li> <li>(e) executive services agreement with JCL Capital Pty Ltd (refer to Section 6.6 for details);</li> <li>(f) letters of appointment with each of its Directors on customary terms (refer to Section 6.6 for details); and</li> <li>(g) deeds of indemnity, insurance and access with each of its Directors on customary terms (refer to Section 6.7 for details).</li> </ul> <p>At the date of this Prospectus, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.</p>			<p>Section 5.9 and Section 6</p>						
<p>Who will be the substantial holders of the Company?</p>	<p>Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows:</p> <table border="1" data-bbox="400 1883 1305 2022"> <thead> <tr> <th data-bbox="400 1883 767 1951">Name</th> <th data-bbox="767 1883 1034 1951">Number of Shares</th> <th data-bbox="1034 1883 1305 1951">% of Shares<sup>(1)</sup></th> </tr> </thead> <tbody> <tr> <td data-bbox="400 1951 767 2022">Datuk Siak Wei (Chris) Low<sup>2</sup></td> <td data-bbox="767 1951 1034 2022">4,481,930</td> <td data-bbox="1034 1951 1305 2022">19.58</td> </tr> </tbody> </table>			Name	Number of Shares	% of Shares <sup>(1)</sup>	Datuk Siak Wei (Chris) Low <sup>2</sup>	4,481,930	19.58	<p>Section 7.6</p>
Name	Number of Shares	% of Shares <sup>(1)</sup>								
Datuk Siak Wei (Chris) Low <sup>2</sup>	4,481,930	19.58								



Topic	Summary			More information														
	Noel Ong <sup>3</sup>	4,000,000	17.48															
	Chee Cheong (David) Low <sup>4</sup>	4,088,000	17.86															
	Kah Hui Tan <sup>5</sup>	4,000,000	17.48															
	<p><b>Notes:</b></p> <p>1) Based on 22,889,542 Shares being on issue.</p> <p>2) In accordance with section 608(1)(a)-(c) and (3) of the Corporations Act, Datuk Siak Wei (Chris) Low holds a Relevant Interest in 4,481,930 Shares, held follows:</p> <p>(a) 2,881,930 Shares held by Datuk Siak Wei (Chris) Low; and</p> <p>(b) 1,600,000 Shares held by APB, a company controlled by Datuk Low.</p> <p>3) In accordance with section 608(1)(b)-(c) and (3) of the Corporations Act, Noel Ong holds a Relevant Interest in 4,000,000 Shares, held as follows:</p> <p>(a) 2,000,000 Shares held by Samsco Pty Ltd, a company controlled by Mr Ong; and</p> <p>(b) 2,000,000 Shares held by Silver Capital Pty Ltd, a company controlled by Mr Ong, as trustee for the Noel &amp; Sandra Ong Super Fund.</p> <p>4) In accordance with section 608(1)(b)-(c) and (3) of the Corporations Act, Chee Cheong (David) Low holds a Relevant Interest in 4,088,000 Shares, held follows:</p> <p>(a) 2,088,000 Shares held by JCL Capital Pty Ltd, a company controlled by Mr Low; and</p> <p>(b) 2,000,000 Shares held by Tungsten W Pty Ltd, a company controlled by Mr Low, as trustee for the KLCC Super Fund.</p> <p>5) In accordance with section 608(1)(a), (b) and (c) of the Corporations Act, Kah Hui Tan holds a Relevant Interest in 4,000,000 Shares, held follows:</p> <p>(a) 1,000,000 Shares held by Kah Hui Tan;</p> <p>(b) 1,000,000 Shares held by Irene Soi Khim Tan, the spouse of Mr Tan; and</p> <p>(c) 2,000,000 Shares held jointly by Kah Hui Tan and Irene Soi Khim Tan as trustees for K &amp; I Tan Superannuation Fund.</p> <p>Based on the information known as at the date of this Prospectus, on Admission the following persons will have an interest in 5% or more of the Shares on issue:</p>																	
	<table border="1"> <thead> <tr> <th rowspan="2" style="background-color: #cccccc;">Name</th> <th colspan="2" style="background-color: #cccccc;">Number of Shares</th> <th rowspan="2" style="background-color: #cccccc;">% of Shares<sup>1</sup></th> </tr> <tr> <th style="background-color: #cccccc;">Minimum Subscription</th> <th style="background-color: #cccccc;">Maximum Subscription</th> </tr> </thead> <tbody> <tr> <td>Datuk Siak Wei (Chris) Low<sup>2</sup></td> <td>26,581,930</td> <td>26,581,930</td> <td>36.42%</td> </tr> <tr> <td>Global Bridge<sup>3</sup></td> <td>16,600,000</td> <td>16,600,000</td> <td>22.74%</td> </tr> </tbody> </table>			Name	Number of Shares		% of Shares <sup>1</sup>	Minimum Subscription	Maximum Subscription	Datuk Siak Wei (Chris) Low <sup>2</sup>	26,581,930	26,581,930	36.42%	Global Bridge <sup>3</sup>	16,600,000	16,600,000	22.74%	
Name	Number of Shares		% of Shares <sup>1</sup>															
	Minimum Subscription	Maximum Subscription																
Datuk Siak Wei (Chris) Low <sup>2</sup>	26,581,930	26,581,930	36.42%															
Global Bridge <sup>3</sup>	16,600,000	16,600,000	22.74%															



Topic	Summary				More information
	UBB	10,000,000	10,000,000	13.70%	
	Noel Ong	4,000,000	4,000,000	5.48%	
	Chee Cheong (David) Low	4,088,000	4,088,000	5.60%	
	Kah Hui Tan	4,000,000	4,000,000	5.48%	
	<p><b>Notes:</b></p> <p>1) On the basis of the Minimum Subscription and a full subscription for Shares by each of the Underwriters in accordance with the Underwriting Agreements.</p> <p>2) In accordance with section 608(1)(a)-(c) and (3) of the Corporations Act, Datuk Siak Wei (Chris) Low will hold a Relevant Interest in up to 26,581,930 Shares, held follows:</p> <ul style="list-style-type: none"> <li>(a) 2,881,930 Shares currently held by Datuk Siak Wei (Chris) Low;</li> <li>(b) 1,600,000 Shares currently held by APB, a company controlled by Datuk Low;</li> <li>(c) 10,100,000 Shares to be issued to APB on conversion of debts (refer to Section 1.10(d) for further details); and</li> <li>(d) up to 12,000,000 Shares to be issued in accordance with the APB Underwriting Agreement (refer to Section 6.4 for further details).</li> </ul> <p>3) In accordance with section 608(1)(a) of the Corporations Act, Global Bridge will hold a Relevant Interest in the Company in up to 19,900,000 Shares, held as follow:</p> <ul style="list-style-type: none"> <li>(a) 1,100,000 Shares held by Global Bridge;</li> <li>(b) 2,500,000 Shares to be issued to Global Bridge on the conversion of debts (refer to Section 1.10 and Section 6.5(a) for further details); and</li> <li>(c) up to 13,000,000 Shares to be issued in accordance with the Global Bridge Underwriting Agreement (refer to Section 6.4 for further details).</li> </ul>				
<p>What are the Lead Manager's interests in the Securities of the Company at the Prospectus Date and on Admission?</p>	<p>As at the date of this Prospectus, the Lead Manager and its Associates do not have a Relevant Interest in any of the Company's existing Securities.</p> <p>Based on the information available to the Company as at the date of the Prospectus regarding the intentions of the Lead Manager and its Associates in relation to the Capital Raising Offer and assuming:</p> <ul style="list-style-type: none"> <li>(a) the Minimum Subscription is achieved under the Capital Raising Offer; and</li> <li>(b) neither of the Lead Manager nor its Associates take up any Shares under the Capital Raising Offer,</li> </ul> <p>the Lead Manager and its Associates will have a Relevant Interest in up to 2,000,000 Lead Manager Options on Admission.</p>				<p>Section 1.9(b)</p>





Topic	Summary	More information
<b>Financial information</b>		
What is the Company's financial position?	The Company's financial information is set out in Section 4 and has been reviewed by the Investigating Accountant, whose report is set out in Annexure A.	Section 4
Are there any forecasts of future earnings?	<p>The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.</p> <p>The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.</p>	Section 1.11
Will the Company have sufficient funds for its stated objectives?	The Company believes that the funds raised from the Capital Raising Offer will provide it with sufficient working capital to fund its near-term capital commitments and to achieve its stated objectives as detailed in this Prospectus.	Section 1.7
What is the Company's dividend policy?	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.</p>	Section 2.8
<b>Summary of the Offers</b>		
What are the Offers?	<p>The Capital Raising Offer is an initial public offering of Shares, at an offer price of \$0.20 per Share (<b>Offer Price</b>), for the issue of a minimum of 35,000,000 Shares and a maximum of 50,000,000 Shares to be issued at a price of \$0.20 per Share to raise a minimum of \$7,000,000 and a maximum of \$10,000,000 (before costs).</p> <p>This Prospectus also incorporates the Priority Offer, Shortfall Offer, Lead Manager Offer and Underwriter Offer. The Offers are made with disclosure under this Prospectus and is made on the terms, and is subject to the conditions, set out in this Prospectus.</p>	Section 1.1



Topic	Summary	More information
What is the Offer Price?	\$0.20 per Share	Section 1.1
Is there a Minimum Subscription?	<p>The minimum level of subscription under the Capital Raising Offer is \$7,000,000 (before costs) (being 35,000,000 Shares) (<b>Minimum Subscription</b>).</p> <p>None of the Securities offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within four months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).</p>	Section 1.5
What are the conditions of the Offers?	<p>The Offers under this Prospectus are conditional upon the following events occurring:</p> <ul style="list-style-type: none"><li>(a) the Company raising the Minimum Subscription;</li><li>(b) to the extent required by ASX or the Listing Rules, certain persons entering into a restriction agreement imposing such restrictions on trading on the Company's Securities as mandated by the Listing Rules; and</li><li>(c) ASX providing the Company with a list of conditions which, once satisfied, will result in ASX admitting the Company to the Official List.</li></ul> <p>If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Offers to the Applicants (without interest) in accordance with the Corporations Act.</p>	Section 1.6
Why are the Offers being conducted and what are the proposed use of funds?	<p>The purpose of this Prospectus is to:</p> <ul style="list-style-type: none"><li>(a) to raise a minimum of \$7,000,000 (before costs) under the Capital Raising Offer;</li><li>(b) provide funding for the purposes outlined in Section 1.7;</li><li>(c) to reward existing Shareholders by way of the Priority Offer;</li><li>(d) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission;</li><li>(e) position the Company to seek to achieve the objectives detailed in Section 2;</li><li>(f) provide the Company with access to capital markets to improve financial flexibility; and</li></ul>	Section 1.4



Topic	Summary	More information
	(g) provide the Company with the benefits of an increased profile that arises from being a listed entity.	
What is the effect of the Offers on the capital structure of the Company?	The Company's capital structure upon Admission will be as set out in Section 1.8.	Section 1.8
How do I apply for Shares under the relevant Offer?	Applications for Shares under the Capital Raising Offer can be made using the Application Form accompanying this Prospectus or otherwise provided by the Company or Lead Manager. The Application Form (including payment) must be completed in accordance with the instructions set out on the form.	Section 1.12
When will I know if my Application was successful?	<p>The Directors will allocate Shares in the Capital Raising Offer at the Directors' absolute discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.</p> <p>The allocation policy will be influenced, but not constrained by the following factors:</p> <ul style="list-style-type: none"><li>(a) number of Shares bided for by particular Applicants;</li><li>(b) timeliness of the bid by particular Applicants;</li><li>(c) the Company's desire for an informed and active trading market following completion;</li><li>(d) the Company's desire to establish a wide spread of institutional Shareholders;</li><li>(e) overall level of demand under the Broker Firm and Institutional Offer and General Public Offer;</li><li>(f) size and type of funds under management of particular Applicants;</li><li>(g) likelihood that particular Applicants will be long-term Shareholders; and</li><li>(h) other factors that the Company and the Lead Manager consider appropriate.</li></ul> <p>There is no assurance that any Applicant will be allocated any Shares under the Capital Raising Offer, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for under the Capital Raising Offer. Where the</p>	Section 1.16



Topic	Summary	More information
	number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.	
What are the terms of the Shares offered under the Offers?	The Shares to be issued by the Company pursuant to the Capital Raising Offer, are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 7.1.	Section 1.1 and 7.1
Is there a cooling off period?	No.	N/A
Can the Offers be withdrawn?	The Company, in consultation with the Lead Manager, may at any time decide to withdraw this Prospectus and the Offers in which case the Company will return all Application Monies (without interest) to the Applicants within 28 days of giving notice of their withdrawal.	Section 1.21
Who is the Lead Manager?	Sanlam Private Wealth Pty Ltd (ACN 136 960 775).	Section 1.9
Are the Offers underwritten?	The Capital Raising Offer is underwritten for up to 35,000,000 Shares, being to a value of \$7,000,000, by the Underwriters.	Section 1.10 and Section 6.4
Will the Shares be quoted?	Within seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).  If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Securities offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.	Section 1.14
Are there any escrow arrangements?	As at the date of this Prospectus the Company expects, on a Maximum Subscription basis, up to 24,038,000 shares, 10,600,000 Options and 6,000,000 Performance Rights to be subject to 24 months escrow and 7,837,000 Shares to be subject to 12 months escrow. The Company notes that total Securities to be subject to escrow above is to be confirmed by ASX, and the Company has not applied any relief in the calculation of the Restricted Securities. The Company notes that on application of cash formula relief, the total amount of Restricted	Section 1.20



Topic	Summary	More information
	Securities is likely to be less than that which has been stated above. Further, the Company may in its discretion resolve to enter into voluntary restriction agreements.	
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, stamp duty or other costs are payable by Applicants.	Section 7.9
How can I find out more about the Prospectus or the Offers?	Questions relating to the Offers and the completion of an Application Form can be directed to the Company Secretary on (03) 8648 6431 or via email at <a href="mailto:info@taiton.com.au">info@taiton.com.au</a> .	Section 1.25

# 1 | DETAILS OF THE OFFERS







## 1.1 Capital Raising Offer

The Capital Raising Offer is an initial public offering of Shares, at an offer price of \$0.20 per Share (**Offer Price**), for the issue of a minimum of 35,000,000 Shares and a maximum of 50,000,000 Shares to be issued at a price of \$0.20 per Share to raise a minimum of \$7,000,000 and a maximum of \$10,000,000 (before costs).

This Prospectus also incorporates the Priority Offer, Shortfall Offer, Lead Manager Offer and Underwriter Offer. The Offers are made with disclosure under this Prospectus and is made on the terms, and is subject to the conditions, set out in this Prospectus.

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

Applications for Shares under the Capital Raising Offer must be made on the Application Form accompanying this Prospectus. Persons wishing to apply for Shares under the Capital Raising Offer should refer to Section 1.12 for further details and instructions.

### (a) Structure of the Capital Raising Offer

The Capital Raising Offer comprises:

#### (i) Broker Firm and Institutional Offer

The Broker Firm and Institutional Offer is open to Australian resident investors and Institutional Investors in Australia who have received a firm allocation of Shares from a Broker. Applications may only be made on an Application Form attached to or accompanying this Prospectus. If you are an investor applying under the Broker Firm and Institutional Offer, you should complete the application procedure advised to you by your Broker. Please contact your Broker for further instructions.

#### (ii) General Public Offer

The General Public Offer is open to members of the general public in Australia. Applications may only be made on an Application Form attached to or accompanying this Prospectus or by submitting an online Application.

## 1.2 Priority Offer

### (a) Priority Offer

In connection with the Capital Raising Offer, the Prospectus includes a separate priority offer to existing Shareholders who subscribe for a minimum of 10,000 Shares under the Capital Raising Offer (**Eligible Shareholders**), of one (1) free-attaching Option for every two (2) Shares held on the Priority Offer Record Date up to a maximum aggregate of 3,145,806 Options (**Entitlement**). The Options will be exercisable at \$0.25 each and expire 4 years from the date of issue, and will



otherwise be issued on the terms and conditions contained in this Prospectus (**Priority Offer Options**).

Only existing Shareholders (or their respective nominees) as at the Priority Offer Record Date may participate in the Priority Offer. For the avoidance of doubt, the Directors and key management personnel of the Company will be excluded from the Priority Offer.

(b) **Shortfall Offer**

Eligible Shareholders who take up their full Entitlement under the Priority Offer may also apply for Priority Offer Options in excess of their Entitlement (**Shortfall Options**), from the Priority Offer Options not applied for under the Priority Offer (**Shortfall**), for no additional consideration (**Shortfall Offer**).

Applications for Shortfall Options will only be satisfied to the extent that there is Shortfall available. Eligible Shareholders can subscribe for Shortfall Options via the process described at Section 1.12 of this Prospectus.

If the Company receives applications under the Shortfall Offer that would result in the Priority Offer being oversubscribed, then the Company will not accept such oversubscriptions and will reject or scale back applications in accordance with the allocation policy set out below. A maximum aggregate of 3,145,806 Options will be issued under the Priority Offer.

The Directors will allocate Shortfall Options in the Shortfall Offer at the Directors' absolute discretion to Eligible Shareholders who participate in the Shortfall Offer (**Eligible Shortfall Offer Participants**), having regard to:

- (i) the number of Priority Offer Options that an Eligible Shortfall Offer Participant is entitled to subscribe for pursuant to its Entitlement relative to the number of Shortfall Options that it has applied for, having specific regard to those Eligible Shortfall Offer Participants holding 20,000 Shares or less as at the Priority Offer Record Date, whom the Company intends to scale-up to the nearest hundred Shortfall Options, having initial regard to Eligible Shortfall Offer Participants with the smallest Shareholdings.
- (ii) the total number of Shortfall Options available for subscription; and
- (iii) the number of Shares held by an Eligible Shortfall Offer Participant after the completion of the Priority Offer.

There is no assurance that any Eligible Shortfall Offer Participant will be allocated any Shortfall Options under the Shortfall Offer, or the number of Shortfall Options for which it has applied. The Company reserves the right to reject any application for Shortfall Options or to issue a lesser number of Shortfall Options than those applied for under the Shortfall Offer.



It is a term of the Shortfall Offer that, should the Company scale back applications for Shortfall Options in accordance with the allocation policy described above, the applicant will be bound to accept such lesser number allocated to them.

Shortfall Options issued under the Shortfall Offer will be issued on the same terms and conditions as the Priority Offer Options and will rank equally in all respects with the Priority Offer Options to be issued under the Priority Offer (refer to Section 7.2 for the terms and conditions of the Priority Offer Options). Shortfall Options will be issued (if at all) for nil consideration.

### 1.3 Secondary Offers

#### (a) Lead Manager Offer

This Prospectus includes a separate offer of up to 2,000,000 Options to be issued to the Lead Manager (or its nominees) under this Prospectus.

The Company has agreed to issue the Lead Manager up to 2,000,000 Options as follows:

- (i) 350,000 Options; plus
- (ii) up to 1,650,000 additional Options, the amount of which is to be calculated on the basis of the percentage of the total proceeds of the Capital Raising Offer that represent funds raised from the Lead Manager's clients and introduced parties,

(together the **Lead Manager Options**).

Accordingly, no funds will be raised from the Lead Manager Offer.

Only the Lead Manager (or its nominees) may accept the Lead Manager Offer.

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

An Application Form in relation to the Lead Manager Offer will be issued to the Lead Manager (or its nominees) together with a copy of this Prospectus.

Refer to Section 6.3 for a summary of the Lead Manager Mandate.

#### (b) Underwriter Offer

This Prospectus includes a separate offer of up to 3,000,000 Options to be issued to the Underwriters (or their nominees) under this Prospectus in the following proportions:

- (i) 1,114,200 to Global Bridge (or their nominee);



- (ii) 1,028,700 to APB (or their nominee); and
- (iii) 857,100 to UBB (or their nominee).

Accordingly, no funds will be raised from the Underwriter Offer.

#### 1.4 Purpose of the Offers

The purpose of this Prospectus is to:

- (a) to raise a minimum of \$7,000,000 (before costs) under the Capital Raising Offer;
- (b) provide funding for the purposes outlined in Section 1.7;
- (c) to reward existing Shareholders by way of the Priority Offer;
- (d) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission;
- (e) position the Company to seek to achieve the objectives detailed in Section 2;
- (f) provide the Company with access to capital markets to improve financial flexibility; and
- (g) provide the Company with the benefits of an increased profile that arises from being a listed entity.

#### 1.5 Minimum Subscription

The minimum level of subscription under the Capital Raising Offer is \$7,000,000 (before costs) (being 35,000,000 Shares) (**Minimum Subscription**).

None of the Securities offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within four months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

#### 1.6 Conditional Offers

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

- (a) the Company raising the Minimum Subscription;
- (b) to the extent required by ASX or the Listing Rules, certain persons entering into a restriction agreement imposing such restrictions on trading on the Company's Securities as mandated by the Listing Rules; and



- (c) ASX providing the Company with a list of conditions which, once satisfied, will result in ASX admitting the Company to the Official List.

If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Offers to the Applicants (without interest) in accordance with the Corporations Act.

## 1.7 Proposed use of Funds

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

Source of funds	\$'000	
	Minimum Subscription	Maximum Subscription
Existing cash as at 31 August 2022	197 <sup>(1)</sup>	197 <sup>(1)</sup>
Proceeds from the issue of Shares under the Capital Raising Offer	7,000	10,000
<b>Total funds available</b>	<b>7,197</b>	<b>10,197</b>

**Notes:**

- 1) This figure has been rounded for convenience, the proper existing cash of the Company as at 31 August 2022 is \$196,917.

The following tables show the intended use of funds in the 24 month period following Admission:

Use of funds - Year 1	\$'000		%	
	Minimum Subscription	Maximum Subscription	Minimum Subscription	Maximum Subscription
Exploration Activities				
☒ Data Review	15	15	0.36%	0.27%
☒ Geological Supervision	280	330	6.74%	5.87%
☒ Geophysical Consultants	70	100	1.68%	1.78%



Use of funds - Year 1	\$'000		%	
	Minimum Subscription	Maximum Subscription	Minimum Subscription	Maximum Subscription
☒ Geophysical Surveys	220	350	5.29%	6.22%
☒ Geochemical Surveys	100	140	2.41%	2.49%
☒ Drilling	900	1,500	21.66%	26.67%
☒ Field Logistics	40	60	0.96%	1.07%
☒ Laboratory Costs	105	170	2.53%	3.02%
☒ Heritage Surveys	20	25	0.48%	0.44%
☒ Access and Heritage payments	20	25	0.48%	0.44%
☒ Tenement rents/rates	130	130	3.13%	2.31%
Administration costs <sup>(1)</sup>	799	834	19.23%	14.83%
Working capital <sup>(2)</sup>	315	615	7.58%	10.94%
Estimated expenses of the Offers <sup>(3)</sup>	1,142	1,330	27.47%	23.65%
<b>Total Funds allocated - Year 1</b>	<b>4,156</b>	<b>5,624</b>	<b>57.75%</b>	<b>55.15%</b>

Use of funds - Year 2	\$'000		%	
	Minimum Subscription	Maximum Subscription	Minimum Subscription	Maximum Subscription
Exploration Activities				





Use of funds - Year 2	\$'000		%	
	Minimum Subscription	Maximum Subscription	Minimum Subscription	Maximum Subscription
☒ Data Review	15	15	0.49%	0.33%
☒ Geological Supervision	280	330	9.21%	7.21%
☒ Geophysical Consultants	50	80	1.65%	1.75%
☒ Geophysical Surveys	100	110	3.29%	2.41%
☒ Geochemical Surveys	50	80	1.64%	1.75%
☒ Drilling	1,200	2,100	39.46%	45.92%
☒ Field Logistics	40	60	1.32%	1.31%
☒ Laboratory Costs	130	240	4.27%	5.25%
☒ Heritage Survey	20	25	0.66%	0.55%
☒ Access and Heritage payments	20	25	0.66%	0.55%
☒ Tenement rents/rates	130	130	4.27%	2.84%
Administration costs <sup>(1)</sup>	742	859	24.40%	18.78%
Working capital <sup>(2)</sup>	264	519	8.68%	11.35%
<b>Total Funds allocated - Year 2</b>	<b>3,041</b>	<b>4,573</b>	<b>42.25%</b>	<b>44.85%</b>
<b>TOTAL FUNDS ALLOCATED</b>	<b>7,197</b>	<b>10,197</b>	<b>100%</b>	<b>100%</b>



**Notes:**

- 1) Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
- 2) Working capital includes any interest payable under the Loan Facility Agreements, being approximately \$140,000 as at the date of this Prospectus (see Section 6.5(a) for further details). To the extent that:
  - a) the Company's exploration activities warrant further exploration activities; or
  - b) the Company is presented with additional acquisition opportunities,the Company's working capital will fund such further exploration and acquisition costs (including due diligence investigations and expert's fees in relation to such acquisitions). Any amounts not so expended will be applied toward administration costs for the period following the initial 2-year period following the Company's quotation on ASX.
- 3) Expenses paid or payable by the Company in relation to the Offers are set out in Section 7.9.

If the Company raises more than the Minimum Subscription but less than the Maximum Subscription, the additional funds raised will be proportionately applied towards the allocation of the funds under the use of funds tables above.

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

The Company believes that the funds raised from the Capital Raising Offer will provide it with sufficient working capital to fund its near-term capital commitments and to achieve its stated objectives as detailed in this Prospectus.

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

Based on the intended use of funds detailed above, the amounts raised pursuant to the Capital Raising Offer will provide the Company with sufficient funding for approximately the 24 month period following Admission (based on the Minimum Subscription). 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 Offer should be adequate to fund its business objectives in the short term as stated in this Prospectus, however, the Company may require further financing in the future. See Section 3 for further details about the risks associated with the Company's future capital requirements.



## 1.8 Capital structure on Admission

On the basis that the Company completes the Offers on the terms in this Prospectus, the Company's capital structure will be as follows:

Capital structure <sup>(1)</sup>	Shares		Options	Performance rights
	Minimum Subscription	Maximum Subscription		
Existing Securities on issue	22,889,542	22,889,542	Nil	Nil
Total number of Securities to be issued under the Offers	35,000,000	50,000,000	8,145,806	Nil
Total number of General Meeting Securities to be issued <sup>(2)</sup>	Nil	Nil	5,600,000	6,000,000
Total number of Securities to be issued to the Vendors <sup>(3)</sup>	2,000,000	2,000,000	Nil	Nil
Total number of Securities to be issued to creditors <sup>(4)</sup>	13,100,000	13,100,000	Nil	Nil
<b>Total Securities on issue on completion</b>	<b>72,989,542</b>	<b>87,989,542</b>	<b>13,745,806</b>	<b>6,000,000</b>



of the Offers <sup>(6)</sup>				
Fully diluted capital structure on completion of the Offers <sup>(7)</sup>	92,735,348	107,735,348		

**Notes:**

- 1) Please refer to Section 2.4 for further details relating to the Company's current capital structure.
- 2) In accordance with Shareholder approval obtained at the Company's General Meeting held on 5 August 2022, the Company will issue the 5,600,000 Board and Management Options and 6,000,000 Performance Rights as follows:
  - (a) 1,200,000 Board and Management Options to be issued to Datuk Siak Wei (Chris) Low (or his nominee);
  - (b) 1,000,000 Board and Management Options to be issued to Noel Ong (or his nominee);
  - (c) 2,000,000 Performance Rights to be issued to Noel Ong (or his nominee);
  - (d) 1,000,000 Board and Management Options to be issued to Chee Cheong (David) Low (or his nominee);
  - (e) 2,000,000 Performance Rights to be issued to Chee Cheong (David) Low (or his nominee);
  - (f) 300,000 Board and Management Options to be issued to Mark Strizek (or his nominee);
  - (g) 300,000 Board and Management Options to be issued to Florence Drummond (or her nominee);
  - (h) 1,000,000 Board and Management Options to be issued to Kah Hui Tan (or his nominee);
  - (i) 2,000,000 Performance Rights to be issued to Kah Hui Tan (or his nominee);
  - (j) 500,000 Board and Management Options to be issued to Ian Gregory (or his nominee);
  - (k) 150,000 Board and Management Options to be issued to David McSkimming (or his nominee); and
  - (l) 150,000 Board and Management Options to be issued to Sam Scanlan (or his nominee), (together, the **General Meeting Securities**).See Section 7.4 and 7.5 for the terms and conditions of the General Meeting Securities.
- 3) See Section 6.2 for further details relating to the issue of Shares in respect of the Highway Project Agreement.
- 4) 13,100,000 Shares to be issued upon the Company obtaining a conditional admission letter from ASX on terms satisfactory to the Company's directors, acting reasonably, which, once satisfied, will result in ASX admitting the Company to the official list of ASX, in respect of the conversion of debts arising out of loan facility agreements in the manner set out below:
  - (a) 10,100,000 Shares to be issued to APB (or their nominee);
  - (b) 2,500,000 Shares to be issued to Global Bridge (or their nominee);
  - (c) 200,000 Shares to be issued to Yin Chu Lai (or their nominee);



- (d) 200,000 Shares to be issued to Lenore Theresa Radonjic (or their nominee); and
- (e) 100,000 Shares to be issued to Grant Parker (or their nominee).
- 5) See Section 1.9 and 1.10 for further details of the fees payable to the Lead Manager and Underwriters, respectively.
- 6) Assuming no further Shares are issued and none of the Options or Performance rights are exercised.
- 7) Assuming all Options and Performance rights are issued and exercised and no other Shares or convertible Securities are issued and exercised.

The Company's free float at the time of Admission will be not less than 20%.

## 1.9 Lead Manager's interests in the Offers

Sanlam Private Wealth Pty Ltd has been appointed as lead manager to the Capital Raising Offer and is party to the Lead Manager Mandate summarised in Section 6.3.

### (a) Fees payable to the Lead Manager

The Company has or will pay to the Lead Manager the following fees in connection with the Offers:

- (i) a success fee of 6% (exclusive of GST) of funds raised from the Lead Manager's clients and introduced parties;
- (ii) a lead manager fee of \$30,000 (exclusive of GST);
- (iii) a settlement fee of \$12,000 (exclusive of GST); and
- (iv) up to 2,000,000 Lead Manager Options (see Section 1.3 for further details regarding the issue of the Lead Manager Options),

in accordance with the Lead Manager Mandate summarised in Section 6.3.

### (b) Lead Manager's interests in Securities

As at the date of this Prospectus, the Lead Manager and its Associates do not have a Relevant Interest in any of the Company's existing Securities.

Based on the information available to the Company as at the date of the Prospectus regarding the intentions of the Lead Manager and its Associates in relation to the Capital Raising Offer and assuming:

- (i) the Minimum Subscription is achieved under the Capital Raising Offer; and
- (ii) neither of the Lead Manager nor its Associates take up any Shares under the Capital Raising Offer,

the Lead Manager and its Associates will have a Relevant Interest in up to 2,000,000 Lead Manager Options on Admission.



(c) **Lead Manager's participation in previous placements**

The Lead Manager has not participated in a placement of Securities by the Company in the two years preceding lodgement of this Prospectus.

1.10 **Underwriting Agreements**

(a) **Underwriting**

The Company has appointed the Underwriters to underwrite the Capital Raising Offer as follows:

- (i) Global Bridge Group Ltd for up to 13,000,000 Shares or 37.14% of the Shares not subscribed for by investors, to the extent of the Minimum Subscription, under the Capital Raising Offer (being up to the value of \$2.6 million) (**Global Bridge Underwriting Agreement**), and Global Bridge must pay the Issuer the Offer Price for each such Share not subscribed for by investors. Refer to Section 6.4 for a summary of the terms and conditions of the Global Bridge Underwriting Agreement;
- (ii) AsiaPacific Businesslink Sdn Bhd for up to 12,000,000 Shares or 34.29% of the Shares not subscribed for by investors, to the extent of the Minimum Subscription, under the Capital Raising Offer (being up to the value of \$2.4 million) (**APB Underwriting Agreement**), and APB must pay the Issuer the Offer Price for each such Share not subscribed for by investors. Refer to Section 6.4 for a summary of the terms and conditions of the APB Underwriting Agreement; and
- (iii) UBB Investment Bank Limited for up to 10,000,000 Shares or 28.57% of the Shares not subscribed for by investors, to the extent of the Minimum Subscription, under the Capital Raising Offer (being up to the value of \$2 million) (**UBB Underwriting Agreement**), and UBB must pay the Issuer the Offer Price for each such Share not subscribed for by investors. Refer to Section 6.4 for a summary of the terms and conditions of the UBB Underwriting Agreement.

(b) **Fees payable to the Underwriters**

Pursuant to the Underwriting Agreements, the Company has agreed to pay each of the Underwriters an underwriting fee of 5% (excluding GST) of the respective amounts to be underwritten by the Underwriters in accordance with their respective underwriting agreements. The Underwriters will also be issued up to 3,000,000 Underwriter Options in the proportions set out in Section 1.3(b). The Company has not yet paid the Underwriters for services under their respective underwriting agreements.

Other than acting as underwriters pursuant to the Underwriting Agreements, during the 24 months preceding lodgement of this Prospectus with ASIC, none of





the Underwriters have provided services to the Company, nor have any fees been paid to the Underwriters during this period.

(c) **Underwriters' interests in Securities and potential effect of underwriting arrangements on control**

None of the Underwriters are Associates, nor do any of the Underwriters have a Relevant Interest in the Securities of another Underwriter, including in respect of any Securities issuable under any of the Underwriting Agreements. As at the date of this Prospectus, the Underwriters have a combined Relevant Interest in 5,581,930 Shares (being a percentage shareholding of 24.39%) as set out below.

Underwriter	Relevant Interest in Shares	Voting power of Underwriter (%)
Global Bridge	1,100,000	4.81
APB <sup>(1)</sup>	4,481,930	19.58
UBB	Nil	0
<b>Total</b>	<b>5,581,930</b>	<b>24.39</b>

**Notes:**

- 1) In accordance with sections 608(1)-(3) and 610 of the Corporations Act, the voting power of APB includes the voting power of Datuk Siak Wei (Chris) Low by virtue of Datuk Low being an Associate and the controller of APB. APB's voting power therefore currently includes the following Relevant Interests:
- (a) 2,881,930 Shares held by Datuk Siak Wei (Chris) Low; and
  - (b) 1,600,000 Shares held by APB.

The Company notes that APB is a Related Party of the Company pursuant to section 228(4) of the Corporations Act by virtue of Datuk Siak Wei (Chris) Low (Non-Executive Chairman and Director) being a controller of APB. On completion of the Offers, the Underwriters' Relevant Interest will change on the basis of several scenarios, some of which are set out in the table below.

Event	Shares held by Underwriter	Voting power of Underwriter (%)
<b>Global Bridge</b>		
Date of Prospectus	1,100,000	1.51 <sup>(1)</sup>
100% subscribed	3,600,000 <sup>(3)</sup>	4.93 <sup>(1)</sup>
0% subscribed	16,600,000	32.56 <sup>(2)</sup>
<b>APB</b>		
Date of Prospectus	4,481,930	6.14 <sup>(1)</sup>



Event	Shares held by Underwriter	Voting power of Underwriter (%)
100% subscribed	14,581,930 <sup>(4)</sup>	19.98 <sup>(1)</sup>
0% subscribed	26,581,930	53.17 <sup>(2)</sup>
<b>UBB</b>		
Date of Prospectus	Nil	0
100% subscribed	Nil	0
0% subscribed	10,000,000	20.84 <sup>(2)</sup>

**Notes:**

- 1) On the basis of the Minimum Subscription.
- 2) The figures in this row represent the maximum total voting power of the relevant Underwriter on the basis that there are no subscriptions for Shares under the Capital Raising Offer and no underwriting by any other Underwriter. The Company notes that in the circumstances under which the Underwriter could obtain the maximum voting power stated above, the Offers could not proceed on the basis that the Minimum Subscription has not been met under the Capital Raising Offer in accordance Section 1.6.
- 3) The voting power of Global Bridge will increase on Admission, even in circumstances where the Capital Raising Offer is fully subscribed, as a result of the conversion of debts owed to Global Bridge by the Company, pursuant to which, Global Bridge will be issued 2,500,000 Shares if and when the Company receives conditional approval for its Admission.
- 4) The voting power of APB will increase on Admission, even in circumstances where the Capital Raising Offer is fully subscribed, as a result of the conversion of debts owed to APB by the Company, pursuant to which, APB will be issued 10,100,000 Shares if and when the Company receives conditional approval for its Admission.

The number of Shares held by the Underwriters and their voting power in the table above show the potential effect of the underwriting of the Capital Raising Offer. However, it is unlikely that no investors, other than the Underwriters, will take up Shares under the Capital Raising Offer. The underwriting obligation, and therefore voting power of the Underwriters, will reduce by a corresponding amount for the amount of Shares under the Capital Raising Offer taken up by investors.

To the best of the Company's knowledge, information and belief, the Underwriters:

- (i) have no current intention of making any significant changes to the existing business of the Company;
- (ii) have no current intention to inject further capital into the Company;
- (iii) have no current intention to appoint or cause the appointment of a person to the Board;
- (iv) have no current intention of making changes regarding the future employment of the present employees of the Company;
- (v) do not currently intend for any assets to be transferred between the Company and it or any person associated with it;



- (vi) have no current intention to otherwise redeploy the fixed assets of the Company; and
- (vii) have no current intention to significantly change the existing financial or dividend policies of the Company.

(d) **Underwriters' participation in previous placements**

Neither Global Bridge or UBB (or their respective Associates) have participated in any placement of Securities by the Company in the 2 years preceding lodgement of this Prospectus. All securities held by Global Bridge were acquired at the time Syngas Limited (now the Company) was listed on the ASX and those Securities were acquired on market.

In the 2 years preceding the lodgement of the Prospectus, APB and its Associates have participated in placements of Securities in the tranches set out below.

Tranche	Date	Holder	Number of Shares	Consideration
1 <sup>(1)</sup>	20 January 2022	APB	1,600,000	\$640,000
2 <sup>(2)</sup>	20 January 2022	Datuk Siak Wei (Chris) Low	1,750,000	\$700,000

**Notes:**

- 1) APB was issued 1,600,000 Shares on 20 January 2022 as a result of the conversion of debts of \$640,000 arising out from 2 loan facility agreements totalling \$750,000 entered into with the Company and APB on 22 December 2015 and 28 July 2017, respectively. The Shares issued on conversion were issued at a deemed issue price of \$0.40 per Share.
- 2) Datuk Siak Wei (Chris) Low was issued 1,750,000 Shares on 20 January 2022 as a result of the conversion of debt arising out of a number loan facility agreements, consolidated by agreement on 6 March 2020, totalling \$700,000 entered into by the Company and Datuk Siak Wei (Chris) Low. The Shares issued on conversion were issued at a deemed price of \$0.40 per Share.

The Company notes that, if the Company obtains a conditional admission letter from ASX on terms satisfactory to the Company's directors, acting reasonably, which, once satisfied, will result in ASX admitting the Company to the official list of ASX, the Company will issue:

- (i) 10,100,000 Shares to APB (or their nominee);
- (ii) 2,500,000 Shares to Global Bridge (or their nominee);
- (iii) 200,000 Shares to be issued to Yin Chu Lai (or their nominee);
- (iv) 200,000 Shares to be issued to Lenore Theresa Radonjic (or their nominee);  
and
- (v) 100,000 Shares to be issued to Grant Parker (or their nominee),



as consideration for the conversion of debts owing to those parties, respectively, arising out of loan facility agreements entered into by the Company and those parties (as novated). The Shares issued on conversion will be issued at a deemed price of \$0.10 per Share.

### 1.11 Forecasts

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

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

Refer to Section 2 for further information in respect to the Company's proposed activities.

### 1.12 Applications

#### (a) Capital Raising Offer

Applications for Shares under the Capital Raising Offer can be made using the Application Form accompanying this Prospectus or otherwise provided by the Company or Lead Manager. The Application Form (including payment) must be completed in accordance with the instructions set out on the form.

#### (i) Option 1: Submit an online Application Form and pay with BPAY®

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

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

- (A) access their participating BPAY® Australian financial institution either via telephone or internet banking;
- (B) select to use BPAY® and follow the prompts; enter the biller code and unique CRN that corresponds to the online Application;
- (C) enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- (D) select which account payment is to be made from;



- (E) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (F) record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution whether there are any limits on the Investor's account that may limit the amount of any BPAY® payment and the cut off time for the BPAY® payment.

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

(ii) **Option 2: Submit an Application Form and pay via Electronic Funds Transfer “EFT”**

Investors can apply online with payment made electronically via EFT. Investors applying online will be directed to use an online Application Form and will be given a payment reference number unique to the online Application once the online Application Form has been completed.

EFT payments must be received in Australian dollars (\$AUD). Using EFT payment details, Applicants must:

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

Applicants should confirm with their Australian financial institution whether there are any limits on the Applicant's account that may limit the amount of any EFT payment and the cut off time for the funds transfer.

An original, completed and lodged Application Form together with confirmation of BPAY® or EFT payment for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the



Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final; however an applicant will not be treated as having applied for more Shares than is indicated by the amount of the BPAY® or EFT for the Application Monies.

It is the responsibility of Applicants to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form with the requisite Application Monies (if applicable) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

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

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

Since the Capital Raising Offer is underwritten to the amount of the Minimum Subscription, the Capital Raising Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible.



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

Applications for Shares under the Capital Raising Offer must be made on the relevant Application Form accompanying this Prospectus and received by the Company on or before the Closing Date.

(b) **Priority Offer**

Only those existing Shareholders as at the Priority Offer Record Date who subscribe for a minimum of 10,000 Shares under the Capital Raising Offer may accept the Priority Offer and apply for Priority Offer Options. A personalised application form in relation to the Priority Offer will be issued to those existing Shareholders eligible to participate in the Priority Offer together with a copy of this Prospectus. Existing Shareholders who have registered their email address with the Share Registry will also be provided a link to the Share Registry website wherein they may apply for Priority Offer Options under the Priority Offer online.

No monies are payable for the issue of the Priority Offer Options under the Priority Offer.

(c) **Shortfall Offer**

Only those existing Shareholders as at the Priority Offer Record Date who subscribe for a minimum of 10,000 Shares under the Capital Raising Offer, and take up their full Entitlement under the Priority Offer, may apply for Shortfall Options under the Shortfall Offer. A personalised application form in relation to the Priority Offer will be issued to those existing Shareholders eligible to participate in the Priority Offer together with a copy of this Prospectus, including a section wherein Eligible Shortfall Offer Participants may apply for Shortfall Options. Existing Shareholders who have registered their email address with the Share Registry will also be provided a link to the Share Registry website wherein they may apply for Shortfall Options under the Shortfall Offer online.

No monies are payable for the issue of the Shortfall Options under the Shortfall Offer.

(d) **Lead Manager Offer**

Only the Lead Manager (or its nominees) may accept the Lead Manager Offer. A personalised application form in relation to the Lead Manager Offer will be issued to the Lead Manager (or its nominees) together with a copy of this Prospectus.

No monies are payable for the issue of the Lead Manager Options under the Lead Manager Offer.

(e) **Underwriter Offer**

Only the Underwriters (or their nominees) may accept the Underwriter Offer. A personalised application form in relation to the Underwriter Offer will be issued to the Underwriters (or their nominees) together with a copy of this Prospectus.



No monies are payable for the issue of the Underwriter Options under the Underwriter Offer.

### 1.13 **CHESSE and issuer sponsorship**

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

Under CHESSE, the Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESSE (for Shareholders who elect to hold Shares on the CHESSE sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESSE sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

### 1.14 **ASX listing and Official Quotation**

Within seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Securities offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

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



### 1.15 Application Monies to be held in trust

Application Monies will be held in trust for Applicants until the allotment of the Securities. Any interest that accrues will be retained by the Company. No allotment of Securities under this Prospectus will occur unless:

- (a) the Company raises not less than \$7,000,000 (before costs) under the Capital Raising Offer; and
- (b) ASX grants conditional approval for the Company to be admitted to the Official List (refer to Section 1.14).

### 1.16 Allocation and issue of Shares

The Directors will allocate Shares in the Capital Raising Offer at the Directors' absolute discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.

The allocation policy will be influenced, but not constrained by the following factors:

- (a) number of Shares bided for by particular Applicants;
- (b) timeliness of the bid by particular Applicants;
- (c) the Company's desire for an informed and active trading market following completion;
- (d) the Company's desire to establish a wide spread of institutional Shareholders;
- (e) overall level of demand under the Broker Firm and Institutional Offer and General Public Offer;
- (f) size and type of funds under management of particular Applicants;
- (g) likelihood that particular Applicants will be long-term Shareholders; and
- (h) other factors that the Company and the Lead Manager consider appropriate.

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

Subject to the matters in Section 1.14, Securities under the Offers are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Capital Raising Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.



### 1.17 **Trading and selling Shares on market**

It is expected that trading of the Shares on the ASX will commence on or about 4 November 2022 and dispatch of initial holding statements is expected to occur on or about 3 November 2022.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement.

### 1.18 **Risks**

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

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

### 1.19 **Overseas Applicants**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia, may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit an offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia, should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia, it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

### 1.20 **Escrow arrangements**

ASX will classify certain existing Securities on issue in the Company (as opposed to those to be issued under this Prospectus) as being subject to the restricted securities provisions of



the Listing Rules (**Restricted Securities**). Restricted Securities will be required to be held in escrow for up to 24 months commencing on the date on which quotation of the Securities commences, or 12 months from the date the Restricted Securities were issued by the Company (as applicable), and will not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX. During the period in which these Restricted Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

Prior to the Company's Shares being admitted to Official Quotation on the ASX, the Company will either issue restriction notices or enter into restriction deeds with certain recipients of the Restricted Securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow.

As at the date of this Prospectus the Company expects, on a Maximum Subscription basis, up to 24,038,000 Shares, 10,600,000 Options and 6,000,000 Performance Rights to be subject to 24 months escrow and 7,837,000 Shares to be subject to 12 months escrow. The Company notes that total Securities to be subject to escrow above is to be confirmed by ASX, and the Company has not applied any relief in the calculation of the Restricted Securities. The Company notes that on application of cash formula relief, the total amount of Restricted Securities is likely to be less than that which has been stated above. Further, the Company may in its discretion resolve to enter into voluntary restriction agreements.

### 1.21 **Withdrawal**

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

### 1.22 **Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Securities under the Offers.

The Company, the Lead Manager and their respective advisers and officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Securities under the Offers.

### 1.23 **Privacy disclosure**

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Securities, to provide facilities and services to security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws.



If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

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

#### 1.24 **Paper copies of Prospectus**

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the Application Form to investors upon request and free of charge. Requests for a paper copy Prospectus and Application Form should be directed to the Company Secretary on (03) 8648 6431 or via email at [info@taiton.com.au](mailto:info@taiton.com.au).

#### 1.25 **Enquiries**

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

Questions relating to the Offers and the completion of an Application Form can be directed to the Company Secretary on (03) 8648 6431 or via email at [info@taiton.com.au](mailto:info@taiton.com.au).



## 2 | COMPANY OVERVIEW



## 2.1 Introduction

The Company is an early-stage mineral exploration and development company focused on gold and other commodities within projects located in the South Australia and Western Australia. From its incorporation in 1993 until 2016 the Company has undergone several business transformations and undertaken business activities such as the establishment of renewable energy parks, carbon credit markets, oil and gas exploration and has also been involved in coal/non-food biomass to gas and liquid fuel projects. However, following an evaluation of the Company's operations in 2016, the Company decided not to proceed with the development of a gasification coal project and the tenure on the coal tenement was not renewed. The Company has since secured agreements in respect of a number of tenements that are considered prospective for gold and other metals (together, the **Target Commodities**).

The Company has acquired the abovementioned tenements to assemble a portfolio of projects across both South Australia and Western Australia.

On Admission, the Company's projects will comprise the:

- (a) Lake Barlee Project, located in Western Australia;
- (b) Highway Project, located in South Australia; and
- (c) Challenger West Project, located in South Australia,

(together, the **Projects**).

Further, the Projects have walk-up drilling targets which will delineate and expand upon currently known mineralisation extents. While the Company has developed and designed programs to undertake exploration activities on each of the Projects, it will also pursue and assess other new business opportunities in the resources sector over time which complement its business.

## 2.2 Company history

The Company was incorporated on 18 November 1993 in the state of Western Australia and listed on the ASX in 1998. Since listing on the ASX, the Company has undergone several company name changes and changes in business activities. Whilst named Syngas Limited, the Company voluntarily delisted from the official list of the ASX on 21 August 2020. The Company has since been renamed to Taiton Resources Ltd, and has shifted its focus to mineral exploration activities.

As shown in the diagram below at Section 2.4, the Company is the holding company of Lake Barlee Gold Pty Ltd (ACN 641 937 797) (**Lake Barlee Gold**). On 2 January 2021, the Company entered into agreement on arm's length terms with Glen William Goulds and Paul Poli (together the **Vendors**) to acquire 100% of the shares in the capital of Lake Barlee Gold Pty Ltd, for a total sum of \$100,000, comprising of \$41,492 in respect of the shares in Lake Barlee Gold and \$58,508 advanced to Lake Barlee Gold by the Company to repay loans owed to the Vendors (**Lake Barlee Agreement**) (refer to Section 6.1 for further details on the Lake Barlee



Agreement). None of the Vendors are related parties, promoters or advisers of the Company, nor are they an Associate of a related party, promoter or adviser of the Company.

Lake Barlee Gold is the current holder of 4 granted exploration licences in Western Australia, being tenements E77/2700, E57/1158, E77/2715 and E57/1168 (together the **WA Tenements**) totalling approximately 668 sq km in the Lake Barlee region (**Lake Barlee Project**) (refer to Annexure C for further details on the WA Tenements). The Company undertook an airborne electromagnetic survey (**EM**) during December 2021 and February and March 2022 and the recent EM data interpretation has provided several drill ready targets. The Company has secured a programme of work from the Western Australian Department of Mines, Industry, Regulation and Safety in relation to a drilling program at the Lake Barlee Project.

On 5 June 2021, the Company entered into an agreement to acquire 2 exploration licence applications in South Australia (ELA 2020/00206 and ELA 2021/00013) totalling 1,132 sq km (**Highway Project**) for a total sum of \$100,000 and the issue of 2,000,000 Shares (**Highway Project Agreement**). Each of the exploration applications have been granted, being now tenements EL6658 and EL6706, respectively. The acquisition of EL6658 and EL6706 has since completed with the transfer of those tenements to the Company after consent from the South Australian Mining and Energy Minister was obtained. A summary of the Highway Project Agreement is in Section 6.2. The Company has also applied for 2 additional exploration tenements (ELA 2021/00060 and ELA 2022/00039) measuring a total of 1,798 sq km to add to the Highway Project. ELA 2021/00060 has been granted as EL6784 whilst ELA 2022/00039 is still pending approval.

In addition to the above Lake Barlee Project and Highway Project, the Company has applied and been granted another exploration licence in South Australia (EL6785) near the Challenger Gold Mine measuring approximately 997 sq km (**Challenger West Project**).

In summary, the Company has acquired, or agreed to acquire, a legal and beneficial interest in:

- (a) four (4) granted exploration licence in Western Australia (**WA Tenements**);
  - (b) four (4) granted exploration licences in South Australia (**SA Tenements**); and
  - (c) one (1) exploration licence applications in South Australia (**SA Application**),
- (collectively, the **Tenements**).

For further details regarding the Company's Projects and Tenements, refer to Section 2.5 below.

The Company's Board comprises Messrs Datuk Siak Wei (Chris) Low (Non-Executive Chairman), Noel Ong (Managing Director), Chee Cheong (David) Low (Executive Director), Mark Strizek (Non-Executive Director) and Ms Florence Drummond (Non-Executive Director). Further information on the Board is set out in Section 5.



## 2.3 Business model of the Company

### (a) Nature of the business

The Company is an early-stage mineral exploration and development company. Its primary function is the discovery, delineation and/or development of mineral resource projects. The Company has historical exploration data generated by several companies over the past thirty years, including drilling results with significant levels of gold and other polymetallic mineralisation. The Company's business model will be to utilise this historical data to design exploration programs to delineate additional mineralisation.

### (b) Strategy, plans and objectives

Following Admission, the Company's primary focus is to increase Shareholder wealth through the exploration, development and acquisition of mineral resource projects. The primary focus will be on undertaking exploration and evaluation of the Projects described in this Prospectus. Funds raised through this prospectus will be applied to exploration of minerals on the Projects, in particular to:

- (i) further compilation and assessment of historical data;
- (ii) surface geophysical and geochemical surveys; and
- (iii) implementation of reverse circulation and / or diamond core drilling programs.

Although the Company's immediate focus will be on the existing Projects, as with most exploration entities, it will pursue and assess other new business opportunities in the resource sector over time which complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. The Board will assess the suitability of investment opportunities by utilising its experience in evaluating projects. There are uncertainties in the process of identifying and acquiring new and suitable projects. The Company confirms that it is not currently considering other acquisitions and that future acquisitions are likely to be in the mineral resource sector.

### (c) Significant dependencies

The Company is an early-stage mineral exploration and development company and, as such, has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences. Its business is the discovery of mineralisation with a focus on targeting commodities and deposits that have potential for economic viability.

The Company will initially rely on its available cash and the net proceeds of the Capital Raising Offer to fund its business development activities, exploration program and other Company objectives in the short term, as stated in this



Prospectus. The Company may require further funding in addition to current cash reserves to fund future exploration activities or the acquisition of new projects.

The significant dependencies impacting the Company's business model are:

- (i) the maintenance (including renewal) of the tenements in which the Company has or acquires an interest;
- (ii) tenure access and the grant of current or future licence applications;
- (iii) commodity price volatility and exchange rate risk;
- (iv) the ability to meet resource and reserves and exploration targets;
- (v) the accuracy of historical data pertaining to exploration targets, resource and reserve estimates in relation to the Projects and any future acquired interests;
- (vi) the ability to raise further funds to satisfy expenditure requirements, exploration and operating costs; and
- (vii) minimising environmental impact and complying with health and safety requirements.

## 2.4 Company structure

### (a) Capital structure of the Company

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

Shareholder	Shares	% of Shares on Issue <sup>(1)</sup>
Datuk Siak Wei (Chris) Low <sup>(2)</sup>	4,481,930	19.58%
Noel Ong <sup>(3)</sup>	4,000,000	17.48%
Chee Cheong (David) Low <sup>(4)</sup>	4,088,000	17.86%
Kah Hui Tan <sup>(5)</sup>	4,000,000	17.48%
Global Bridge	1,100,000	4.81%
Rantau Selangit Sdn Bhd	1,000,000	4.37%
Cannard Family Super P/L	725,000	3.17%
Swann & Jenkins Pty Ltd	395,500	1.73%
Ms Sihol Marito Gultom	283,300	1.24%
Yin Chu Lai	272,000	1.19%



Shareholder	Shares	% of Shares on Issue <sup>(1)</sup>
Other Security Holders <sup>(6)</sup>	2,543,812	11.11%
<b>Securities on issue as at the date of this Prospectus</b>	<b>22,889,542</b>	<b>100%</b>

**Notes:**

- 1) Based on 22,889,542 Shares being on issue. The Company has no other Securities on issue. The Company has 1,067 Shareholders, with the top 10 Shareholders holding approximately 89% of the total number of Shares on issue.
- 2) In accordance with section 608(1)(a)-(c) and (3) of the Corporations Act, Datuk Siak Wei (Chris) Low holds a Relevant Interest in 4,481,930 Shares, held follows:
  - (a) 2,881,930 Shares held by Datuk Low; and
  - (b) 1,600,000 Shares held by APB, a company controlled by Datuk Low.
- 3) In accordance with section 608(1)(b)-(c) and (3) of the Corporations Act, Noel Ong holds a Relevant Interest in 4,000,000 Shares, held as follows:
  - (a) 2,000,000 Shares held by Samso Pty Ltd, a company controlled by Mr Ong; and
  - (b) 2,000,000 Shares held by Silver Capital Pty Ltd, a company controlled by Mr Ong, as trustee for the Noel & Sandra Ong Super Fund.
- 4) In accordance with section 608(1)(b)-(c) and (3) of the Corporations Act, Chee Cheong (David) Low holds a Relevant Interest in 4,088,000 Shares, held follows:
  - (a) 2,088,000 Shares held by JCL Capital Pty Ltd, a company controlled by Mr Low; and
  - (b) 2,000,000 Shares held by Tungsten W Pty Ltd, a company controlled by Mr Low, as trustee for the KLCC Super Fund.
- 5) In accordance with section 608(1)(a)-(c) and (3) of the Corporations Act, Kah Hui Tan holds a Relevant Interest in 4,000,000 Shares, held follows:
  - (a) 1,000,000 Shares held by Kah Hui Tan;
  - (b) 1,000,000 Shares held by Irene Soi Khim Tan, the spouse of Mr Tan; and
  - (c) 2,000,000 Shares held jointly by Kah Hui Tan and Irene Soi Khim Tan as trustees for K & I Tan Superannuation Fund.
- 6) This figure represents the remaining Shareholders in the Company.

(b) **Corporate structure**

Upon the Company's admission to the Official List, its corporate structure will be as follows:

Taiton Resources Ltd (ACN 062 284 084) (parent entity), a company registered in Western Australia on 18 November 1993, that conducts its business activities primarily in Australia; and



Lake Barlee Gold Pty Ltd (ACN 641 937 797) (wholly owned subsidiary of the Company), a company registered in Western Australia on 22 June 2020, that conducts its operations primarily in Australia.

A diagram setting out the Company's corporate structure on completion of the Offers is set out below:



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

See the Solicitor's Report in Annexure C for details regarding the Company's interest in the Tenements.

(c) **Company status and financial year**

The Company will be subject to tax at the Australian corporate tax rate. The Company's financial year for taxation purposes ends on 30 June. In respect of the financial year ended 30 June 2021, the Company has informed the ATO that a consolidated group has been formed and the income tax filing lodged in respect of the financial year ended 30 June 2021 was prepared on the basis that a tax consolidated group is in existence.

## 2.5 **Overview of the Company's projects and previous exploration**

The Company's projects are located throughout the Gawler Ranges region of South Australia and the Lake Barlee region of Western Australia. The following section provides a brief overview of the Company's projects and exploration history of each of the project areas.

(a) **Tenements**

In respect of the Western Australian project, there are four (4) granted exploration licences, which the Company's wholly owned subsidiary, Lake Barlee Gold, holds (refer to Annexure C for further details).



In respect of the South Australia projects, there are four (4) granted exploration licences and one (1) pending exploration licence applications in South Australia (**SA Tenements**) (refer to Annexure C for further details).

A more comprehensive summary of:

- (i) the status of the WA Tenements and SA Tenements can be found in the Solicitor's Report in Annexure C; and
- (ii) regional and local geology and exploration work pertaining to the Tenements is contained in the Independent Geologist's Report in Annexure B.

All maps included in this Prospectus are current as of 16 September 2022 and have been prepared and/or verified by the Competent Person.

(b) **Lake Barlee Project**

The Lake Barlee Project (Figure 1) is situated on the Yilgarn block and lies approximately 65 km southeast of Youanmi and 293 km north of the mining town of Southern Cross. The project tenements lie predominantly on an intermittent playa salt lake, the second largest in Western Australia. The nearest village to Lake Barlee is Mount Magnet, some 163 km to the northwest (cf. Figure 1).



Figure 1. Locality of Western Australian Project, showing nearest access roads, tracks, and settlements. The remote tenements predominantly overlie a large playa lake of saline sediments.





The lake fills with water approximately every ten years. The water may persist for 6 months thereafter. Access to Lake Barlee is via the Evanston-Menzies Road and the Lake Barlee-Youanmi Road. The most conspicuous physiographic element in the area is Lake Barlee, which is part of an endorheic salt lake chain that drains south-easterly through the Raeside Palaeoriver. The tectonic evolution of the highly mineralised Yilgarn Craton exposes upper-crustal, Meso- to Neoproterozoic volcanic-sedimentary sequences (greenstones) associated with 2960–2600 Ma granites and granite gneisses.

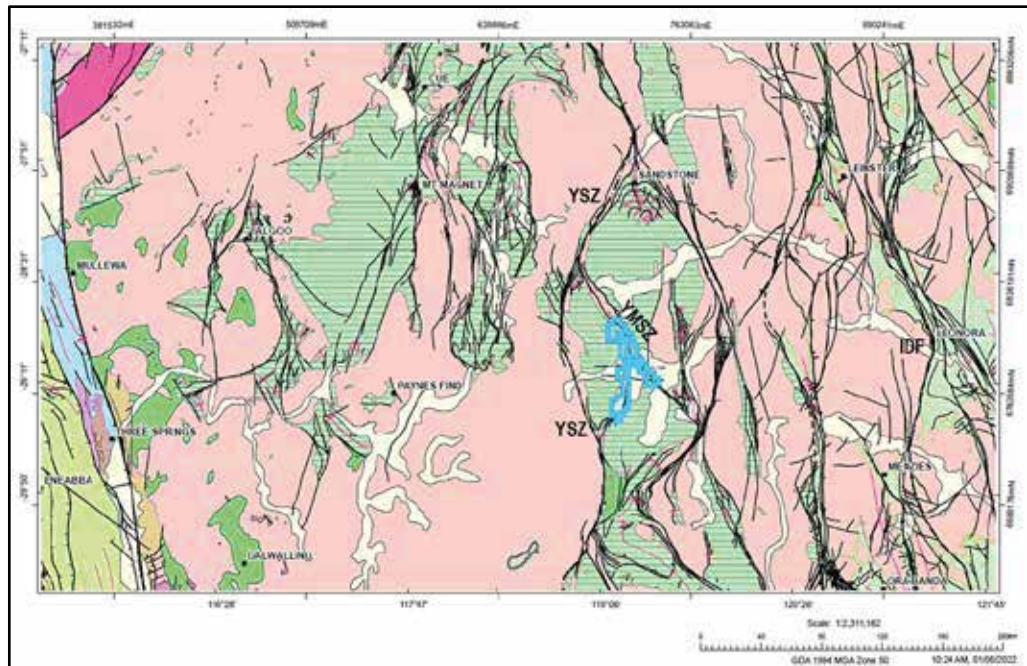


Figure 2. Major geological and tectonic domains and structure of the Murchison granite-greenstone terrane. The Lake Barlee Prospect tenements are shown in blue overlying predominantly Cenozoic playa sediments of Lake Barlee. (YSZ = Youanmi Shear Zone, YMSZ = Yuinmery Shear Zone, IDF = Ida Fault).

The craton is divided into several terranes, based on distinctive stratigraphic and magmatic characteristics, geochemistry, and age. In the western half of the craton, the Youanmi Terrane includes the Murchison and Southern Cross domains, showing distinct lithostratigraphic assemblages in greenstone belts, which are juxtaposed by the Youanmi shear zone (Figure 2). The Murchison Domain is flanked by the Narryer and the Southwest terranes, in the northwest and southwest, respectively (cf. Figure 2).

Field and geophysical data indicate that the Murchison Domain, as well as the whole craton, is transected by a network of dominantly east-dipping, listric crustal-scale shear zones, juxtaposing terranes with contrasting stratigraphy. In map view (cf. Figure 2), these shear zones are broadly north-striking and can be followed for hundreds of kilometres along strike, and are flanked by north-striking, generally high-strain greenstone belts.

The Lake Barlee tenements lie entirely in the central part of the Southern Cross Granite–Greenstone Terrane (Figure 3), one of the major geological subdivisions of the Archaean Yilgarn Craton. The Southern Cross Granite–Greenstone Terrane is bound to the west and east by the Murchison and Eastern Goldfields Granite–





Greenstone Terranes respectively. It is notable that less than 5% of the Lake Barlee area is occupied or underlain by greenstones, the remainder consisting of granitoid rocks.

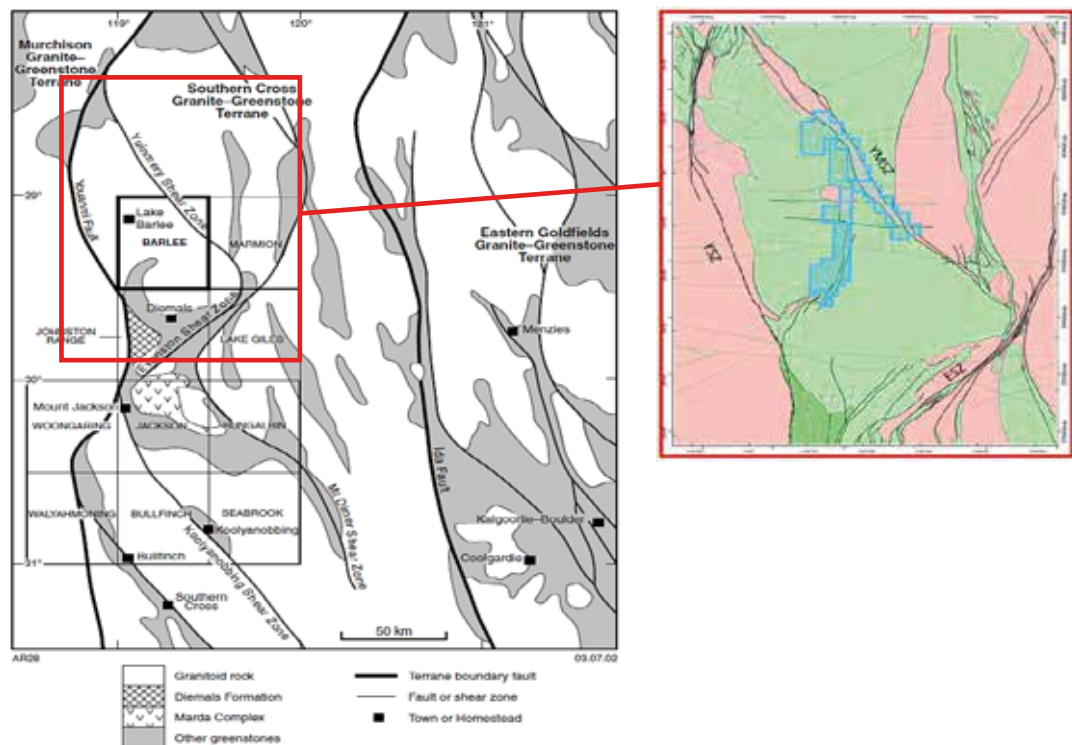


Figure 3. Simplified regional geological and tectonic setting of the Lake Barlee area (Riganti, 2002). Lozenge-shape granite-greenstones and N/S trending fault and shear zones attest to E/W compression and shortening (e.g., Zibra, 2020) (YSZ = Youanmi Shear Zone, ESZ = Evanston Shear Zone, YMSZ = Yuinmery Shear Zone).

A greenstone-associated gold target defined under Lake Barlee on E77/2700 during interpretation of magnetic data in 2009 has not been drill tested. Approximately 60,000 kg/Au @ 10.6g/t Au has been mined from Halleys East, located some 15km southwest of the Lake Barlee tenements. Geological mapping indicates no greenstone outcrop on Lake Barlee tenements and only little exploration has been reported in some areas of residual soil over granite proximal to greenstone on tenement E77/2700, or distal from greenstone on tenements E57/1158 and 1168. The Yuimery Shear Zone which defines a highly prospective granite-greenstone boundary (cf. Figure 2, Figure 3) and is one of the principal exploration targets, along with a fault splay off the Youanmi Fault (inset). Both faulted and shear-zone structures seem to have formed as a competency (rheology) contrast between granite-greenstone contacts. These spatial and temporal relationships across highly strained zones hosting compressional folding, traditionally act as mineralising conduits for concentrated hydrothermal fluid flow.

The exposed greenstones at the Lake Barlee area are the northernmost outcrops of the Marda–Diemals greenstone belt (Figure 4), which combines the Marda and Diemals belts of Griffin (1990). Aeromagnetic images, including a drone magnetic interpretation conducted by Taiton, confirm, as per the published geology records, that some greenstones also underlie the southwestern arm of Lake Barlee (Figure 5). The regional stratigraphy of the belt comprises a mafic- and BIF-dominated lower



greenstone succession unconformably overlain by an upper greenstone succession that includes the felsic volcanic rocks of the Marda Complex and the clastic sedimentary rocks of the Diemals. Only the lower greenstone succession has been recognized at Lake Barlee. The lower greenstone succession is inferred to have a depositional age of 3 Ga.

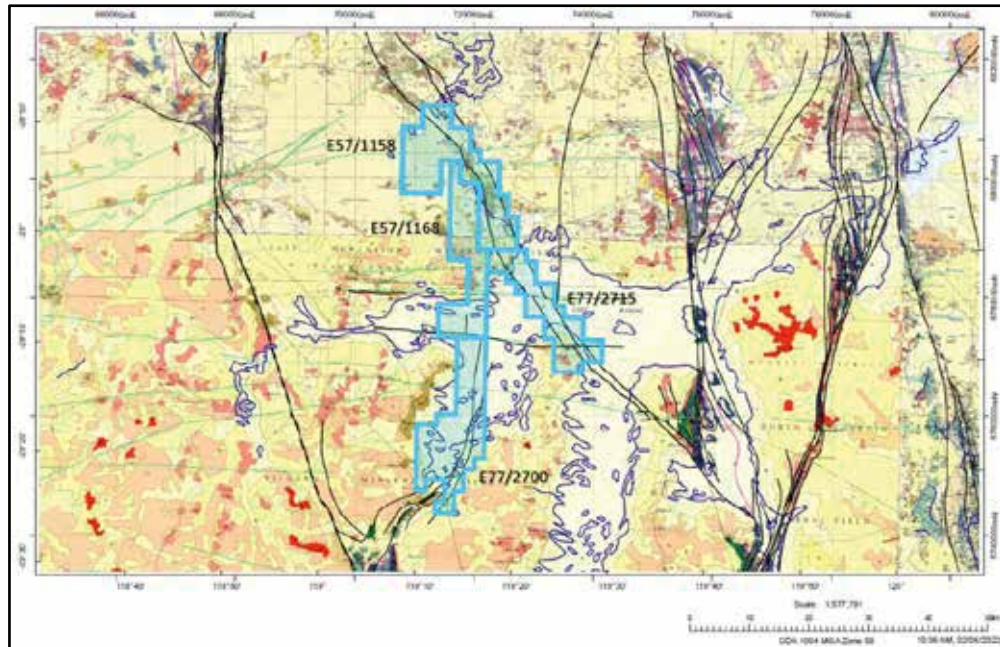


Figure 4. Local geology (1:250,000) and major structures around Lake Barlee (dark blue outline). The tenements have been sited along significant discontinuities and lithological contacts, which are prospective for gold mineralisation.

The age of the upper greenstone succession is well constrained at c. 2730 Ma by conventional and SHRIMP U–Pb zircon dating. Granitoid intrusions in the Marda–Diemals region range in age from c. 2730 to c. 2635 Ma. Gold mineralization is typical of zones of alteration marginal to quartz veins. Quartz veins with intersected widths up to 16 m (but mostly up to 3 m) are surrounded by gold-bearing alteration zones consisting of fine-grained, sheared, silicified, and sericitized mafic and ultramafic rocks with grades up to 7.7 g/t Au. Competency contrasts, such as fold hinges in BIFs and shear zones, were also targeted.

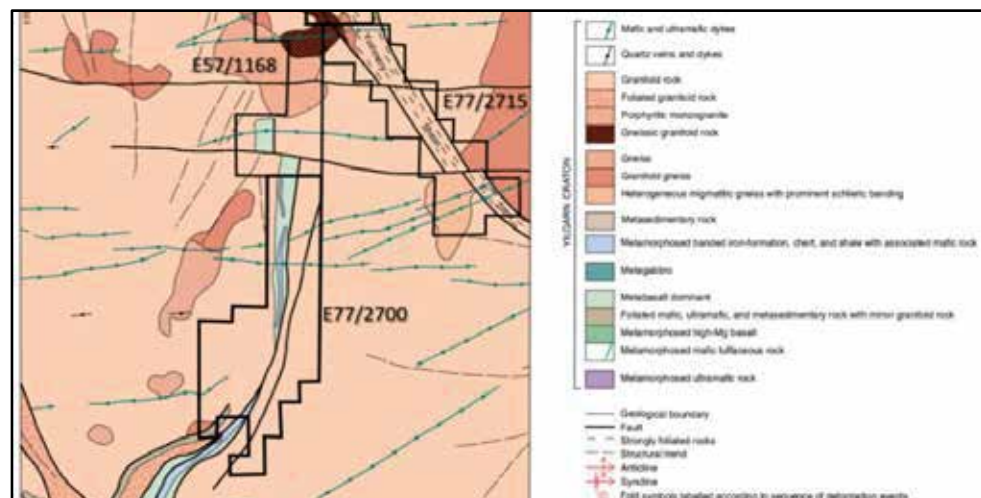


Figure 5. Showing detail of southern tenements with projected granite-greenstone contacts and principal shear zones. These contacts are almost wholly buried beneath depositional units of the Lake Barlee playa-lake system and are targets of the proposed exploration programs (after Riganti, 2002).



Exploration on and around the Lake Barlee tenements has focussed on orogenic gold within greenstone sequences as well as calcrete-hosted uranium and salt lake potash deposits in playa lakes. Beacon Minerals explored parts of E77/2700 and an extensive trend to the southwest between 2007 and 2014 for orogenic gold systems; work culminated in extracting high grade ore from a small pit (60kt @ 10.6g/t Au) at Halleys East located 10-15km southwest of the Lake Barlee tenements. Between 2009 and 2013 Goldpride Pty Ltd and Jervois Mining conducted cursory exploration over Lake Barlee for uranium and potash deposits. Parkway Minerals undertook substantial exploration for potash in 2017 and 2018, which included reprocessing of historic airborne geophysical data, passive seismic surveys, auger sampling and drilling east of the Lake Barlee tenements. Historic exploration is summarised in the table below.

Company	Year	Target	WAMEX	Work	Comments
Western Mining	1968-1971	base metals	A1191 A1201 A1196	mapping geophysical surveys geochemical programs drilling	no work on tenements <b>data not compiled</b>
Goldfields	1985	Au	A16440	drilling	no work on tenements <b>data not compiled</b>
Arboyne	1987	Au	A20900	mapping rock and soil sampling	no work on tenements <b>data not compiled</b>
Pathfinder Gold	1988	Au	A22764 A24429	geochemical programs	no work on tenements <b>data not compiled</b>
Kia Ora Gold Corp	1988	Au	A24072	airborne magnetics mapping geochemical programs	no work on tenements <b>data not compiled</b>
Meekal	1988	Au	A24582	geological mapping rock and soil sampling ground EM RC drilling	no work on tenements <b>data not compiled</b>
Anglo Australian Resources	1989-1990	Au	A28197 A31172 A33277	mapping rock and soil sampling RAB drilling	no work on tenements <b>data not compiled</b>
RGC Exploration	1990	Au	A29489	mapping rock and soil sampling RAB drilling	no work on tenements <b>data not compiled</b>
Battle Mountain	1993	Au	A40354	rock and soil sampling RAB drilling	soil samples on tenements <b>data compiled</b>
Burmine	1995	Au	A46434	no substantial work	<b>no data to compile</b>
Savage Australian Exploration	1997-1998	Au	A51850 A55105	soil sampling RC drilling	soil samples on tenements <b>data compiled</b>
Stockdale Prospecting	1997	Diamonds	A52223 A52224	geochemical programs drilling	little work on tenements <b>data not compiled</b>



Helix Resources	2003-2004	Au	A67155 A68723	airborne magnetics mapping geochemical sampling RC drilling targeting	no work on tenements moderate priority Au target defined south of tenements <b>data not compiled</b>
Beacon Minerals	2007-2014	Au	A76706 A80949 A85509 A85830 A89362 A93450 A96727 A96914 A100279 A100729	mapping geochemical sampling drilling targeting resource estimation mining studies mining	sampling on tenements low priority Au target defined on E77/2700 U targets on E77/2700 <b>some data compiled</b>

In April 2022, Taiton Resources sought Mitre Geophysics' opinion regarding the interpretation of orogenic gold-style targets in its Lake Barlee tenements, in the Yilgarn goldfields WA. Taiton supplied a regional 40 m merged aeromagnetic dataset from the WA State Department of Mines, Industry Regulation & Safety, and UAV magnetic data acquired by AirGeoX Pty Ltd for Taiton's subsidiary Lake Barlee Gold Pty Ltd, in December 2021-March 2022. The data was almost entirely sampled from the inshore of the lake itself.

The three surveyed areas are shown in Figure 6.

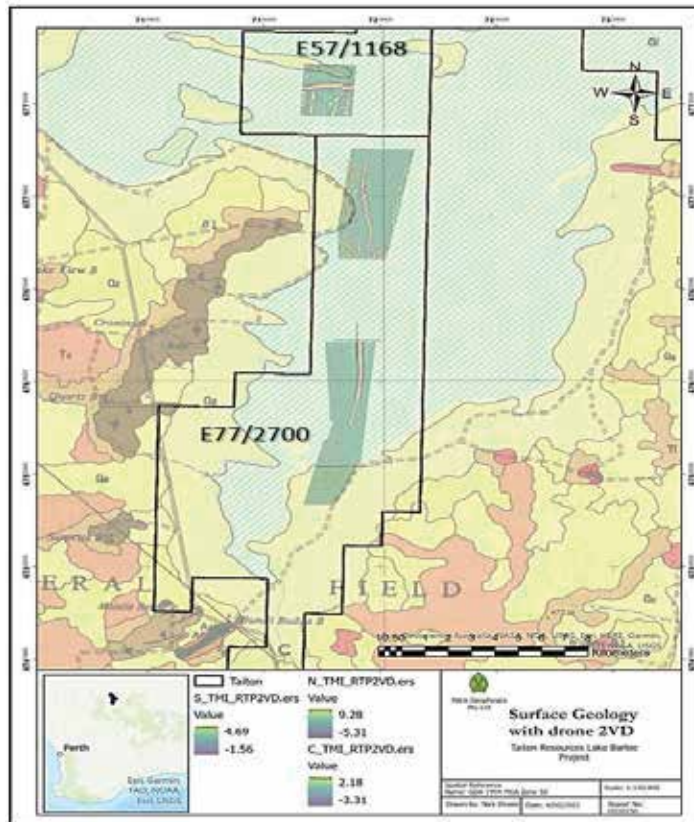


Figure 6. Geophysical survey conducted by a UAV in tenements E57/1168 and E77/2700. The flight areas are indicated in green polygons and areas of interest highlighted within these (gneisses – dark brown, migmatitic granites – red, BIF and cherts – dark green).





No substantive exploration for gold has been reported in some areas of residual soil over granite proximal to greenstone on tenement E77/2700 or distal from greenstone on tenements E57/1158 and E57/1168. However, a target for gold mineralisation, comprising demagnetisation of north-south striking magnetic greenstone (likely BIF) at the intersection with NE-striking structures, was defined onshore of the lake at its southern end on E77/2700 (cf. Figure 5). The target has not been drilled. Additional targets were defined immediately south of the Lake Barlee tenements, these prospective trends are likely to continue along strike under cover onto the tenements (cf. Figure 5, Figure 6). The interpretation of the continuation of the subsurface geology and structure under the playa lake system has been conjectured by Taiton, due to the continued magnetic expression of this geology under the lake's playa sedimentary cover (cf. Figure 6).

Three patches of drone magnetic data across a regional RTP TMI, have identified an intense linear anomaly that most likely sourced by chemical ironstone or jaspilite from the high strain Archean metavolcanic package (AMV). Taiton is of the opinion that this AMV package is similar in mode, occurrence and age to Taiton's preferred analogue, the 2.6 M Oz Big Bell deposit in the Cue region (cf. Figure 7). From their study, Taiton concluded that a comparison between the RTP and analytical signal suggests that part of the host sequence is remanent, due to the presence, in the Big Bell analogy, to monoclinic pyrrhotite and mafic units comprising the potential ore host rocks (cf. Figure 7). Gold mineralisation is associated with distinct magnetic highs within a weakly magnetic felsic volcanic host. A high magnetic susceptibility is due to abundant disseminated pyrrhotite at the Big Bell and may be the case with the Lake Barlee UAV magnetic targets.

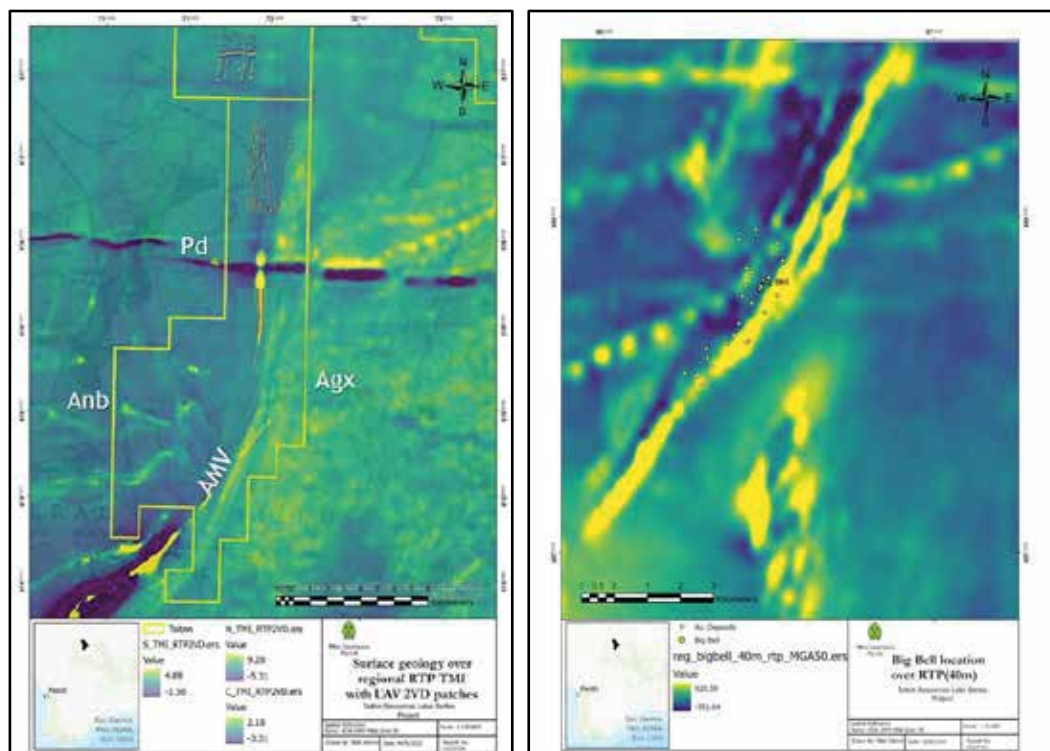


Figure 7. At left -an Archaean-age low TMI para-gneiss domain to the west of the linear structure (Anb), accompanied with a high TMI signature domain migmatites and granites to the east (Agx), separate an interpreted meta-volcanic package at their common contact (AMV). At right -the Big Bell deposit at Cue to the north of the tenements. It is suggested that the Lake Barlee lithologies and structures beneath the Lake are analogous.



The following exploration targets have been planned by the Company (Figure 8) on the outcome of the AirGeoX Pty Ltd UAV magnetic data.

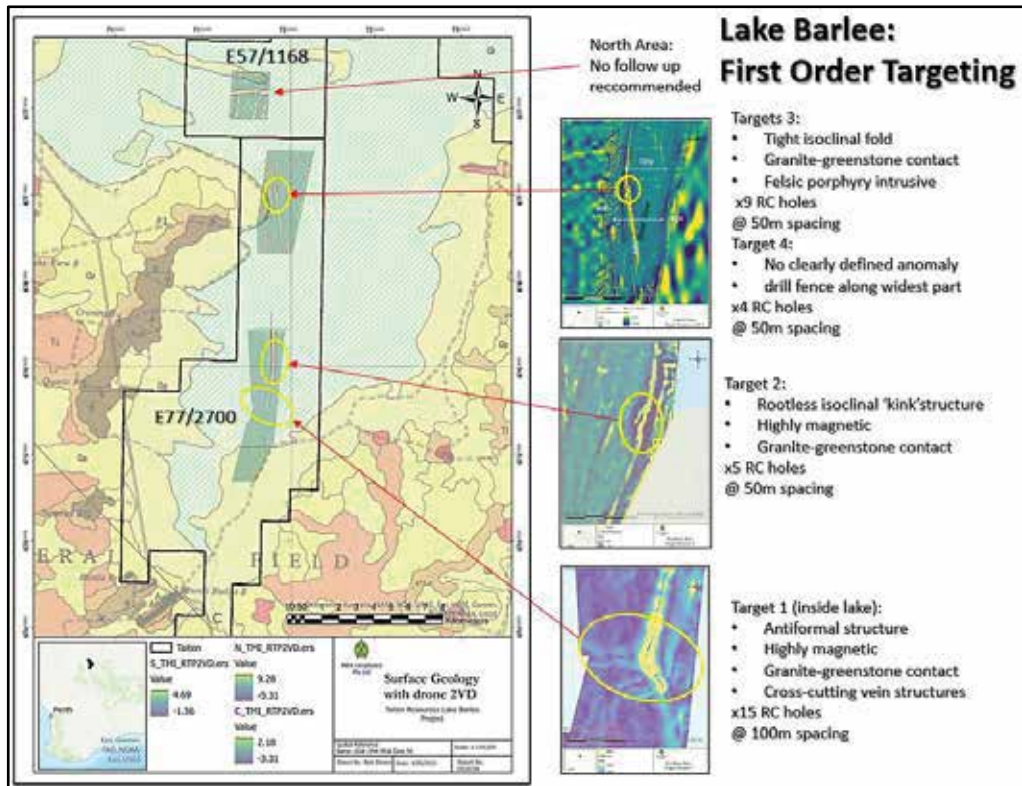


Figure 8. Planned RC drilling program of identified high-interest magnetic anomalies beneath Lake Barlee. The anomalies outline a narrow, linear zone of metavolcanics (AMV), which is thought to be an analogue of the Big Bell deposit in the Cue region to the north.

The Company anticipates that the targets generated by this methodology are of sufficient resolution to conduct a first-phase reconnaissance drilling operation. All planned collar positions have been sited on solid ground, away from the soft-sediment playa lake fill (Figure 9). Any alteration or mineralised zones intersected during this reconnaissance phase drilling will be characterised to provide vectors as to the size and distribution of mineralisation and guide a second round of definition drilling.

It is anticipated that the first target (Target A) will comprise thirteen (13) RC drill holes. Target B comprises a drill fence of five (5) RC drill holes (cf. Figure 9).

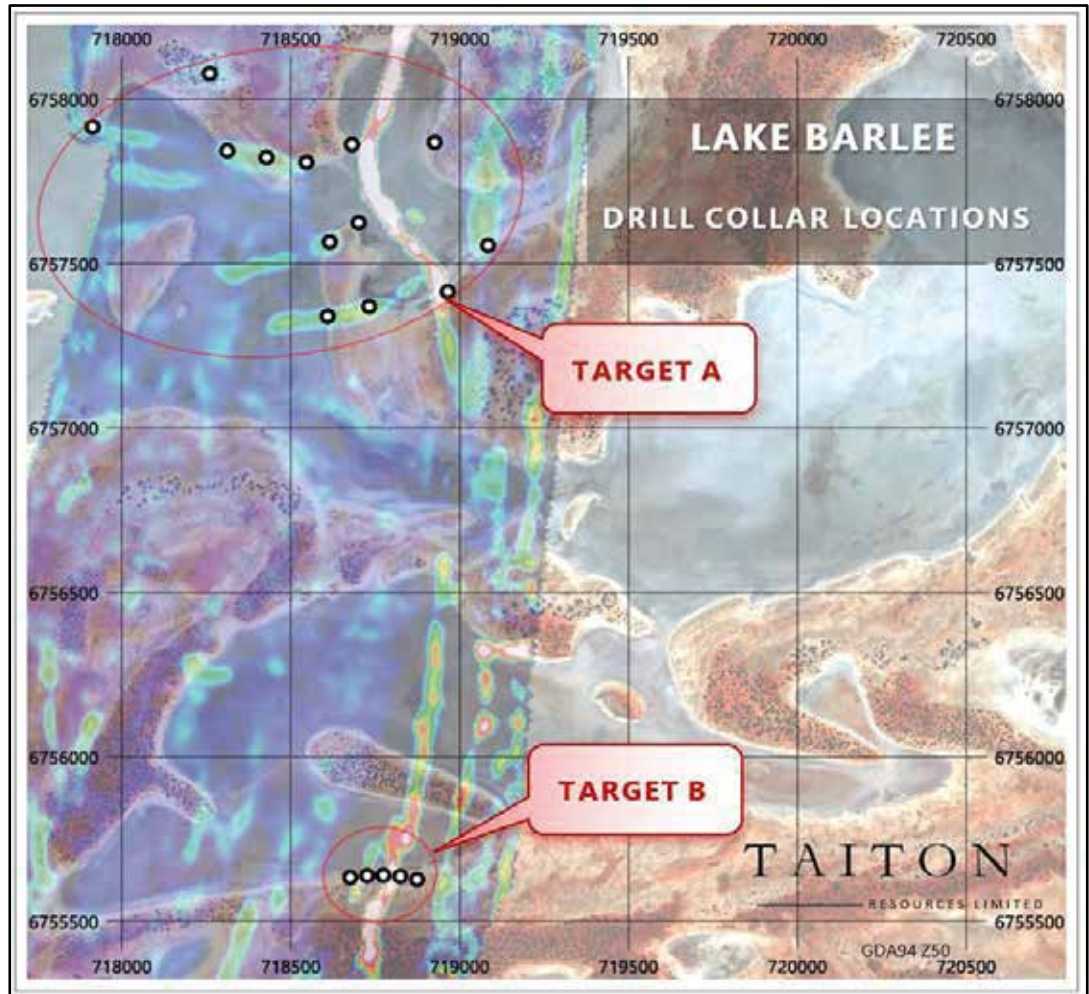


Figure 9. Lake Barlee proposed drilling program. Overlain is a TMI RTP 2VD 6.25m image over a Google Earth base map. Drill collars indicated for Target A and Target B.

(c) **Highway Project**

The Highway Project (containing the Merino Prospect - Figure 10) is situated approximately 590 km from the state capital of Adelaide and 186 km north of Port Augusta and is bisected by the Stuart Highway (A87). The nearest town is Glendambo which is an important stopping point on the Stuart Highway as there are no further facilities until Coober Pedy 254 km to the north. Access to site is via tracks off the main Stuart Highway (Figure 10). An all-weather airstrip is situated at Glendambo.

Target evaluation finds that the Merino Prospect has hallmarks of a large-scale Mo-enriched polymetallic porphyry overlooked by prior explorers. The target style of Mo Porphyry further supports interpretation of the area for extensional rifting. Magnetic lineaments east of Lake Labyrinth, Gawler Craton, S.A. are interpreted as basin structures relating to intra-cratonic rifting coeval with the Olympic Metallogenic Event. Historical drill logs indicate that Lower Gawler Range Volcanics (LGRV) are interlayered with sediments currently classified to older stratigraphic units. The results from zircon analyses from drillholes samples at the South Australia Drill Core Reference Library, suggest historic logging incorrectly assigned various stratigraphic





horizons to older formations such as the Tarcoola Formation (BB 2, SARIG DH No. 9610, 536717E, 6608898 N).

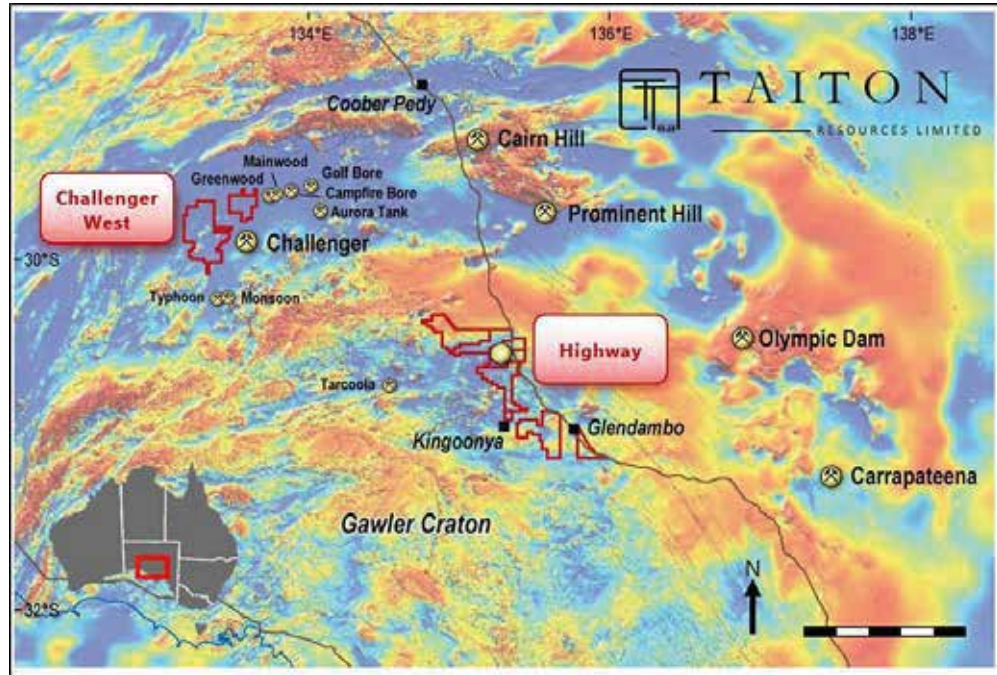


Figure 10. Regional location of South Australian Projects (TMI background).

Zircon grains extracted now indicate previously reported 1650 Ma-age lithologies to be well-constrained at  $1598 \pm 8.8$  Ma. contemporaneous to the OME. Taiton can also confidently state that the zircon geochemistry analyses indicate a magma related to mineralised porphyry and haematitic IOCG systems with high oxidation state, high-water content, and a high degree of fractionation. Initial interpretation is for a large hydrothermal system at Merino, with successive overprinting and evidence of vectoring to a core yet to be discovered under shallow cover.

The three drill holes re-examined and re-dated by the Company have been referenced and include (Figure 11):

- (i) BB 2, SARIG DH No. 9610, 536717 E, 6608898 N'  
[https://minerals.sarig.sa.gov.au/Details.aspx?DRILLHOLE\\_NO=9610](https://minerals.sarig.sa.gov.au/Details.aspx?DRILLHOLE_NO=9610)
- (ii) BDH 2, SARIG DH No. 6699, 491036 E, 6651392 N,  
[https://minerals.sarig.sa.gov.au/Details.aspx?DRILLHOLE\\_NO=6699](https://minerals.sarig.sa.gov.au/Details.aspx?DRILLHOLE_NO=6699)
- (iii) KIN 12, SARIG DH No. 9672, 527957 E, 6620703 N,  
[https://minerals.sarig.sa.gov.au/Details.aspx?DRILLHOLE\\_NO=9672](https://minerals.sarig.sa.gov.au/Details.aspx?DRILLHOLE_NO=9672)

Besides the geochronological analyses, the zircon geochemistry indicates a magma potentially related to mineralised porphyry and haematitic IOCG-type systems with a high oxidation state, high water content and a high degree of fractionation. Taiton interprets these indices as a blind hydrothermal system lying in the vicinity of the Merino Prospect.

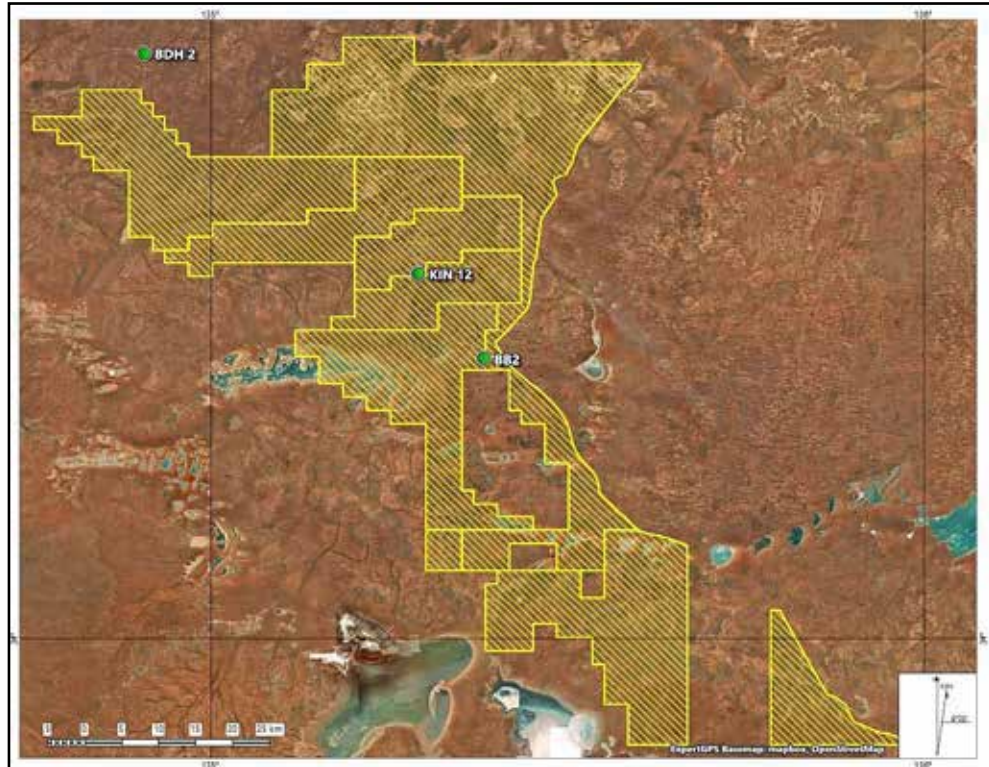


Figure 11. Distribution of drill holes with re-dated zircons returning a U-Pb age coincident with an OME age-extension. Such new data has both academic and economic significance.

In addition, hydrogeochemical water bore analyses undertaken by CSIRO/GSSA in the area of the Merino Prospect, are suggestive of the presence of hydrothermal systems at shallow depth (which tends to corroborate the Taiton data). Reconnaissance exploration by previous explorers in the area found broadly distributed and highly anomalous Mo, Ag, Pb and Zn from sub-cropping basement rocks as shallow as 8m. Taiton has analysed zircons extracted from porphyritic granite at 7m depth, which appear indicative of hydrothermal mixing of fluids concentrated in Pb, U and REEs. The inference here is that a near-surface, epithermal-style mineral deposit is responsible for producing these metalliferous anomalies. The majority of the Highway tenements are blanketed by Quaternary alluvial, aeolian and lacustrine sediments. Despite mostly thin cover, the distribution of concealed older units is not comprehensively documented.

At the Merino Prospect, historical drilling (Figure 12, Figure 13) was spatially guided by geochemical indicators in calcrete and float, and drill access via existing tracks. Upper crustal felsic intrusives are variably described as having microgranite, fine-grained, porphyry and greisen textures and composition. Alteration assemblages consistent with potassic, phyllic and propylitic zoning are reported. Reconnaissance drilling by MIMEX in JV with Dominion averaged 37m in depth. Those cores have since been lost, and the drill records are not on SARIG. Selected drill holes retrieved from the original company report (ENV08767) can be found in plan-view, broadly distributed around a K radiometric anomaly in the map. Assays were limited to a small number of elements, and some did not include elements Mo, Ag, F.





The zircon geochronological work has now been completed by the Company and this provides compelling evidence for not only an extension to the OME Domain, but also that Merino itself is likely a shallow hydrothermal system (i.e., by way of the zircon isotope analyses).

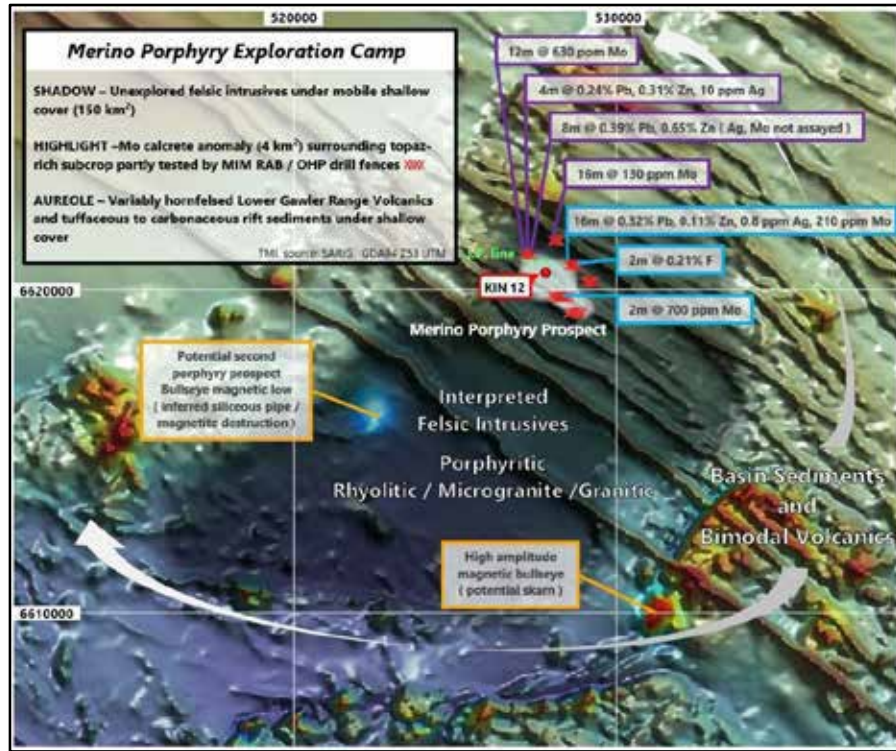


Figure 12. Previous exploration results for the Merino Prospect-Highway Polymetallic Project. The area is suspected to form part of a rift complex containing porphyry systems and coeval with the OME according to recent geochronological dating by the Company.

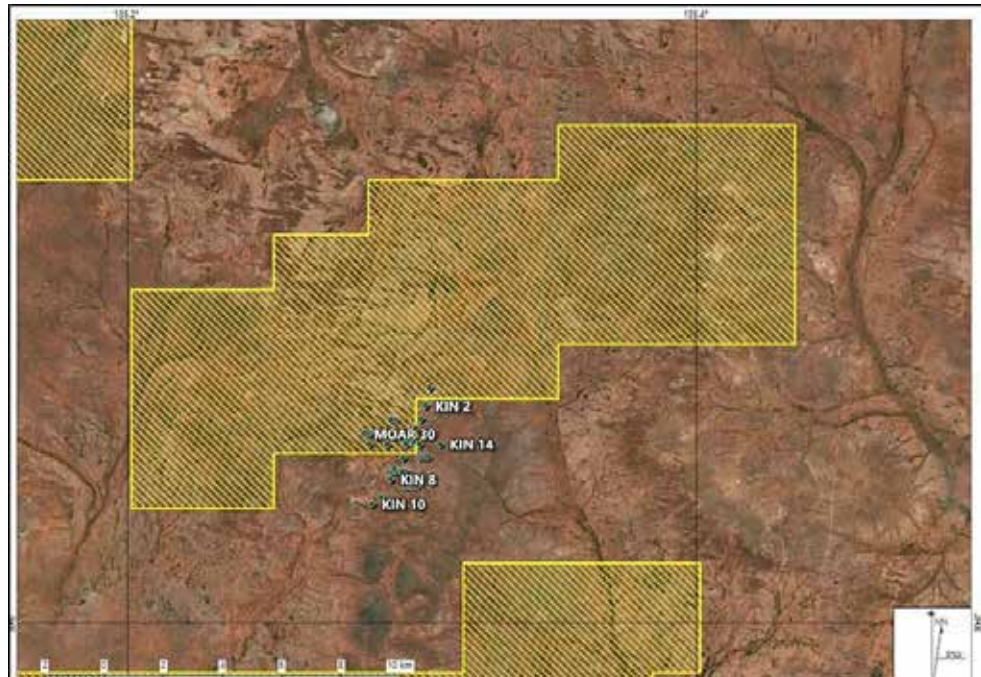


Figure 13. Historic drilling conducted at the Merino Prospect by Kingoonya Bedrock Drilling (report by Morris, 1992, Department of Mines and Energy, Geological Survey, South Australia). Drill holes MORB 23, MORB 20, MOAR 30 and MORB 3, recorded a range of 600-900 ppm of Mo.



The Company has also identified a number of untested residual gravity anomalies from the SARIG database (Figure 14) which are coincident with a new area of interest identified by CSIRO/GSSA's assessment of hydrogeochemical data. The area is anomalous for IOCG type elements, which in conjunction with zircon geochronology work by the Company, suggests potential OME-age hydrothermal system. Historical gravity station grids over the tenements are mostly broadly spaced, with gravity stations at more than 1000m apart. However, the company intends to conduct infill gravity surveys for the detection of iron oxide mineralisation, which is commonly associated with IOCG and skarn deposits.

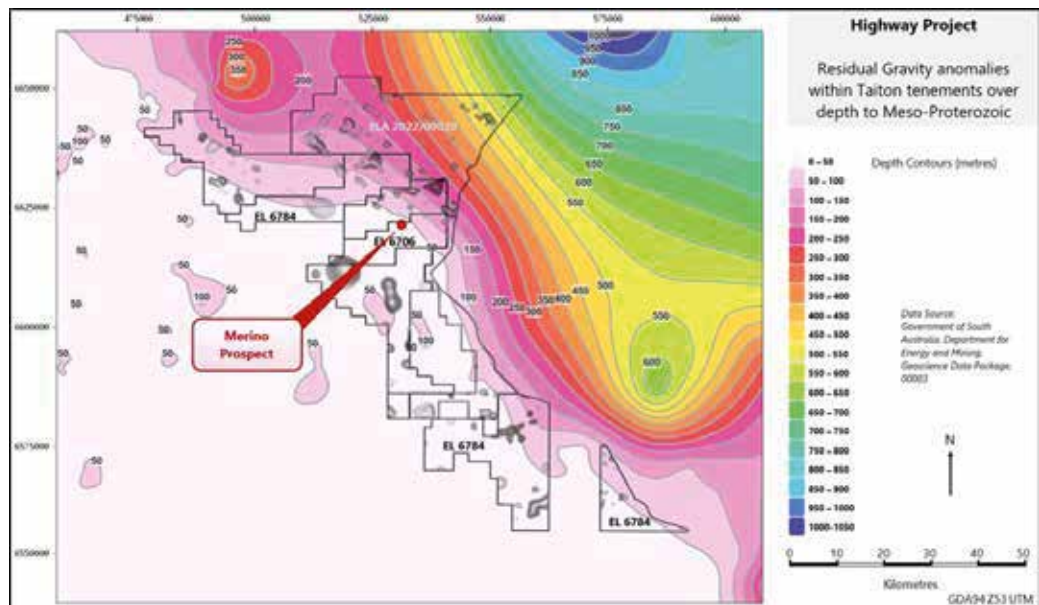


Figure 14. Residual gravity contours within Highway tenements over depth to basement. The Company expects to follow these up in Year 1.

The suggested initial exploration approach for the Highway Project comprises a multi-disciplinary approach:

- (i) An Induced Polarisation (I.P.) geophysical survey. However, one drawback is that this technique cannot be relied upon to discriminate ore zones from pyrite. Ore grade Mo is associated primarily with high-temperature alteration assemblages, both as a vein-filling phase and as replacements in quartz vein selvages. In polymetallic porphyry systems, pyrite is rarely present in ore zones, but is found in later, lower-temperature veins and Pb-Zn-Ag assemblages, as is evident in past drilling at Merino. However, I.P. may be a useful tool in discriminating for pyritic halos elsewhere, to discover other porphyry prospects under cover. A planned survey centred around the Merino Prospect is shown in Figure .

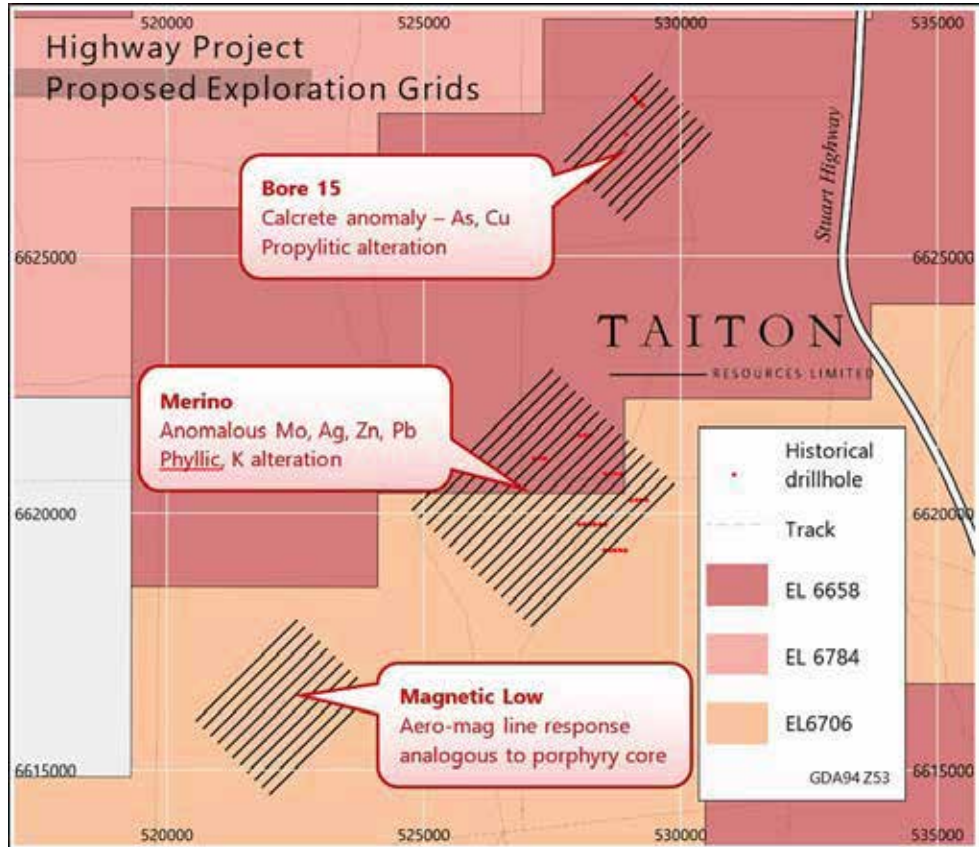


Figure 15. Proposed exploration to be focussed on and around historic drill results from the prospective Merino Prospect (Highway Project).

- (ii) Reconnaissance drilling. The cover at the Merino Prospect is shallow and favourable to low-cost AC drilling to sample basement for multi-element assay and in this way, to geochemically vector to an ore discovery.
- (iii) New geochemical and petrological data will advance understanding of the porphyry system at Merino, including spatial positioning of siliceous core, fracturing, and breccia where volatiles have exploded from boiling zones, ruptured intrusive caps, and precipitated molybdenum.
- (iv) Gravity Surveys. The Company reports to Midas Touch Geological Services that four gravity anomalies have been interpreted, which reflect dense basement lithologies rather than buried elevated palaeotopography. The gravity anomalies form bullseyes at spatial scales similar to IOCG, e.g., Carrapateena. Gravity anomalies have not been drill-tested. Approximately 1 km east of the priority gravity anomaly, drillholes to basement, KIN 21 (EOH 41 m) intercepted anomalous elements (Ba 1610 ppm, Ce 84 ppm, La 43 ppm, V 141 ppm) in altered LGRV, Konkaby Basalt; and KIN22 (EOH 65 m), intercepted a brecciated quartz vein. The depth to magnetic basement is anticipated to be less than 100 m.

The Company believes that existing data supports a strategy for discovery of Mo-enriched porphyry at Merino Prospect. Follow up exploration will assist in the compilation of an ore paragenesis model of the style and type of mineralisation at the Merino Prospect, especially in resolving whether the Ag-Pb-Zn in the quartz





veins is superimposed, or peripheral to an Mo-rich porphyry. Porphyry stocks, breccias, Ag-Pb-Zn veins, skarns, as well as IOCG, within the broader Highway Project, constitute multiple exploration target styles and strategies for vectoring to a defined mineral deposit.

The Company considers the Highway Project to be prospective for ionic clay rare earth element (REE) resources. Recent developments in the region include Petrathern Limited's (ASX:PTR) discovery of REEs in a clay horizon at its Comet Project located approximately 50 km north west of the Highway Project. Indiana Resources Limited (ASX:IDA) also hold tenements to the north west and abutting the Highway Project, and recently announced a review of their geochemical database, which includes shallow clays with highly anomalous La, Ce and Y REEs.

(d) **Challenger West Project**

The Challenger West Prospect (Figure 10, Figure 16) lies c.190 km northwest of the Highway Prospect and approximately 135 km southwest of Coober Pedy. The tenements are accessible from the Commonwealth Hill Road, off the Stuart Highway to the east. The Commonwealth Hill airport lies centrally between the two prospects and is 78 km east of the Challenger West properties. From the Commonwealth Airport, the tenements are accessible by track (cf. Figure 16).

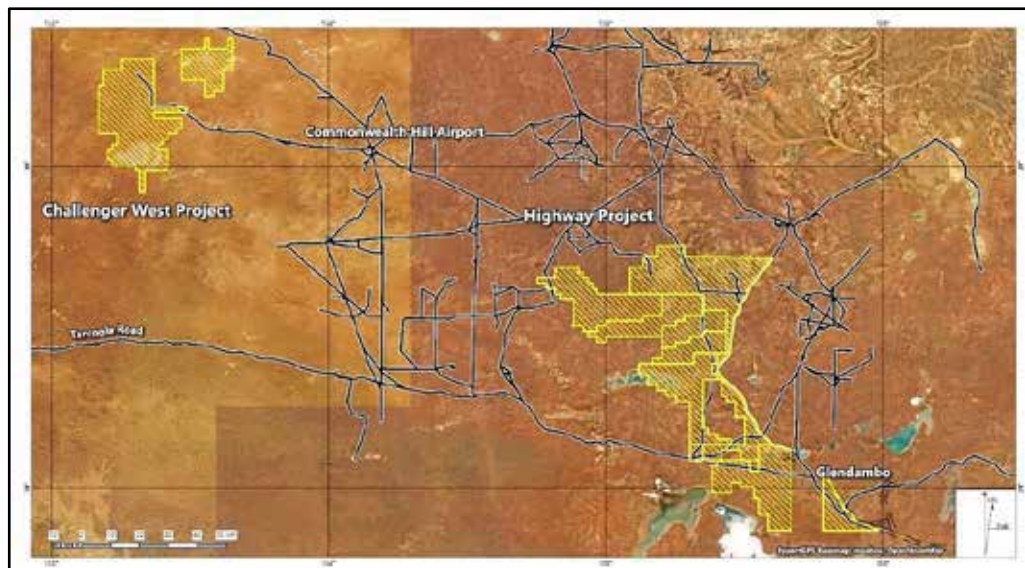


Figure 16. Locality of South Australian Projects, showing nearest access roads, tracks and settlements.

Challenger, and the gold deposits near it, lie on gravity ridges in the Mulgathing Province of the gneissic Christie Subdomain and Christie Mineral Field (Figure 17). Taiton was the last new entrant to the area and has extensive coverage of gravity ridges west of Challenger. Arguably, the area has been artificially sterilised as Challenger was discovered by calcrete sampling. Prolific calcrete sampling across SA followed in the next 15 years. More recently, limitations have been identified in that approach. Taiton has yet to acquire any new data but has re-processed the existing gravity data to better highlight the relationship of the mineralisation to gravity gradients (Figure 18).

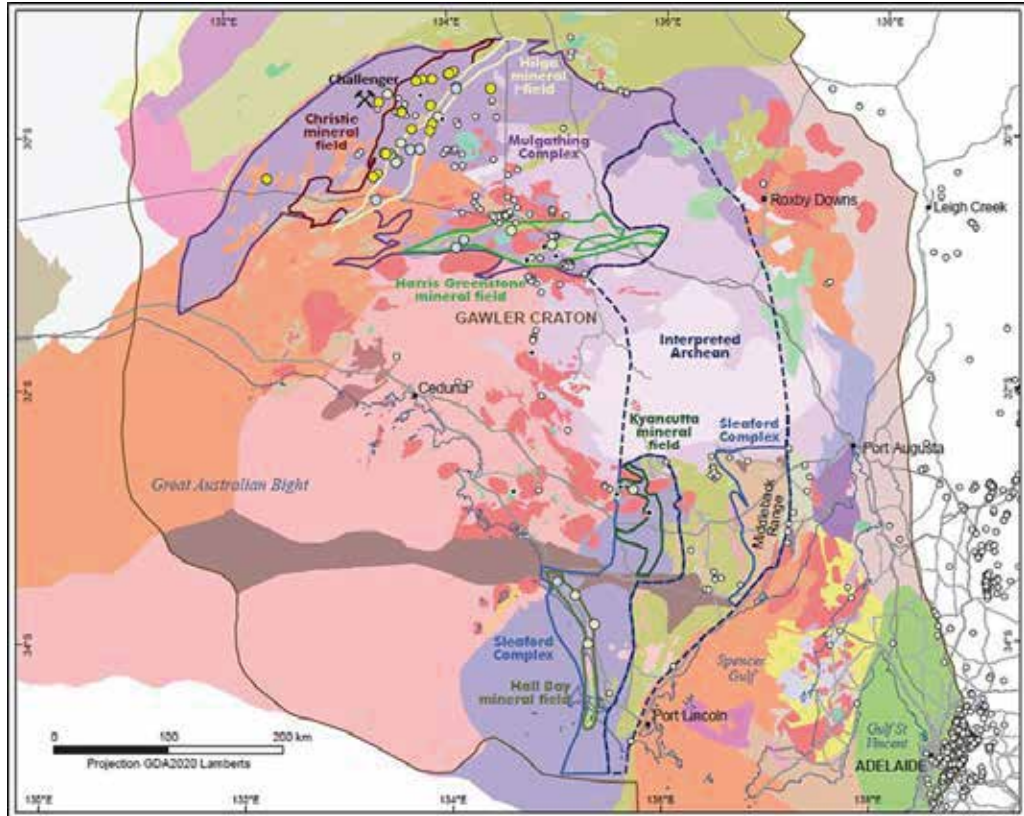


Figure 17. Simplified lithotectonic map of the Gawler Craton, South Australia, showing the location of the Challenger Gold Mine with respect to the surrounding subdomains and their inferred boundaries (Gum, *op. cit.*). The Christie Subdomain is highly metamorphosed.

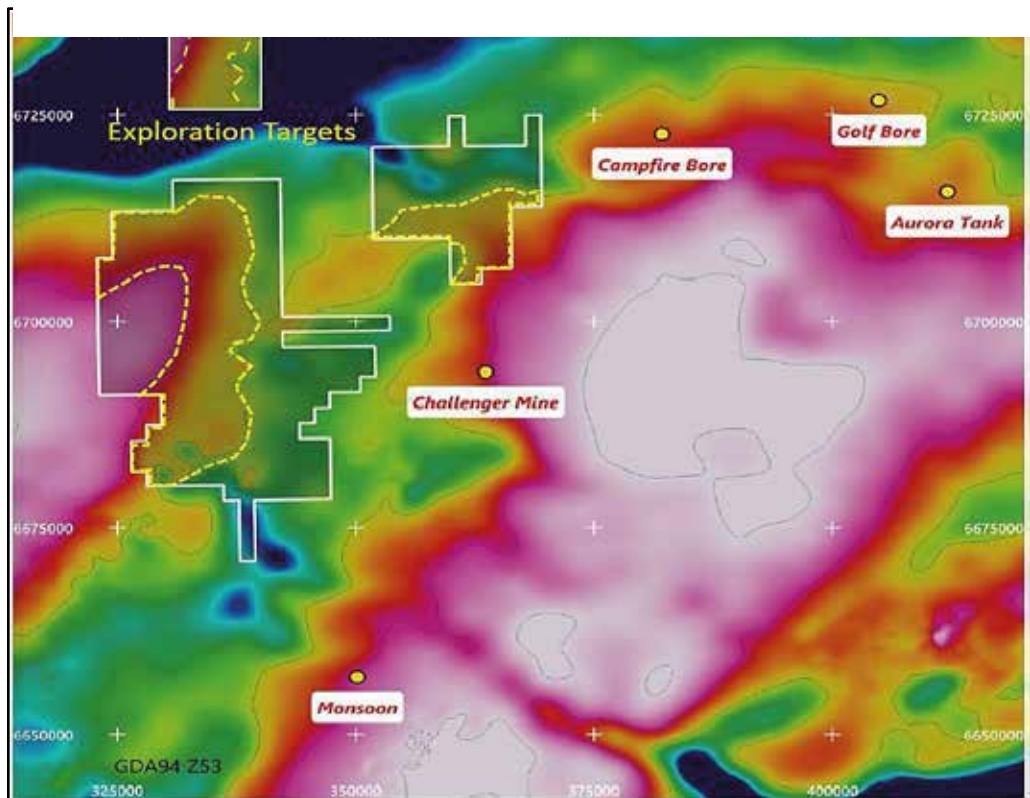


Figure 18. Bouguer anomaly map (isocontours along the 10mGal band) showing locality of the Challenger West Prospect, in relation to the Challenger Gold Mine. The presence of additional gold occurrences and mines along a gravity high boundary and a mirrored gravity ridge to the west, attests to the high prospectivity of this ground (dashed yellow lines). Major gold mines highlighted.





The Challenger West Prospect is located west of the Challenger Mine, approximately 150 km southwest of Coober Pedy. The Archaean para- and orthogneisses with mafic to ultramafic intrusive and extrusive rocks of the Sleaford and Mulgathing Complexes form an older basement cropping out sporadically in the western and north-western parts of the Craton. The deposit hosts >500,000 oz of gold in granulite facies gneisses and pelitic migmatites.

Challenger may more realistically be interpreted as a metamorphosed gold deposit and that the distribution and grade of pre-existing gold mineralization was strongly affected by high-temperature deformation, partial melting, and melt migration during the Palaeoproterozoic granulite facies metamorphism event that affected the region. Formation of a polymetallic melt thereby enabled extensive mobilization of gold, which produced leucosomes enriched in gold. It is interpreted that concurrent migration of polymetallic and silicate melt allowed concentration of gold into a series of dilational structures which developed within the larger scale fold geometry. The Challenger deposit represents a new deposit type. Other deposits around the world, such as Renco and Griffins Find, are hosted in granulite facies-grade rocks, but Challenger is the first reported example of leucosome-hosted gold in migmatites.

Textural relationships indicate that gold was present prior to peak metamorphism. Visible gold is now restricted to migmatitic leucosomes and, to a lesser extent, melanosomes. The gold-bearing leucosomes are believed to have been formed during the metamorphism of the Challenger deposit which resulted in partial melting of the gold bearing pelitic host rock and formation of silicate and polymetallic gold-rich melts which were synchronously redistributed to accumulate as leucosomes during development of a stromatic migmatite.

Gold-rich shoots at Challenger parallel the plunge of pygmatically folded leucosomes that are shown to be parasitic to a larger scale fold geometry which appears to be structurally related to the ore shoots. It has been interpreted that concurrent migration of polymetallic and silicate melt allowed concentration of gold into a series of dilatational structures which developed within the larger scale fold geometry, which appears to be structurally related to the ore shoots.

Taiton is a new entrant to the area. The Company's primary source of confidence in being situated in the Challenger region, besides its proximity to an existing mining district, is due to the presence of gravity highs (isocontours in the 10Mgal Band) found in the same basement terrane setting as the Challenger deposit (cf. Figure 18). As mentioned, the regolith of the area is extremely prospected, based on the discovery of Challenger by sampling calcrete carapaces and regolith. This approach led to a flurry of district-scale calcrete sampling for over a decade. More recently, limitations have been identified in that approach. The Challenger gold camp is well understood, and Taiton is well-placed to capitalise on the vast amount of historic data available in the public domain and on SARIG. Taiton has only recently acquired its ground holdings at Challenger West and has not acquired any new data in the interim, other than to reprocess the gravity data to produce higher resolution

Bouger anomaly maps that clearly highlight the relationship of the mineralisation to the gravity gradients (cf. Figure , Figure 18).

The Company believes that the existing data, which has a good historical indicator of district-scale mineralisation, supports a strategy for a new discovery at Challenger West. The Bouger gravity model supporting gold deposits developing marginal to a metamorphosed gravity ridge, is a compelling concept. The mirror-imaged gravity ridge boundary located in the west of the tenement EL 6785 bodes well for similar mineralisation to other significant and neighbouring gold deposits (cf. Figure 18).

## 2.6 Proposed exploration budgets

The Company proposes to fund its intended activities as outlined in the table below from the proceeds of the Offers. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration. This will involve an ongoing assessment of the Company's Projects and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the following budget takes into account the proposed expenses over the next 2 years to complete initial exploration of the Tenements. As budgeted below, the Company's exploration expenditure will exceed the statutory requirements for each of the Tenements (see the Independent Geologist's Report in Annexure B for further details):

Expenditure	Minimum Subscription			Maximum Subscription		
	Year 1 (\$)	Year 2 (\$)	Total (\$)	Year 1 (\$)	Year 2 (\$)	Total (\$)
<b>Highway Project</b>						
Data Review	5,000	5,000	10,000	5,000	5,000	10,000
Geological Supervision	130,000	130,000	260,000	150,000	160,000	310,000
Geophysical Consultants	50,000	30,000	80,000	70,000	50,000	120,000
Geophysical Surveys	150,000	50,000	200,000	250,000	100,000	350,000
Geochemical Surveys	50,000	30,000	80,000	70,000	50,000	120,000
Drilling	600,000	600,000	1,200,000	900,000	900,000	1,800,000
Field Logistics	15,000	15,000	30,000	25,000	25,000	50,000
Laboratory Costs	70,000	70,000	140,000	120,000	120,000	240,000
Heritage Survey	10,000	10,000	20,000	15,000	15,000	30,000



Expenditure	Minimum Subscription			Maximum Subscription		
	Year 1 (\$)	Year 2 (\$)	Total (\$)	Year 1 (\$)	Year 2 (\$)	Total (\$)
Access/Heritage payments	10,000	10,000	20,000	15,000	15,000	30,000
Tenement rents/rates	60,000	60,000	120,000	60,000	60,000	120,000
<b>Sub-total for Highway Project</b>	<b>\$1,150,000</b>	<b>\$1,010,000</b>	<b>\$2,160,000</b>	<b>\$1,680,000</b>	<b>\$1,500,000</b>	<b>\$3,180,000</b>
<b>Lake Barlee Project</b>						
Data Review	5,000	5,000	10,000	5,000	5,000	10,000
Geological Supervision	100,000	75,000	175,000	115,000	85,000	200,000
Geophysical Consultants	20,000	0	20,000	30,000	0	30,000
Geophysical Surveys	70,000	0	70,000	100,000	0	100,000
Drilling	300,000	300,000	600,000	600,000	600,000	1,200,000
Field Logistics	15,000	10,000	25,000	20,000	15,000	35,000
Laboratory Costs	20,000	30,000	50,000	30,000	60,000	90,000
Heritage Survey	10,000	5,000	15,000	10,000	5,000	15,000
Access/Heritage payments	10,000	5,000	15,000	10,000	5,000	15,000
Tenement rents/rates	45,000	45,000	90,000	45,000	45,000	90,000
<b>Sub-total for Lake Barlee Project</b>	<b>\$595,000</b>	<b>\$475,000</b>	<b>\$1,070,000</b>	<b>\$965,000</b>	<b>\$820,000</b>	<b>\$1,785,000</b>
<b>Challenger West Project</b>						
Data Review	5,000	5,000	10,000	5,000	5,000	10,000

Expenditure	Minimum Subscription			Maximum Subscription		
	Year 1 (\$)	Year 2 (\$)	Total (\$)	Year 1 (\$)	Year 2 (\$)	Total (\$)
Geological Supervision	50,000	75,000	125,000	65,000	85,000	150,000
Geophysical Consultants	0	20,000	20,000	0	30,000	30,000
Geophysical Surveys	0	50,000	50,000	0	10,000	10,000
Geochemical Surveys	50,000	20,000	70,000	70,000	30,000	100,000
Drilling	0	300,000	300,000	0	600,000	600,000
Field Logistics	10,000	15,000	25,000	15,000	20,000	35,000
Laboratory Costs	15,000	30,000	45,000	20,000	60,000	80,000
Heritage Survey	0	5,000	5,000	0	5,000	5,000
Access/Heritage payments	0	5,000	5,000	0	5,000	5,000
Tenement rents/rates	25,000	25,000	50,000	25,000	25,000	50,000
<b>Sub-total for Challenger West Project</b>	<b>\$155,000</b>	<b>\$550,000</b>	<b>\$705,000</b>	<b>\$200,000</b>	<b>\$875,000</b>	<b>\$1,075,000</b>
<b>TOTAL</b>	<b>\$1,900,000</b>	<b>\$2,035,000</b>	<b>\$3,935,000</b>	<b>\$2,845,000</b>	<b>\$3,195,000</b>	<b>\$6,040,000</b>

## 2.7 Financing arrangements

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

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities or the registering of security interests over the Company's assets. 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.

As at the date of this Prospectus, the Company has in place 2 loan facility agreements with APB for \$1,300,000 and \$1,200,000, respectively, maturing on 31 December 2022. To date, the total principal amount drawn is \$1,310,000, the total sum of which will be converted to Shares in the Company at a price of \$0.10 per Share upon the Company obtaining a conditional admission letter from ASX on terms satisfactory to the Company's directors, acting reasonably, which, once satisfied, will result in ASX admitting the Company to the official list of ASX.

The Company notes that the drawn amounts continue to accrue interest, and the sum of which will be paid from the proceeds of the Capital Raising Offer. Refer to Sections 5.6 and 6.5(a) for further details.

## 2.8 **Dividend policy**

The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business.

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



### 3 | RISK FACTORS





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

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

### 3.1 Risks specific to the Company

#### (a) Limited operating history

While the Company was incorporated on 18 November 1993, as of January 2021 the Company's primary focus has shifted to mineral exploration and therefore has limited operational and financial history on which to evaluate its business and prospects in this context (refer to Section 2 for a summary of the Company's history). The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, its projects. Until the Company is able to realise value from the projects, it is likely to incur operational losses.

#### (b) Grant and renewal of tenements

The Company's exploration activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities including minimum annual expenditure requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Although the Company has no reason to think that the tenements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

#### (c) Land access

In respect to the access of land in Australia, there may be certain regulation and restriction on the ability of exploration and mining companies to have access to land. The Company currently has a focus on various exploration tenements located in South Australia and Western Australia.

Under South Australian, Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within its tenements, including





pastoral leases, petroleum tenure and other mining tenure in respect of exploration or mining activities on the tenements.

Notwithstanding the above requirements and associated risks, the Company has sufficient access its projects in order to satisfy the commitments test under Listing Rule 1.3.2(b) for its proposed exploration program and budget. To the extent the Company intends to undertake activities in other areas of the Tenements, it may require additional access agreements.

Whilst the Company does not presently consider this to be a material risk to its planned exploration, there is a risk that any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

The searches undertaken in respect of the SA Tenements indicate that some of the SA Tenements partially overlap a number of pastoral stations, including the Bon Bon Station Reserve, being a conservation reserve. Though it is possible that access to that area could be limited owing to the conservatory nature of that land, the Company is not aware of anything that would preclude access, and in any event, the Company's believes that its target exploration areas are not located on the Bon Bon Station Reserve.

The Searches also indicate that the SA Tenements overlap the Woomera Prohibited Area (**WPA**). The Woomera Prohibited Area is declared a 'Prohibited Area' in accordance with regulation 35 of the Defence Force Regulations and is used for the testing of war material. Some of the SA Tenements overlap each of the Green Zone, Amber Zone 1 and Amber Zone 2 within the WPA. The Company currently holds the required Resource Exploration Access Permit, expiring on 6 April 2028, allowing the Company to conduct mineral exploration within its tenements located in the WPA, subject to the conditions imposed by that permit and Division 3 of the WPA Rules. While the Company is not aware of any adverse indication as to the granting of future permits, there is no guarantee that in the future such permits will be granted. The lack of such a permit would have an adverse impact upon the activities and future potential scope for operations of the Company, and could cause significant delay in the Company's exploration objectives.

(d) **Operational risks**

The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain



insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(e) **Future capital needs and additional funding**

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

The Company's funding requirements depend on numerous factors including the Company's ability to generate income from its projects, the outcome of future exploration and work programs and the acquisition of any new projects.

The Company may require further funding in addition to current cash reserves to fund future exploration activities or the acquisition of new projects. 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. Additional equity financing, if available, may be dilutive to shareholders and/or occur at prices lower than the market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed it may be required to reduce the scope of its exploration operations.

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.

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

(f) **Minimum expenditure requirements**

In order to maintain an interest in the exploration licences in which the Company is involved, the Company is committed to meet the conditions under which the licences were granted and the obligations of the Company are subject to minimum expenditure commitments required by Australian mining legislation. The extent of work performed on each exploration licence may vary depending upon the results of the exploration programme which will determine the prospectivity of the relevant



area of interest. As at the date of this Prospectus, the Company is not in breach of its minimum expenditure commitments. There is a risk that if the Company fails to satisfy these minimum expenditure requirements at the time of expiry, the Company may be required to relinquish part or all of its interests in these licences. Accordingly, whilst there is no guarantee that the Australian authorities will grant the Company an extension of the licences, the Company is not aware of any reason why the licences would not be renewed upon expiry.

(g) **Resource estimates and targets**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(h) **Payment obligations**

Under the licences and certain other contractual agreements to which the Company is or may in the future become party, the Company is or may become subject to payment and other obligations. In particular, mineral licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the licences. Failure to meet these work commitments will render the licence liable to be cancelled.

(i) **Exploration costs**

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

(j) **Native title risk**

Access to land for exploration purposes can be adversely affected by land ownership, including private (freehold) land, pastoral lease and native title land or claims under the *Native Title Act 1993* (Cth) (**NTA**) (or similar legislation in the jurisdiction where the Company operates). The effect of the NTA is that existing and new tenements held by the Company may be affected by native title claims and procedures.

There is a risk that a determination could be made that native title exists in relation to land the subject of a tenement held or to be held by the Company which may



affect the operation of the Company's business and development activities. In the event that it is determined that native title does exist or a native title claim has been registered, the Company may need to comply with procedures under the NTA in order to carry out its operations or to be granted any additional rights required. Such procedures may take considerable time, involve the negotiation of significant agreements, may involve access rights, and require the payment of compensation to those persons holding or claiming native title in the land the subject of a tenement. The involvement in the administration and determination of native title issues may have a material adverse impact on the position of the Company in terms of cash flows, financial performance, business development, and the Share price.

(k) **Native title claims, ILUAs and heritage risks affecting the Tenements**

The Company is aware that some of the WA Tenements overlap, and therefore are affected by, the native title claims of the Marlinyu Ghoorlie people. The Company is also aware that the SA Tenements all overlap the native title determination and claims of the Antakirinja Matu-Yankunytjatjara peoples. Further, the Company is aware that EL6784 overlaps the native title determination of the Gawler Ranges People. For more information, please refer to section 7 of the Solicitor's Report in Annexure C.

The Company notes that the SA Tenements overlap various Indigenous Land Use Agreements (**ILUAs**). For further information, please refer to section 7 of the Solicitor's Report in Annexure C.

There remains a risk that in the future, native title and/or registered native title claims may affect the land the subject of the Tenements or in the vicinity.

The existence of native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder, provided the Tenements have been validly granted in accordance with the NTA.

However, if any of the Tenements were not validly granted in compliance with the NTA, this may have an adverse impact on the Company's activities.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the NTA.

There remains a risk that additional Aboriginal sites may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of those tenements.



### 3.2 Risks relating to the industry generally

#### (a) Exploration risk

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, 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.

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

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

#### (b) Development risk

If the Company does locate commercially viable reserves of minerals, then the future development of a mining operation at any of the Company's projects will be subject to a number of risks, including:

- (i) geological and weather conditions causing delays and interference to operations;
- (ii) obtaining all necessary and requisite approvals from relevant authorities and third parties;
- (iii) technical and operational difficulties associated with mining of minerals and production activities;
- (iv) access to necessary funding;
- (v) mechanical failure of plant and equipment;
- (vi) shortage or increases in price of consumables, and plant and equipment;
- (vii) environmental hazards, fires, explosions and other accidents;
- (viii) transportation facilities;



- (ix) costs overruns; and
- (x) the costs of extraction being higher than expected.

There is no guarantee that the Company will achieve commercial viability through the development of its projects. If the Company locates commercial reserves of minerals, it may seek to apply for a mining lease over the area. The lease is subject to approval being obtained from the Minister and may be subject to any terms and conditions imposed by the Minister (or other interested parties).

(c) **Operating risk**

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

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

(d) **Metallurgy**

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

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

(e) **Environmental risk**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or 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 non-compliance with environmental laws or regulations.

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

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

(f) **Reliance on key personnel**

The Company is reliant on technical consultants and other resource industry specialists engaged on a consultancy basis to provide analyses and recommendations on, and carry out, exploration activities in respect of its projects. The availability of suitable technical consultants and resource industry specialists may be limited and there may be delays in securing equipment and personnel required to carry out the Company's planned activities. This may result in cost and time overruns which may have a material adverse effect on the Company.

(g) **Competition risk**

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

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

The Company's ability to proceed with the development of its projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of gold and other metals. Consequently, any future earnings are likely to be closely related to the price of gold and other mined 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 metals that may be mined commercially in the future from the Company's project areas, technological advancements, forward selling activities and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency. As a result, the Company is exposed to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets, which could have a material 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.

(i) **Commodity and currency price risk**

It is anticipated that any future revenues derived from mining will primarily be derived from the sale of gold and other metals. Consequently, any future earnings are likely to be closely related to the price of those commodities.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for base metals, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. 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.

(j) **Regulatory risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, 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.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely



manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Company's tenements.

### 3.3 General risks

#### (a) Securities investments

There are risks associated with any securities investment. The prices at which the securities of the Company trade may fluctuate in response to a number of factors. Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the securities of the Company regardless of its operational performance.

#### (b) Share market conditions

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

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.



(c) **Force majeure**

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

(d) **Government and legal risk**

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

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

(e) **Litigation risks**

The Company is exposed to possible litigation risks including intellectual property claims, 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. See Section 7.11 for the status of litigation and claims against the Company.

(f) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(g) **General economic and political risks**

Changes in the general economic and political climate in Australia and on a global basis may impact on economic growth, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any activities that may be conducted by the Company.

(h) **Insurance**

Insurance against all risks associated with the Company's business is not always available or affordable. The Company maintains insurance where it is considered appropriate for its needs however it will not be insured against all risks either



because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(i) **Unforeseen expenditure risks**

Expenditure may need to be incurred which has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, however if such expenditure is subsequently required or incurred, this may adversely impact budgeted expenditure proposals by the Company.

(j) **Infectious disease**

The outbreak of coronavirus disease (COVID-19) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets and share prices.

The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further, any measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations. In particular, the restrictions on accessing remote Aboriginal communities may materially impact the timeline for negotiations in relation to native title access agreements and heritage clearances required by the Company.

(k) **Climate change risks**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.



(l) **Force majeure**

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats – or natural disasters – such as earthquakes, fire or floods or the outbreak of epidemic disease – could disrupt the Company's operations and interrupt critical functions, or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the deployment of the Company's products and solutions, its business, results of operations and financial condition could be harmed.

(m) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

(n) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of its Shares.

### 3.4 **Speculative investment**

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

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

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



## 4 | FINANCIAL INFORMATION





#### 4.1 Introduction

The financial information set out in this Section includes the following:

- (a) summary historical statement of the consolidated profit or loss and other comprehensive income for the Company financial year ended 30 June 2019 (**FY06/2019**), financial year ended 30 June 2020 (**FY06/2020**), financial year ended 30 June 2021 (**FY06/2021**) and financial period ended 31 December 2021 (**FP12/2021**) (Section 4.4);
- (b) summary historical consolidated statement of financial position for the Company as at the end of each of FY06/2019, FY06/2020, FY06/2021 and FP12/2021 (Section 4.6), (together, the **Historical Financial Information**); and
- (d) a pro forma statement of financial position of the Company at 31 December 2021 and supporting notes which includes the pro forma transactions, material subsequent events and capital raising (Section 4.7) (the **Pro Forma Financial Information**).

The Historical Financial Information and Pro Forma Financial Information should be read together with the other information contained in this Prospectus, including:

- (a) management's discussion & analysis set out in this Section;
- (b) the risk factors described in Section 3;
- (c) the Independent Limited Assurance Report on the Pro Forma Financial Information set out in Annexure A of the Prospectus; and
- (d) the other information contained in this Prospectus.

Taiton's financial performance across this period includes consolidated losses of \$365,434 FY06/2019, losses of \$721,656 for FY06/2020, losses of \$484,099 for FY06/2021 and profit of \$1,521,216 for the financial period ended 31 December 2021. During that period, the losses were mainly due to working capital expenditure incurred and project acquisition costs written off whilst the consolidated profit for FP12/2021 was due to debt waivers and interest forgiven being written back.

Investors are warned and should be aware that past performance is not a guide to future performance.

#### 4.2 Basis of preparation of the Historical Financial Information and Pro Forma Financial Information

The Historical Financial Information included in this Section has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The Historical Financial Information cover Taiton Resources Limited and its controlled entities as a consolidated entity (**Group**). Taiton Resources Limited is a for-profit ASX listed public company incorporated and domiciled in Australia.

The Historical Financial Information and Pro Forma Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

Taiton's historical financial performance has been audited by Moore Australia for FY06/2019, FY06/2020 whilst FY06/2021 were audited by William Buck and the half year report ended 31 December 2021 report was reviewed by William Buck. The auditors of Taiton have noted material uncertainty on going concern in its historical financial statements. However, neither auditor has issued modified opinions on the financial statements in respect of the matter.

#### 4.3 Further information

The financial information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flows and financial position of the Company.

The Directors are responsible for the inclusion of all financial information in this Prospectus. Investors should note that historical financial performance is not a guide for future financial performance.

The Historical Financial Information and Pro Forma Financial Information has been reviewed by William Buck Audit (Vic) Pty Ltd, whose Independent Limited Assurance Report is contained in Annexure A of the Prospectus. Investors should note the scope and limitations of that report. The information in this Section should also be read in conjunction with the risk factors set out in Section 3 and other information contained in this Prospectus.

All amounts disclosed in this Section are presented in Australian Dollars unless otherwise noted.

#### 4.4 Summary historical statement of consolidated profit or loss and other comprehensive income

The table below presents the summary historical statement of profit or loss and other comprehensive income for FY06/2019, FY06/2020, FY06/2021 and FP12/2021.

	<b>31.12.2021</b>	<b>30.6.2021</b>	<b>30.6.2020</b>	<b>30.6.2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	26	63	13	39
Debt waivers	821,302	-	-	-
Interest expense	(110,715)	(225,625)	(126,260)	(106,841)
Legal & Professional Fees	(5,797)	(37,002)	(237,959)	(12,000)
Fees, wages and salaries	(27,537)	(130,776)	(162,027)	(211,482)
Other expenses	(20,226)	(90,759)	(195,423)	(35,150)

Profit/(Loss) before income tax (expense)/benefit	657,053	(484,099)	(721,656)	(365,434)
Income tax (expense)/benefit		-	-	-
<b>Profit/(Loss) after income tax (expense)/benefit</b>	<b>657,053</b>	<b>(484,099)</b>	<b>(721,656)</b>	<b>(365,434)</b>
Other comprehensive income		-	-	-
<b>Total comprehensive profit/ (loss) for the period/year</b>	<b>657,053</b>	<b>(484,099)</b>	<b>(721,656)</b>	<b>(365,434)</b>
Earnings/(Loss) per share attributable to ordinary equity holders basic and diluted loss per share (cents per share)	10.74	(0.790)	(1.180)	(0.060)

The above historical financial information has been derived from the audited financial statements of the Company for FY06/2019, FY06/2020, FY06/2021 and FP12/2021, whereby FY06/2019 & FY06/2020 were audited by Moore Australia whilst FY06/2021 was audited by William Buck and the half year results ended 31 December 2021 were reviewed by William Buck. Moore Australia and William Buck have issued unmodified audit opinions for the above financial years/period.

This statement should be read with the accompanying notes in Section 4.9.

#### **4.4.1 Management discussion and analysis of the historical financial performance and key operating metrics**

Taiton's financial performance across this period includes consolidated profit of \$657,053 for the 6 months ended 31 December 2021, consolidated losses of \$484,099 for FY06/2021, losses of \$721,656 for FY06/2020 and losses of \$365,434 for FY06/2019. During FP12/2021, the consolidated profit was due to write-back on debt waivers whilst the losses during the previous financial years were due to operating expenditures.

Below is a discussion of the main factors which affected the operations and relative financial performance for FY06/2019, FY06/2020, FY06/2021 and FP12/2021. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected the Company's historical financial performance, nor everything which may affect the Company's financial performance in the future.

##### **(a) Revenue**

Revenue generated during the period consist mainly of interest income received.

**(b) Debt waivers**

The debt waivers from creditors were part of the debt restructuring exercise and were written back to the profit and loss statement.

**(c) Interest expenses**

Loan interest accrued.

**(d) Legal & professional fees**

Consists of mainly legal and secretarial fees. The higher legal fees for FY06/2020 due to legal fees incurred for the proposed acquisition of the Jumbuck Gold Project.

**(e) Fees, wages and salaries**

Includes wages and on-costs such as superannuation for directors and employees of the Company.

**(f) Operating expenses**

Consists of mainly corporate expenses such as ASIC and ASX listing fees, share registry, audit and accounting fees and miscellaneous office expenses. The higher operating expenses for FY06/2020 is mainly due to write-off payments for the Jumbuck Gold Project.

Taiton's intended use of funds (as detailed in Section 1.7) for exploration activities of the Group's projects.

**4.5 Summary historical statement of cash flows**

The table below presents the summary historical statement of cash flows for FY06/2019, FY06/2020, FY06/2021 and FP12/2021.

	31.12.2021	30.6.2021	30.6.2020	30.6.2019
	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Payments to suppliers & directors	(72,497)	(218,213)	(332,783)	(134,418)
Interest received	26	63	13	39
<b>Net cash provided by / (used in) operating activities</b>	<b>(72,471)</b>	<b>(218,150)</b>	<b>(332,770)</b>	<b>(134,379)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of plant and equipment	(13,094)	-	-	-
Purchase of tenements (net of cash acquired)	-	(99,710)	-	-

Payments for capitalised exploration and evaluation	(122,277)	-	-	-
<b>Net cash provided by / (used in) investing activities</b>	<b>(135,371)</b>	<b>(99,710)</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings	-	2,270,000	415,000	25,000
Repayment of borrowings	-	(1,500,000)	-	-
Proceeds from the issue of shares (net of costs)	-	-	-	150,000
<b>Net cash provided by/(used in) financing activities</b>	<b>-</b>	<b>770,000</b>	<b>415,000</b>	<b>175,000</b>
Net increase / (decrease) in cash held	(207,842)	452,140	82,230	40,621
Cash and cash equivalents at the beginning of the financial year	584,848	132,708	50,478	9,857
<b>Cash and cash equivalents at end of financial year</b>	<b>377,006</b>	<b>584,848</b>	<b>132,708</b>	<b>50,478</b>

The above historical financial information has been derived from the audited financial statements of the Company for FY06/2019, FY06/2020, FY06/2021 and FP12/2021, whereby FY06/2019 & FY06/2020 were audited by Moore Australia whilst FY06/2021 were audited by William Buck and 6 months results ended 31 December 2021 were reviewed by William Buck. Moore Australia and William Buck issued unmodified audit opinions for the above financial years/period.

This statement should be read with the accompanying notes in Section 4.9.

#### **4.5.1 Management discussion and analysis of the summary historical statement of cash flows**

##### **(a) Operating cash flows**

Taiton does not generate any income and accordingly has been operating with negative operating cash flow. The higher payments in FY06/2021 & FY06/2020 are mainly due to expenditures incurred in seeking new tenements as well as preparation for the listing on the ASX.

##### **(b) Investing cash flows**

Outflow is for investment in fixed assets, purchase of tenements and capitalised expenditure incurred for exploration activities.

##### **(c) Financing cash flows**

In FY06/2021, the Company raised \$2.27 million in loan facilities to facilitate the acquisition of Jumbuck Gold Project but most of the funds were repaid after the

acquisition was unsuccessful. In FY06/2019, the Company raised \$150,000 via a placement of shares.

#### 4.6 Summary historical consolidated statement of financial position

The table below presents the summary historical statement of financial position as at the ends of FY06/2019, FY06/2020, FY06/2021 and FP12/2021.

	<b>31.12.2021</b>	<b>30.6.2021</b>	<b>30.6.2020</b>	<b>30.6.2019</b>
	\$	\$	\$	\$
<b>ASSETS</b>				
CURRENT ASSETS				
Cash and cash equivalents	377,006	584,848	132,708	50,478
Trade and other receivables	1,654	-	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>378,660</b>	<b>584,848</b>	<b>132,708</b>	<b>50,478</b>
NON-CURRENT ASSETS				
Property, plant and equipment	11,945	-	-	-
Capitalised exploration and evaluation	221,987	99,710	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>233,932</b>	<b>99,710</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>612,592</b>	<b>684,558</b>	<b>132,708</b>	<b>50,478</b>
<b>LIABILITIES</b>				
CURRENT LIABILITIES				
Trade and other payables	93,310	933,044	892,720	630,094
Borrowings	3,161,236	3,050,521	2,054,896	1,513,636
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,254,546</b>	<b>3,983,565</b>	<b>2,947,616</b>	<b>2,143,730</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>3,254,546</b>	<b>3,983,565</b>	<b>2,947,616</b>	<b>2,143,730</b>
<b>NET LIABILITIES</b>	<b>(2,641,954)</b>	<b>(3,299,007)</b>	<b>(2,814,908)</b>	<b>(2,093,252)</b>
<b>EQUITY</b>				
Issued capital	35,166,571	35,166,571	35,166,571	35,166,571
Accumulated losses	(37,808,525)	(38,465,578)	(37,981,479)	(37,259,823)
<b>TOTAL EQUITY</b>	<b>(2,641,954)</b>	<b>(3,299,007)</b>	<b>(2,814,908)</b>	<b>(2,093,252)</b>

The above historical financial information has been derived from the audited financial statements of the Company for FY06/2019, FY06/2020, FY06/2021 and FP12/2021, whereby FY06/2019 & FY06/2020 were audited by Moore Australia whilst FY06/2021 was audited by William Buck and 6 months results ended 31 December 2021 was reviewed by William



Buck. Moore Australia and William Buck issued unmodified audit opinions for the above financial years/period.

This statement should be read with the accompanying notes in Section 4.9.

#### 4.7 Pro forma statement of financial position

The table below sets out the unaudited historical statement of financial position of Taiton Resources Limited as at 31 December 2021, and the pro forma adjustments that have been made to it in respect of the Minimum Subscription of \$7,000,000 (further described below). It therefore shows the resultant pro forma statement of financial position as at 31 December 2021 on the basis of Minimum Subscription occurring.

This pro forma statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of Taiton Resources Limited's view of its future financial position.

<b>Minimum Subscription (\$7,000,000)</b>	<b>Note</b>	<b>Reviewed 31.12.2021 \$</b>	<b>Pro Forma Adjustments \$</b>	<b>Pro Forma 31.12.2021 \$</b>
<b>ASSETS</b>				
CURRENT ASSETS				
Cash and cash equivalents	(i)	377,006	6,225,795	6,602,801
Trade and other receivables		1,654	-	1,654
<b>TOTAL CURRENT ASSETS</b>		<b>378,660</b>	<b>6,225,795</b>	<b>6,604,455</b>
NON-CURRENT ASSETS				
Property, plant and equipment		11,945	-	11,945
Capitalised exploration and evaluation	(ii)	221,987	450,000	671,987
<b>TOTAL NON-CURRENT ASSETS</b>		<b>233,932</b>	<b>450,000</b>	<b>683,932</b>
<b>TOTAL ASSETS</b>		<b>612,592</b>	<b>6,675,795</b>	<b>7,288,387</b>
<b>LIABILITIES</b>				
CURRENT LIABILITIES				
Trade and other payables	(iii)	93,310	(39,334)	53,976
Borrowings	(iv)	3,161,236	(3,161,236)	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,254,546</b>	<b>(3,200,570)</b>	<b>53,976</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>3,254,546</b>	<b>(3,200,570)</b>	<b>53,976</b>
<b>NET (LIABILITIES)/ASSETS</b>		<b>(2,641,954)</b>	<b>9,876,365</b>	<b>7,234,411</b>

**EQUITY**

Issued capital	(v)	35,166,571	8,574,488	43,741,059
Share-based payments reserve	(vi)	-	1,106,080	1,106,080
Accumulated losses	(vii)	(37,808,525)	195,797	(37,612,728)
<b>TOTAL EQUITY</b>		<b>(2,641,954)</b>	<b>9,876,365</b>	<b>7,234,411</b>

The table below sets out the unaudited historical statement of financial position of Taiton Resources Limited as at 31 December 2021, and the pro forma adjustments that have been made to it in respect of the Maximum Subscription of \$10,000,000 (further described below). It therefore shows the resultant pro forma statement of financial position as at 31 December 2021 on the basis of Maximum Subscription occurring.

This pro forma statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of Taiton Resources Limited's view of its future financial position.

**Maximum Subscription  
(\$10,000,000)**

	<b>Note</b>	<b>Reviewed 31.12.2021 \$</b>	<b>Pro Forma Adjustments \$</b>	<b>Pro Forma 31.12.2021 \$</b>
<b>ASSETS</b>				
CURRENT ASSETS				
Cash and cash equivalents	(i)	377,006	9,037,795	9,414,801
Trade and other receivables		1,654	-	1,654
<b>TOTAL CURRENT ASSETS</b>		<b>378,660</b>	<b>9,037,795</b>	<b>9,416,455</b>
NON-CURRENT ASSETS				
Property, plant and equipment		11,945	-	11,945
Capitalised exploration and evaluation	(ii)	221,987	450,000	671,987
<b>TOTAL NON-CURRENT ASSETS</b>		<b>233,932</b>	<b>450,000</b>	<b>683,932</b>
<b>TOTAL ASSETS</b>		<b>612,592</b>	<b>9,487,795</b>	<b>10,100,387</b>
<b>LIABILITIES</b>				
CURRENT LIABILITIES				
Trade and other payables	(iii)	93,310	(39,334)	53,976
Borrowings	(iv)	3,161,236	(3,161,236)	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,254,546</b>	<b>(3,200,570)</b>	<b>53,976</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>3,254,546</b>	<b>(3,200,570)</b>	<b>53,976</b>
<b>NET (LIABILITIES)/ASSETS</b>		<b>(2,641,954)</b>	<b>12,688,365</b>	<b>10,046,411</b>

**EQUITY**

Issued capital	(v)	35,166,571	11,388,997	46,555,568
Share-based payments reserve	(vi)	-	1,106,080	1,106,080
Accumulated losses	(vii)	(37,808,525)	193,288	(37,615,237)
<b>TOTAL EQUITY</b>		<b>(2,641,954)</b>	<b>12,688,365</b>	<b>10,046,411</b>

**Notes to Pro Forma Adjustments**

Adjustments adopted in compiling the Pro Forma Financial Information:-

<b>(i) Cash and cash equivalents</b>	<b>Minimum Subscription</b>	<b>Maximum Subscription</b>
	<b>\$</b>	<b>\$</b>
Pro forma adjustments comprising :-		
Drawdown of existing loan facilities (refer Section 2.7)	560,000	560,000
Management and creditor shares issued in accordance with shareholder approval at general meeting on 22 October 2021	13,000	13,000
Tenement acquisition paid (refer Section 6.2(b))	(50,000)	(50,000)
Costs of Offers (refer Section 7.9)	(1,142,000)	(1,330,000)
Payment of interest on loans (refer Section 2.7)	(155,205)	(155,205)
Shares to be issued under Offers (refer Section 1.1)	7,000,000	10,000,000
<b>Total of pro forma adjustments</b>	<b>6,225,795</b>	<b>9,037,795</b>

<b>(ii) Exploration and Evaluation costs</b>	<b>\$</b>
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Pro forma adjustments comprising :-

Tenement acquisition cost (refer Section 6.2(b))	50,000
Vendor shares issued (refer Section 6.2(c))	400,000

<b>Total of pro forma adjustments</b>	<b>450,000</b>
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<b>(iii) Trade and other payables</b>	<b>\$</b>
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Pro forma adjustments comprising :-

Directors fees waived as part of company restructuring as part of Shareholder approval at general meeting on 22 October 2021	39,334
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<b>Total of pro forma adjustments</b>	<b>39,334</b>
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<b>(iv) Borrowings</b>	<b>\$</b>
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Pro forma adjustments comprising :

Drawdown of loan facilities (refer Section 2.7)	560,000
Conversion of old debt to equity in accordance with shareholder approval at general meeting held on 22 October 2021	(1,510,000)
Waiver of old interest as part of company debt restructuring	(824,829)
Accrue interest on loans facilities (refer Section 2.7)	78,798
Payment of interest on loan facilities (refer Section 2.7)	(155,205)
Loans conversion to shares (refer Section 6.5(a))	(1,310,000)
<b>Total of pro forma adjustments</b>	<b>(3,161,236)</b>

**(v) Issued Capital**

<b>Minimum Subscription</b>	<b>Number of Shares</b>	<b>Minimum Subscription \$</b>
Brought forward as at 31 December 2021	6,114,542	35,166,571
Pro forma adjustments comprising-		
Management, creditors shares & old debt conversion to shares approved by shareholders at general meeting on 22 October 2021	16,775,000	1,523,000
Conversion of loans to shares @10c (refer Section 6.5(a))	13,100,000	1,310,000
Vendor shares on tenements @ 20c (refer Section 6.2(c))	2,000,000	400,000
Costs of Offers (including non-cash amounts) - (refer Section 7.9)	-	(1,658,512)
Shares to be issued under the Offers (refer Section 1.1)	35,000,000	7,000,000
Total of pro forma adjustments	66,875,000	8,574,488
<b>Pro forma carry forward as at 31 December 2021</b>	<b>72,989,542</b>	<b>43,741,059</b>

<b>Maximum Subscription</b>	<b>Number of Shares</b>	<b>Maximum Subscription \$</b>
Brought forward as at 31 December 2021	6,114,542	35,166,571
Pro forma adjustments comprising-		
Management, creditors shares & old debt conversion to shares approved by shareholders at general meeting on 22 October 2021	16,775,000	1,523,000
Conversion of loans to shares @10c (refer Section 6.5(a))	13,100,000	1,310,000
Vendor shares on tenements @ 20c (refer Section 6.2(c))	2,000,000	400,000
Costs of Offers (including non-cash amounts) - refer Section 7.9	-	(1,844,003)
Shares to be issued under the Offers (refer Section 1.1)	50,000,000	10,000,000
Total of pro forma adjustments	81,875,000	11,388,997
<b>Pro forma carry forward as at 31 December 2021</b>	<b>87,989,542</b>	<b>46,555,568</b>

**(vi) Share-based payments reserve**
**\$**

Pro forma adjustments comprising :-

Options to Directors and Employees (2 year Life) in accordance with Shareholder approval at general meeting on 5 August 2022 (refer Section 7.5)	486,080
Options to Lead Manager (4 year Life) (refer Sections 1.9, 7.2)	248,000
Options to Underwriters (4 year Life) (refer Sections 1.10, 7.2)	372,000

**Total of pro forma adjustments**
**1,106,080**

The 2 year Life Options have a \$0.0868 value and the 4 year Life Options have a \$0.1240 value using a Black and Scholes Methodology of valuing options.

The Table below outlines the model inputs used for the valuation of the options.

Model Input	2 year Life Options	4 year Life Options
Exercise Price	0.25	0.25
Option Life	2 years	4 years
Underlying share price	0.20	0.20
Expected price volatility	90%	90%
Expected Dividend Yield	Nil	Nil
Risk Free Rate	1.85%	1.85%

**(vii) Accumulated losses**
**Minimum  
Subscription  
\$**
**Maximum  
Subscription  
\$**

Pro forma adjustments comprising :-

Waiver of old interest and directors fees as part of company debt restructuring	(864,163)	(864,163)
Accrued interest on loans facilities (refer Section 2.7)	78,798	78,798
Options to Directors and Employees (refer Section 7.5)	486,080	486,080
Costs of Offers (refer Section 7.9)	103,488	105,997

**Total of pro forma adjustments**
**195,797**
**193,288**
**4.8 Existing Borrowings**

As at the date of this Prospectus, the Company has in place 2 loan facility agreements with APB for \$1,300,000 and \$1,200,000, respectively, maturing on 31 December 2022. To date, the total principal amount drawn is \$1,310,000, the total sum of which will be converted to

Shares in the Company at a price of \$0.10 per Share upon the Company obtaining a conditional admission letter from ASX on terms satisfactory to the Company's directors, acting reasonably, which, once satisfied, will result in ASX admitting the Company to the official list of ASX.

The Company notes that the drawn amounts continue to accrue interest, and the sum of which will be paid from the proceeds of the Capital Raising Offer. Refer to Sections 5.6 and 6.5(a) for further details.

#### 4.9 **Notes to and Forming Part of the Financial Information**

The financial information presented herein has been prepared in accordance with the measurement and recognition (but not all disclosure) requirements of applicable International Accounting Standards. The financial information is presented in abbreviated form insofar as it does not comply with all disclosure requirements set out in the Australian Accounting Standards and Interpretations and the Corporations Act. Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (**AIFRS**).

The financial information has been prepared on the basis of historical cost and on a going concern basis. Cost is based on the fair values of the consideration given in exchange for assets. In the view of the Directors of the company, the omitted disclosures provide limited relevant information to potential investors.

The following significant accounting policies have been adopted in the preparation and presentation of the Historical Financial Information and Pro Forma Financial Information.

The financial information has been prepared on an accruals basis and is based on historical costs, unless otherwise stated.

##### **Impairment of Assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

##### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.



An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### **Exploration and Evaluation Assets**

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

### **Impairment of exploration and evaluation costs**

The consolidated entity assesses impairment of exploration and evaluation costs at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. There were no indicators for impairment on the Group's areas of interest during the financial year.

### **Borrowings**

The directors have determined that variable share conversion clauses featured in borrowing instruments do not meet the accounting definition of a derivative as the shares of the Company are not quoted on an exchange. Accordingly, variable conversion clause is measured together with the underlying principal host contract.

### **Deferred tax assets not recognized**

The Company has potential deferred tax assets arising from both timing differences and carry-forward losses. Presently the directors have not recognised any of these potential deferred tax assets due to uncertainty as to when the Company will earn assessable tax income to which it will be able to apply those potential tax assets.

### **Share Capital**

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction net of tax of the share proceeds received.

### **Contingent Liabilities**



There were no contingent liabilities at 31 December 2021 other than to the payment of remaining \$50,000 for the ELA 2021/00013 and issuance of 2 million Shares, with such Share issuance conditional upon the ASX granting the Company conditional admission to the official list of the ASX, which is to occur no later than 24 months from grant date of second Highway Tenement (see Section 6.2 for further details).

## 5 | BOARD, MANAGEMENT AND CORPORATE GOVERNANCE





## 5.1 Board of Directors

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

- (a) Datuk Siak Wei (Chris) Low - Non-Executive Chairman and Director;
- (b) Noel Ong - Managing Director;
- (c) Chee Cheong (David) Low - Executive Director;
- (d) Mark Strizek - Non-Executive Director; and
- (e) Florence Drummond - Non-Executive Director.

## 5.2 Directors' profiles

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

### (a) **Siak Wei (Chris) Low - Non-Executive Chairman (Not Independent)**

Mr Low has been a director of Taiton Resources Limited since 19 September 2014.

Mr Low is currently the Chief Executive Officer of Sepangar Bay Power Corporation Sdn Bhd, an independent power producer company, which owns and generates a 100 megawatts (MW) gas-fired power plant in Sabah, Malaysia. Mr Low is also President of several companies in Indonesia and Laos, which are developing hydro power projects in Northern Sumatera, Indonesia and Laos with a total generation capacity of 1,680MWs. Mr Low is a Fellow of CPA Australia, and an alumni member of Harvard Business School.

Mr Low has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Mr Low is not considered to be an independent director as he is a substantial shareholder of the Company.

### (b) **Noel Ong - Managing Director (Not Independent)**

Mr Ong is an experienced geologist with over 30 years of experience in the resource industry. He has extensive mineral exploration and project management experience in the gold, lithium, iron ore (hematite and magnetite), tantalum and the diamond industry.

Since 1992, Mr Ong has worked predominantly in the goldfields of Western Australia, the Pilbara iron ore fields and the Northern Territory. He has worked with Ashton Mining, Great Central Mines, and held management roles with API Management,



Galaxy Resources, Citic Pacific Mining and Silver Lake Resources. He was formerly the Managing Director of Siburan Resources Limited (ASX: SBU).

Mr Ong is a member of the AusIMM and the Australian Institute of Geoscientists.

Mr Ong has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Mr Ong is not considered to be an independent director as he is employed in an executive capacity as Managing Director.

(c) **Chee Cheong (David) Low - Executive Director (Not Independent)**

Mr Low has more than 30 years of investment banking and corporate advisory experience in Asia and Australia having advised on various mergers and acquisitions, initial public offerings, fund raising (both debt and equity) and during the Asian Financial Crisis, corporate and debt restructuring.

He is the founder and director of JCL Capital Pty Ltd, a boutique investment advisory house which focuses on cross border mergers and acquisitions and fund raising linking between Asia and Australia.

Mr Low is a CPA and previously held directorships in VIP Gloves Ltd (ASX:VIP), Ennox Group Ltd (ASX:EXO) and Black Star Petroleum Ltd (ASX:BSP). Mr Chee Cheong (David) Low is not related to Datuk Siak Wei (Chris) Low (Non-Executive Chairman).

Mr Low has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Mr Low is not considered to be an independent director as he is employed in an executive capacity as Executive Director.

(d) **Mark Strizek - Non-Executive Director (Independent)**

Mark Strizek holds a Bachelor of Science in Geology/Earth Science from Macquarie University and a Post Graduate Certificate in Geostatistic from Edith Cowan University. He has more than 25 years' experience in the resource industry having worked as geologist in various gold, base and technology metal projects. Mark has worked as an executive with management and Board responsibilities in exploration, feasibility, finance and development ready assets across Australia, West Africa, Asia and Europe. Notable companies which Mark has worked with includes Kalgoorlie Consolidated Gold Mines, Mines Resources Australia, Hellman & Schofield and Mineralogy.

Mark was the Managing Director of Vital Metals Limited (ASX:VML) from 2011 to 2019 and he is currently the Executive Director of Tietto Minerals Ltd (ASX:TIE).

Mr Strizek has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.





Mr Strizek is considered to be an independent director and is free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of his judgement.

(e) **Florence Drummond - Non-Executive Director (Independent)**

Florence Drummond is the Co-Founder and CEO of Indigenous Women in Mining and Resources Australia (**IWIMRA**) which works to elevate and empower Aboriginal and Torres Strait Islander women in the resources industry.

Florence serves on a number of Boards, including the K Farmer Dutjahn Foundation, and is active in building the capacity of future leaders to Directorship roles. Her work in the evolving space of ESG, Sustainable Development Goals and United Nations agendas contributes to the holistic principle of global mechanisms with local solutions.

Her continuous involvement in the minerals industry as an advisor and leading the network IWIMRA, has demonstrated her continued support for women and Indigenous people in non-traditional roles. Additional to her consultancy and network building capabilities and reputation, her operational and project experience with Rio Tinto's Northern Operations and BHP's South Flank provides greater perspective on the direction of Indigenous engagement across the scope of the minerals industry.

Ms Drummond has acknowledged to the Company that she will have sufficient time to fulfil her responsibilities as a Director.

Ms Drummond is considered to be an independent director and is free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of her judgement.

### 5.3 **Company secretary**

#### **Ian Gregory - Company Secretary**

Mr Gregory holds a Bachelor of Business from Curtin University and has over 30 years' experience in the provision of company secretarial and business administration services in a variety of industries, including exploration, mining, mineral processing, oil and gas, banking, insurance and aquaculture. Ian is an experienced consulting Company Secretary and currently provides services to a number of listed and private companies.

Before commencing his own consulting service, Mr Gregory was a Company Secretary for the Iluka Resources Limited group of companies (ASX: ILU) for six years, the Company Secretary and Compliance Manager of IBJ Australia Bank Limited, the Australian operations of The Industrial Bank of Japan for 12 years, and prior to that, four years as a Company Secretary for the Griffin Coal Mining group of companies. Mr Gregory has been the Chairman of the Western Australian Branch Council of the Governance Institute of Australia and served on the National Council of that body.





## 5.4 Key Management Personnel

### (a) David McSkimming - Exploration and Geology Manager

Mr McSkimming is a geologist with over 20 years' mineral exploration experience within industry, consultancy and government. Previously based in the Philippines, Mr McSkimming focussed on greenfield discoveries culminating in the discovery of the North Jordan Epithermal Gold Deposit. He has managed resource definition for projects held by local operators and attracted global partners to develop them, including for Boston Minerals Mining Corporation, Diwalwal Victory Mining Corporation, Naboc River Tribal Co-op, and Monkayo Minahang Bayan Co-op.

Before moving to Asia, Mr McSkimming worked as a geoscientist for Queensland and Northern Territory Governments, Mt Isa Mines, McSkimming Geophysics, and in collaborative research between James Cook University and CSIRO.

After recently returning to Australia, Mr McSkimming has generated greenfields exploration targets, consolidated tenement tracts, and brokered JV farm-in and tenement sales.

### (b) Kah Hui Tan - Chief Financial Officer

Mr Tan has over 25 years' experience as a Chartered Accountant having previously managed his own chartered accounting practice providing management, accounting and taxation advice to a wide range of clients. He graduated from UWA with a B.Comm (Hons).

He has served as a company director and company secretary on several listed companies engaged in the mining and resources sector in Australia, including Mt Kersey Mining NL and Johnson's Well Mining NL. He was formerly the Executive Director of Siburan Resources Limited (ASX: SBU).

## 5.5 Interests of Directors

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

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

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

- (d) any Director to induce him or her to become, or to qualify as, a Director; or
- (e) any Director of the Company for services which he or she (or an entity in which they

are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers,

except as disclosed in this Prospectus and as follows.

## 5.6 Security holdings of Directors and key management personnel

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

<b>Director and key management personnel</b>	<b>Shares</b>	<b>Voting power (%)<sup>(1)</sup></b>
Datuk Siak Wei (Chris) Low <sup>(2)</sup>	4,481,930	19.58%
Noel Ong <sup>(3)</sup>	4,000,000	17.48%
Chee Cheong (David) Low <sup>(4)</sup>	4,088,000	17.86%
Mark Strizek	Nil	Nil
Florence Drummond	Nil	Nil
Kah Hui Tan <sup>(5)</sup>	4,000,000	17.48%
Ian Gregory	28,000	0.12%
David McSkimming	Nil	Nil
<b>Total</b>	<b>16,597,930</b>	<b>72.52%</b>

### Notes:

- 1) Based on 22,889,542 Shares being on issue.
- 2) In accordance with section 608(1)(b)-(c) and (3) of the Corporations Act, Datuk Siak Wei (Chris) Low holds a Relevant Interest in 4,481,930 Shares, held follows:
  - (c) 2,881,930 Shares held by Datuk Siak Wei (Chris) Low; and
  - (d) 1,600,000 Shares held by APB, a company controlled by Datuk Low.
- 3) In accordance with section 608(1)(b)-(c) of the Corporations Act, Noel Ong holds a Relevant Interest in 4,000,000 Shares, held as follows:
  - (c) 2,000,000 Shares held by Samsø Pty Ltd, a company controlled by Mr Ong; and
  - (d) 2,000,000 Shares held by Silver Capital Pty Ltd, a company controlled by Mr Ong, as trustee for the Noel & Sandra Ong Super Fund.
- 4) In accordance with section 608(1)(b)-(c) of the Corporations Act, Chee Cheong (David) Low holds a Relevant Interest in 4,088,000 Shares, held follows:
  - (c) 2,088,000 Shares held by JCL Capital Pty Ltd, a company controlled by Mr Low; and
  - (d) 2,000,000 Shares held by Tungsten W Pty Ltd, a company controlled by Mr Low, as trustee for the KLCC Super Fund.
- 5) In accordance with section 608(1)(b)-(c) of the Corporations Act, Kah Hui Tan holds a Relevant Interest in 4,000,000 Shares, held follows:
  - (d) 1,000,000 Shares held by Kah Hui Tan;

- (e) 1,000,000 Shares held by Irene Soi Khim Tan, the spouse of Mr Tan; and
- (f) 2,000,000 Shares held jointly by Kah Hui Tan and Irene Soi Khim Tan as trustees for K & I Tan Superannuation Fund.

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

Director and key management personnel	Shares		Voting power (%) <sup>(1)</sup>	Options <sup>(2)</sup>	Performance Rights <sup>(3)</sup>
	Minimum Subscription	Maximum Subscription			
Datuk Siak Wei (Chris) Low <sup>(4)</sup>	26,581,930	26,581,930	36.42%	1,200,000	Nil
Noel Ong	4,000,000	4,000,000	5.48%	1,000,000	2,000,000
Chee Cheong (David) Low	4,088,000	4,088,000	5.60%	1,000,000	2,000,000
Mark Strizek	Nil	Nil	Nil	300,000	Nil
Florence Drummond	Nil	Nil	Nil	300,000	Nil
Kah Hui Tan	4,000,000	4,000,000	5.48%	1,000,000	2,000,000
Ian Gregory	28,000	28,000	0.04%	500,000	Nil
David McSkimming	Nil	Nil	Nil	150,000	Nil
<b>Total</b>	<b>38,697,930</b>	<b>38,697,930</b>	<b>100%</b>	<b>5,450,000</b>	<b>6,000,000</b>

**Notes:**

- 1) Based on the Minimum Subscription.
- 2) Upon the Company obtaining a conditional admission letter from ASX on terms satisfactory to the Company's directors, acting reasonably, which, once satisfied, will result in ASX admitting the Company to the official list of ASX, and in accordance with Shareholder approval obtained at the Company's General Meeting on 5 August 2022, the Company will issue the Board and Management Options to the Directors and key management personnel in the manner set out below:
- (a) 1,200,000 Board and Management Options to be issued to Datuk Siak Wei (Chris) Low (or his nominee);
- (b) 1,000,000 Board and Management Options to be issued to Noel Ong (or his nominee);



- (c) 1,000,000 Board and Management Options to be issued to Chee Cheong (David) Low (or his nominee);
  - (d) 300,000 Board and Management Options to be issued to Mark Strizek (or his nominee);
  - (e) 300,000 Board and Management Options to be issued to Florence Drummond (or her nominee);
  - (f) 1,000,000 Board and Management Options to be issued to Kah Hui Tan (or his nominee)
  - (g) 500,000 Board and Management Options to be issued to Ian Gregory (or his nominee); and
  - (h) 150,000 Board and Management Options to be issued to David McSkimming (or his nominee),  
on the terms and conditions set out in Section 7.5.
- 3) Upon the Company obtaining a conditional admission letter from ASX on terms satisfactory to the Company's directors, acting reasonably, which, once satisfied, will result in ASX admitting the Company to the official list of ASX, and in accordance with Shareholder approval obtained at the Company's General Meeting on 5 August 2022, the Company will issue Performance Rights in the manner set out below:
- (d) 2,000,000 Performance Rights to be issued to Noel Ong (or his nominee);
  - (e) 2,000,000 Performance Rights to be issued to Chee Cheong (David) Low (or his nominee); and
  - (f) 2,000,000 Performance Rights to be issued to Kah Hui Tan (or his nominee),  
on the terms and conditions set out in Section 7.4.
- 4) In accordance with section 608(1)(a)-(c) and (3) of the Corporations Act, Datuk Siak Wei (Chris) Low will hold a Relevant Interest in up to 26,581,930 Shares, held follows:
- (d) 2,881,930 Shares currently held by Datuk Siak Wei (Chris) Low;
  - (e) 1,600,000 Shares currently held by APB, a company controlled by Datuk Low;
  - (f) 10,100,000 Shares to be issued to APB on conversion of debts (refer to Section 1.10(d) for further details); and
  - (g) up to 12,000,000 Shares to be issued in accordance with the APB Underwriting Agreement (refer to Section 6.4 for further details).

## 5.7 Disclosure of Directors

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares. No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer, or within a 12 month period after they ceased to be an officer.

## 5.8 Remuneration of Directors

The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is currently set at \$500,000 per annum. The remuneration of the Executive Directors will be



determined by the Board.

The Company has entered into executive services agreements with Samsco Pty Ltd (Noel Ong) and JCL Capital Pty Ltd (Chee Cheong (David) Low) as well as letters of appointment with all Directors as set out in Section 6.4.

On and from the date of the Company's admission to the official list of the ASX, the Directors will receive the following remuneration:

Director	Remuneration (exclusive of superannuation) (\$)
Datuk Siak Wei (Chris) Low	60,000
Noel Ong <sup>1</sup>	180,000
Chee Cheong (David) Low <sup>2</sup>	180,000
Mark Strizek	42,000
Florence Drummond	42,000
David McSkimming	180,000
Kah Hui Tan	120,000

**Notes:**

- 1) The Company has entered into an executive services agreement with Samsco Pty Ltd, a company controlled by Noel Ong, pursuant to which Mr Ong is engaged to provide managing director services to the Company. See Section 6.6(a) for details.
- 2) The Company has entered into an executive services agreement with JCL Capital Pty Ltd, a company controlled by Chee Cheong (David) Low, pursuant to which Mr Low is engaged to provide executive directorial services to the Company. See Section 6.6(b) for details.

## 5.9 Related party transactions

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

- (a) loan facility agreements with APB and Datuk Siak Wei (Chris) Low (refer to Section 6.5(a) for details);
- (b) lease agreement with Noel Ong (refer to Section 6.5(b) for details);
- (c) APB Underwriting Agreement with Datuk Siak Wei (Chris) Low (refer to Section 6.5(c) for details);
- (d) executive services agreement with Samsco Pty Ltd (refer to Section 6.6 for details);
- (e) executive services agreement with JCL Capital Pty Ltd (refer to Section 6.6 for details);



- (f) letters of appointment with each of its Directors on customary terms (refer to Section 6.6 for details); and
- (g) deeds of indemnity, insurance and access with each of its Directors on customary terms (refer to Section 6.7 for details).

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

## 5.10 **ASX Corporate Governance Council Principles and Recommendations**

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

To the extent applicable, the Company has adopted the 4<sup>th</sup> edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

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

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at [www.taiton.com.au](http://www.taiton.com.au).

### (a) **Board of Directors**

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

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

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the Executive Directors;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;





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

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

(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in a general meeting. The Board currently consists of the one Managing Director, one Executive Director, and three Non-Executive Directors including two independent directors, being Florence Drummond and Mark Strizek. As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) **Identification and management of risk**

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

(d) **Conflicts of interest and related party transactions**

Any potential conflicts of interest or entry into related party transactions are governed by the Company's Corporate Governance Plan and Board Charter, which provides inter alia that Directors must disclose to the Board potential or actual conflicts that may or might reasonably be thought to exist between the interests of the Director and interests of the Company.

While related party transactions are largely governed by the Corporations Act, under the Company's Corporate Governance Plan and Board Charter the Board has also resolved that where applications are made by a related party to a Director or officer



of the Company then the Director or officer shall exclude himself/herself from the approval process.

(e) **Ethical standards**

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

(f) **Independent professional advice**

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

(g) **Remuneration arrangements**

The remuneration of any Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as Options).

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

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

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

(h) **Securities trading policy**

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

(i) **Diversity policy**

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place



a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

(j) **Audit and risk**

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

(k) **External audit**

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

(l) **Social media policy**

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

(m) **Whistleblower policy**

The Board has adopted a whistleblower protection policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The purpose of this policy is to promote responsible whistle blowing about issues where the interests of others, including the public, or of the organisation itself are at risk.

(n) **Anti-bribery and anti-corruption policy**

The Board has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Board has adopted an anti-bribery and anti-corruption policy for the purpose of setting out the responsibilities in observing and upholding the Company's position on bribery and corruption provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.



### 5.11 Departures from Recommendations

Following admission to the Official List of the ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

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

Principles and Recommendations	Explanation for Departures
<p><b>Recommendation 2.1</b></p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p style="padding-left: 40px;">(i) has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 40px;">(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p style="padding-left: 40px;">(iii) the charter of the committee;</p> <p style="padding-left: 40px;">(iv) the members of the committee; and</p> <p style="padding-left: 40px;">(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>As a consequence of the size and composition of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.</p> <p>The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter.</p> <p>When the Board meets as a remuneration and nomination committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.</p> <p>The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee.</p> <p>The Board as a whole reviews the size, structure and composition of the Board including competencies and diversity, in addition to reviewing Board succession plans and continuing development.</p>



Principles and Recommendations	Explanation for Departures
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Board will review capabilities, technical skills and personal attributes of its directors. It will normally review the Board's composition against those attributes and recommend any changes in Board composition that may be required. An essential component of this will be the time availability of Directors.</p> <p>The Company has not disclosed a Board skill matrix.</p>
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>The Board is comprised of two independent Directors and is therefore not comprised of a majority of independent directors. The Company is working towards complying with Recommendation 2.4.</p>
<p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The chair of the board, Datuk Siak Wei (Chris) Low, is not an independent director (refer to Section 5.6 and 5.9 for more information). Due to the current size and composition of the organisation, the Board did not consider it viable to engage an independent chair outside of Datuk Low. Notwithstanding his interest in the Company, the Directors believe that Datuk Low will be able to, and will make, quality and independent judgement in the best interests of the Company on all relevant issues before the Board.</p>
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p>	<p>As a consequence of the size and composition of the Board, the Company does not have a stand-alone audit committee.</p> <p>The Board as a whole has responsibilities typically assumed by an audit committee, including but not limited to:</p> <p>(a) verifying and safeguarding the integrity of the Company's stakeholder reporting;</p>



Principles and Recommendations	Explanation for Departures
<p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>(b) reviewing and approving the audited annual and reviewed half-yearly financial reports;</p> <p>(c) reviewing the appointment of the external auditor, their independence and performance, the audit fee, any questions of their resignation or dismissal and assessing the scope and adequacy of the external audit; and</p> <p>(d) a risk management function.</p> <p>That is, matters typically dealt with by an audit committee are dealt with by the full Board.</p> <p>Information on the Company's procedures for the selection and appointment of the external auditor and the rotation of external audit partners is set out in the Policy on Selection, Appointment and Rotation of External Auditors, which is available on the Company's website, <a href="http://www.taiton.com.au">www.taiton.com.au</a>.</p>
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p>	<p>As a consequence of the size and composition of the Company's Board, the Company does not have a stand-alone risk committee.</p> <p>The Board as a whole has responsibilities typically assumed by a risk committee, including but not limited to:</p> <p>(a) ensuring that an appropriate risk-management framework is in place and is operating properly; and</p> <p>(b) reviewing and monitoring legal and policy compliance systems and issues.</p> <p>That is, matters typically dealt with by a risk committee are dealt with by the full Board.</p>





Principles and Recommendations	Explanation for Departures
<p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>if it does not have a risk committee or committees that satisfy paragraph (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>	<p>As a consequence of the size and composition of the Board, the Company does not have a standalone remuneration committee.</p> <p>The Board as a whole has responsibilities typically assumed by a remuneration committee, including but not limited to:</p> <p>(a) reviewing the remuneration (including short- and long-term incentive schemes and equity-based remuneration, where applicable) and performance of Directors;</p> <p>(b) setting policies for senior executive remuneration, setting the terms and conditions of employment for senior executives, undertaking reviews of senior executive performance, including setting goals and reviewing progress in achieving those goals; and</p> <p>(c) reviewing the Company's senior executive and employee incentive schemes (including equity-based remuneration) (where applicable) and making recommendations to the Non-Executive Chair on any proposed changes.</p>



<b>Principles and Recommendations</b>	<b>Explanation for Departures</b>
if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	That is, matters typically dealt with by a remuneration committee are dealt with by the full Board. The Company has adopted a Remuneration and Nomination Committee Charter available on the Company's website, <a href="http://www.taiton.com.au">www.taiton.com.au</a> .

## 6 | MATERIAL CONTRACTS





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

## 6.1 Lake Barlee Agreement

On 2 January 2021, the Company entered into a binding acquisition with Glen William Goulds and Paul Poli (the **Vendors**), pursuant to which the Vendors agreed to sell to the Company 100% of the issued shares in the capital of Lake Barlee Gold (**Share Acquisition**) (**Lake Barlee Agreement**).

Lake Barlee Gold holds four exploration licences in Western Australia (E77/2700, E57/1158, E77/2715 and E57/1168).

Pursuant to the Lake Barlee Agreement, the Share Acquisition was required to complete no later than 31 December 2020 (or such other date as agreed by the parties in writing).

As consideration for the Share Acquisition, the Company agreed to pay \$41,492 payable upon the Vendors delivering to the Company:

- (a) signed share transfer forms; and
- (b) director's resignation letter.

Completion of the Lake Barlee Agreement occurred on 4 January 2021. Completion of the Lake Barlee Agreement was subject to, and conditional on, the following conditions precedent being satisfied or waived by the parties:

- (c) there being no liabilities and/or contingent liabilities in Lake Barlee Gold at the time of settlement and the Vendors, as vendors and directors of Lake Barlee Gold, agreeing to give a representation in writing that there is none;
- (d) all shareholder loans in Lake Barlee Gold amounting to \$58,508 being repaid by funds advanced or provided by the Company, and the Vendors providing written confirmation to this effect;
- (e) Lake Barlee Gold being the current registered holder of applications for mining tenement exploration licences (then pending) E77/2700, E57/1158, E77/2715 and E57/1168;
- (f) a written resolution by the board of Lake Barlee Gold being passed approving the transfer of the sale shares to the Company and appointing new directors and secretary, following which resignations of existing directors and secretary must take place;
- (g) letters of resignations of all existing directors and the secretary of Lake Barlee Gold taking effect immediately following the passage of the resolution in paragraph (d) above; and





- (h) the transfer of all corporate, accounting and tax records, documents, certificates of incorporation, shareholder list, share certificates, financial statements, management accounts, corporate key and mining tenement application documents to the Company.

The Lake Barlee Agreement is legally binding and otherwise contains additional provisions, including various warranties in favour of the Company, which are considered customary for agreements of this nature. None of the Vendors are related parties, promoters or advisers of the Company, nor are they an Associate of a related party, promoter or adviser of the Company.

## 6.2 Highway Project Agreement

On 5 June 2021, the Company entered into a binding acquisition agreement with McSkimming Geophysics Pty Ltd (**McSkimming Geophysics**) pursuant to which McSkimming Geophysics agreed to sell two exploration licence applications in South Australia, being EL 2020/00206 and EL 2021/00013 (now EL6658 and EL6706 (**Highway Tenements**), respectively).

As consideration under the Highway Project Agreement, the Company agreed to:

- (a) pay \$50,000 to McSkimming Geophysics (or their nominee) upon the transfer of the first granted Highway Tenement to the Company; and
- (b) pay \$50,000 to McSkimming Geophysics (or their nominee) upon the transfer of the second granted Highway Tenement to the Company; and
- (c) issue 2,000,000 Shares in the Company at a deemed issued price of \$0.20 each, conditional upon the ASX granting the Company conditional admission to the official list of the ASX, which is to occur no later than 24 months from grant date of second Highway Tenement.

Completion of the Highway Project Agreement occurred on 28 June 2022. Completion of the Highway Project Agreement was subject to and conditional on the following:

- (d) McSkimming Geophysics executing and delivering any other document or thing necessary to give full effect to the transfer of the tenements granted in respect of EL 2020/00206 and EL 2021/00013; and
- (e) McSkimming Geophysics delivering:
  - (i) the relevant mining information (if any);
  - (ii) the instrument of title for the tenements granted in respect of EL 2020/00206 and EL 2021/00013;
  - (iii) an executed transfer form (as transferee) in registrable form in respect to the relevant tenements granted in respect of EL 2020/00206 and EL 2021/00013; and



- (iv) any other document or thing necessary to give full effect to the transfer of the tenements granted in respect of EL 2020/00206 and EL 2021/00013.

The amounts referred to in Section 6.2(a) and 6.2(b) have been paid by the Company and each of the Highway Tenements have been transferred to the Company.

The Highway Project Agreement is legally binding and otherwise contains additional provisions, including various warranties in favour of the Company, which are considered customary for agreements of this nature. McSkimming Geophysics is not a related party, promoter or adviser of the Company, nor is it an Associate of a related party, promoter or adviser of the Company.

### 6.3 **Lead Manager Mandate**

The Company has entered into a mandate agreement appointing Sanlam Private Wealth Pty Ltd to act as exclusive lead manager in respect of the Capital Raising Offer (**Lead Manager Mandate**).

Under the Lead Manager Mandate, the Lead Manager will provide services and assistance to the Company customarily provided in connection with the marketing and execution of an initial public offer.

The Company will pay the following fees to the Lead Manager (or its nominees) pursuant to the Lead Manager Mandate:

- (a) a success fee of 6% (exclusive of GST) of funds raised from the Lead Manager's clients and introduced parties;
- (b) a lead manager fee of \$30,000 (exclusive of GST);
- (c) a settlement fee of \$12,000 (exclusive of GST); and
- (d) the Lead Manager Options (see Section 1.3 for further details regarding the issue of the Lead Manager Options).

By way of illustration regarding the Lead Manager Options, if funds raised from Lead Manager clients and introduced parties aggregate to \$1,000,000, and only the Minimum Subscription is achieved, the Lead Manager Options will equate to 350,000 Options plus an additional 235,714 Options.

The Lead Manager Mandate may be terminated by either party giving 7 days' written notice of termination to the other party.

Please see Section 1.9 for further information regarding the Lead Managers' interests in the Offers.

The Lead Manager Mandate contains additional provisions considered customary for agreements of this nature.





## 6.4 Underwriting Agreements

In this Section 6.4 only, any reference to a clause is a reference to a clause in the relevant Underwriting Agreement and capitalised terms not otherwise defined have the meanings set out below:

<b>Application Form</b>	means an application form attached to or accompanying the Prospectus.
<b>Conditions Precedent</b>	Means the conditions precedent in Section 6.4(a).
<b>Global Underwritten Amount</b>	means \$7,000,000, equating to 35,000,000 Shares.
<b>Government Agency</b>	includes: <ul style="list-style-type: none"><li>(a) ASIC;</li><li>(b) any government in any jurisdiction, whether federal, state, territorial or local;</li><li>(c) any governmental, semi-governmental, administrative, judicial or quasi-judicial body, minister, department, office, commission, delegate, instrumentality, agency, board, authority, tribunal, agency or other organisation or entity; and</li><li>(d) any non-government regulatory authority, including ASX.</li></ul>
<b>Issuer</b>	means the Company.
<b>Offer Documents</b>	means any documents issued or published by or on behalf of the Issuer in respect of the Capital Raising Offer, including: <ul style="list-style-type: none"><li>(a) the Prospectus;</li><li>(b) the Application Forms;</li><li>(c) any Supplementary Prospectus;</li><li>(d) any written materials that are presented or provided to prospective investors (including any roadshow presentations); and</li><li>(e) any advertising or publicity documents, notices or reports.</li></ul>
<b>Completion</b>	occurs when all the Offer Shares have been issued.
<b>Underwritten Amount</b>	means the applicable corresponding amount to be underwritten by an Underwriter as set out in Section 6.4(a)-(c) and in the Underwriting Agreements.
<b>Lodgement Date</b>	means the date of this Prospectus.
<b>Offer Shares</b>	means up to 50,000,000 Shares to be issued by the Issuer pursuant to the Capital Raising Offer.



**Supplementary Prospectus**

means any supplementary or replacement prospectus (if any) lodged with ASIC in connection with the Capital Raising Offer.

The Capital Raising Offer is underwritten for up to 35,000,000 Shares, being to a value of \$7,000,000, by the Underwriters.

The Company has entered into three underwriting agreements, being the Global Bridge Underwriting Agreement, the APB Underwriting Agreement and the UBB Underwriting Agreement, and appointed underwriters in respect of the Capital Raising Offer as follows:

- (a) Global Bridge for up to 13,000,000 Shares or 37.14% of the Shares not subscribed for by investors, to the extent of the Minimum Subscription, under the Capital Raising Offer (being up to the value of \$2.6 million), and Global Bridge must pay the Issuer the Offer Price for each such Share not subscribed for by investors;
- (b) APB for up to 12,000,000 Shares or 34.29% of the Shares not subscribed for by investors, to the extent of the Minimum Subscription, under the Capital Raising Offer (being up to the value of \$2.4 million), and APB must pay the Issuer the Offer Price for each such Share not subscribed for by investors; and
- (c) UBB for up to 10,000,000 Shares or 28.57% of the Shares not subscribed for by investors, to the extent of the Minimum Subscription, under the Capital Raising Offer (being up to the value of \$2 million), and UBB must pay the Issuer the Offer Price for each such Share not subscribed for by investors.

Each of the Underwriting Agreements had been entered into on substantively the same terms, but for the inclusion of one additional indemnity clause in favour of UBB contained in the UBB Underwriting Agreement, which is considered customary for agreements of this nature.

In accordance with the Underwriting Agreements, the Company has agreed to pay each of the Underwriters an underwriting fee of 5% (excluding GST) of the respective maximum amounts to be underwritten by the Underwriters. The Underwriters will also be issued up to 3,000,000 Underwriter Options as follows:

- (d) 1,114,200 to Global Bridge (or their nominee);
- (e) 1,028,700 to APB (or their nominee); and
- (f) 857,100 to UBB (or their nominee).

The terms of the Underwriter Options are set out in Section 7.2. The Company has not yet paid the Underwriters for services under their respective Underwriting Agreements.

The Underwriting Agreements contain a number of provisions customarily found in agreements for underwriting arrangements of this type. The obligations of the Underwriters are subject to, inter alia, the following Conditions Precedent:



- (a) **Conditions Precedent:** the obligations of the Underwriters under the Underwriting Agreements are conditional on the Issuer obtaining on or before 9:30am on the Lodgement Date all regulatory approvals, relief and modifications which are necessary to enter into the particular Underwriting Agreement and to enable the Capital Raising Offer to proceed in accordance with the timetable for the Capital Raising Offer, the Prospectus and the terms and conditions of the particular Underwriting Agreement.
- (b) **Notice:** the Issuer must notify the Underwriter:
- (i) when any Conditions Precedent has been satisfied; and
  - (ii) if any Conditions Precedent are not satisfied, or becomes incapable of satisfaction, by the relevant time for satisfaction referred to in that Conditions Precedent,
- as soon as practicable after becoming aware of that matter.
- (c) **Conditions Precedent not satisfied:** if any Conditions Precedent are not satisfied by the relevant time for satisfaction referred to in that Conditions Precedent (or such later time as may be agreed between the Underwriter and the Issuer), then the particular Underwriting Agreement (but for certain provisions expressed to survive termination) is at an end as to its future operation except for the enforcement of any right or claim which arises on or has arisen before the particular Underwriting Agreement comes to an end.

Pursuant to the Underwriting Agreements, each Underwriter may at any time by notice given to the Company, without cost or liability to itself, terminate their relevant Underwriting Agreement, in accordance with the following provisions, if before Completion:

- (d) **(ASIC action)** ASIC:
- (i) makes an order under section 739 of the Corporations Act concerning the Prospectus;
  - (ii) makes an order under Part 9.5 of the Corporations Act in relation to the Capital Raising Offer or any Offer Document; or
  - (iii) holds a hearing or investigation in relation to the Capital Raising Offer or any Offer Document under the Corporations Act or the *Australian Securities and Investments Commission Act 2001* (Cth); or
  - (iv) prosecutes the Issuer or any of its officers, employees or agents in relation to the Capital Raising Offer or any Offer Document;
- (e) **(Offer force majeure)** there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Government Agency, which makes it illegal for the Underwriter to satisfy a material obligation of this agreement, or to market, promote or settle the Capital Raising Offer;



- (f) **(withdrawal of Prospectus)** the Issuer withdraws the Prospectus or the Capital Raising Offer;
- (g) **(ASX approval)** ASX provides written confirmation to the Issuer or the Underwriter that any necessary approval for the Issuer to list on ASX is not likely to be provided, or any such approval that has been provided is subsequently withdrawn; or
- (h) **(Insolvency)** the Issuer becomes insolvent, or an act occurs or an omission is made which may result in the Issuer becoming insolvent.

As above, the UBB Underwriting Agreement differs in substance only to the extent that it includes an indemnity clause to the effect that the Company indemnifies UBB in respect of any loss, costs, claims or liabilities suffered by UBB as a result of a breach of the UBB Underwriting Agreement by the Company. The Company considers this clause to be customary for agreements of this type.

The Underwriting Agreements also contain a number of representations and warranties from the Company to the Underwriters (and vice versa) as well as other provisions that are considered customary for agreements of this type.

## 6.5 Related party transactions

### (a) Loan Facility Agreements

Since incorporation, the Company has entered into a number of loan facility agreements both with AsiaPacific Businesslink Sdn Bhd, a company controlled by Datuk Siak Wei (Chris) Low, and Datuk Siak Wei (Chris) Low in his personal capacity. In the 2 years prior to lodgement, and as at the date of this Prospectus, the Company has entered and has in place 2 remaining loan facility agreements with Datuk Low, set out as follows:

- (i) on 26 June 2020, the Company entered into a loan facility agreement with APB to provide the Company with a loan facility to the extent of \$1,300,000, maturing on 31 December 2022; and
- (ii) on 7 August 2020, the Company entered into a loan facility agreement with APB to provide the Company with a loan facility to the extent of \$1,200,000, maturing on 31 December 2022,

(together the **Loan Facility Agreements**).

The Loan Facility Agreements have been entered into on substantially the same terms and on arm's length terms. The Loan Facility Agreements were subsequently amended and extended (as the Company had not drawn all funds under the Loan Facility Agreements by the maturity date) by letter deeds dated 20 December 2021 and 31 March 2022 to the effect that the amounts drawn by the Company under the Loan Facility Agreements could be converted to Shares in the Company at an issue price of \$0.10 per Share. Interest is payable under the Loan Facility Agreements at an interest rate of 9.25% per annum.



As at the date of this Prospectus, the Company has drawn a total of \$1,310,000 from the Loan Facility Agreements (**Drawn Amount**), and it is intended that the Drawn Amount will be converted into, and the Company will issue, 13,100,000 Shares in the Company. The issue of such number of Shares on conversion of the Drawn Amount is conditional on the Company obtaining a conditional admission letter from ASX on terms satisfactory to the Company's directors, acting reasonably, which, once satisfied, will result in ASX admitting the Company to the official list of ASX. Any interest payable under the Loan Facility Agreements, being approximately \$64,000 as at the date of this Prospectus, will be repaid from the proceeds of the Capital Raising Offer, and thereafter the Loan Facility Agreements will be terminated and of no further force or effect. On Admission, there will be no Loan Facility Agreements on foot and no outstanding loan facilities with APB or Datuk Low.

(b) **Office Lease Agreement**

On 8 July 2022, the Company entered into a lease agreement on arm's length terms with Managing Director, Noel Ong, in respect of a property owned by Mr Ong (**Lease**). The property the subject of the Lease was independently valued as being able to achieve a rental value of between \$750 to \$780 per week. The Company has entered the Lease for a fixed 12 month period, commencing from 6 July 2022 and ending on 5 July 2023, for a price of \$750 per week, aggregating to \$39,000 per annum. The term of the Lease may only be extended or renewed by the mutual agreement of the parties. Mr Ong is a related party of the Company by virtue of being Managing Director of the Company. The Lease is otherwise on customary terms and conditions for an agreement of this type.

The Lease was approved by the Board in accordance with the Company's conflict of interest and related party transactions policy, which mandates, inter alia, that Mr Ong disclose his interest in the property and abstain from voting on the approval of the Lease (refer to Section 5.10(d) for further details on the Company's policy).

(c) **APB Underwriting Agreement**

On 16 September 2022, the Company entered into the APB Underwriting Agreement with AsiaPacific Businesslink Sdn Bhd, a company controlled by Datuk Siak Wei (Chris) Low, on arm's length terms, to assist with the underwriting of the Capital Raising Offer. Datuk Low is a related party of the Company by virtue of being Director of the Company.

Refer to Sections 1.10 and 6.4 for a summary of the key terms of the APB Underwriting Agreement.

The APB Underwriting Agreement was approved by the Board in accordance with the Company's conflict of interest and related party transactions policy, which mandates, inter alia, that Datuk Low disclose his interest in the Company and abstain from voting on the matter of the APB Underwriting Agreement. (refer to Section 5.10(d) for further details on the Company's policy).



Under the APB Underwriting Agreement, APB warrants that it has the power, capacity and authority to fulfil its obligations under the APB Underwriting Agreement.

## 6.6 **Executive services agreements and letters of appointment**

### (a) **Executive services agreement – Noel Ong**

The Company has entered into an executive services agreement with Samsco Pty Ltd (ACN 612 163 925), a company controlled by Noel Ong, pursuant to which Mr Ong will be appointed as Managing Director of the Company.

Pursuant to the agreement, Mr Ong is entitled to receive \$120,000 per annum (excluding statutory superannuation).

The Board may, in its absolute discretion invite Mr Ong to participate in bonus and/or other incentive schemes in the Company that it may implement from time to time, subject to compliance with the Corporations Act.

The agreement is for an indefinite term, continuing until terminated by either the Company giving not less than 6 months' written notice or by Mr Ong giving not less than 3 months' written notice of termination to the other party (or shorter period in limited circumstances).

Mr Ong is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company.

In addition, the agreement contains additional provisions considered customary for agreements of this nature.

### (b) **Executive services agreement – Chee Cheong (David) Low**

The Company has entered into an executive services agreement with JCL Capital Pty. Ltd., pursuant to which Mr Low will be appointed as Executive Director.

Pursuant to the agreement, Mr Low is entitled to receive \$120,000 per annum (excluding statutory superannuation).

The Board may, in its absolute discretion invite Mr Low to participate in bonus and/or other incentive schemes in the Company that it may implement from time to time, subject to compliance with the Corporations Act.

The agreement is for an indefinite term, continuing until terminated by either the Company giving not less than 6 months' written notice or by Mr Low by giving not less than 3 months written notice of termination to the other party (or shorter period in limited circumstances).

Mr Low is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company.





In addition, the agreement contains additional provisions considered customary for agreements of this nature.

(c) **Non-Executive Chairman letter of appointment – Datuk Siak Wei (Chris) Low**

The Company has entered into a non-executive director letter of appointment with Datuk Siak Wei (Chris) Low pursuant to which the Company has agreed to pay Datuk Low, \$60,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Chairman.

The agreement contains additional provisions considered customary for agreements of this nature.

(d) **Letter of appointment – Noel Ong**

The Company has entered into a director letter of appointment with Noel Ong pursuant to which the Company has agreed to pay Mr Ong, \$60,000 per annum (excluding statutory superannuation) for services provided to the Company as Managing Director.

The agreement contains additional provisions considered customary for agreements of this nature.

(e) **Letter of appointment – Chee Cheong (David) Low**

The Company has entered into a director letter of appointment with Chee Cheong (David) Low pursuant to which the Company has agreed to pay Mr Low, \$60,000 per annum (excluding statutory superannuation) for services provided to the Company as Executive Director.

The agreement contains additional provisions considered customary for agreements of this nature.

(f) **Non-Executive Director letter of appointment – Mark Strizek**

The Company has entered into a non-executive director letter of appointment with Mark Strizek pursuant to which the Company has agreed to pay Mr Strizek, \$42,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.

The agreement contains additional provisions considered customary for agreements of this nature.

(g) **Non-Executive Director letter of appointment – Florence Drummond**

The Company has entered into a non-executive director letter of appointment with Florence Drummond pursuant to which the Company has agreed to pay Ms Drummond, \$42,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.



The agreement contains additional provisions considered customary for agreements of this nature.

#### **6.7 Deeds of indemnity, insurance and access**

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

## 7 | ADDITIONAL INFORMATION







## 7.1 Rights attaching to Shares

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

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

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.
- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

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



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

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

- (g) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to, inter alia, any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.
- (i) **(Restricted Securities):** A holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.

## 7.2 Terms and conditions of the Options

The following terms and conditions apply to each of the Lead Manager Options, Underwriter Options, Priority Offer Options and Shortfall Options (together in this clause referred to as the **Options**):

- (a) **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Issue Price):** The Options were issued for nil consideration.
- (c) **(Exercise Price):** The Options are exercisable at \$0.25.
- (d) **(Expiry Date):** Each Option will expire at 5:00pm (WST) on the date that is 4 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (f) **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of



Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

- (g) (**Timing of issue of Shares and quotation of Shares on exercise**): within 10 Business Days after the valid exercise of an Option, the Company will:
- (i) issue, allocate or cause to be transferred to the Participant the number of Shares to which the Participant is entitled;
  - (ii) issue a substitute Certificate for any remaining unexercised Options held by the Participant;
  - (iii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

- (h) (**Restrictions on transfer of Shares**): If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
- (i) (**Cashless exercise of Options**): The holder of Options may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date.

- (j) (**Dividend and voting rights**): The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.
- (k) (**Transferability of the Options**): The Options are not transferable, except with the prior written approval of the Company and subject to compliance with the Corporations Act.
- (l) (**Quotation of the Options**): The Company will not apply for quotation of the Options on any securities exchange.





- (m) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.
- (n) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (o) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
  - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
  - (ii) no change will be made to the Exercise Price.

### 7.3 Summary of the Company's Employee Securities Incentive Plan

The Taiton Resources Limited Employee Securities Incentive Plan (**Plan**) was adopted by the Board on or about the date of this Prospectus. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below. It is intended that both the Executive and Non-Executive Directors will participate in the Plan. As at the date of this Prospectus no Director currently participates.

- (a) **(Eligible Participant):** Eligible Participant means a person that:
  - (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
  - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Maximum allocation)**
  - (i) The Company must not make an offer of Securities under the Plan where the total number of Plan Shares that may be issued, or acquired upon exercise of Plan Convertible Securities offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period would exceed 5% of the total number of Shares on issue at the date of the offer.



- (ii) The maximum number of equity securities proposed to be issued under the Plan for the purposes of the Listing Rules is 8,798,955 (**ASX Limit**), meaning that the Company may issue up to the ASX Limit under the Plan, without seeking Shareholder Approval and without reducing its placement capacity under Listing Rule 7.1.
- (c) (**Purpose**): The purpose of the Plan is to:
  - (i) assist in the reward, retention and motivation of Eligible Participants;
  - (ii) link the reward of Eligible Participants to Shareholder value creation; and
  - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (d) (**Plan administration**): The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (e) (**Eligibility, invitation and application**): The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

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

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

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



arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

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

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

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

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

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



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

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

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

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

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

Notwithstanding any other provision of the Plan, where a Plan Share or Convertible Security is issued in reliance on the Company satisfying the start-up company requirements in section 83A-33 of the *Income Tax Assessment Act 1997* (Cth) (**Tax**



**Act**), a legal or a beneficial interest in the Convertible Security may not be disposed of until the earlier of:

- (i) the Eligible Participant to whom the Convertible Securities were offered under an invitation becoming neither an employee nor a director of the Company;
  - (ii) three (3) years after the acquisition date of the Convertible Security;
  - (iii) a disposal under an arrangement which meets the requirements in section 83A-130 of the Tax Act;
  - (iv) such time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act; and
  - (v) the Board determines that the Commissioner of Taxation is reasonably likely to allow a disposal of the Convertible Security under section 83A-45(5) of the Tax Act.
- (o) **(Adjustment of Convertible Securities)**: If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

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

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

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

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the



amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

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

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

#### 7.4 Terms and conditions of Performance Rights

The following terms and conditions apply to each of the Performance Rights (in this Section 7.4 referred to as the Performance Rights):

- (a) **(Conditional Admission):** The issue of the Performance Rights is subject and conditional upon the Company obtaining a conditional admission letter from ASX on terms satisfactory to the Company's directors, acting reasonably, which, once satisfied, will result in ASX admitting the Company to the official list of ASX.
- (b) **(Vesting Conditions):** The Performance Rights are granted for nil cash consideration and have the following vesting conditions attached to them (each a **Vesting Condition**):

Tranche	Number of Performance Rights	Vesting Conditions	Expiry Date
1	3,000,000	<p>Upon the Market Capitalisation equalling or exceeding 150% of the Market Capitalisation on Admission.</p> <p>For example, assuming the Company raised the minimum subscription amount of \$7 million under the Prospectus, the enlarged Share capital of the Company at Admission would be 72,989,542 Shares, giving rise to a Market Capitalisation on</p>	5 years from the date of issue.





Tranche	Number of Performance Rights	Vesting Conditions	Expiry Date
		Admission of \$14,597,908, assuming an issue price of Shares under the Prospectus of \$0.20 per Share.	
2	3,000,000	Upon the Market Capitalisation equalling or exceeding 250% of the Market Capitalisation on Admission.	5 years from the date of issue.

**Where:**

**20-day VWAP** means the volume weighted average market price of the Shares calculated over 20 consecutive trading days on which the Shares have traded.

**Admission** means admission of the Company to the official list of ASX.

**Holder** means a holder of a Performance Right.

**Market Capitalisation** means the market capitalisation of the Company, calculated by multiplying the:

- (i) total number of Shares on issue; by
- (ii) 20-day VWAP.

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

**Market Capitalisation on Admission** means the market capitalisation of the Company on Admission, calculated by multiplying the:

- (i) total number of Shares on issue on Admission; by
- (ii) the issue price of Shares under the Prospectus.

**Prospectus** means the prospectus issued by the Company in respect of its initial public offering and Admission.

- (c) **(Vesting)** The Performance Rights will vest on the date the Vesting Condition relating to those Performance Rights has been satisfied. The Company will notify the Holder in writing when the relevant Vesting Condition has been satisfied.
- (d) **(Consideration)** The Performance Rights will be granted to the Holder (or their permitted nominee) for nil cash consideration.



- (e) **(Exercise Price)** The Exercise Price of each vested Performance Right is nil.
- (f) **(Expiry Date)** Each Performance Right will expire at 5.00pm (AEST) on the date referred to in Section 7.4(b) **(Expiry Date)**. For the avoidance of doubt any vested but unexercised Performance Rights will automatically lapse and expire at 5.00pm (AEST) on the Expiry Date.
- (g) **(Conversion)** Upon vesting, each Performance Right will, at the Holder's election, convert into one fully paid ordinary share in the Company **(Share)**. The Holder may apply to exercise vested Performance Rights during the period commencing once the Performance Right has vested and ending upon the earlier of:
  - (i) 5.00pm (AEST) on the date 10 Business Days after the Performance Right has vested; and
  - (ii) the Expiry Date,by filling out a notice of exercise in the form provided by the Company and returning to the Company Secretary **(Notice of Exercise)**.
- (h) **(Transfer)** The Performance Rights are not transferable.
- (i) **(Quotation)** No application for quotation of the Performance Rights will be made by the Company.
- (j) **(Participation in new issues)** Subject always to the rights under Sections 7.4(k) and 7.4(l), there are no participation rights or entitlements inherent in the Performance Rights and the Holders will not be entitled to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
- (k) **(Adjustment for bonus issue)** If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Performance Rights to which the Holder is entitled will be increased by that number of securities which the Holder would have been entitled if the Performance Rights held by the Holder were exercised immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Listing Rules at the time of the bonus issue.
- (l) **(Reorganisation of capital)** In the event that the issued capital of the Company is reconstructed (including consolidation, subdivision, reduction or return), all the Holder's rights as a holder of Performance Rights 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 Holder's economic and other rights are not diminished or terminated.
- (m) **(Dividend and voting rights)** The Performance Rights do not confer on the Holder an entitlement to vote or receive dividends.
- (n) **(Return of capital rights)** The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.



- (o) **(Rights on winding up)** The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (p) **(Shares issued on exercise)** All Shares issued upon the exercise of Performance Rights will upon issue rank pari passu in all respects with the then Shares of the Company.
- (q) **(Timing of issue of Shares and quotation of Shares on exercise)** Within 15 Business Days after the later of the following:
  - (i) the issue of a Notice of Exercise in accordance with Section 7.4(g); and
  - (ii) when "excluded information" in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be "excluded information",

the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights specified in the Notice of Exercise;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

If the Company is unable to deliver a notice under Section 7.4(q)(iv) (above) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things reasonably 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. Where a "cleansing prospectus" is required, any Shares issued on exercise of Performance Rights will be subject to a holding lock until such time as a prospectus is issued by the Company.

- (r) **(Change of Control)**
  - (i) Upon the occurrence of a Change of Control Event, to the extent Performance Rights have not converted into Shares following satisfaction of a Vesting Condition, Performance Rights will automatically convert to that number of Shares which when issued together with all Shares issued under any other class of Performance Rights then on issue in the Company, is equal to the lesser of one Share per Performance Right and 10% of the total Shares on issue at that time. Performance Rights that are not converted into Shares will continue to be held by the Holder on the same terms and conditions.
  - (ii) A Change of Control Event occurs when:



- (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 the 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.
- (iii) The Company must ensure the allocation of Shares issued under Section 7.4(r)(i) is on a pro rata basis to all Holders in respect of their respective holdings of Performance Rights and all remaining Performance Rights held by each Holder will remain on issue until conversion or expiry in accordance with the terms and conditions set out herein.

The following information is provided in respect of ASX Guidance Note 19:

- (a) A total of 6,000,000 Performance Rights will be issued as follows:
  - (i) 2,000,000 Performance Rights to Noel Ong (or his permitted nominee), representing 2.74% of the total Shares on issue immediately after completion of the Offers (on the basis of the Minimum Subscription);
  - (ii) 2,000,000 Performance Rights to Chee Cheong (David) Low (or his permitted nominee), representing 2.74% of the total Shares on issue immediately after completion of the Offers (on the basis of the Minimum Subscription); and
  - (iii) 2,000,000 Performance Rights to Kah Hui Tan (or his permitted nominee), representing 2.74% of the total Shares on issue immediately after completion of the Offers (on the basis of the Minimum Subscription).
- (b) Mr Ong is the Managing Director of the Company, Mr Low is the Executive Director of the Company and Kah Hui Tan is the Chief Financial Officer of the Company.
- (c) The Performance Rights are being issued to remunerate or incentivise Mr Ong, Mr Low and Mr Tan, and are ordinary course of business remuneration securities since they are being issued under the Plan.
- (d) As key management personnel of the Company, Mr Ong, Mr Low and Mr Tan will play a key role in the future growth and market capitalisation of the Company.
- (e) The remuneration package of each of Mr Ong, Mr Low and Mr Tan is set out in Section 5.8.
- (f) The Securities in which each of Mr Ong, Mr Low and Mr Tan have a Relevant Interest is set out in Section 5.6. No cash consideration is payable or has been provided by Mr Ong, Mr Low or Mr Tan in respect of those Securities.



- (g) The Board considers it necessary to incentivise Mr Ong, Mr Low and Mr Tan as the Company believes it is appropriate to include such a security component to Mr Ong, Mr Low and Mr Tan's remuneration in order to align their interests with Shareholders, and to conserve the Company's available cash reserves.
- (h) The number of Performance Rights have been determined with consideration to Mr Ong, Mr Low's and Mr Tan's remuneration packages and the remuneration paid to directors and management of other comparable listed entities and to conserve the Company's available cash reserves. The Company considers the quantum of Performance Rights are reasonably proportionate to the benefit to the Company of achieving the Vesting Conditions and the need for the Company to effectively incentivise its Directors while aligning the incentives with increasing Shareholder value.
- (i) The Company considers that the Performance Rights are appropriate and equitable, including because there is an appropriate link between each Vesting Condition and the purpose for which the Performance Rights were issued, as:
  - (i) consistent with ASX Guidance Note 19, performance securities are sometimes issued to directors, senior managers or contractors as a means of incentivising them to achieve a particular performance milestone;
  - (ii) as stated above, the Performance Rights will be issued to Mr Ong, Mr Low and Mr Tan as a means of incentivising performance; and
  - (iii) each Vesting Condition is based on a sustained increase in the volume-weighted-average-price of Shares above the Offer Price and therefore represents a reasonable target for the Company on readily ascertainable and verifiable metrics.
- (j) the Performance Rights will convert into an aggregate of 6,000,000 Shares (comprising 2,000,000 Shares to Mr Ong, 2,000,000 Shares to Mr Low and 2,000,000 Shares to Mr Tan) upon satisfaction of the Vesting Conditions and (assuming no other Shares are issued) will comprise approximately 8.22% of the Shares on issue.
- (k) The full terms of the Performance Rights are included in this Section 7.4.

## 7.5 Terms and conditions of Board and Management Options

The following terms and conditions apply to each of the Board and Management Options.

- (a) **(Entitlement):** Subject to the terms and conditions set out below, each Option entitles the holder, on exercise, to the issue of one fully paid ordinary share in the Company (**Share**).
- (b) **(Conditional admission to the ASX):** The issue of the Options is subject and conditional upon the Company obtaining a conditional admission letter from ASX on terms satisfactory to the Company's directors, acting reasonably, which, once satisfied, will result in ASX admitting the Company to the official list of ASX.



- (c) **(Plan)**: The Options are granted under the Company's Employee Securities Incentive Plan (**Plan**) for nil cash consideration. In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency. Capitalised terms referred to in these terms and conditions, that are not otherwise defined herein, have the same meaning as that given to them in the Plan, unless the context requires otherwise.
- (d) **(Exercise Price)**: Subject to the terms and conditions set out below, the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**). The Options will be issued to the Participant for nil cash consideration.
- (e) **(Expiry Date)**: Each Option will expire at 5:00pm (AEST) on the date that is 2 years from the date of issue (**Expiry Date**). For the avoidance of doubt any unexercised Option will automatically lapse on the Expiry Date.
- (f) **(Exercise)**: The holder may exercise their Options in whole or in part (and if exercised in part, in multiples of 1,000 on each occasion) by lodging with the Company, on or prior to the Expiry Date:
  - (i) a written notice of exercise of Options in the form provided by the Company specifying the number of Options being exercised (**Notice of Exercise**); and
  - (ii) a cheque or electronic funds transfer, or other means of payment acceptable to the Company, including cashless exercise as described in paragraph (g), for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable".

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

- (g) **(Cashless exercise of Options)**: Subject to Board approval at the time of exercise, the holder may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

Where **Market Value** means, at any given date, the volume weighted average price of Shares traded on the ASX over the five (5) trading days immediately preceding that given date.

- (h) **(Timing of issue of Shares and quotation of Shares on exercise)**: Within 15 Business Days after the later of the following:
  - (i) Exercise Date; and





- (ii) when "excluded information" in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be "excluded information",

the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company (if required);
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under section (d) (above) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things reasonably 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. Where a "cleansing prospectus" is required, any Shares issued on exercise of Options will be subject to a holding lock until such time as a prospectus is issued by the Company.

- (i) **(Shares issued on exercise):** All Shares issued upon the exercise of Options will upon issue rank *pari passu* in all respects with the then Shares of the Company.
- (j) **(Transfer):** The Options are not transferable except in accordance with the Plan and subject to compliance with the Corporations Act and the Listing Rules.
- (k) **(Quotation):** No application for quotation of the Options will be made by the Company.
- (l) **(Dividend and voting rights):** The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.
- (m) **(Participation in new issues):** Subject always to the rights under Sections 7.5(o) and 7.5(p), there are no participation rights or entitlements inherent in the Options and holders of Options will not be entitled to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
- (n) **(Change in exercise price or number of Shares):** Subject always to the rights under Sections 7.5(o) and 7.5(p), there will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company.



- (o) **(Adjustment for bonus issue):** If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Options to which the holder is entitled will be increased by that number of securities which the holder would have been entitled if the Options held by the holder were exercised immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Listing Rules at the time of the bonus issue.
- (p) **(Reorganisation of capital):** In the event that the issued capital of the Company is reconstructed (including consolidation, subdivision, reduction or return), all the holder's rights as a holder of Options 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 holder's economic and other rights are not diminished or terminated.
- (q) **(Leavers):** The Options will lapse where the holder of the Options (or in the case of Options held by a Nominated Party, the person in respect of the provision of whose services the Options were granted) dies, is no longer employed, or their engagement or office is discontinued with the Company, unless the Board determines otherwise in its discretion in accordance with the Plan.

## 7.6 Effect of the Offers on control and substantial shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows:

Name	Number of Shares	% of Shares <sup>(1)</sup>
Datuk Siak Wei (Chris) Low <sup>2</sup>	4,481,930	19.58
Noel Ong <sup>3</sup>	4,000,000	17.48
Chee Cheong (David) Low <sup>4</sup>	4,088,000	17.86
Kah Hui Tan <sup>5</sup>	4,000,000	17.48

**Notes:**

- 1) Based on 22,889,542 Shares being on issue.
- 2) In accordance with section 608(1)(a)-(c) and (3) of the Corporations Act, Datuk Siak Wei (Chris) Low holds a Relevant Interest in 4,481,930 Shares, held follows:
- (c) 2,881,930 Shares held by Datuk Siak Wei (Chris) Low; and
- (d) 1,600,000 Shares held by APB, a company controlled by Datuk Low.
- 3) In accordance with section 608(1)(b)-(c) and (3) of the Corporations Act, Noel Ong holds a Relevant Interest in 4,000,000 Shares, held as follows:
- (c) 2,000,000 Shares held by Samsø Pty Ltd, a company controlled by Mr Ong; and
- (d) 2,000,000 Shares held by Silver Capital Pty Ltd, a company controlled by Mr Ong, as trustee for the Noel & Sandra Ong Super Fund.



- 4) In accordance with section 608(1)(b)-(c) and (3) of the Corporations Act, Chee Cheong (David) Low holds a Relevant Interest in 4,088,000 Shares, held follows:
- (c) 2,088,000 Shares held by JCL Capital Pty Ltd, a company controlled by Mr Low; and
  - (d) 2,000,000 Shares held by Tungsten W Pty Ltd, a company controlled by Mr Low, as trustee for the KLCC Super Fund.
- 5) In accordance with section 608(1)(a), (b) and (c) of the Corporations Act, Kah Hui Tan holds a Relevant Interest in 4,000,000 Shares, held follows:
- (d) 1,000,000 Shares held by Kah Hui Tan;
  - (e) 1,000,000 Shares held by Irene Soi Khim Tan, the spouse of Mr Tan; and
  - (f) 2,000,000 Shares held jointly by Kah Hui Tan and Irene Soi Khim Tan as trustees for K & I Tan Superannuation Fund.

Based on the information known as at the date of this Prospectus, on Admission the following persons will have an interest in 5% or more of the Shares on issue:

Name	Number of Shares		% of Shares <sup>1</sup>
	Minimum Subscription	Maximum Subscription	
Datuk Siak Wei (Chris) Low <sup>2</sup>	26,581,930	26,581,930	36.42%
Global Bridge <sup>3</sup>	16,600,000	16,600,000	22.74%
UBB	10,000,000	10,000,000	13.70%
Noel Ong	4,000,000	4,000,000	5.48%
Chee Cheong (David) Low	4,088,000	4,088,000	5.60%
Kah Hui Tan	4,000,000	4,000,000	5.48%

**Notes:**

- 1) On the basis of the Minimum Subscription and a full subscription for Shares by each of the Underwriters in accordance with the Underwriting Agreements.
- 2) In accordance with section 608(1)(a)-(c) and (3) of the Corporations Act, Datuk Siak Wei (Chris) Low will hold a Relevant Interest in up to 26,581,930 Shares, held follows:
- (e) 2,881,930 Shares currently held by Datuk Siak Wei (Chris) Low;
  - (f) 1,600,000 Shares currently held by APB, a company controlled by Datuk Low;
  - (g) 10,100,000 Shares to be issued to APB on conversion of debts (refer to Section 1.10(d) for further details); and
  - (h) up to 12,000,000 Shares to be issued in accordance with the APB Underwriting Agreement (refer to Section 6.4 for further details).
- 3) In accordance with section 608(1)(a) of the Corporations Act, Global Bridge will hold a Relevant Interest in the Company in up to 19,900,000 Shares, held as follow:



- (d) 1,100,000 Shares held by Global Bridge;
- (e) 2,500,000 Shares to be issued to Global Bridge on the conversion of debts (refer to Section 1.10 and Section 6.5(a) for further details); and
- (f) up to 13,000,000 Shares to be issued in accordance with the Global Bridge Underwriting Agreement (refer to Section 6.4 for further details).

## 7.7 Interests of promoters, experts and advisers

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

Other than as set out below or elsewhere in this Prospectus, no:

- (i) persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (ii) promoter of the Company; or
- (iii) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds at the date of this Prospectus, or has held at any time during the last 2 years, any interest in:

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

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

### (b) **Share Registry**

Automic Pty Ltd (**Automic**) has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus and will be paid for these services on standard industry terms and conditions. During the 24 months preceding lodgement of this Prospectus with ASIC, Automic has not provided any other services to the Company.

### (c) **Auditors**

William Buck Audit (Vic) Pty Ltd (**William Buck**) has been appointed to act as Auditor to the Company in respect to audited accounts for FY06/2021 and reviewed half year reports and results for the 6 months ended 31 December 2021, as specified



in Section 4. The Company estimates it will pay William Buck a total of \$20,323 (excluding GST) for these services.

Other than the services set out in section 7.7(f) and those noted above, during the 24 months preceding lodgement of this Prospectus with ASIC, William Buck has not provided any other services to the Company.

Moore Australia Audit (Vic) Pty Ltd (**Moore Australia**) has been appointed to act as Auditor to the Company in respect to audited accounts for FY06/2019 and FY06/2020, as specified in Section 4. The Company has paid Moore Australia a total of \$26,400 (excluding GST) for these services.

During the 24 months preceding lodgement of this Prospectus with ASIC, Moore Australia has not provided any other services to the Company.

(d) **Corporate lawyers**

HWL Ebsworth Lawyers (**HWLE**) has acted as the Corporate Lawyers to the Company in relation to the Offers and to prepare the Solicitor's Report. The Company estimates it will pay HWLE \$150,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

During the 24 months preceding lodgement of this Prospectus with ASIC, HWLE has also provided legal services to the Company, the total value of these services was \$9,954 (excluding GST). These services were in respect of the Company's general corporate and commercial matters.

(e) **Independent Geologist**

Midas Touch Geological Services (ABN 71 102 710 250) (**Midas Touch Geological Services**) has acted as the Independent Geologist and has prepared the Independent Geologist's Report which is included in Annexure B of this Prospectus. The Company estimates it will pay Midas Touch Geological Services a total of \$19,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Midas Touch Geological Services has not provided any other services to the Company.

(f) **Investigating Accountant**

William Buck has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure A of this



Prospectus. The Company estimates it will pay William Buck a total of \$15,000 (excluding GST) for these services.

Other than the services set out in section 7.7(c) and those noted above, during the 24 months preceding lodgement of this Prospectus with ASIC, William Buck has not provided any other services to the Company.

(g) **Lead Manager**

Sanlam Private Wealth Pty Ltd has acted as the Lead Manager to the Offers. Details of the payments to be made to the Sanlam Private Wealth Pty Ltd is set out in Section 6.3. In accordance with the Lead Manager Mandate, the Company estimates it will pay the Sanlam Private Wealth Pty Ltd:

- (i) a success fee of 6% (exclusive of GST) of funds raised from Sanlam Private Wealth Pty Ltd's clients and introduced parties;
- (ii) a lead manager fee of \$30,000 (exclusive of GST);
- (iii) a settlement fee of \$12,000 (exclusive of GST); and
- (iv) the Lead Manager Options (see Section 1.3 for further details regarding the issue of the Lead Manager Options).

Other than the services noted above, during the 24 months preceding lodgement of this Prospectus with ASIC, Sanlam Private Wealth Pty Ltd has not provided services to the Company.

(h) **Underwriters**

The Company has appointed the Underwriters to underwrite the Capital Raising Offer, further details of which are set out in Section 1.10.

Pursuant to the Underwriting Agreements, the Company has agreed to pay each of the Underwriters an underwriting fee of 5% (excluding GST) of the respective amounts to be underwritten by the Underwriters in accordance with their respective underwriting agreements. The Underwriters will also be issued up to 3,000,000 Underwriter Options in the proportions set out in Section 1.3(b). The Company has not yet paid the Underwriters for services under their respective underwriting agreements.

Other than acting as underwriters pursuant to the Underwriting Agreements, during the 24 months preceding lodgement of this Prospectus with ASIC, none of the Underwriters have provided services to the Company, nor have any fees been paid to the Underwriters during this period.

## 7.8 Consents

- (a) Each of the parties referred to below:
  - (i) do not make the Offers;





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

(b) **Share Registry**

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

(c) **Auditors**

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

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

(d) **Corporate lawyers and Solicitor's Report**

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

(e) **Independent Geologist**

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

(f) **Investigating Accountant**

William Buck has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the



Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Limited Assurance Report in the form and context in which it is included.

(g) **Lead Manager**

Sanlam Private Wealth Pty Ltd has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Lead Manager to the Offers in the form and context in which it is named.

(h) **Underwriters**

Each of the Underwriters have given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to being named in this Prospectus as an underwriter to the Capital Raising Offer in the form and context in which it is named.

**7.9 Expenses of Offers**

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

Item	\$AUD <sup>1</sup>	
	Minimum Subscription	Maximum Subscription
ASX quotation fee	89,557	92,932
ASIC lodgement fee	3,206	3,206
Legal fees	150,000	150,000
Investigating Accountant fees	15,000	15,000
Independent Geologist fees	19,500	19,500
Lead Manager's fees	42,000	42,000
Brokerage fee	420,000	600,000
Underwriting fees	350,000	350,000
Marketing	45,000	45,000
Printing, postage and administration fees	7,737	12,362
<b>Total</b>	<b>1,142,000</b>	<b>1,330,000</b>

**Notes:**

- 1) All amounts are exclusive of GST.

## 7.10 Continuous disclosure obligations

Following Admission, the Company will be a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

## 7.11 Litigation

Subject to the matter set out below, so far as the Directors are aware, there is no other current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

On 8 September 2022, the Company was made aware of a workers compensation claim and potential common law claim that may be commenced by an alleged previous employee of the Company from 1998 (**Claim**). The Claim is in its initial preliminary stages, and as such the Company does not believe that there is a reasonable basis to provide an estimate as to when the Claim may be resolved, nor does the Company believe that there is a reasonable basis to provide an estimated cost of the Claim. As at the date of the Prospectus, the Company expects that the Company's then applicable insurer will bear the responsibility for the Claim. The Company is not of the opinion that this matter will materially adversely affect the business or financial position of the Company.

## 7.12 Electronic Prospectus

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

The Company and the Lead Manager reserve the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the



electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

#### 7.13 **ASIC relief and ASX waivers**

No ASIC relief or ASX waivers have been obtained and relied upon in relation to the Offers.

#### 7.14 **Documents available for inspection**

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

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 7.8 of this Prospectus.

#### 7.15 **Statement of Directors**

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



## 8 | AUTHORISATION





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

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

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

A handwritten signature in black ink, appearing to be 'D. Siak Wei'.

**Datuk Siak Wei (Chris) Low**

**Non-Executive Director and Chairman**

Dated: 23 September 2022



The image shows a rocky, arid landscape. The foreground and middle ground are dominated by large, reddish-brown, angular rocks of various sizes, some stacked together. Sparse, dry-looking vegetation, including small shrubs and trees with thin branches, is scattered throughout the scene. The background shows more trees and a clear blue sky. A semi-transparent, dark grey rounded rectangle is overlaid on the upper left portion of the image, containing the text "9 | GLOSSARY OF TERMS" in white, sans-serif font.

## 9 | GLOSSARY OF TERMS



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

<b>\$ or \$AUD</b>	means Australian dollars.
<b>Admission</b>	means admission of the Company to the Official List, following completion of the Offers.
<b>APB</b>	means AsiaPacific Businesslink Sdn Bhd (Company No. 715481-K), a company incorporated in Malaysia.
<b>APB Underwriting Agreement</b>	has the meaning given in Section 1.10.
<b>Applicant</b>	means a person who submits an Application Form.
<b>Application</b>	means a valid application for Securities pursuant to this Prospectus.
<b>Application Form</b>	means the application form attached to this Prospectus (including the electronic form provided by an online application facility).
<b>Application Monies</b>	means the amount of money submitted or made available by an Applicant in connection with an Application.
<b>Associate</b>	has the meaning given in the Corporations Act.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
<b>ASX Settlement</b>	means ASX Settlement Pty Limited ACN 008 504 532.
<b>ASX Settlement Rules</b>	means ASX Settlement Operating Rules of ASX Settlement Pty Ltd ABN 49 008 504 532.
<b>Auditors</b>	means William Buck Audit (Vic) Pty Ltd ABN 59 116 151 136 and Moore Australia Audit (Vic) Pty Ltd ABN 16 847 721 257, or any one of them, as the context requires.
<b>Board</b>	means the board of Directors of the Company as at the Prospectus Date.
<b>Board and Management Options</b>	means the Options issued to the various parties, including directors and management of the Company, in accordance with Shareholder approval obtained at the Company's General Meeting on 5 August 2022 under the Plan, exercisable at \$0.25 and expiring 2 years from the date of issue, the further terms of which are contained in Section 7.2.
<b>Broker</b>	means any ASX participating organisation selected by the Lead Manager and the Company to act as a broker to the Capital Raising Offer.

<b>Broker Firm and Institutional Offer</b>	means the offer of Shares under this Prospectus to Australian resident investors and Institutional Investors in Australia who have received a firm allocation of Shares from their Broker.
<b>Capital Raising Offer</b>	means an initial public offering of Shares, at the Offer Price, to apply for a minimum of 35,000,000 Shares and a maximum of 50,000,000 Shares, to raise a minimum of \$7,000,000 and a maximum of \$10,000,000 (before costs).
<b>Challenger West Project</b>	has the meaning given in Section 2.2.
<b>CHESS</b>	means the Clearing House Electronic Subregister System operated by ASX Settlement.
<b>Claim</b>	has the meaning given in Section 7.11.
<b>Closing Date</b>	means the date that the Offers close which is 5:00pm (WST) on 21 October 2022 or such other time and date as the Board determines.
<b>Company</b>	means Taiton Resources Limited (ACN 062 284 084).
<b>Competent Person</b>	has the meaning given in the Important Information Section.
<b>Completion</b>	means the date on which the Securities are issued and transferred to Applicants in accordance with the terms of the Offers.
<b>Constitution</b>	means the constitution of the Company.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth), as amended from time to time.
<b>Directors</b>	means the directors of the Company as at the date of this Prospectus.
<b>Drawn Amount</b>	has the meaning given in Section 6.5(a).
<b>Eligible Shareholder</b>	has the meaning given in Section 1.2.
<b>Eligible Shortfall Offer Participants</b>	has the meaning given in Section 1.2.
<b>Electronic Prospectus</b>	means the electronic copy of this Prospectus located at the Company's website at <a href="http://www.taiton.com.au">www.taiton.com.au</a> .
<b>Entitlement</b>	has the meaning given in Section 1.2.
<b>Expiry Date</b>	means 13 months after the Prospectus Date.
<b>Exploration Results</b>	has the meaning given in the JORC Code.
<b>Exploration Targets</b>	has the meaning given in the JORC Code.
<b>Exposure Period</b>	means the period of seven days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not

	more than seven days pursuant to section 727(3) of the Corporations Act.
<b>Financial Information</b>	has the meaning given in Section 4.
<b>Global Bridge</b>	means Global Bridge Group Ltd.
<b>Global Bridge Underwriting Agreement</b>	has the meaning given in Section 1.10.
<b>Group</b>	means the Company and Lake Barlee Gold.
<b>GST</b>	means goods and services tax.
<b>General Meeting Securities</b>	has the meaning given in Section 1.8.
<b>General Public Offer</b>	means the offer of Shares under the Offers to members of the general public with a registered address in Australia.
<b>Highway Project</b>	has the meaning given in Section 2.2.
<b>Highway Project Agreement</b>	has the meaning given in Section 2.2.
<b>Historical Financial Information</b>	has the meaning given in Section 4.
<b>Indicative Timetable</b>	means the indicative timetable for the Offers on page viii of this Prospectus.
<b>Institutional Investor</b>	means investors who are: <ul style="list-style-type: none"> <li>(a) persons in Australia who are either “sophisticated investors” or “professional investors” under sections 708(8) and 708(11) of the Corporations Act; or</li> <li>(b) an institutional investor in certain other jurisdictions, as agreed between the Company and the Lead Manager, to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing, registration or qualification with, or approval by, any governmental agency (except one with which the Company is willing, in its absolute discretion, to comply).</li> </ul>
<b>Investigating Accountant</b>	means William Buck Audit (Vic) Pty Ltd ABN 59 116 151 136.
<b>Issue Date</b>	means the date, as determined by the Directors, on which the Securities offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable.

<b>JORC Code</b>	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition.
<b>Lake Barlee Agreement</b>	has the meaning given in Section 6.1.
<b>Lake Barlee Gold</b>	means Lake Barlee Gold Pty Ltd (ACN 641 937 797).
<b>Lake Barlee Project</b>	has the meaning given in Section 2.2.
<b>Lead Manager</b>	means Sanlam Private Wealth Pty Ltd.
<b>Lead Manager Mandate</b>	has the meaning given in Section 6.3.
<b>Lead Manager Offer</b>	means the offer of up to 2,000,000 Options to be issued to the Lead Manager (or its nominees) in accordance with the terms of the Lead Manager Mandate.
<b>Lead Manager Options</b>	has the meaning given in Section 1.3.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Maximum Subscription</b>	means the raising of \$10,000,000 (before costs) pursuant to the Capital Raising Offer.
<b>Mineral Resources</b>	has the meaning given in the JORC Code.
<b>Minimum Subscription</b>	means the raising of \$7,000,000 (before costs) pursuant to the Capital Raising Offer.
<b>Offers</b>	means the Capital Raising Offer, Priority Offer, Shortfall Offer, Lead Manager Offer and the Underwriter Offer.
<b>Offer Price</b>	means \$0.20 per Share.
<b>Official List</b>	means the official list of ASX.
<b>Official Quotation</b>	means official quotation by ASX in accordance with the Listing Rules.
<b>Opening Date</b>	means the date specified as the opening date in the Indicative Timetable.
<b>Option</b>	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
<b>Ore Reserves</b>	has the meaning given in the JORC Code.
<b>Performance Rights</b>	means a right to acquire a Share, subject to satisfaction of any Vesting Conditions, and the corresponding obligation of the

	Company to provide the Share on the terms and conditions contained in Section 7.4.
<b>Plan</b>	means the Taiton Resources Limited Employee Securities Incentive Plan.
<b>Priority Offer</b>	means a priority offering of up to 3,145,806 free-attaching Options to be issued to existing Shareholders who subscribe for a minimum of 10,000 Shares under the Capital Raising Offer, of one (1) free-attaching Option for every two (2) Shares held on the Priority Offer Record Date.
<b>Priority Offer Options</b>	has the meaning given in Section 1.2.
<b>Priority Offer Record Date</b>	means the record date for participation in the Priority Offer, having the meaning given in the Indicative Timetable.
<b>Pro Forma Financial Information</b>	has the meaning given in Section 4.
<b>Projects</b>	means the: <ul style="list-style-type: none"> <li>(a) Lake Barlee Project;</li> <li>(b) Highway Project; and</li> <li>(c) Challenger West Project.</li> </ul>
<b>Prospectus</b>	means this prospectus dated 23 September 2022.
<b>Prospectus Date</b>	means the date on which a copy of this Prospectus was lodged with ASIC, being 23 September 2022.
<b>Recommendations</b>	means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).
<b>Relevant Interest</b>	has the meaning given in the Corporations Act.
<b>Restricted Securities</b>	has the meaning given in Section 1.20.
<b>SA Tenements</b>	has the meaning given in Section 2.2.
<b>Section</b>	means a section of this Prospectus.
<b>Securities</b>	means any securities, including Shares, Options or Performance Rights issued or granted by the Company.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Share Registry</b>	means Automic Pty Ltd (ACN 152 260 814).
<b>Shareholder</b>	means a holder of one or more Shares.
<b>Shortfall</b>	has the meaning given in Section 1.2.





<b>Shortfall Offer</b>	has the meaning given in Section 1.2.
<b>Shortfall Options</b>	has the meaning given in Section 1.2.
<b>Tenements</b>	means the SA Tenements and the WA Tenements.
<b>UBB</b>	means UBB Investment Bank Limited.
<b>UBB Underwriting Agreement</b>	has the meaning given in Section 1.10.
<b>Underwriters</b>	means Global Bridge, APB and UBB.
<b>Underwriting Agreement</b>	means each of the: (a) APB Underwriting Agreement; (b) Global Bridge Underwriting Agreement; and (c) UBB Underwriting Agreement.
<b>Underwriter Options</b>	means up to 3,000,000 Options to be issued to the Underwriters (or their nominees) in accordance with the terms of their respective Underwriter agreements.
<b>WA Tenements</b>	has the meaning given in Section 2.2.
<b>WST</b>	means Western Standard Time, being the time in Perth, Western Australia.

**Annexure A** | INDEPENDENT  
LIMITED ASSURANCE REPORT





16 September 2022

The Directors  
Taiton Resources Limited  
Level 13, 200 Queen Street  
Melbourne VIC 3000

Dear Directors

**Investigating Accountant's Report on Taiton Resources Limited historical and pro forma historical financial information**

We have been engaged by *Taiton Resources Limited* ("the Company") to report on the historical financial information and pro forma historical financial information of the Company for inclusion in a Prospectus document dated on or around 16 September 2022 and relating to the issue of a minimum of 35,000,000 shares, and up to a maximum of 50,000,000 shares in the Company ("the document").

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

**Scope**

*Historical Financial Information*

You have requested William Buck to review the following historical information of the Company (the responsible party) included in the public document:

- Summary historical statement of the consolidated profit or loss and other comprehensive income of the Company for the financial year ended 30 June 2019 ("FY06/2019"), financial year ended 30 June 2020 ("FY06/2020"), financial year ended 30 June 2021 ("FY06/2021") and financial period ended 31 December 2021 ("FP12/2021");
- Summary historical statement of the consolidated statement of cash flows of the Company for the financial year ended 30 June 2019 ("FY06/2019"), financial year ended 30 June 2020 ("FY06/2020"), financial year ended 30 June 2021 ("FY06/2021") and financial period ended 31 December 2021 ("FP12/2021");
- Summary historical consolidated statement of financial position for the Company as at the end of each of FY06/2019, FY06/2020, FY06/2021 and FP12/2021.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies, which are disclosed in the financial information section of the Prospectus document. The historical financial information has been extracted from the respective general-purpose financial reports of the Company for each of FY06/2019, FY06/2020, FY06/2021 and FP12/2021, which were audited in accordance with the Australian Auditing Standards by Moore Stephens Audit (Vic) for FY06/2019, by Moore Australia Audit (VIC) for FY06/2020 and by William Buck Audit (Vic) Pty Ltd ("William Buck") thereafter.



**Scope** *(continued)*

Unmodified audit opinions, with an emphasis of matter for a material uncertainty relating to the going concern basis were issued on each of the financial reports for FY06/2019, FY06/2020 and FY06/2021. An unmodified review conclusion was issued for the FP12/2021 financial report including an emphasis of matter for a material uncertainty relating to the going concern basis. The historical financial information is presented in the public document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

*Pro Forma historical financial information*

You have requested William Buck to review the pro forma historical statement of financial position as at 31 December 2021 referred to as "the pro forma historical financial information".

The pro forma historical financial information has been derived from the historical financial information of the Company, after adjusting for the effects of pro forma adjustments described in the financial information section of the Prospectus document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events and transactions to which the pro forma adjustments relate, as described in the financial information section of the Prospectus document, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical information does not represent the Company's actual or prospective financial position or financial performance.

**Directors' responsibility**

The directors of the Company are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and include in the pro forma historical information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

**Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

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





## Conclusions

### *Historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in the financial information section of the Prospectus document, and comprising:

- Summary historical statement of the consolidated profit or loss and other comprehensive income of the Company for the financial year ended 30 June 2019 ("FY06/2019"), financial year ended 30 June 2020 ("FY06/2020"), financial year ended 30 June 2021 ("FY06/2021") and financial period ended 31 December 2021("FP12/2021");
- Summary historical statement of the consolidated statement of cash flows of the Company for the financial year ended 30 June 2019 ("FY06/2019"), financial year ended 30 June 2020 ("FY06/2020"), financial year ended 30 June 2021 ("FY06/2021") and financial period ended 31 December 2021("FP12/2021");
- Summary historical consolidated statement of financial position for the Company as at the end of each of FY06/2019, FY06/2020, FY06/2021 and FP12/2021.

...is not presented fairly, in all material aspects, in accordance with the stated basis of preparation, as described in the financial information section of the Prospectus document.

### *Pro Forma historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information being the statement of financial position as at 31 December 2021 is not presented fairly in all material aspects, in accordance with the stated basis of preparation as described in the financial information section of the Prospectus document.

## Restriction on Use

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

William Buck has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

## Liability

### *Responsibility*

Consent to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it appears has been given but should not be taken as an endorsement of the Company or a recommendation by William Buck of any participation in the share issue by any intending investors. At the date of this report our consent has not been withdrawn.

### *General Advice Limitation*

This Report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on this information contained in this Report. Before acting or relying on information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.



**Declaration of Interest**

William Buck does not have any interest in the outcome of the issue of shares other than in the preparation of this Investigating Accountant's Report for which normal professional fees will be received.

Yours faithfully

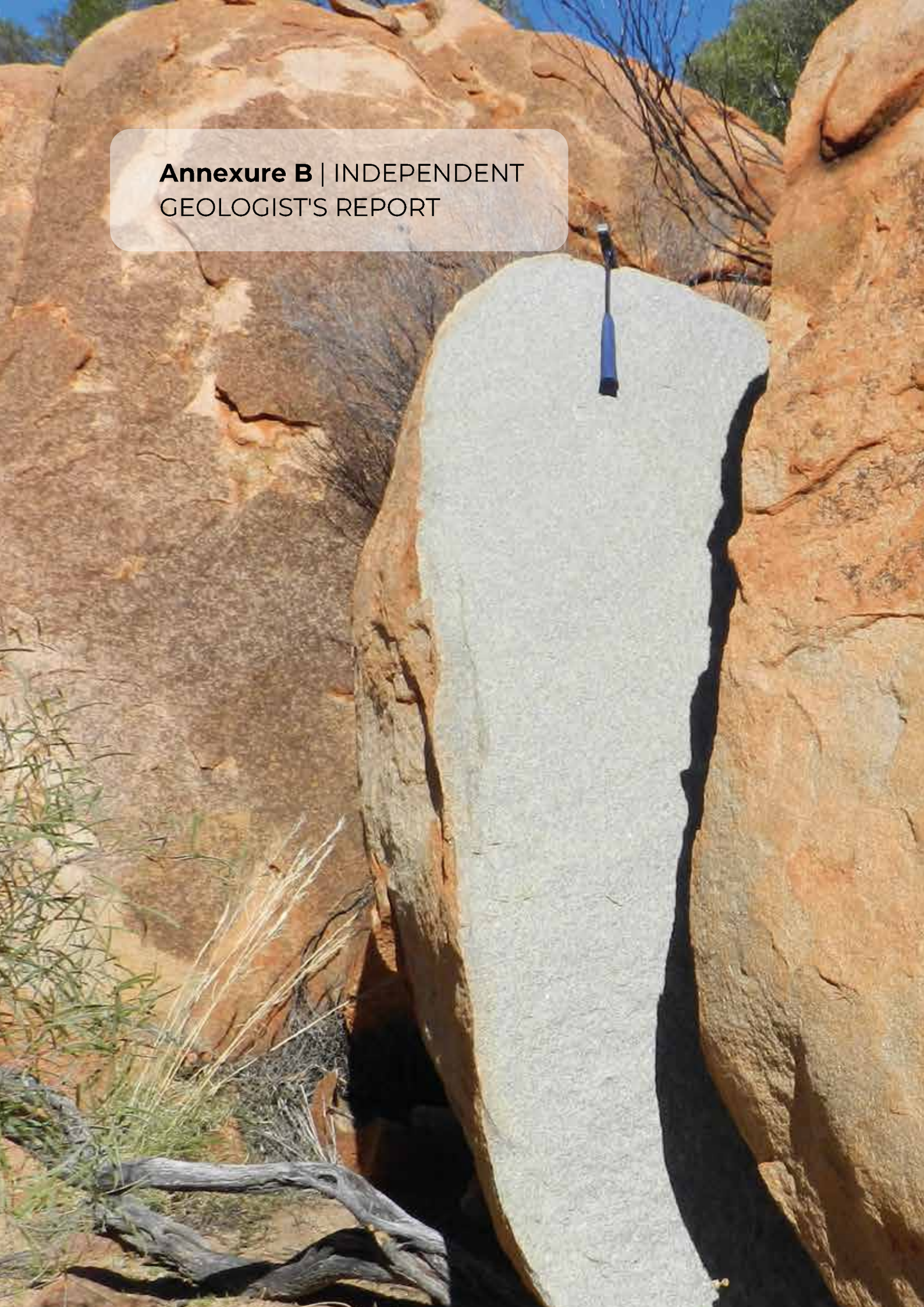
**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136

**J.C. Luckins**  
Director

Dated in Melbourne, Australia this 16<sup>th</sup> day of September 2022



**Annexure B | INDEPENDENT  
GEOLOGIST'S REPORT**







## INDEPENDENT GEOLOGIST'S REPORT

The Directors,  
Taiton Resources Limited,  
Level 13, 200 Queen St,  
Melbourne, VIC 3000

16 September 2022

### Introduction

Richard Hall of Midas Touch Geological Services ("MTGS") has been commissioned by Taiton Resources Limited ("Taiton") to prepare an Independent Geologist's Report ("IGR"), of the mineral properties granted to Taiton.

### Compliance with Regulatory Guides

The information and opinions presented in this report relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves (if and to the extent disclosed) have been prepared and reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code") standards of reporting.

### Scope of Work

This report is a technical review which is to be included by reference in a Prospectus to be lodged with ASIC during September 2022 to raise a minimum of AU\$7 million to a maximum of AU\$10 million in new equity via an Initial Public Offering. These funds will primarily be used for the exploration, evaluation, and development of the mineral tenements in Taiton's mineral portfolio located in both South Australia and Western Australia, as outlined in this report.

The environmental, safety, regulatory risks, and legal status, including Native Title considerations associated with the tenure of the mineral properties of Taiton, are subject to a separate report elsewhere in this Prospectus. This report has thus been prepared on the assumption that the tenements will have lawful access for the evaluation and development of Taiton's mineral properties, which comprise interests in eight (8) granted Exploration Licences (EL), and one (1) Exploration Licence Applications (refer to tenement schedule, Table 1). Historically, the project areas have only been partially explored by several companies in the past and where possible, these results have been incorporated into the IGR if they have been deemed to provide supporting evidence or have any potential material impact on either current or future work schedules within the exploration tenements. Mineral Exploration can be described as a continuous and iterative process of evaluation where (financial) risk is weighed against (financial) success. It is MTGS's opinion that the mineral properties and the target commodities described in this report warrant the proposed exploration and testing programmes outlined, which will proceed along industry-accepted tenets of minerals exploration philosophy and methodology.

All maps included in this report are current as of the date of this report and have been prepared and/or verified by the Competent Person.

### Reliance on Experts

During the preparation of this report, access has been provided to all relevant data held by Taiton, as well as various other technical reports and information, quoted in the bibliography. MTGS has made all reasonable endeavours to verify the veracity and relevance of these data. Whilst every effort has been made to carry out the interpretation as diligently as possible, the author accepts no responsibility for any commercial decisions arising from the interpretations and conclusions expressed in this report and accompanying maps, nor will these decisions prejudice the author or publisher in any manner whatsoever. Taiton has warranted to MTGS that full disclosure has been made of all material in its possession, and that information provided, is to the best of our knowledge, accurate and true.

MTGS has relied on information and reports obtained from Taiton, or the public domain including but not limited to:

- Presentation material,
- S.A. Department for Energy and Mining and W.A. Department of Mines, Industry Regulation and Safety reports,
- Internal reports,
- Internal sampling results, logging and other laboratory and scientific data,
- Publicly available bulletins including those from Geoscience Australia, the Geological Survey of Western Australia and the South Australian Resources Information Gateway (SARIG).

### **The Highway Project**

For South Australia, and in particular this project, much of the data utilised to investigate the Taiton projects is in-house and of a conceptual nature, the latter being supported by a dearth of significant and compelling data e.g., historic drilling intercepting Ag-Pb-Zn veining that may be peripheral to porphyry stocks and IOCG, and new proprietary zircon geochronology ages, which, in the case of the Merino Prospect, proposes a western extension to the geologic bounds and terrane of the currently accepted distribution of the  $\pm 1590$  Ma Olympic Metallogenic Event (OME) on the Gawler Craton.

The Company interprets that their tenements lie within a coeval rift complex west of the shoulder of a collapsed supercaldera that is associated with the  $\pm 1590$  Ma Olympic Metallogenic Event (OME) and which subsequently formed a Mo-rich, polymetallic porphyry system c.200km west of Olympic Dam. This assumption is based on new in-house zircon geochronology (achieving a c.1590 Ma OME result) and limited but significant hydrogeochemical data from CSIRO/GSSA (Reid *et al.*, 2018) showing anomalous Ca-Na, Mg-Ca, K-Na, AS, Co, Li, Mn, NH, Pd, Pt and V readings in the vicinity of their Merino Prospect. The Company proposes that an extension to the OME terrane within their tenement confines will have a twofold effect – one of these being a research/academic aspect that will initiate the remodelling of the tectonic geodynamics of the Gawler Craton, and secondly, an economic benefit that will potentially expose a new ore district and areas for greenfields exploration and targeting strategies that have been previously unavailable for OME exploration. The Company believes this area to house a potentially new mineral district with high metallogenic potential and large volume deposits

### **The Challenger West Prospect**

This area covered by the tenements is poorly understood but is in close proximity to the established Challenger gold operations operated by Barton Gold Holdings Limited. Taiton is a new entrant to the Mulgathing Province and much of the rationale in securing the prospect is from geochemical and geophysical data gleaned from the open-source South Australian Resources Information Gateway (SARIG) portal, as well as a reinterpretation of open-source gravity data.

Currently the SA Mines Department has a gazettal preventing new applications while they undertake research and fill data gaps. Taiton was the last new entrant to the area and has extensive coverage of gravity ridges west of Challenger.

### **The Lake Barlee Prospect**

The Lake Barlee Prospect is a traditional Yilgarn gold in a granite-greenstone play, with the potential for rare-element Lithium-Caesium-Tantalum (LCT) pegmatites. A challenge to the Company is that the greenstone targets are blind, being situated beneath deep saline playa sediments where traditional electrical and geochemical remote detecting methods are rendered ineffective. The Company has utilised inversion modelling from infill airborne (UAV) magnetics to discriminate potential alteration from mafic metasediments. A strong structural corridor is evident, and this will be tested to determine a conceptual contact between granite-greenstone interfaces. A re-interpretation of UAV close spaced surveying has identified at least 4 targets in sufficient resolution to plan a reconnaissance drilling campaign on these data.

There are no mineral resource estimates prepared under the guidelines of any mineral reporting code in this report.

Taiton has indemnified MTGS from liability that arises from MTGS's reliance on information provided or omitted, by Taiton.

### **Site Visit**

A site visit was not undertaken to the project areas in the period, partly due to COVID-19 travel restrictions and the fact that there is no extensive surface geology to examine, or previous and current exploration activities to view.

### **Statement of Independence**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves on the Taiton mineral properties is based on, and fairly represents, information and supporting documentation prepared by Mr Richard Hall (*M.Sc. Geology, cum laude*), a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM, Member No. 224837) and a member of the Geological Society of Australia.

Mr Hall is employed by MTGS. Mr Hall has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Hall consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

In addition, MTGS has not been requested to provide an Independent Valuation and this report is not a valuation report, nor has it been asked to comment on the fairness or reasonableness of any vendor or promoter considerations, and therefore it has not offered any opinion on these matters. This report is a Technical Assessment Report and a Public Report as described

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in the VALMIN Code and JORC Code. The information in this report that relates to Technical Assessment (as described in the VALMIN Code) reflects information compiled and conclusions derived by Mr Richard Hall (*M.Sc. Geology, cum laude*), who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM, Member No. 224837) and a member of the Geological Society of Australia. Mr Richard Hall has sufficient experience relevant to the Technical Assessment (as described in the VALMIN Code) of Taiton's mineral properties and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Mr Richard Hall consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

MTGS is an established independent geological consultancy that has no material interest either directly or indirectly in Taiton, nor in any of its mineral properties included in this report, nor in any asset that Taiton has previously included in its mineral portfolio.

This report has been prepared by MTGS strictly in the role of an independent expert and professional fees payable for the preparation of this report constitutes Mr Hall's only commercial interest in Taiton. Moreover, the payment of these fees has in no way influenced the outcomes or conclusions cited in this document.

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**INDEPENDENT GEOLOGIST'S REPORT RELATING  
TO THE MINERAL PROPERTY INTERESTS  
OF TAITON RESOURCES LIMITED**

Prepared for:



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RESOURCES LIMITED

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**Midas Touch**   
GEOLOGICAL SERVICES

(ABN 71 102 710 250)



## Independent Geologist's Report

### EXECUTIVE SUMMARY

Midas Touch Geological Services (MTGS) was requested by Taiton to prepare an Independent Geologist's Report (IGR) for use in a prospectus to support an initial public offering (IPO) of shares for Taiton 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.

The Company acquired Lake Barlee Gold Pty Ltd which holds 668 km<sup>2</sup> of exploration tenements in WA with gold prospectivity ("Lake Barlee Project"), which comprises 4 granted tenements (E77/2700, E57/1158, E77/2715 and E57/1168). It also acquired 1,133 km<sup>2</sup> of granted tenements in South Australia (EL 6658, EL 6706), focussing on polymetallic mineralisation ("Highway Project"). In addition, the Company has been granted 1,881 km<sup>2</sup> of exploration tenements in South Australia, adding ground to the Highway Project (EL 6784) and new ground (EL 6785) near the Challenger Gold Mine ("Challenger West Project"). The company has an additional 914 km<sup>2</sup> in ELA at Highway Project, pending approval by the DEM.

The Highway Project is the most complex of the projects tackled in this report, largely because it challenges the well-known premise and data regarding the known extent of the Meso-Proterozoic Olympic Metallogenic Event (OME). Despite lying c. 100 km west of the Olympic IOCG belt and c. 230 km north of the Olympic-age southern porphyry tract that includes the Paris-Nankivel (Ag), Menninnie Dam (Ag, Pb, Zn), and Parkinson Dam epithermal Au-Ag (Pb-Zn) deposits, reinterpretation of existing records and new chronological data produced by Taiton, shows these data to similarly align the Highway Project with the well-constrained OME age. Past exploration for IOCG-style mineralisation in the area did not extend under shallow cover and it appears no previous explorers looked for, or recognised, signatures for polymetallic porphyry systems lying at shallow depths. Importantly, much of the information regarding what is ostensibly, a new exploration district, is not to be found in the SARIG database or public domain but is proprietary to Taiton. New zircon geochronology data produced in-house, combined with reinterpretation of historic drill data, appears to indicate that the Merino Prospect at the Highway Project has the potential to host a large-scale hydrothermal/polymetallic-porphyry system outside of the recognised metalliferous OME district. Importantly, the geochemistry suggests that the metals found at Merino may be distal to a mineralising core and that the magmatic system may lie at a shallow depth, yet to be explored by Taiton. Reconnaissance exploration by prior workers at Merino Prospect found broadly distributed and highly anomalous Mo, Ag, Pb and Zn from basement as shallow as 8m. Taiton analysed zircons extracted from porphyritic granite at 7m depth, which indicate hydrothermal mixing of fluids concentrated in Pb, U and REEs. These observations of hydrothermal-style metal enrichment at shallow depths at Merino Prospect are corroborated by CSIRO/GSSA hydrogeochemical water bore results. The mineralisation is associated with disseminated pyrite and will be suitable for detection by IP geophysical methods.

The area held by Taiton thus appears to support the possibility for further mineral discoveries within an expanded OME district that is of greater extent than previously considered by explorers and academia alike. This will be an opportunity for the Company to pioneer and promote a new exploration area and reconcile both the geochronology with the geology in support of the greater distribution of OME-age deposits in the Central Gawler Craton.

MTGS notes that the porphyry-type Cu-Mo, skarn-type Fe-Sn and Pb-Zn, hydrothermal vein type deposits of the Shuangjianzishan ore district in inner Mongolia, typified by the Shuangjianzishan Ag-Pb-Zn deposit, is considered by the Company to be a close analogue to the Merino Prospect.

While Taiton's exploration is at an early stage and largely conceptual in nature, the schemata for this are supported by:

- Nearby favourable geological and geodynamic settings and established mineralised and mining districts with established metallogenic models,
- SA mining projects in the local region including those of the Paris-Nankivel, Hector, Menninnie Dam and Frakes deposits to the south and Prominent Hill, Vulcan and Olympic Dam to the north and east,
- Archive drill results at the Highway Prospect with significant anomalism in copper, zinc and cobalt,
- Re-interpretation of misleading geological records (quartzites vs granites in old logs),
- Taiton's interpretation of geophysical data which has revealed gravity and magnetic targets that are fundamental to and forms the basic tenets of IOCG-related and other mineralisation models,
- Proprietary zircon geochronology indicating the greater extent of the OME, which gives added substance to the mineral potential over their exploration targets,
- Re-interpreted UAV magnetic data at their Western Australian project is of sufficient resolution to produce drill-ready targets.





### Independent Geologist's Report

Based on interpretation of existing geophysical data, Taiton has prioritised four (4) high-interest porphyry system targets for geophysical survey and drill targeting in their planned Year 1 exploration program in South Australia, and a selected drilling campaign over two (2) interpreted high-magnetic anomalies from a UAV survey at their Lake Barlee Prospect in Western Australia. The company views these targets as significant green fields exploration opportunities, which arose from advanced magnetic geophysics at Lake Barlee, and new geological interpretations in the Gawler Craton of South Australia.

### MIDAS TOUCH'S OPINION

Based on MTGS's assessment, it is our opinion that Taiton's exploration strategy has a sound technical foundation for their projects and is reasonable, based on the geological and geochemical interpretation of the available proprietary and open-source data. Furthermore, the proceeds of the capital raise being sought to fund these activities, at both the minimum and maximum levels of subscription, is considered sufficient for their planned exploration activities.

Taiton has demonstrated that historic exploration on their SA project area has not yet systematically tested for a magmatic arc epithermal/porphyry system of mineralisation being herewith promoted for the first time by the Company and based on new in-house zircon dating which expands the Olympic Domain of mineralisation. MTGS notes that Taiton's proposed exploration program, therefore, is at an early phase of implementation. As with all early-stage exploration plays, the inherent risks associated with this project are therefore considered high.

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## Independent Geologist's Report

### 1 INTRODUCTION

This Independent Geologist's Report ("IGR") has been prepared by MTGS at the request of Taiton Resources Limited, ("Taiton") on the mineral property interests relating to their South Australian (Highway and Challenger West) and Western Australian (Lake Barlee) projects.

The following report outlines the potential for polymetallic, Mo-enriched, porphyry and epithermal deposits in district-scale proximity to known IOCG and epithermal deposits and occurrences, as well as a well-established gold mining camp, in the Gawler Craton of South Australia, and highlights granite-greenstone gold potential in the Murchison Greenstone Belt of the Yilgarn Craton, Western Australia. Taiton's mineral portfolio comprises nine (9) tenements, covering an area of c. 4595 km<sup>2</sup>. The current beneficial interests for Taiton are indicated below:

- EL 6658 is granted and 100% ownership by Taiton (Highway Project),
- EL 6784 is granted and 100% ownership by Taiton (Highway Project),
- EL 6785 is granted and 100% ownership by Taiton (Challenger Project),
- ELA 2022/00039 is in application and 100% Taiton (Highway Project),
- EL 6706 is granted and 100% ownership by Taiton (Highway Project),
- E57/1158 is granted and 100% ownership by Taiton (Lake Barlee Project),
- E77/2715 is granted and 100% ownership by Taiton (Lake Barlee Project),
- E57/1168 is granted and 100% ownership by Taiton (Lake Barlee Project),
- E 77/2700 is granted and 100% ownership by Taiton (Lake Barlee Project).

The South Australian OME IOCG-related and epithermal/polymetallic porphyry targets are compelling for number of reasons which are summarised below:

- Published and non-published prospectivity assessments and a re-assessment of historical data pertaining to the Gawler Craton geodynamics provides both strong scientific and empirical support to the prospectivity of the Highway Project for OME-related and large-scale epithermal and Mo enriched polymetallic porphyry style mineralisation at Merino Prospect.
- Targets are based on coincident gravity targets (dense basement lithologies) at the scale of IOCG-related structures such as that found at Carrapateena and, magnetic lineaments east of Lake Labyrinth, which are interpreted as basin structures relating to intra-cratonic extension coeval with the OME. Historical drill logs indicate that Lower Gawler Range Volcanics (LGRV) are interlayered with sediments currently classified to older stratigraphic units.
- The geochemical signature of results intersected in drilling are well aligned with those recognised globally for this deposit style; and,
- The scale of the targets is consistent with other IOCG-related and polymetallic-porphyry and epithermal deposits.
- Target evaluation finds that the Merino Prospect has hallmarks of a large-scale Mo-Porphyry or epithermal system overlooked by prior explorers. The target style of Mo-Porphyry further supports interpretation of the area for extensional tectonics.
- Favourable geodynamic relationships and driving mechanisms for a polymetallic, Mo-enriched, porphyry/granite system model.
- Most importantly, the zircon geochronology work carried out by Taiton provisionally supports the Company's assertion that that the Highway Project lies within terrane that competes within the constraints of the OME, and that the Merino Prospect itself is a likely a hydrothermal system (by way of zircon isotope analyses conducted by Taiton and indirect hydrogeochemical analyses undertaken by CSIRO/GSSA, the indicators of which, is suggestive of hydrothermal systems at shallow depth).

The South Australian Challenger West gold properties and the gold deposits near it, lie on gravity ridges in the Mulgathing Province.

- The area is poorly understood. Currently the S.A. Mines Dept. has a gazettal preventing new applications while they undertake research and fill data gaps.
- Taiton was the last new entrant to the area and has extensive coverage of gravity ridges west of Challenger. Challenger was discovered by calcrete sampling. Development of the UltraFine+™ surface geochemical method by CSIRO may detect anomalism that was blind to the calcrete sampling methodology.



**Independent Geologist's Report**

The WA Lake Barlee Project is a traditional Yilgarn granite-greenstone exploration play, which has also indicated some potential for L-C-T pegmatite occurrences.

- Problematically, much of the property lies beneath conductive, saline playa lake deposits which render most traditional forms of geophysical surveying ineffective. However, completion of an in-house magnetic drone (UAV) survey returned effective data and drill targets. These results are discussed later in the report (Section 4.1.4).

MTGS understands that it is Taiton's intention to aggressively explore these exploration properties with the proceeds of the capital raise and to initiate exploration and evaluation programmes. In this regard, Taiton will initiate an aggressive exploration program for Mo-enriched porphyry deposits relating to extension during the OME, that will assist in the compilation of a coherent metallogenic model for the Highway Project and both the Challenger West and Lake Barlee projects.

Taiton's key programs to realise a discovery include;

- Utilising a multi-disciplinary approach with the use of remote sensing tools to detect basement targets,
- Interpretation of new geophysical data and integration with drilling geochemistry,
- Undertaking a first pass drilling program of anomalous targets to ascertain a better understanding of alteration and mineralisation styles and to ultimately effect a mineral discovery,
- Compilation of all data to develop a project-wide, geometallurgical model to support exploration and understand the metallogeny of the projects; and,
- Complete a second pass drilling program as required based on the results from the first-year programs.

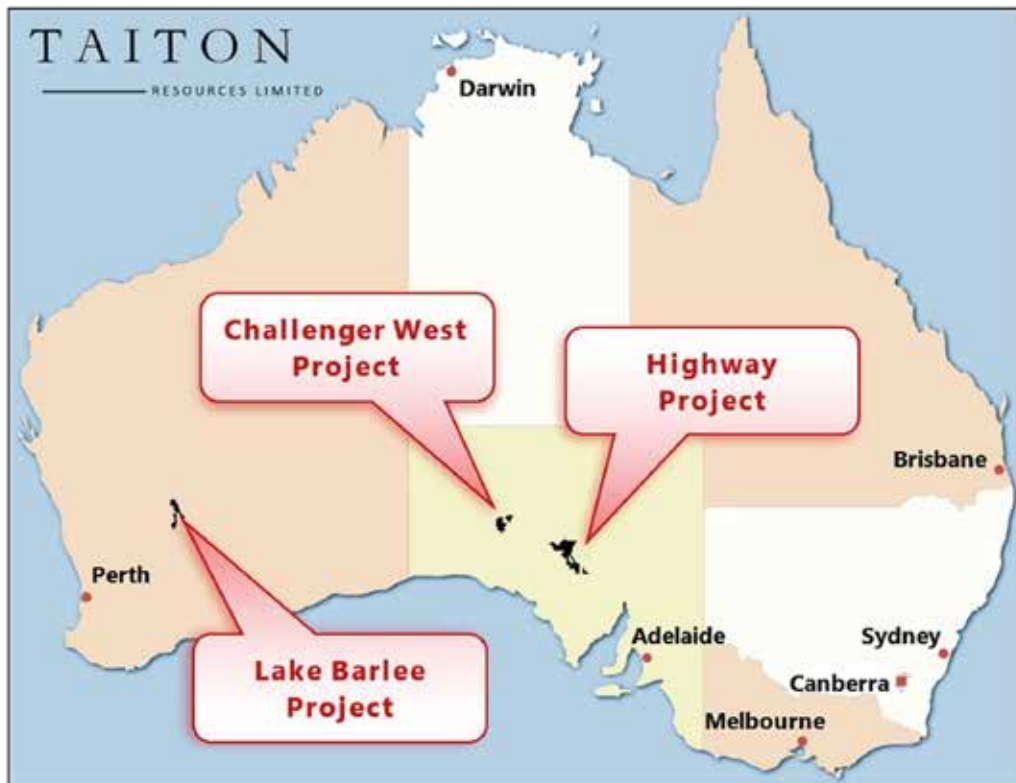


Figure 1. Geographic location Taiton's exploration projects located in Western and South Australia.



Independent Geologist's Report



Figure 2. Locality of Taiton's Lake Barlee Project in Western Australia.



Figure 3. Locality of Taiton's South Australian Projects.

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**Independent Geologist's Report**
**2 TENURE, LOCATION AND ACCESS**
**2.1 TENURE**

The Taiton mineral properties tenement schedule currently comprises nine (9) exploration licences, comprising eight (8) granted tenements and one (1) application, occupying an area of 4595 km<sup>2</sup>. Taiton holds a majority 100% interest and is both the operator and manager.

TAITON RESOURCES LIMITED: TENEMENT SCHEDULE (as at July 2022)												
Tenement ID	Status	No. Blocks	Area. Km <sup>2</sup>	Application Date	Grant Date	Expiry Date	Expenditure Commitment	Rent Date	Rent Amount	Registered Tenement Holder	Taiton %	Project Name
<b>Western Australia</b>												
E 57/1158	Granted	68	204	26/06/2020	3/03/2021	2/03/2026	\$68,000.00	2/04/2023	\$ 9,928.00	Lake Barlee Gold Ltd	100%	Lake Barlee
E 77/2715	Granted	44	132	29/07/2020	23/03/2021	22/03/2026	\$44,000.00	22/04/2023	\$ 6,424.00	Lake Barlee Gold Ltd	100%	Lake Barlee
E57/1168	Granted	47	141	4/09/2020	8/06/2021	7/06/2026	\$47,000.00	7/07/2022	\$ 6,862.00	Lake Barlee Gold Ltd	100%	Lake Barlee
E 77/2700	Granted	64	191	26/06/2020	26/05/2021	25/05/2026	\$64,000.00	25/06/2022	\$ 9,344.00	Lake Barlee Gold Ltd	100%	Lake Barlee
<b>South Australia</b>												
EL 6658	Granted		972	16/11/2020	3/09/2021	2/09/2027	\$100,000.00	2/09/2022	\$ 22,258.80	Taiton Resources Ltd	100%	Highway
EL 6706	Granted		160	14/02/2021	4/03/2022	3/03/2028	\$40,000.00	3/03/2023	\$ 3,842.00	Taiton Resources Ltd	100%	Highway
EL 6784	Granted		884	18/05/2021	2/06/2022	1/06/2028	\$90,000.00	1/06/2023	\$ 20,421.60	Taiton Resources Ltd	100%	Highway
EL 6785	Granted		997	19/05/2021	2/06/2022	1/06/2028	\$100,000.00	1/06/2023	\$ 18,223.70	Taiton Resources Ltd	100%	Challenger West
ELA 2022/00039	Applic- ation.		914	4/05/2022						Taiton Resources Ltd	100%	Highway

Table 1. Status and expenditure commitments for Taiton projects as at July 2022.

**2.1.1 Tenement History**

On 2 January 2021, the Company acquired 100% interest in Lake Barlee Gold Pty Ltd ("Lake Barlee") for total cash consideration of AU\$100,000. Lake Barlee holds four large tenements that straddle Lake Barlee, which is in the Yilgarn about 240 km north of Southern Cross, Western Australia. The tenements consist of 4 adjoining tenements (E77/2700, E77/2715, E57/1158 and E57/1168) which together total 668 km<sup>2</sup>.

In June 2021, the Company entered into a Binding Term Sheet to acquire 2 applications (ELA 2020/00206 and ELA 20021/00013) ("Highway Project") for 1,132 km<sup>2</sup> of exploration tenements in the Gawler Craton, South Australia for AU\$100,000 cash to be paid in two tranches of \$50,000, the first of which being on the grant of the first tenement application, and the second upon grant of the second tenement application by the SA Mines Department. In addition, if Taiton undertakes a listing on the ASX within a period of 2 years, Taiton will issue 2 million Taiton shares to the vendor upon the successful completion of the capital raising under the initial public offer and Taiton's receipt of conditional admission to the official list of the ASX. If Taiton is not listed within 2 years, Taiton will offer to transfer the tenements back to the vendor for a nominal sum of \$100. ELA 2020/00206 and ELA 20021/00013 have been granted as EL 6658 and EL 6706 respectively, and the transfer to Taiton is complete.

Adjoining EL 6658 and EL 6706, the Company was granted EL 6784 for 884 km<sup>2</sup> and has also applied for an additional 914 km<sup>2</sup> of exploration tenements (ELA 2022/00039) to add to the Highway Project. In addition to the foregoing project, Taiton has also been granted 997 km<sup>2</sup> of exploration license EL 6785 ("Challenger West"), located near the Challenger Mine in the Gawler Craton, South Australia.



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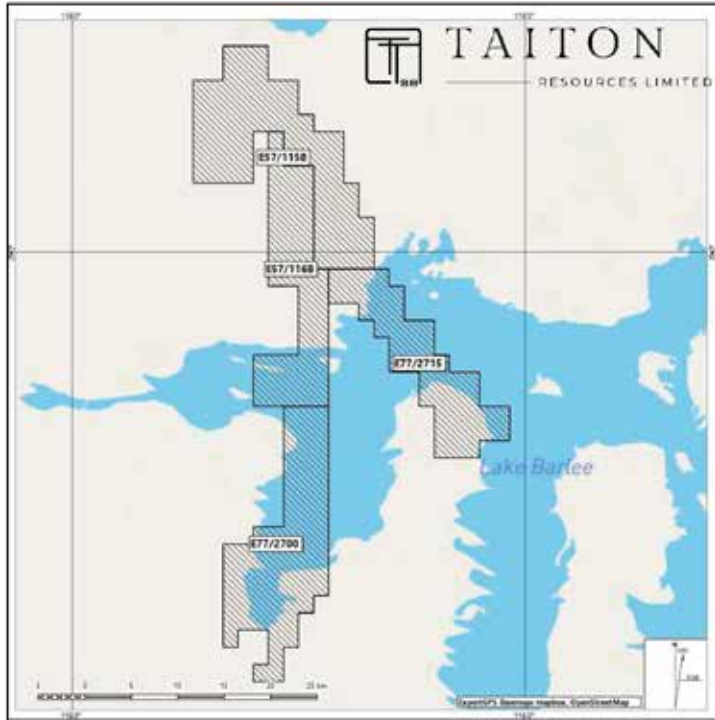


Figure 4. Tenement details of Taiton's Western Australia Lake Barlee Prospect - locations of granted tenements as at June 2022.

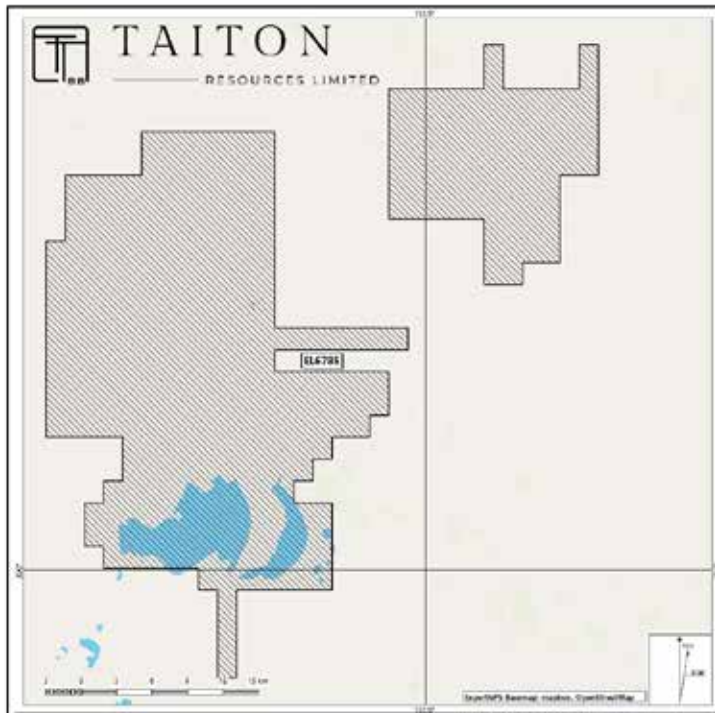


Figure 5. Tenement details of Taiton's Challenger West Tenements-South Australia as at June 2022.





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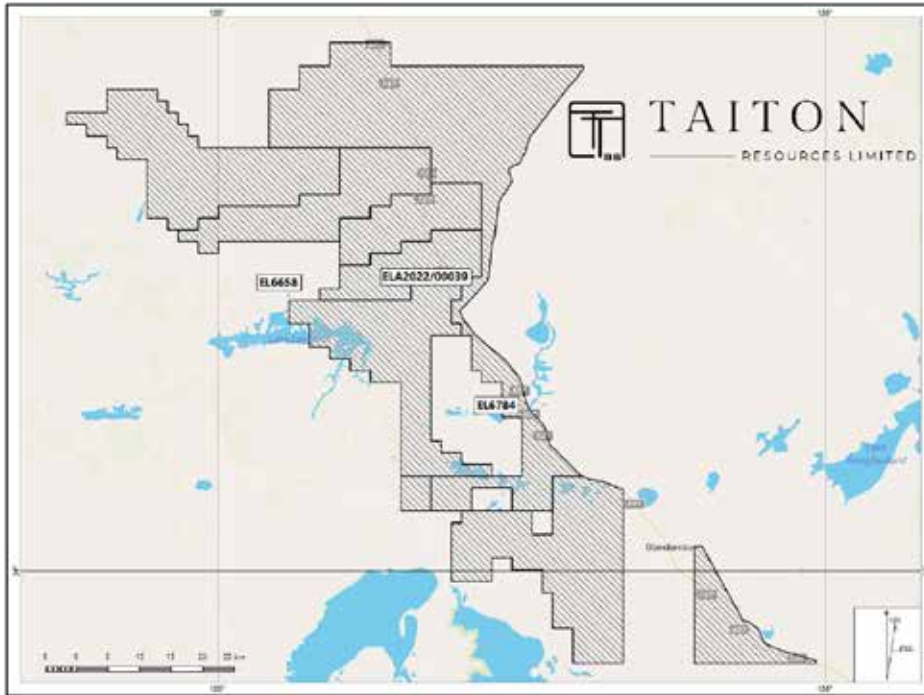


Figure 6. Tenement details of Taiton's Highway Project (Merino Prospect) in South Australia as at June 2022.

2.2 LOCATION AND ACCESS

2.2.1 South Australia

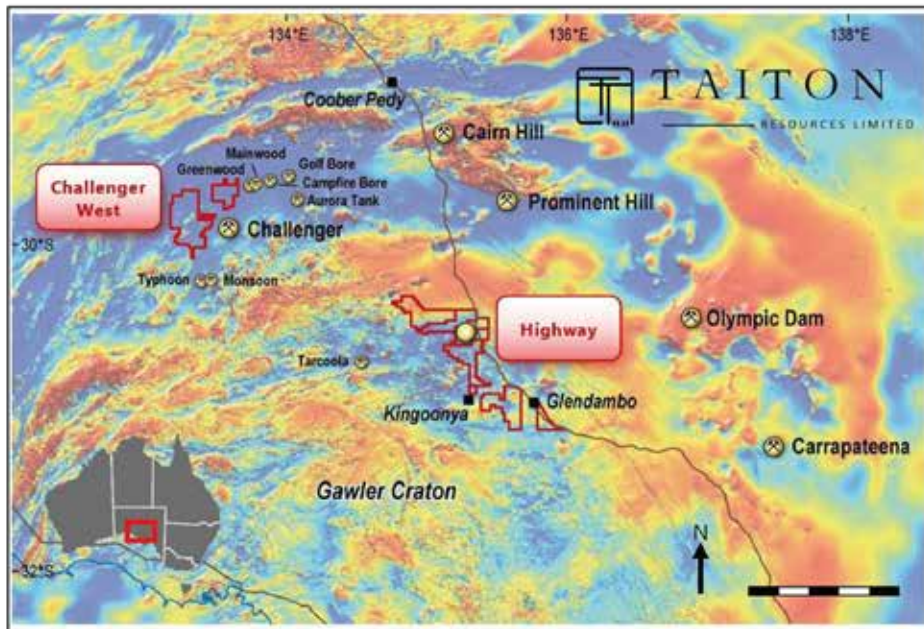


Figure 7. Regional location of South Australian Projects (TMI background).

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### 2.2.1.1 Highway Prospect

The Highway Project (containing the Merino Prospect. Figure Figure 7) is situated approximately 590 km from the state capital of Adelaide and 186 km north of Port Augusta and is bisected by the Stuart Highway (A87). The nearest town is Glendambo which is an important stopping point on the Stuart Highway as there are no further facilities until Coober Pedy 254 km to the north. The land surface is sparsely vegetated, and the region has a semi-desert to desert climate, receiving an average annual rainfall of 185 mm and average summer temperatures of 35 Celsius in January, with minor rain falling between October to February and a hot and dry period extending from October to March. Due to the extreme temperatures during the dry period, exploration field work is usually focussed during the period May to September.

The regional geology is obscured by surface cover. Access to site is via tracks off the main Stuart Highway (Figure 7, Figure 8). An all-weather airstrip is situated at Glendambo.

### 2.2.1.2 Challenger West Prospect

The Challenger West Prospect (Figure 7, Figure 8) lies c.190 km northwest of the Highway Prospect and approximately 135 km southwest of Coober Pedy. The tenements are accessible from the Commonwealth Hill Road, off the Stuart Highway to the east. The Commonwealth Hill airport lies centrally between the two prospects and is 78 km east of the Challenger West properties. From the Commonwealth Airport, the tenements are accessible by track (cf. Figure 8).

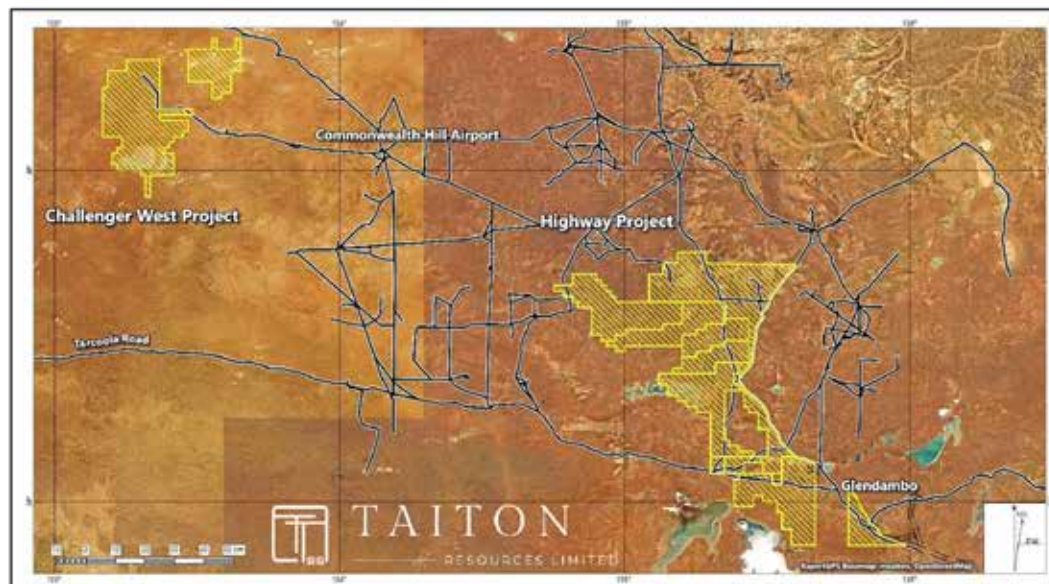


Figure 8. Locality of South Australian Projects, showing nearest access roads, tracks and settlements.

## 2.2.2 Western Australia

### 2.2.2.1 The Lake Barlee Prospect

The Lake Barlee Project (Figure 9, Figure 10) is situated on the Yilgarn block and lies approximately 65 km southeast of Youanmi and 293 km north of the mining town of Southern Cross. The project tenements lie predominantly on an intermittent playa salt lake, the second largest in Western Australia. The nearest village to Lake Barlee is Mount Magnet, some 163 km to the northwest (cf. Figure 10). The Barlee-Menzies area has a semi-arid climate with cool winters and hot, dry summers with slightly more rainfall during winter than summer. Apart from the south-western sector, the climate is Arid Mesothermal, with rainfall deficient in all seasons. The annual rainfall in the area is 252 mm and the lake fills with water approximately every ten years. The water may persist for 6 months thereafter. The mean maximum temperature of 36<sup>o</sup> C degrees is reached in January. Access to Lake Barlee is via the Evanston-Menzies Road and the Lake Barlee-Youanmi Road. The most conspicuous physiographic element in the area is Lake Barlee, which is part of an endorheic salt lake chain that drains south-easterly through the Raeside Palaeoriver (Riganti, 2002).





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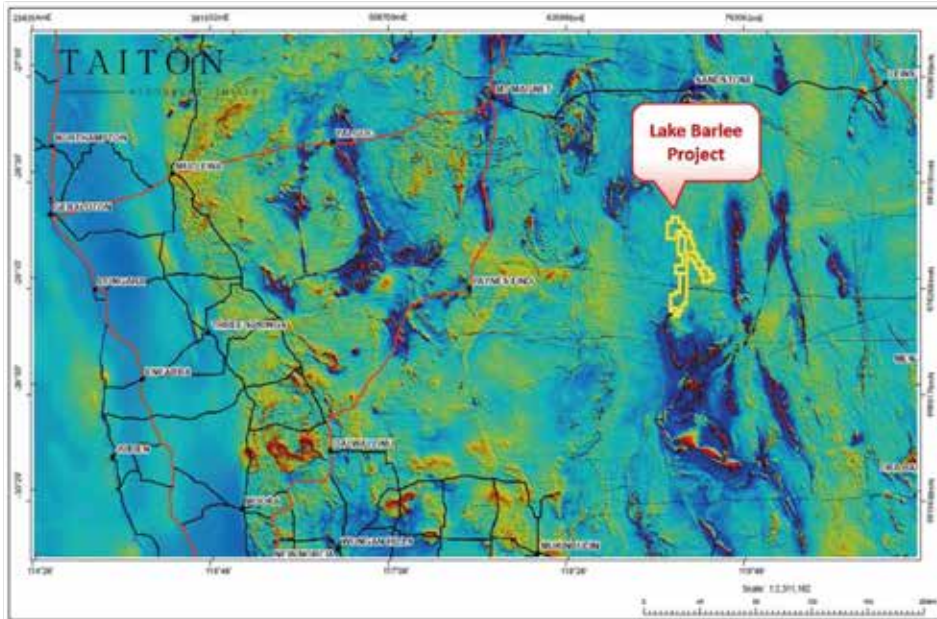


Figure 9. Regional locality of Western Australia Lake Barlee Project (TMI background).



Figure 10. Locality of Western Australian Project, showing nearest access roads, tracks, and settlements. The remote tenements predominantly overlie a large playa lake of saline sediments.

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**3 SOUTH AUSTRALIA-GAWLER CRATON GEOLOGY AND METALLOGENY**

**3.1 REGIONAL GEOLOGY**

The tectonic evolution of the Gawler Craton is complex and contains significant ambiguities in the current understanding of the geological framework, which include: the timing and spatial distribution of the major tectonic and metamorphic events within the Craton (i.e., Daly, *et al.*, 1998) (Table 2) and the lithotectonic settings of the major magmatic systems (e.g., Payne, 2008). The Gawler Craton forms one of the major orogenic belts in Australia (Figure 11), including those that have been affected by a 1.60-1.57 Ga metamorphic event, and which triggered the formation of large IOCG deposits such as Olympic Dam and Carrapateena (e.g., Reid, 2019).

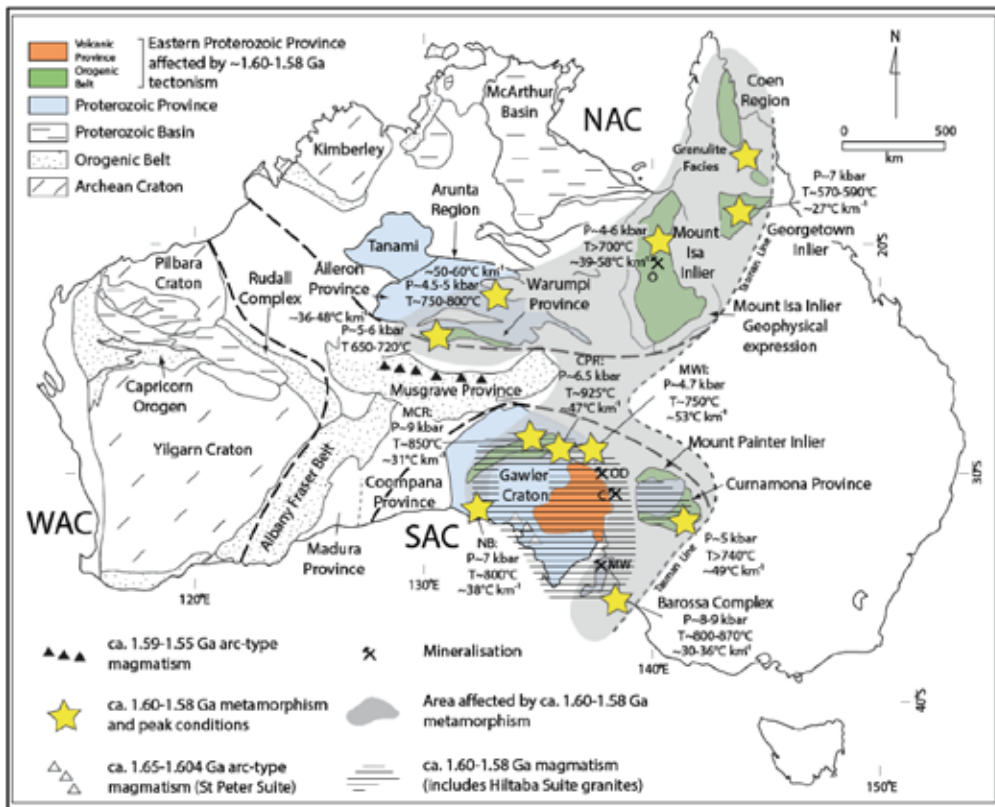


Figure 11. Selected major orogenic belts within Australia showing the location of 1.60–1.57 Ga thermal, deformational, magmatic and major mineralisation features. Estimates of static geothermal gradients have been (re)calculated assuming 1 kbar = 3 km sedimentary pile. Mineralisation: C Carrapateena; OD Olympic Dam (Tiddy and Giles, 2020) (Note: NAC North Australian Craton; SAC South Australian Craton; WAC West Australian Craton).

The Olympic Cu-Au Province is a metallogenic province in South Australia (Figure 11, Figure 12) that contains one of the world's most significant Cu-Au-U resources in the Olympic Dam deposit. The Olympic Cu-Au Province also hosts a range of other iron oxide-copper-gold (IOCG) deposits including those of Prominent Hill and Carrapateena. The Olympic Cu-Au Province formed during the early Mesoproterozoic (ubiquitously accepted at c.1.59 Ga) and is co-located with a fundamental lithospheric boundary in the eastern Gawler Craton. It is accepted that this metallogenic event was driven in part by melting of a fertile, metasomatized sub-continental lithospheric mantle during at least one major regional tectonothermal event. (e.g., Tiddy and Giles, 2020; Reid, *op. cit.*) (Figure 11, Figure 12). Published tectonic models for this period range from intracratonic (e.g., Wyborn *et al.* 1987) to suprasubduction zone settings (e.g., Betts and Giles 2006), with variable importance placed on the significance of spatially and temporally coincident magmatism and its role in ore genesis. An alternate model with growing acceptance is offered by Tiddy and Giles (2020, Figure 13). Similar





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models of slab rollback and back-arc extension followed by a switch to shortening and back-arc basin inversion have been proposed for both Proterozoic Australia and Cretaceous Chile (e.g., Forbes *et al.* 2008).

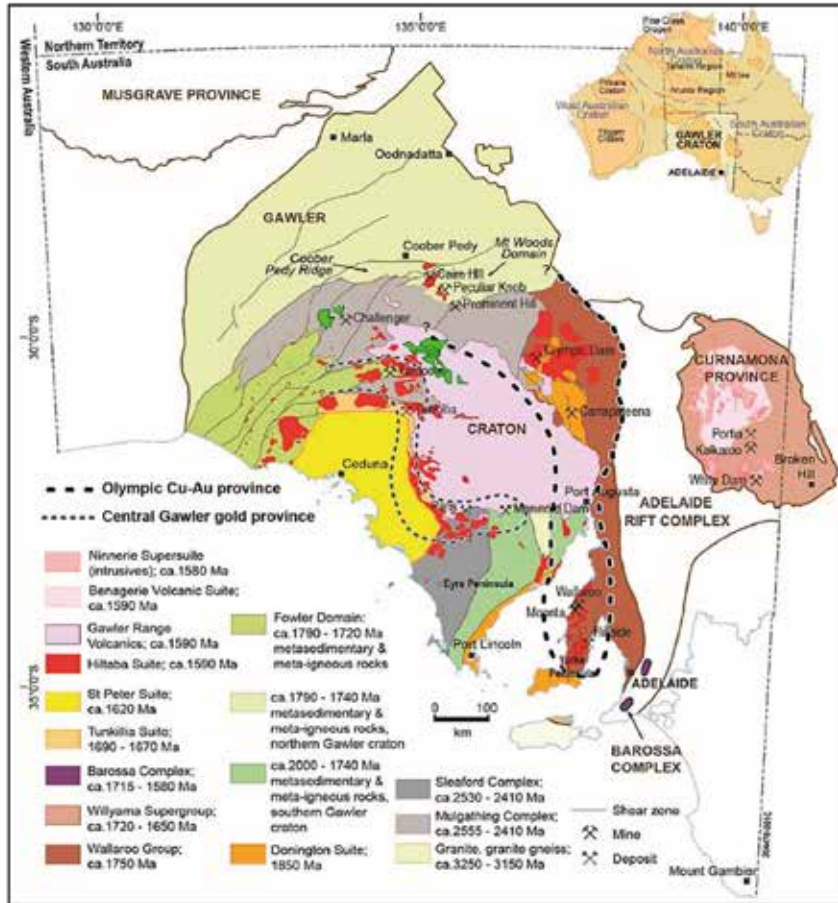


Figure 12. Regional lithotectonic units of the Gawler Craton, South Australia. The penecontemporaneous IOCG and Cu-Au metallogenic provinces are highlighted (Reid, 2019). Taiton tenements superimposed in bright green.

Event	Distribution within the craton	Age (Ma)	Metamorphic style	Peak P-T conditions	P-T evolution	Magmatism
Seaforan Orogeny	entire early-craton	2450-2420	high heat flow, low to mod. P	up to 850 °C, 6 kbar <sup>1</sup>	unknown	felsic
Mitake Event	south-east craton	2000	unknown	Tgranulite?	unknown	unknown
Coelian Orogeny	eastern craton	1855-1845	high heat flow; mod P	750 °C, 6 kbar <sup>1</sup>	dechlorite	large volume felsic, minor mafic
Kimber Orogeny	entire craton	1730-1690	high-low heat flow	South - up to 850°C, 7-11 kbar <sup>1</sup> ; <i>isobarc</i> - low-med P amphibolite to granulite <sup>1†</sup>	dechlorite	large volume felsic and mafic
Ooldean Event	western craton	1660-1650	high heat flow, low P	900°C, 10 kbar <sup>1</sup>	isobarc cooling	felsic?
St. Peter Suite Event	southwestern craton	1620-1610	high heat flow	Amphibolite	unknown	felsic and mafic
Hilaba Suite Event	entire craton	1595-1573	high heat flow	greenschist to low-med P granulite <sup>1</sup>	unknown	large volume felsic and mafic
Kararan Orogeny	north-western craton	1570-1540	mod heat flow	North - med-P amphibolite to granulite <sup>1</sup> ; <i>isobarc</i> - 800°C, 10 kbar <sup>1</sup>	unknown	none known
Coorabie Event	western craton	1470-1450	mod heat flow	500°C, ~4 kbar <sup>1</sup>	unknown	none known

Table after Hand *et al.* (2007). P-T condition references: <sup>1</sup> Tomlins and Mavrogenes (2004); <sup>2</sup> Reid *et al.* (2008); <sup>3</sup> Parker (1993); Tong *et al.* (2004); <sup>4</sup> Haszeldine (1997); <sup>5</sup> Payne *et al.* (2006); <sup>6</sup> Holm (2004); Connor (1995); Ferris and Schwarz (2003); <sup>7</sup> Daly *et al.* (1998).

Table 2. Major tectonic and metamorphic events affecting the Gawler Craton (from Dutch, 2009).



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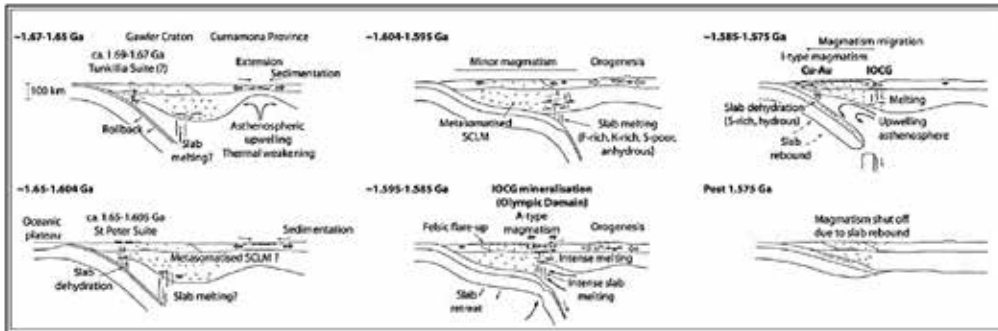


Figure 13. Proposed suprasubduction model and tectonic evolution of the Gawler Craton to explain IOCG and OME-related structures (adapted from Tiddy and Giles, 2020).

**3.2 LOCAL GEOLOGY**

Both the Highway and Challenger West projects lie within the Central Domain (Figure 14) of the Gawler Craton, with the Challenger West Project located within the Archaean Mulgathing Complex and the Highway Project within Gawler Range volcanics (GRV and UGRV) (cf. Figure 14). The Upper crustal felsic intrusives at Merino Prospect within the Highway Project are variably described as having microgranite, fine-grained, porphyry and greisen textures and composition. Alteration assemblages consistent with potassic, phyllic and propylitic zoning are reported. More detailed descriptions of the local geology are presented in the relevant sections.

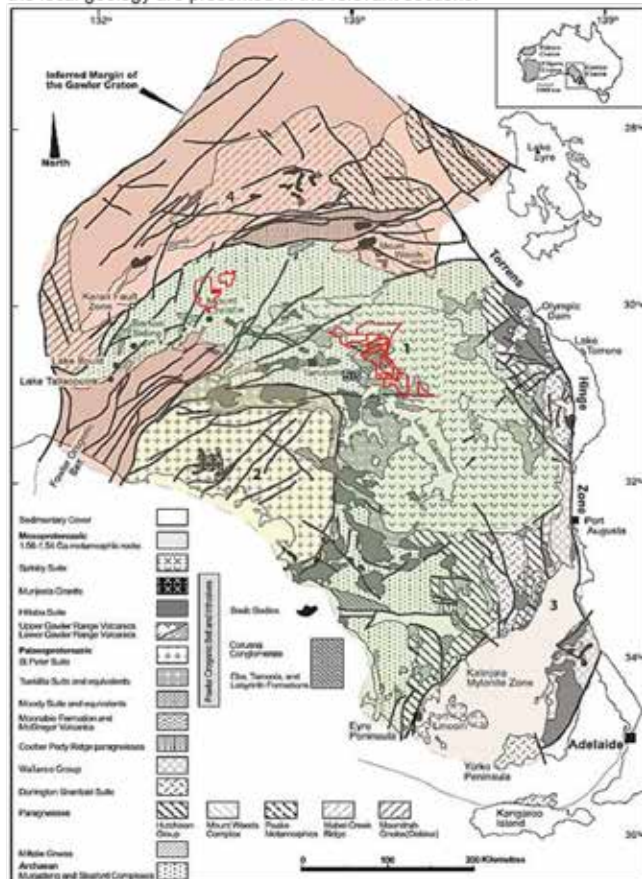


Figure 14. Detail showing Taiton's Highway and Challenger West projects superimposed on main tectonostrophic units. 1-Central Domain; 2-Southwest Domain; 3-Olympic Domain (modified from Dutch, 2009).

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**3.2.1 Review of Metallogenic Models**

The last three decades of research on the Gawler Craton has revealed numerous models, largely to explain the geodynamics of the IOCG 'megadeposits' (e.g., Anderson, 2021). World-wide, IOCG deposits occur in three geological settings (Figure 15), two of which are closely linked and are termed orogenic and post-orogenic in setting. Syn-deformational IOCG and related deposits in orogenic settings formed during regional tectonothermal events at mid- to shallow-crustal levels at generally brittle-ductile conditions.

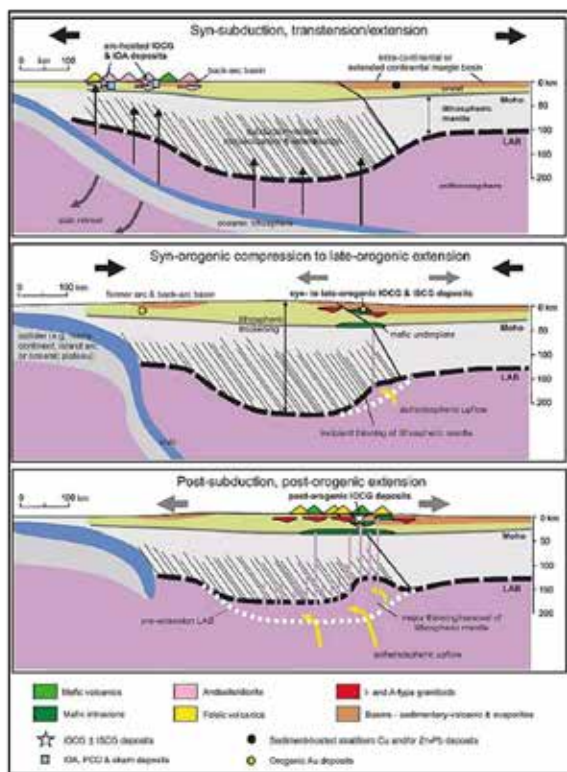


Figure 15. Schematic tectonic settings and geodynamic evolution of three IOCG deposit models (Skirrow, 2022). The juxtaposition of mantle-derived magmatism with a pre-existing basin at an extended continental margin is the key setting for the formation of orogenic IOCG and related deposits. The orogenic setting with a tectonic switch from compression to extension is proposed to be applicable to many of the World's major orogenic IOCG provinces.

Available data are consistent with a model in which provinces hosting orogenic IOCG deposits experienced tectonic switching from compression to extension, which was also commonly marked by regional bimodal magmatism (e.g., Skirrow, 2021). Many of World's IOCG provinces are hosted in such orogenic settings (Skirrow, *op. cit.*). A third model is that of the Andean-type continental margin magmatic arc that have undergone extension. However, for the purposes of this review, the Olympic Dam IOCG deposit is the type-model, being hosted in the less common post-orogenic ('anorogenic') setting (Skirrow, 2022).

IOCG deposits form in intraplate settings, over large-scale lithospheric discontinuities. Such favourable zones for IOCG formation were certainly present within South Australia during this stage. As well as favourable architecture a geodynamic trigger is needed to cause the magmatic events that form large IOCG deposits. The giant IOCG ore-forming magmatic event of the Gawler Craton may be related to a lithospheric delamination event triggered by the onset of shallow-slab subduction, or alternatively plume modified subduction (Aitken *et al.*, 2018). Regardless, all major IOCG metallogenic provinces are characterised by the coincidence in space and time between pre-IOCG sedimentary ± volcanic basins and syn-IOCG intrusive ± volcanic regional magmatism (Skirrow, 2022).

The eastern Gawler Craton and probably the Cumamona Province appear to have undergone a further stage of geodynamic development. This involved a switch from a broadly compressional (orogenic) to an extensional tectonic regime, referred to here as post-orogenic and which was marked by voluminous felsic-dominated bimodal igneous activity. The major IOCG deposits such as Olympic Dam, Prominent Hill and Hillside are interpreted to have formed

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during this tectonic switching at ~1595-1575 Ma (Skirrow, 2010). Unlike the orogenic settings, volcanic and sedimentary rocks of roughly similar age to the deposits are preserved in the post-orogenic setting of the Gawler Craton IOCG deposits and appeared to have formed within a few 10's of million years of the accepted c.1595-1575 Ma period of IOCG mineralisation (Skirrow, 2022). In particular, an intra-cratonic rift setting may have been the trigger for these deposits, forming mineralised quartz veining and K-spar-chlorite-sericite alteration and mineralised stratabound deposits in the ensuing volcano-sedimentary horizons of graben rift-fill sediments. Mo-greisen type mineralisation, Ag- and Pb-rich epithermal-like quartz vein mineralisation and shear-hosted Au-quartz vein deposits in the central Gawler Craton to the west of the IOCG metallogenic province, are particularly notable, and granitic intrusions such as the Roxby Downs granite, suggest a penecontemporaneous emplacement within several (<8) Ma of the Olympic Dam IOCG formation (Johnson and Cross, 1995)

Tiddy and Giles (2022) are some of the growing proponents to explain the genetic variability of the mineral endowments within the Gawler Craton in a suprasubduction zone model (Figure 16). Previous tectonic models have incorporated intracratonic models (e.g., Wyborn *et al.*, 1987), but most models include a relationship with previously metasomatized 'fertile' subcontinental lithospheric mantle (SCLM), voluminous (LIP) magmatism and production of ore fluids from the devolatilisation of mantle-derived magmas (i.e., Tiddy and Giles, *op. cit.*). Additionally, regional-scale crustal lineaments act of fluid pathways/conduits (e.g., Skirrow, 2022).

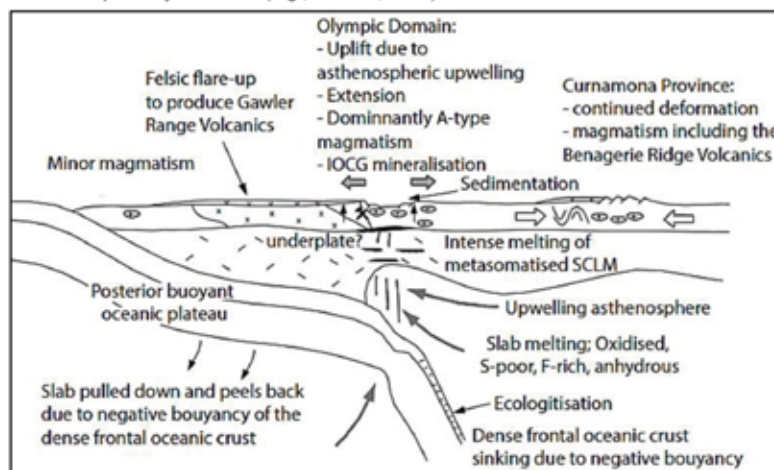


Figure 16. Detailed tectonic model for the Olympic Dam area at (a) 1595 Ma. At this time, the Hiltaba Suite granites and volcanism commenced, associated with generation of IOCG mineralisation (Tiddy and Giles, *op. cit.*). The formation of the OME in the context of a suprasubduction zone, provides a mechanism for generation of the F-rich, anhydrous 'A-type' magmatism that is associated with IOCG mineralisation in the Gawler Craton, and importantly, has implications for the formation of IOCG and porphyry-epithermal mineralisation.

According to Tidy and Giles (*op. cit.*), there needs to be at least nine key geological features that need to be incorporated into a tectonic model for this time period, viz:

1. Switching between intense shortening and extensional tectonic regimes.
2. A mechanism for extensive high-temperature–low-pressure metamorphism and contemporaneous deformation followed by exhumation of terranes in the South Australian Craton (e.g., Mount Woods Inlier and western Gawler Craton).
3. A trigger for voluminous magmatism that changes from older A-type to younger I-type magmatism (Hiltaba Suite) in the northern Olympic Domain to the southwestern Gawler Craton at 1.60–1.57 Ga, respectively,
4. Extrusion of voluminous hot (~950–1,100 °C), A-type, F-rich lavas of the Gawler Range Volcanics at c. 1.595–1.587 Ga.
5. Transition in Nd isotopic values from crustal (e.g., c. 1.74 Ga McGregor Volcanics) to mantle (c. 1.65–1.60 Ga St Peter Suite) compositions/ signatures.
6. Metasomatism of the SCLM beneath the Gawler Craton.
7. A mechanism for generation of extensive IOCG mineralisation (e.g., Olympic Dam, Prominent Hill, Carrapateena) paired with Au-only (e.g., Tunkillia, Tarcoola) and base metal mineralisation (e.g., Menninnie Dam, Paris) linked to melt and volatiles derived from a metasomatised mantle.
8. The spatial links between mineralisation and magmatism in restricted sections of the inferred plate boundary.
9. Consistency with tectonic settings leading into and following c. 1.60–1.57 Ga.



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Other important work on the Gawler Craton was conducted in 2019 by Geoscience Australia, which undertook a national mineral potential mapping campaign that included the eastern Yilgarn Craton (Figure 17).

Developed in 2010-2011, the workflow developed GIS-based knowledge-driven analysis used overlays of predictor maps. Essentially, the minerals system approach employed by GA utilised four key dependent variables, being;

- Sources of metals, fluids and ligands,
- Fluid-flow drivers,
- Fluid-flow pathways and architecture,
- Depositional sites and mechanisms.

Broadly, each of these criteria identified favourable geological processes that translated into mappable proxies with each assigned three factors with a weighting between zero and one. The result (cf. Figure 17) focussed on 6 regions, many of which are already known to contain significant IOCG or Cu-Au prospects, including the Gawler Craton in this instance.

The potential for uranium-bearing IOCG deposits was assessed for a large region of South Australia encompassing the eastern Gawler Craton and western Curnamona Province using the four-component mineral system framework and weighting approach described. Despite this, the Carrapateena deposit as well as several small Cu-Au deposits of likely IOCG affinity in the Curnamona Province (e.g., Kalkaroo, Portia, Waukaloo; Williams and Skirrow, 2000) do not correlate well with the modelled prospectivity results. The mismatch may be due to the lack of spatial resolution resulting from the lack of a distinct magnetic anomaly for the deposit, the wide spacing of gravity data available (4x4 km) and the subdued character of the gravity anomaly that was evident in regional 4x4 km gravity data due to the great depth of the source of the anomaly. It must be noted that the data utilised and conclusions drawn from these surveys are only as accurate as the available data.

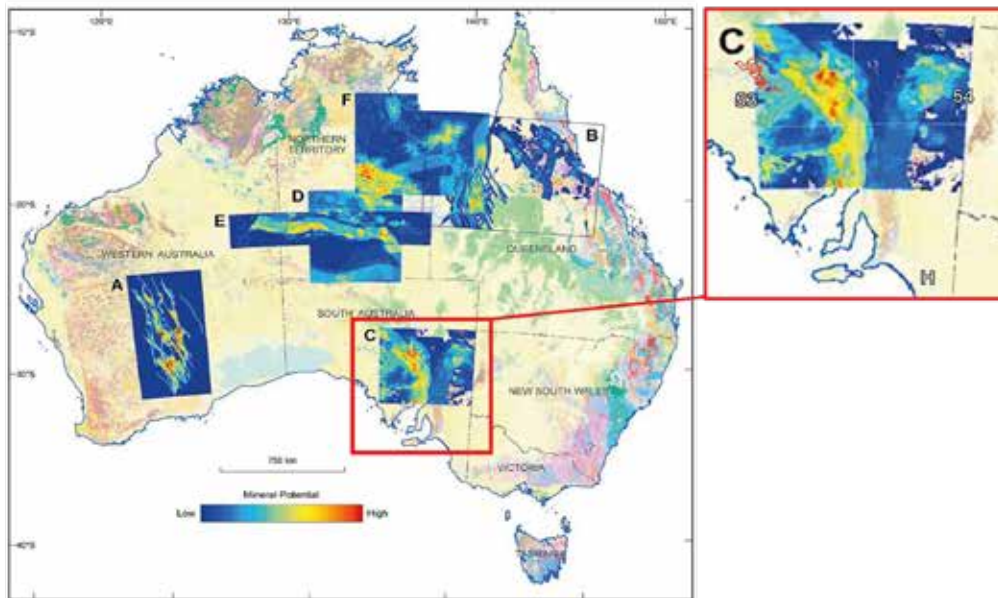


Figure 17. Regional-scale mineral potential mapping studies undertaken by Geoscience Australia since 2010, including Central-eastern South Australia (C, IOCG and uranium mineral systems) (adapted from Skirrow et al., 2019). Base map shows surface geology (from 1:1 million scale map, Geoscience Australia). Note: Highway Prospect tenements shown in red (in inset).

Ongoing interrogation of the Gawler data and attempts to revise the geodynamic and metallogenic modelling since then, will show in this report that that the well-constrained c.1590 Ma, to what is now termed as the Olympic Metallogenic Event (OME), had a more profound craton-wide effect. Regarding the Taiton Highway Project tenements for instance, the extended reaches of a greater OME footprint can be found in the following:

1. Processed magnetic data which identified potential rift structures south of the Bulgunnia Shear and east of Lake Labyrinth. Magnetic interpretation also finds Pandurra Formation thickens inwards from potential extension structures and is potentially late basin fill of extension that initiated earlier during the ~1590 Ma OME (D. McSkimming, pers. comm.).

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2. Geochronological studies have begun to reconcile the stratigraphy, with potential to confirm evidence of expanded areas of sub-aqueous deposition during ~1590 Ma extension and volcanism, necessitating the reclassification of some volcano-GRV sedimentary units.
3. An internal review of company reports found reconnaissance drilling and a single 1000m line of IP at Merino Prospect in ENV08767. Metal sulphides in felsic porphyry and altered wall rocks at Merino are highly anomalous, broadly distributed, and unusual in coincident Mo-Ag-Pb-Zn in pyritic veins. Similar metal associations are found in Inner Mongolia; including the 150Mt Shuangjiazishan Ag-Pb-Zn deposit, where mineralisation associated with a polymetallic porphyry occurred in an intra-continental extensional setting.

**3.3 EXPANDED METALLOGENIC MODEL FOR THE OME: IMPLICATIONS FOR WIDER-RANGING IOCG-STYLE AND POLYMETALLIC PORPHYRY DEPOSITS**

A recent stratotectonic model for the OME and as described by Anderson (2021)<sup>1</sup>, is a significant step-change for ore vectoring for a spectrum of IOCG and coeval deposit styles in the Gawler Craton (Figure 18). Gum (2019) shared similar ideas describing the Kararan gold mineral system. The Olympic Mineral Field of IOCG type deposits (Olympic Dam, Carrapateena, Prominent Hill) are interpreted to have a temporal and tectonic relationship to other low-temperature oxidised mineralising magmas located further west. The area of the Kararan gold mineral system encompasses the Highway Project tenements.

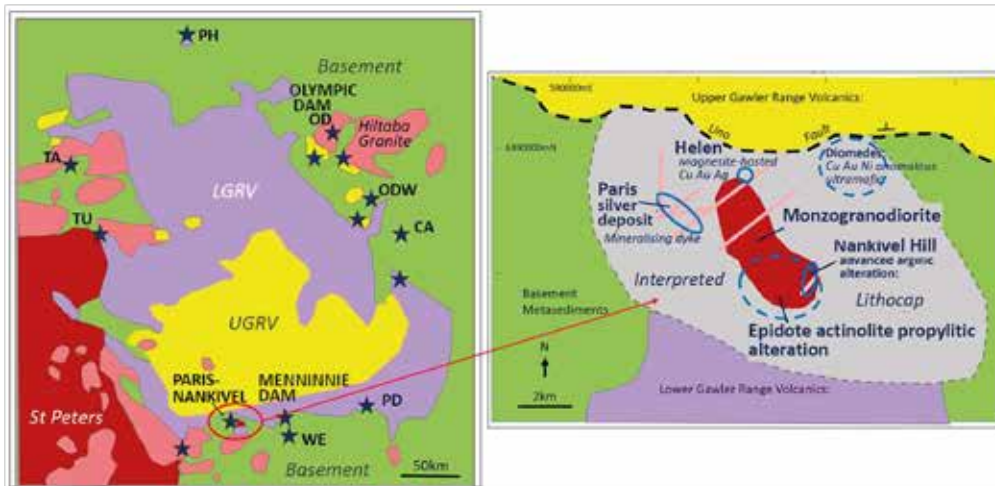


Figure 18. Showing mineralised epithermal, skarn and argillic alteration associated with OME timing. Note that the Paris-Nankivel deposit, as with the Menninnie Dam, Weednana, Tank Hill and Parkinson's Dam occurrences, lie within the penecontemporaneous Central Gawler Gold Province (cf. Figure 10) which has been colloquially labelled as the Southern Porphyry Belt (D. McSkimming, pers. comm.) (adapted from Anderson, 2021).

The presence of a thick suite of volcano-sedimentary units to the west of the IOCG deposits (Lower Gawler Range and Upper Gawler Range Volcanics, LGRV and UGRV respectively) marked with a basal volcanogenic syn-rift conglomerate occupying the interface with basement lithologies and coupled with a presence of graben-like faulting at the proximity of a gravity-high shoulder (horst, or more recent thoughts, a collapsed caldera shoulder), support new alternate theories and a revised geodynamic model of the Gawler Supercaldera (Figure 19, Figure 20).

<sup>1</sup> Austrike Resources, Mineral Exploration Consultants.



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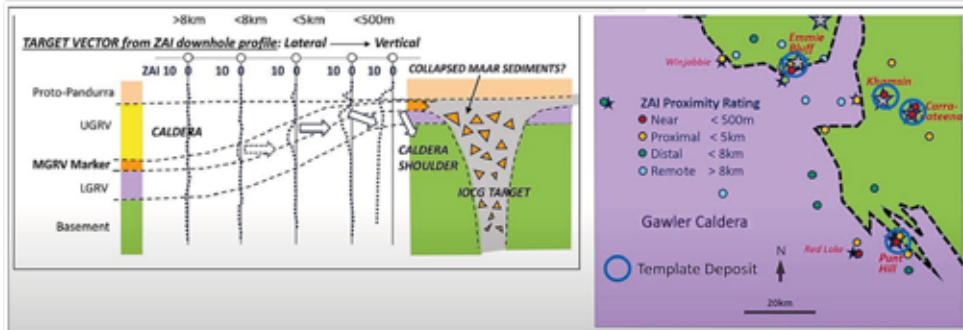


Figure 19. Alternate model of a supercaldera collapse to explain the generation of the OME (Anderson, 2021).

The Olympic Dam Breccia Complex (e.g., Reid, *op. cit.*), along with the discovery of the Nankivel advanced argillic cap in the nineties and resulting discovery of the 42 M/oz Paris silver deposit in 2011, introduced a 'smoking gun' to what was considered a rapid, contemporaneous event that had a profound, regional effect on mineralising systems formed after a rapid geodynamic shift. A separate school of thought (i.e. Anderson, 2021) considered the OME to be triggered/caused by the collapse of a supercaldera which was profound enough in magnitude and extent to trigger the recognised OME response through a regionally identifiable and repeatable tectono-stratigraphic and geochemical footprint that has since been adapted as an exploration tool and vector for locating OME-related mineral deposits.

This shift was thought to be a shift to negative tectonic inversion (compression to extension) and the metallogenic variations arising from this collapse and shortly thereafter, occurred within a few million years of the OME s.s. (cf. <8 Ma-old penocontemporaneous haematitic (collapse) breccias). This wide-ranging sub-continental scale of megametallogenic effects are reflected in the distant Paris-Nankivel epithermal porphyry system (cf. Figure 20), which is interpreted as an intermediate sulphidation epithermal associated with Nankivel and Helen copper gold silver magnetite skarn, all within a 100km<sup>2</sup> sericite pyrite lithocap. The mineralisation is hosted in part by c.1620 Ma subduction monzodiorites with the Paris-Nankivel mineralisation dated within c.2 Ma of the 1595 Ma Olympic Dam mineralisation.

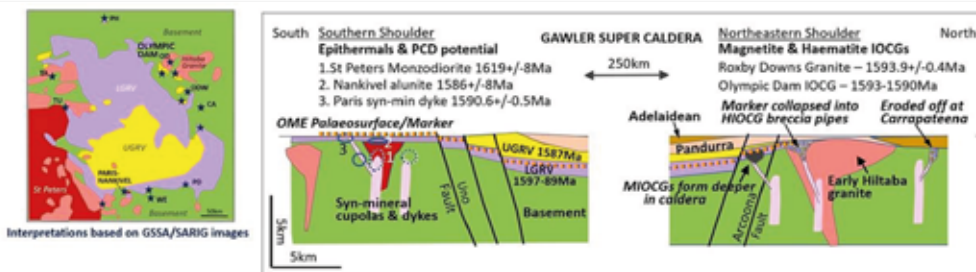


Figure 20. Magnetotelluric (MT) conductive border-fault structures on the shoulders of the caldera edge (basement) signal a switch from compression to extension, resulting in intracratonic rifts and rift-generated volcano-sedimentary infill. Coeval or penocontemporaneous porphyries, cupolas and dykes provide further polymetallic mineralisation and deposits (Anderson, *op. cit.*).

The Paris-Nankivel epithermal system and thus it is assumed, all other regionally proximal deposits to this, are 'members' of the OME (e.g., Nankivel alunite -1586 ± 8 Ma; Nankivel granodiorite, 1619 ± 8 Ma, Paris syn-min dykes- 1590 ± 0.5 Ma.)

From this discovery, permutations of the greater extent of the OME have been postulated. Advanced argillic alteration of the Nankivel Hill, the Helen 'skarn', and the sub-epithermal Nankivel Deeps (Anderson, *op. cit.*) (Figure 21), all point to a minimum 30 Ma geologic record of pre and post-collapse and resulting post-intrusive plutonic emplacements as well as high-level hydrothermal and epithermal mineralising activity.

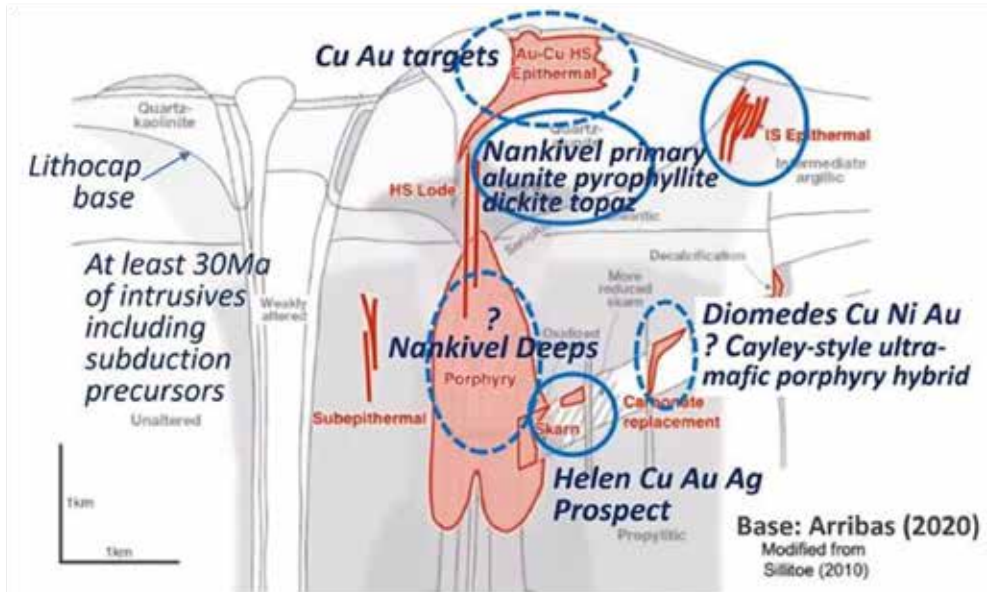


Figure 21. The Paris-Nankivil epithermal and porphyry mineral system. The Merino Prospect is predicated on a similar model in the formation of post-subduction OME-related polygenetic strata-bound, hydrothermal, epithermal and porphyry deposits (after Anderson, 2021).

In summary (based on Anderson, *op. cit.*):

1. The OME model (Figure 22), proposes the Paris-Nankivil epithermal-porphyry belt was formed at the same time as Olympic Dam deposit on the margins of a super caldera, subsequently filled with Upper Gawler Range Volcanics (UGRV) after collapse and pre-subduction. Prior subduction tectonics produced precursor epithermal-porphyry conditions on the southern shoulder of the caldera, whereas IOCGs formed on the northern and eastern margins with haematite- or magnetite-dominated systems respectively forming on the shoulder or in hotter more reduced conditions under the GRV blanket within the caldera.
2. The OME-related epithermal/porphyry and IOCG belts are both fluorine-anomalous and connected by a conductive magneto-telluric (MT) corridors or flares<sup>2</sup>, likely representing fossil transfer faults which introduce a metal source along the mantle interface (Anderson, *op. cit.*).
3. Variations of a mid-GRV stratigraphic marker of the caldera collapse and OME are interpreted as the Bitalli Rhyolite at Paris, the Nankivil palaeosurface and lateral ferruginous sediments and volcanogenic conglomerate facies that collapsed into the IOCG systems preserved under the Stuart Shelf. Drill logs indicate the overlying Pandurra Formation is transitional in places with the mid-GRV marker (Anderson, *op. cit.*).
4. Importance of lithocaps, which are regarded by most explorationists as zones of acid (advanced argillic grading to acidic argillic) alteration which comprise minerals such as silica, alunite, pyrophyllite, diaspore, dickite, with locally abundant pyrite. In most instances lithocaps are considered to develop overlying or adjacent to porphyry intrusions. However, different styles of acid alteration mineral assemblages, which some workers include within lithocaps, develop in many settings) with highly variable relationships to Cu-Au mineralisation and source rocks (Corbett, 2009).

<sup>2</sup> Magnetotellurics is a passive electromagnetic technique measuring natural variations of the Earth's magnetic and electric fields at the surface of the Earth.

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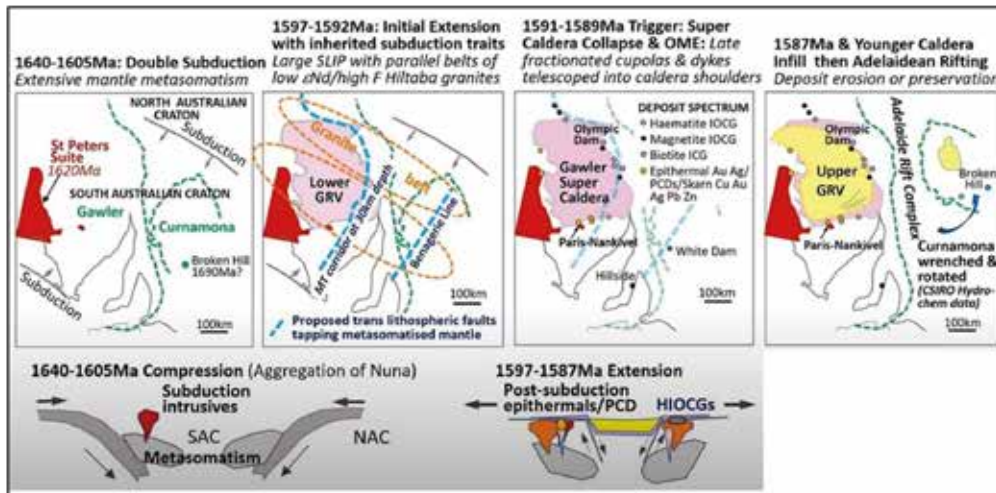


Figure 22. Revised tectonometallogenic model for the OME, citing a supercaldera collapse and generation of regional-scale coeval OME-related polygenetic stratabound, hydrothermal and epithermal deposits in the Gawler Craton (after Anderson, *op. cit.*).

Importantly for Taiton, the recognition of OME coeval epithermal and polymetallic porphyry deposits that formed in the prior subduction terrane on the southern caldera shoulder as 'precursor conduction conditioning', appears consistent with their perceived high exploration potential of the Highway Project. Observations and interpretations made by the Company in the Central Gawler Craton agree with Anderson's (*op. cit.*) theory for a greater-distributed OME. Conversely, the state records and databases are inconsistent with problematic age allocations to stratigraphic units. The uncertainties originated in assumptions made for the geological record in the 1990's, have yet to be clarified and corrected. With cooperation from Anthony Reid at GSSA (pers. comm., D. McSkimming), Taiton has re-measured zircon chip ages core from three historical drill holes located from within their tenement boundaries that had not previously been sampled for U-Pb zircon dating and multi-element assay (*cf.* results of analyses, section 3.3.1). Ongoing collaboration with Government and principals of academia and research institutes, is anticipated to substantially increase the understanding and prospectivity of the Highway Project area over time. The outcomes of the geochronology work and follow-up exploration will form the foundation of a research alliance with South Australian academia to better understand the tectonics and metamorphic history of the OME and its associated coeval porphyry potential.

**3.4 THE MERINO PORPHYRY PROSPECT-HIGHWAY POLYMETALLIC PROJECT**

**3.4.1 Rationale for Exploration**

Currently zircon U-Pb geochronology aims to unravel the current conflicts in nomenclature for historical drill hole stratigraphy described as units of Tarcoola, Labyrinth, Peela and Mentor, which are older than LGRV, or, of uncertain age in the Australian Stratigraphic Units Database (D. McSkimming, pers. comm.). Taiton regards that the identification of any rift-related sedimentation contemporaneous with LGRV will warrant further stratigraphic distinction. Target evaluation finds that the Merino Prospect has hallmarks of a large-scale Mo-enriched polymetallic porphyry overlooked by prior explorers. The target style of Mo Porphyry further supports interpretation of the area for extensional rifting. Magnetic lineaments east of Lake Labyrinth, Gawler Craton, S.A. are interpreted as basin structures relating to intra-cratonic rifting coeval with the Olympic Metallogenic Event. Historical drill logs indicate that Lower Gawler Range Volcanics (LGRV) are interlayered with sediments currently classified to older stratigraphic units. The results from zircon analyses from drillholes samples at the South Australia Drill Core Reference Library, suggest historic logging incorrectly assigned various stratigraphic horizons to older formations such as the Tarcoola Formation (BB 2, SARIG DH No. 9610, 536717E, 6608898 N). Zircon grains extracted now indicate previously reported 1650 Ma-age lithologies to be well-constrained at 1598 ± 8.8Ma. contemporaneous to the OME. Taiton can also confidently state that the zircon geochemistry analyses indicate a magma related to mineralised porphyry and haematitic IOCG systems with high oxidation state, high-water content, and a high degree of fractionation. Initial interpretation is for a large hydrothermal system at Merino, with successive overprinting and evidence of vectoring to a core yet to be discovered under shallow cover.



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**3.4.1.1 Zircon Analyses**

The three drill holes re-examined and re-dated by the Company have been referenced and include (Figure 23):

- BB 2, SARIG DH No. 9610, 536717 E, 6608898 N  
[https://minerals.sarig.sa.gov.au/Details.aspx?DRILLHOLE\\_NO=9610](https://minerals.sarig.sa.gov.au/Details.aspx?DRILLHOLE_NO=9610)
- BDH 2, SARIG DH No. 6699, 491036 E, 6651392 N,  
[https://minerals.sarig.sa.gov.au/Details.aspx?DRILLHOLE\\_NO=6699](https://minerals.sarig.sa.gov.au/Details.aspx?DRILLHOLE_NO=6699)
- KIN 12, SARIG DH No. 9672, 527957 E, 6620703 N,  
[https://minerals.sarig.sa.gov.au/Details.aspx?DRILLHOLE\\_NO=9672](https://minerals.sarig.sa.gov.au/Details.aspx?DRILLHOLE_NO=9672)

Besides the geochronological analyses, the zircon geochemistry indicates a magma potentially related to mineralised porphyry and haematitic IOCG-type systems with a high oxidation state, high water content and a high degree of fractionation. Taiton interprets these indices as a blind hydrothermal system lying in the vicinity of the Merino Prospect.

In addition, hydrogeochemical water bore analyses undertaken by CSIRO/GSSA in the area of the Merino Prospect (Reid *et al.*, 2018), are suggestive of the presence of hydrothermal systems at shallow depth (which tends to corroborate the Taiton data). Reconnaissance exploration by previous explorers in the area found broadly distributed and highly anomalous Mo, Ag, Pb and Zn from sub-cropping basement rocks as shallow as 8m. Taiton has analysed zircons extracted from porphyritic granite at 7m depth, which appear indicative of hydrothermal mixing of fluids concentrated in Pb, U and REEs. The inference here is that a near-surface, epithermal-style mineral deposit is responsible for producing these metalliferous anomalies.

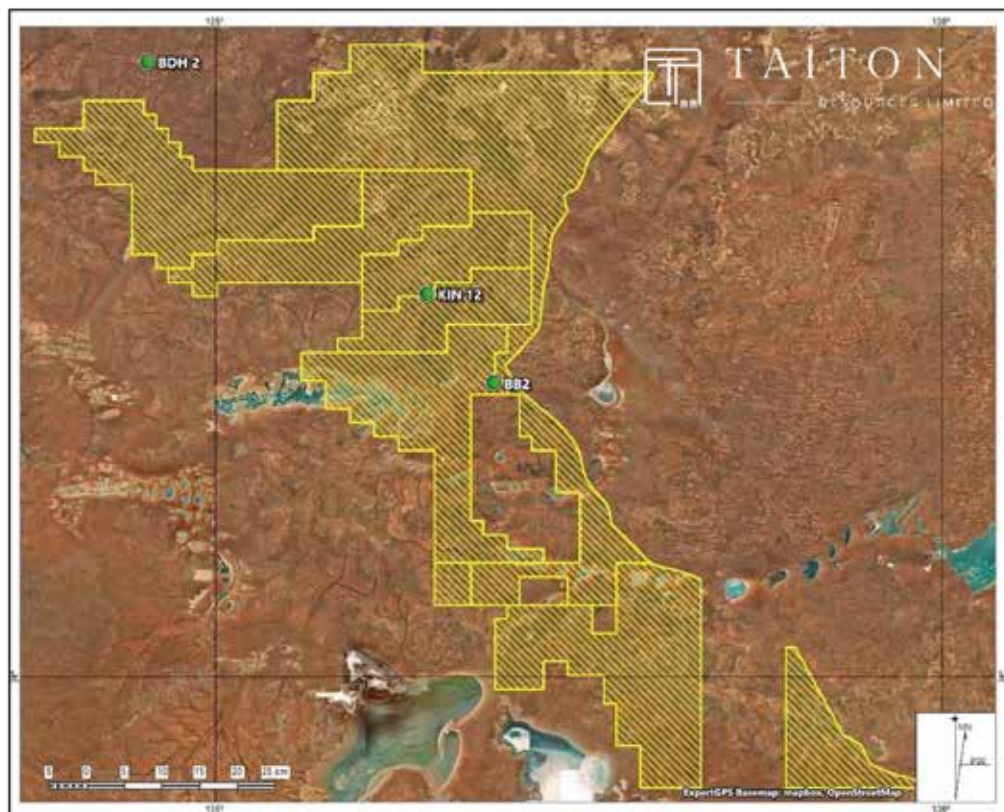


Figure 23. Distribution of drill holes with re-dated zircons returning a U-Pb age coincident with an OME age-extension. Such new data has both academic and economic significance.

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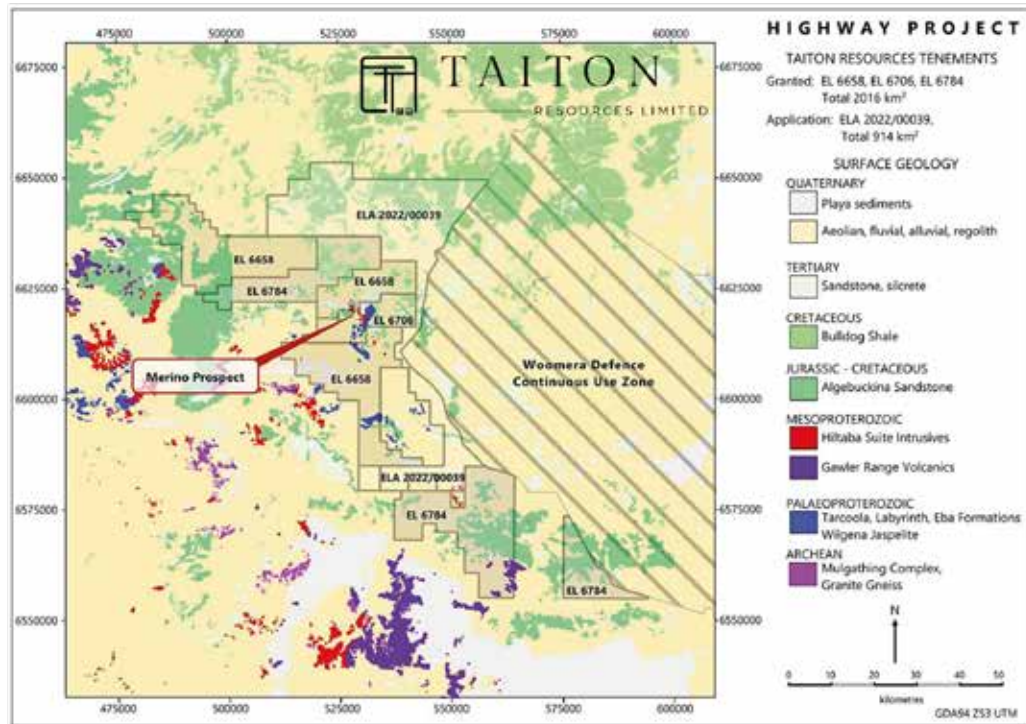


Figure 24. Local geology of the Highway Prospect.

**3.5 LOCAL GEOLOGY**

The majority of the Highway tenements are blanketed by Quaternary alluvial, aeolian and lacustrine sediments. Despite mostly thin cover, the distribution of concealed older units is not comprehensively documented (Cowley and Martin, 1991, Figure 24).

The oldest rocks are Mulgathing Complex granite and gneiss. Dating of gneisses yielded metamorphic ages of 2500 - 2400 Ma, contemporaneous with the Sleafordian Orogeny. Dating of Mulgathing granites find they crystallised slightly after peak metamorphism. Palaeoproterozoic units consist of Wilgena Jaspelite, and Tarcoola, Labyrinth and Eba Formations. The high magnetite content of Wilgena Jaspelite reveals the extent of the iron formation in magnetic imagery. Sparse outcrops have well-banded fine grained-jaspelite with limonite replacing magnetite and hematite.

The Tarcoola Formation consists of quartzites, shales, conglomerates and volcanic tuffs. The age relationships of records for Tarcoola and Labyrinth Formations are inconsistent. The extent of unclassified units potentially incorrectly ascribed to the Tarcoola and Labyrinth Formations are currently unknown. Basal Labyrinth Formation is chert derived in part by silicification of a stromatolitic carbonate rock. Sericitic sandstone overlies the chert and is interlayered with rhyolite.

Mid-Proterozoic Gawler Range Volcanics are divided into lower and upper sequences. The ages of the upper and lower units are closely-spaced at around 1590 Ma, indicating extrusion of the entire volcanic province over a very short time interval. The dominant lithologies of the Lower Gawler Range Volcanics at the Highway Project are Ealbara Rhyolite and Konkaby Basalt. The upper units consist mainly of porphyritic rhyolitic and rhyodacite ignimbrite. Broadly distributed intrusives of the same age as the Gawler Range Volcanics are collectively known as the Hiltaba Suite, most commonly granite to adamellite in composition (cf. Cowley and Martin, op. cit.; Figure 24).

At the Highway Project area an unremarkable package of mostly unaltered sediments spanning varying ages overlies the mesoproterozoic basement. The oldest unit in the succession is the mid Proterozoic Pandurra Formation, which is not known to outcrop anywhere in the area. The lithology is typically fine-grained to pebbly sandstone, which in places can achieve considerable thickness.

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Late Proterozoic Adelaidean age sediments occur further to the east and outside of the Highway Project area. Carboniferous age Arckaringa Basin sediments underlie Jurassic to Cretaceous Eromanga Basin Sediments.

Central to the Highway Project is the east trending Tertiary age Kingoonya Palaeochannel. Quaternary sediments cover the area in a thin veneer, masking older units over vast areas.

## 3.6 PREVIOUS WORK

### 3.6.1 Dominion/MIM JV

At the Merino Prospect, historical drilling (Figure 25, Figure 26, Table 3) was spatially guided by geochemical indicators in calcrete and float, and drill access via existing tracks. Upper crustal felsic intrusives are variably described as having microgranite, fine-grained, porphyry and greisen textures and composition. Alteration assemblages consistent with potassic, phyllic and propylitic zoning are reported. Reconnaissance drilling by MIMEX in JV with Dominion averaged 37m in depth. Those cores have since been lost, and the drill records are not on SARIG. Selected drill holes retrieved from the original company report (ENV08767) can be found in plan-view, broadly distributed around a K radiometric anomaly in the map. Assays were limited to a small number of elements, and some did not include elements Mo, Ag, F.

**1991** - SADME drilled shallow RC at ~400 m intervals along two tracks that intersect at the area of subcrop. Track NNE-SSW, DH KIN 1-10; and track E-W, DH KIN 11-14. Mo, Zn, Pb, Ag were highly anomalous, lesser so Cu, Au.

**1994-1995** - A Dominion / MIM JV found anomalous Mo in calcrete at the area of subcrop and drilled 4 RAB / OHP fences at 100 m drill spacings for 24 holes, DH MORB 1-24. Broad anomalism included 2 m @ 700 ppm Mo, and 16 m @ 0.32% Pb, 0.11% Zn, 0.8 ppm Ag, 210 ppm Mo (Figure 26, blue labels). Two additional fences (DH MOAR 25-30) further west and north intersected 4 m @ 0.24% Pb, 0.31% Zn, 10 ppm Ag; 12 m @ 630ppm Mo, and 16 m @ 130 ppm Mo, respectively (Figure 26, purple labels). One line of I.P. was surveyed at the western-most drill fence. A chargeability anomaly tested by RC to 91 m (DH MER 1) intersected pyritic quartz veins assaying 8 m @ 3900 ppm Pb, 6500 ppm Zn, and 8m @ 200ppm Cu, 1100ppm Pb, 1700ppm Zn (Mo, Ag not assayed). Absence of IOCG indicators and exploration ceased.

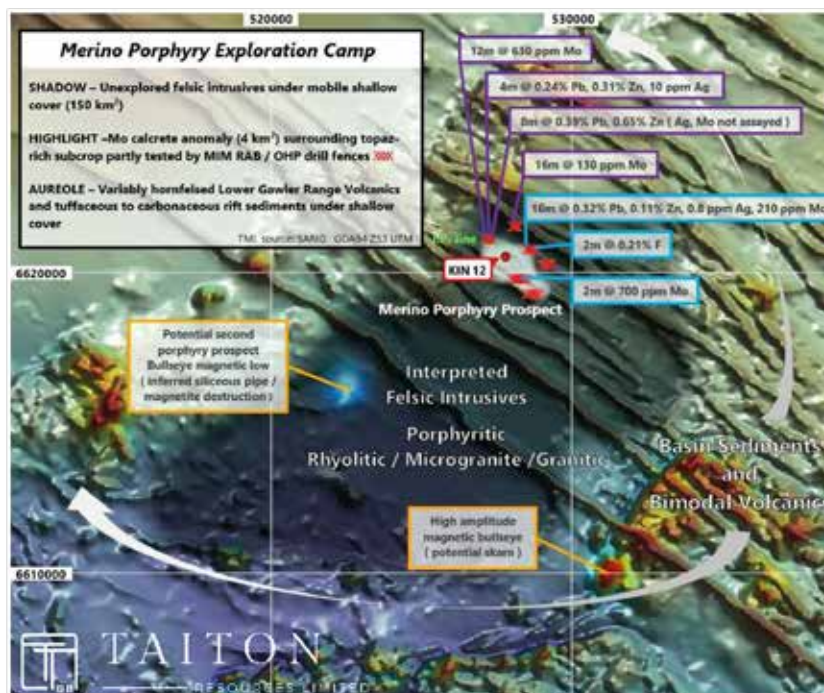


Figure 25. Previous exploration results for the Merino Prospect-Highway Polymetallic Project. The area is suspected to form part of a rift complex containing porphyry systems and coeval with the OME according to recent geochronological dating by the Company.

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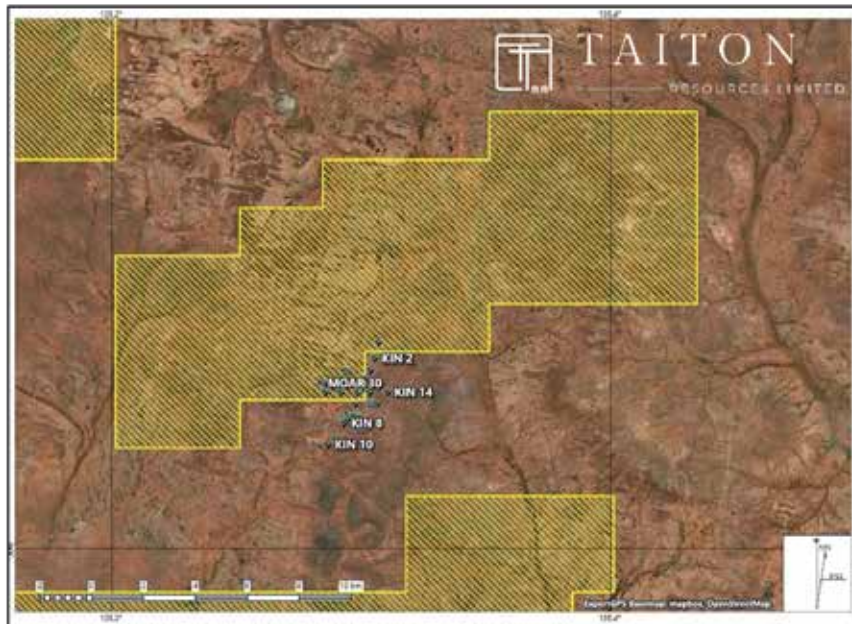


Figure 26. Historic drilling conducted at the Merino Prospect by Kingoonya Bedrock Drilling (report by Morris, 1992, Department of Mines and Energy, Geological Survey, South Australia). Drill holes MORB 23, MORB 20, MOAR 30 and MORB 3, recorded a range of 600-900 ppm of Mo.

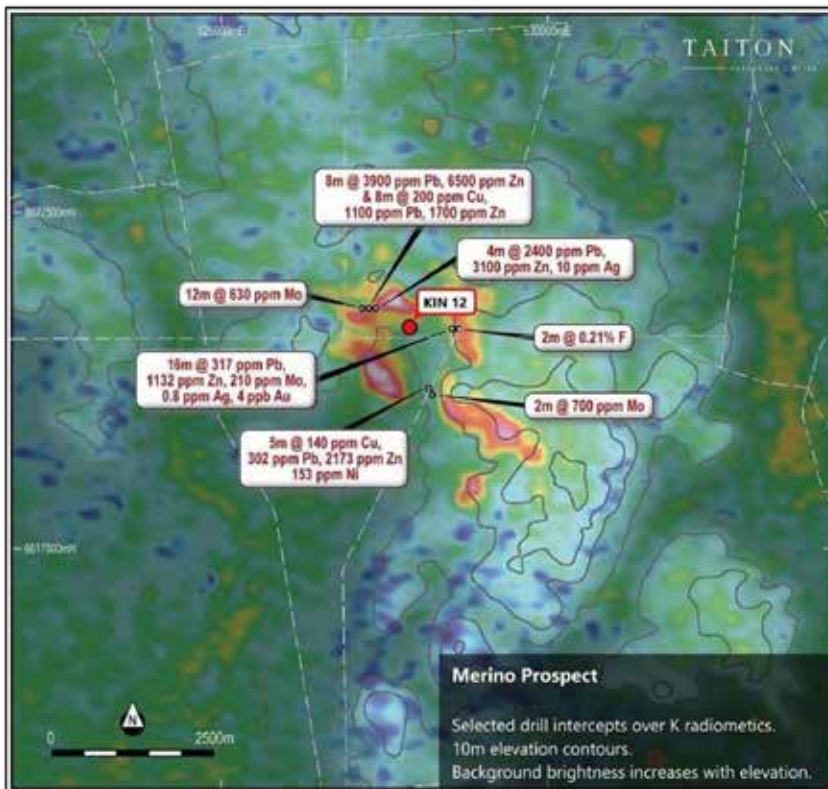


Figure 27. Historic mineralised drilling intercepts at the Merino Prospect. Zircon geochemistry was obtained from the KIN 12 borehole. Highly anomalous Ag, Pb, Zn, F, and Mo values are present in the drill hole intercepts within the list of drillholes in Appendix 1 Summary of JV Partner Drilling at Merino Prospect.



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**3.7 EXPLORATION CONDUCTED BY TAITON**
**3.7.1 Highway Project.**

The Highway Project (containing the Merino Prospect) is the most complex of the assets, as it is a reinterpretation of the existing records undertaken to upgrade the prospectivity of the area to align its affinities to the Meso-Proterozoic OME. Essentially, the model offered does not exist in the SARIG database or public domain. However, archive material of the Merino Prospect can be found in a scanned report entitled 'ENV08767'.

The zircon geochronological work has now been completed by the Company and this provides compelling evidence for not only an extension to the OME Domain, but also that Merino itself is likely a shallow hydrothermal system (i.e., by way of the zircon isotope analyses).

The Company has also identified a number of untested residual gravity anomalies from the SARIG database (Figure 28) that appear to correlate with the zircon geochronological data and the CSIRO/GSSA hydrogeochemical data (Reid *et al.*, *op. cit.*) for anomalous readings linked to a potential OME-age hydrothermal system. Historical gravity station grids over the tenements are mostly broadly spaced, with gravity stations at more than 1000m apart. However, the company intends to conduct infill gravity surveys for the detection of iron oxide mineralisation, which is commonly associated with IOCG and skarn deposits.

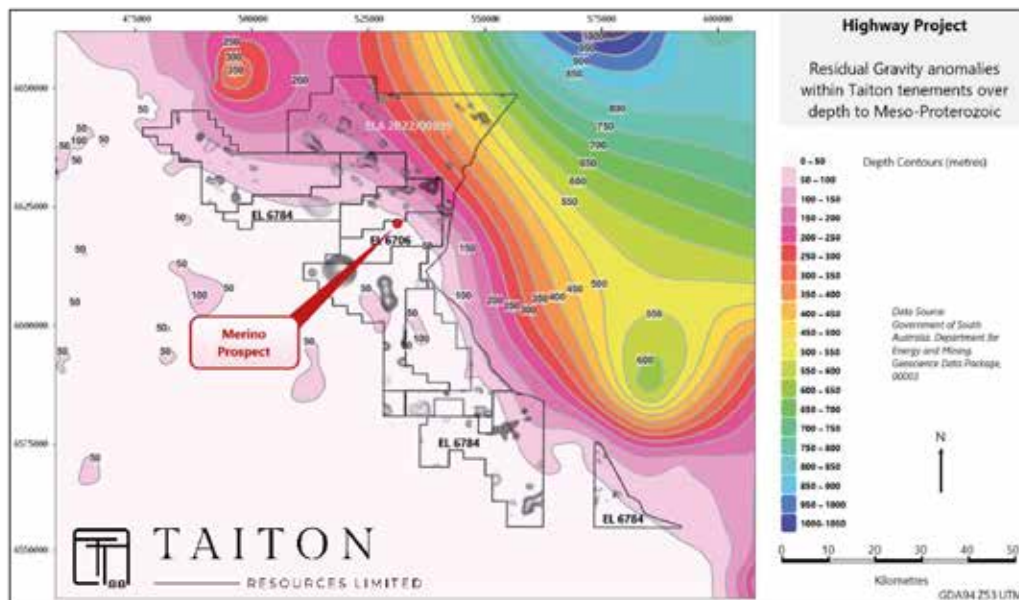


Figure 28. Residual gravity contours within Highway tenements over depth to basement. The Company expects to follow these up in Year 1.

The Company is currently vectoring its Merino Prospect targets in the following manner:

- Phyllic alteration tends to be more advanced centrally, within the drilled prospect. Outer propylitic alteration to the north is commensurate with less evidence of alteration to east. Distribution of advanced phyllic alteration suggests the search space may be close to the western most drill holes, perhaps within a range of 2000 m.
- Trends in potassium content as indicated by  $K_2O$  assays suggests high-temperature potassium alteration enveloping an ore zone is more likely situated towards the west than east.
- A single, historic IP line shows increased chargeability to the west. This may indicate the presence of a pyrite halo in that direction, and less altered rock towards the east.
- Sparse gravity data trends low at the area of intense sericitisation. A magnetic low is present c.1500 m to the southwest, which may be indicative of a siliceous core. Moreover, Pb is strongly anomalous in calcrete at the magnetic low feature (co-ordinates 526800E 662000N, GDA94 / MGA Z53).

Additionally, the Company is of the belief that; The system is fertile,

- The system is large, the existing Merino footprint is already >4 km<sup>2</sup>,

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- The metal mix at Merino (high T Mo + low T Pb and Zn), suggests that the Merino Prospect is either distal to the mineralising core, or there is over-printing, i.e., multi-pulse. Both scenarios are considered prospective options,
- The tectonic model and metal mix suggests OME age extension. Similar environments host the Shuangjanzishan Ag-Pb-Zn deposit, Climax Mo, Cripple Creek Au deposits, for example,
- The concept is unexplored. According to the Company, past exploration for IOCG did not extend under shallow cover and was reconnaissance at best,
- Porphyry indicators at Merino do not diminish the potential for IOCG elsewhere on Highway ground (Table 4). It is possible there are also porphyry systems in the main Olympic Belt, but these will likely be extremely varied and problematic to find at depth (e.g., Figure 29).

Characteristics	Porphyry Cu ± Mo ± Au	Magmatic-associated IOCG
Major metal association	Cu, Mo, Ag	Fe, Cu Au
Minor metal association	Sn, W	U, REE, Co, Bi, Ag, P
Sulphur content	High: Sulphides and sulphates	Low: minor to moderate sulphides
Ore minerals	Chalcopyrite, bornite, molybdenite, magnetite, abundant pyrite in phyllic zone	Magnetite, haematite, chalcocite, Uraninite, coffinite, sulphursenides, apatite

Table 3. Ore characteristics of magmatic associated IOCG deposits and related post-subduction epithermal and porphyry systems. Both ore types could be present at the Highway Prospect.

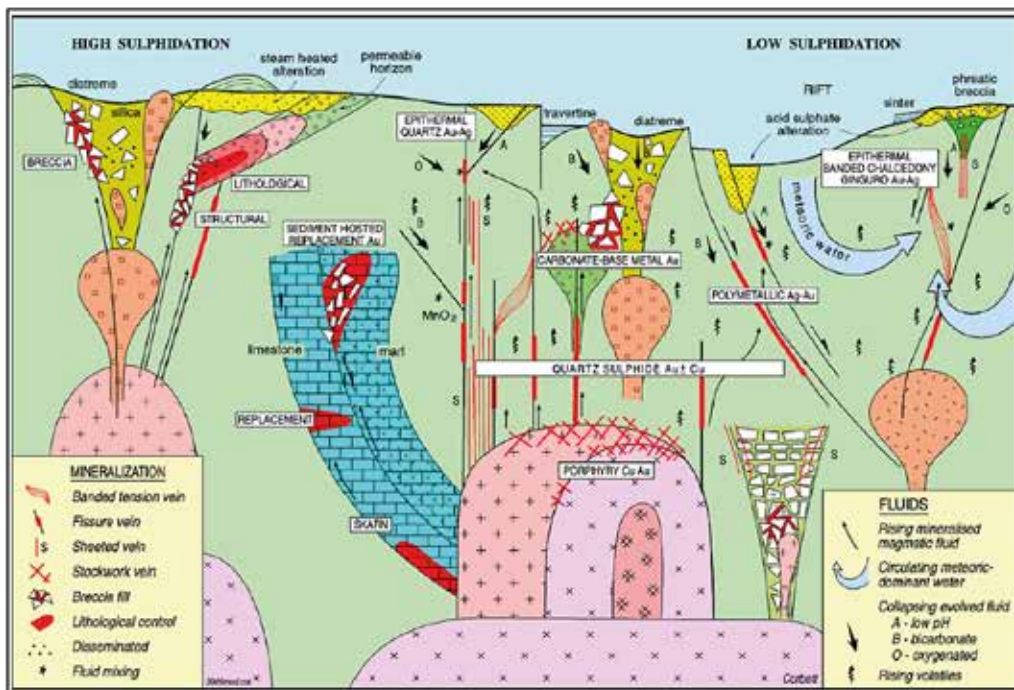


Figure 29. The extremely diverse mode of occurrence and mineralisation of porphyry and epithermal deposits (Corbett, 2008).

**3.8 PLANNED WORK PROGRAM**

The suggested initial exploration approach for the Highway Project comprises a multi-disciplinary approach:

1. An Induced Polarisation (I.P.) geophysical survey. However, one drawback is that this technique cannot be relied upon to discriminate ore zones from pyrite. Ore grade Mo is associated primarily with high-temperature alteration assemblages, both as a vein-filling phase and as replacements in quartz vein selvages. In polymetallic porphyry systems, pyrite is rarely present in ore zones, but is found in later, lower-temperature veins and Pb-Zn-Ag

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assemblages, as is evident in past drilling at Merino. However, I.P. may be a useful tool in discriminating for pyritic halos elsewhere, to discover other porphyry prospects under cover. A planned survey centred around the Merino Prospect is shown in Figure 30.

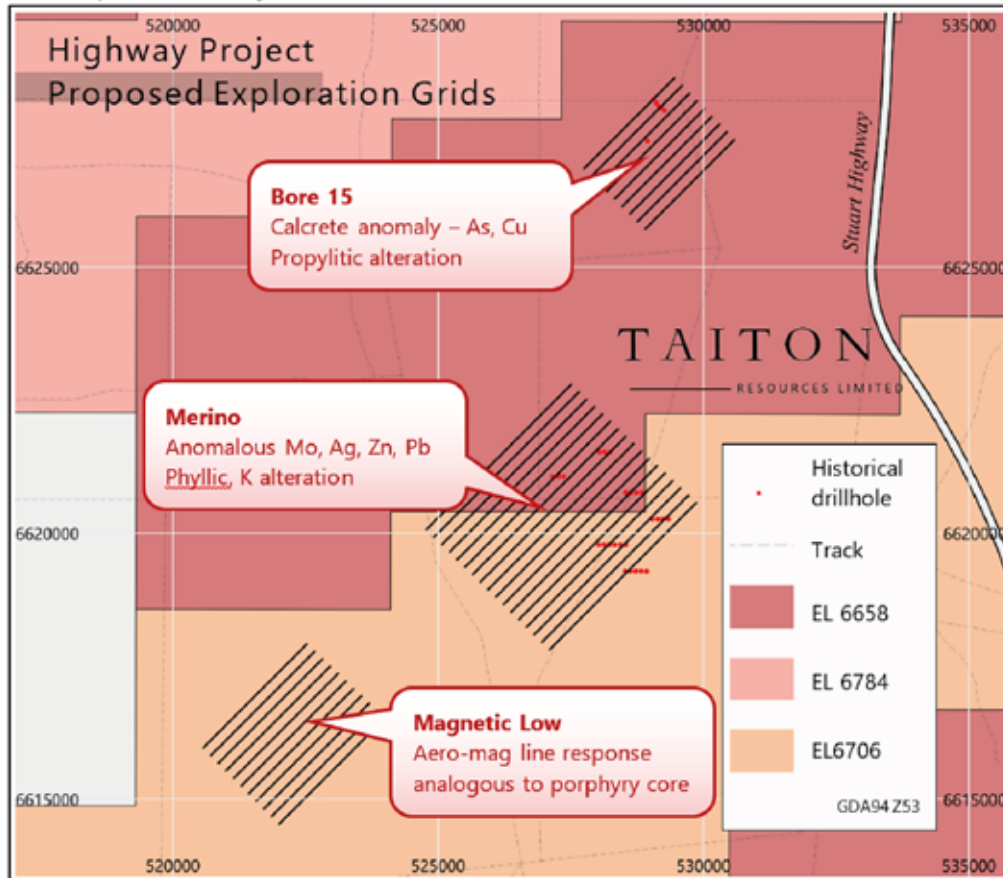


Figure 30. Proposed exploration to be focussed on and around historic drill results from the prospective Merino Prospect (Highway Project).

2. Reconnaissance drilling. The cover at the Merino Prospect is shallow and favourable to low-cost AC drilling to sample basement for multi-element assay and in this way, to geochemically vector to an ore discovery.
3. New geochemical and petrological data will advance understanding of the porphyry system at Merino, including spatial positioning of siliceous core, fracturing, and breccia where volatiles have exploded from boiling zones, ruptured intrusive caps, and precipitated molybdenum.
4. Gravity Surveys. The Company reports to MTGS that four gravity anomalies have been interpreted, which reflect dense basement lithologies rather than buried elevated palaeotopography. The gravity anomalies form bullseyes at spatial scales similar to IOCG, e.g., Carrapateena. Gravity anomalies have not been drill-tested. Approximately 1 km east of the priority gravity anomaly, drillholes to basement, KIN 21 (EOH 41 m) intercepted anomalous elements (Ba 1610 ppm, Ce 84 ppm, La 43 ppm, V 141 ppm) in altered LGRV, Konkaby Basalt; and KIN22 (EOH 65 m), intercepted a brecciated quartz vein. The depth to magnetic basement is anticipated to be less than 100 m.

The Company believes that existing data supports a strategy for discovery of Mo-enriched porphyry at Merino Prospect. Follow up exploration will assist in the compilation of an ore paragenesis model of the style and type of mineralisation at the Merino Prospect, especially in resolving whether the Ag-Pb-Zn in the quartz veins is superimposed, or peripheral to an Mo-rich porphyry. Porphyry stocks, breccias, Ag-Pb-Zn veins, skarns, as well as IOCG, within the broader Highway Project, constitute multiple exploration target styles and strategies for vectoring to a defined mineral deposit.

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### 3.8.1.1 Rare Earth Element Potential

The Company considers the Highway Project to be prospective for ionic clay rare earth element (REE) resources. Recent developments in the region include Petratherm Limited's (ASX:PTR) discovery of REEs in a clay horizon at its Comet Project located approximately 50 km north west of the Highway Project (ASX announcement, 20 April 2022). Indiana Resources Limited (ASX:IDA) also hold tenements to the north west and abutting the Highway Project, and recently announced a review of their geochemical database (ASX announcement 14 June 2022), which includes shallow clays with highly anomalous La, Ce and Y REEs.

Records of historical sampling within Highway tenements suggest there has been no assaying for REEs in weathered clay profiles. However, a small number of samples of basement rock have been assayed for Ce and La. Results indicate rhyolites and granites are enriched in REE, most especially at Merino Prospect. A 1 m sample from EOH at 34 m depth yielded 749 ppm Ce, 349 ppm La, another has 459 ppm Ce and 224 ppm La over 1m at EOH from 24 m depth. The presence of shallow REE enriched basement rocks at Highway provides a source from which REEs weather and concentrate by adsorption within overlying clay layers. The Company intends to map and assay clays for REEs in the initial phases of the Highway drill program.

#### Summary:

- Aspects of prior work were guided initially by the intersection of rare subcrop and tracks, then fallible calcrete sampling in an area of mobile shallow cover,
- Limited assaying for whole rock chemistry and multi-element suites. Previous focus was for IOCG-related elements.
- Only one historic single 1000 m line of ground-based geophysics (I.P.) completed within the tenements,
- No historic deep drilling conducted,
- No reported discussion regarding rift-type ore systems, including porphyry. Veining and metal accumulation in early fine-grained porphyry at Merino confirms capacity for hydrofracturing and rapid cooling as opposed to a less-favourable low-pressure system with dissemination in "softer" rocks.

## 3.9 THE CHALLENGER WEST PROJECT

### 3.9.1 Rationale for Exploration

Challenger, and the gold deposits near it, lie on gravity ridges in the Mulgathing Province of the gneissic Christie Subdomain and Christie Mineral Field (Figure 31). Taiton was the last new entrant to the area and has extensive coverage of gravity ridges west of Challenger. Arguably, the area has been artificially sterilised as Challenger was discovered by calcrete sampling. Prolific calcrete sampling across SA followed in the next 15 years. More recently, limitations have been identified in that approach. Taiton has yet to acquire any new data but has re-processed the existing gravity data to better highlight the relationship of the mineralisation to gravity gradients (Figure 32). The Challenger West Prospect is located west of the Challenger Mine, approximately 150 km southwest of Coober Pedy. The Archaean para- and orthogneisses with mafic to ultramafic intrusive and extrusive rocks of the Sleaford and Mulgathing Complexes form an older basement cropping out sporadically in the western and north-western parts of the Craton. The deposit hosts >500,000 oz of gold in granulite facies gneisses and pelitic migmatites. Although the exact timing and mechanisms of gold deposition have been obscured by high-grade metamorphism (c.2440 Ma), influx of auriferous aqueous fluid either syn- or post-metamorphism is incompatible with the occurrence of granulites that record mineral assemblages, modal proportions, and *P-T* conditions compatible with H<sub>2</sub>O-undersaturated biotite-dehydration melting (McFarlane, 2005). Tomkins and Mavrogenes (2002), argued that Challenger is more realistically interpreted as a metamorphosed gold deposit and that the distribution and grade of pre-existing gold mineralization was strongly affected by high-temperature deformation, partial melting, and melt migration during the Palaeoproterozoic granulite facies metamorphism event that affected the region. Formation of a polymetallic melt thereby enabled extensive mobilization of gold, which produced leucosomes enriched in gold<sup>3</sup>. Their formation occurred because of the immiscible nature of the metallic melt, which was physically entrained, rather than chemically dissolved, within the silicate melt. Gold-rich shoots at Challenger parallel the plunge of pygmatically folded leucosomes that are shown to be parasitic to a large-scale fold geometry which appears to be structurally related to the ore shoots. It is interpreted that concurrent migration of polymetallic and silicate melt allowed concentration of gold into a series of dilational structures which developed within the larger scale fold geometry. The Challenger deposit represents a new deposit type. Other deposits around the world, such as Renco and Griffins Find, are hosted in granulite facies-

<sup>3</sup> A coarse-grained, quartzfeldspathic vein, varying in thickness from a few centimetres to a metre or two, and found as a high-grade metamorphic product.



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grade rocks, but Challenger is the first reported example of leucosome-hosted gold in migmatites (Tomkins and Mavrogenes, *op. cit.*).

From the start of operation to June 30, 2006, a total of 7,787 kg of Au has been produced from 1.587 Mt of ore at a grade of 4.9 g/t. It is against this backdrop that the Company has acquired the adjacent Challenger West tenements.

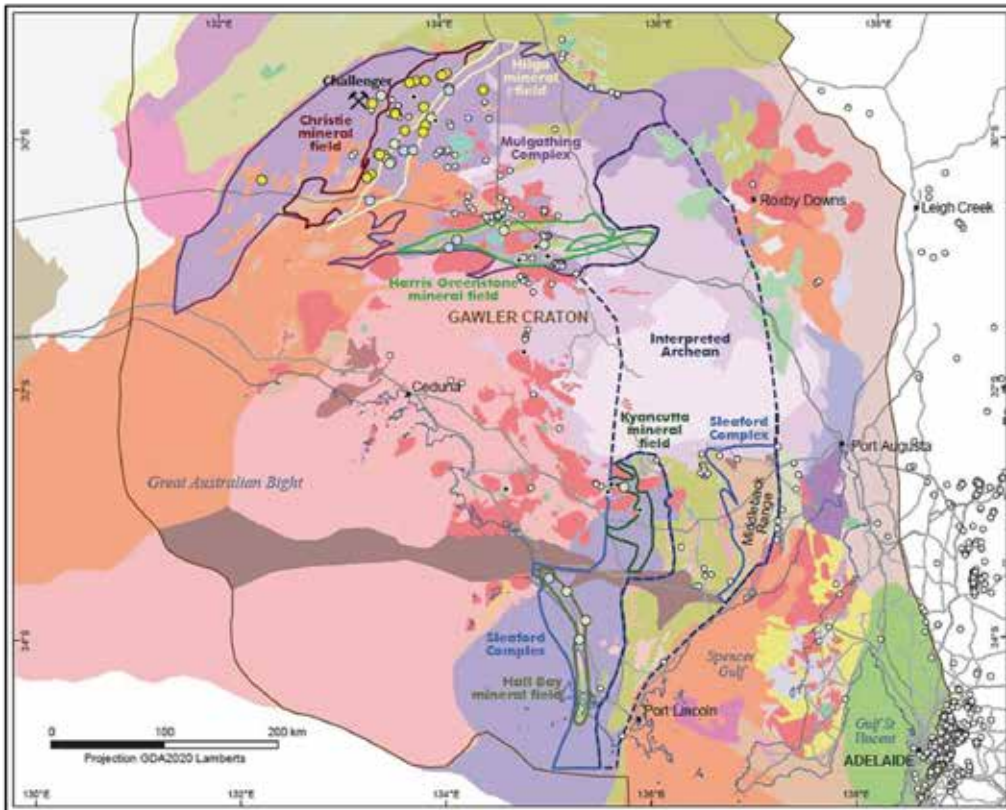


Figure 31. Simplified lithotectonic map of the Gawler Craton, South Australia, showing the location of the Challenger Gold Mine with respect to the surrounding subdomains and their inferred boundaries (Gum, *op. cit.*). The Christie Subdomain is highly metamorphosed.

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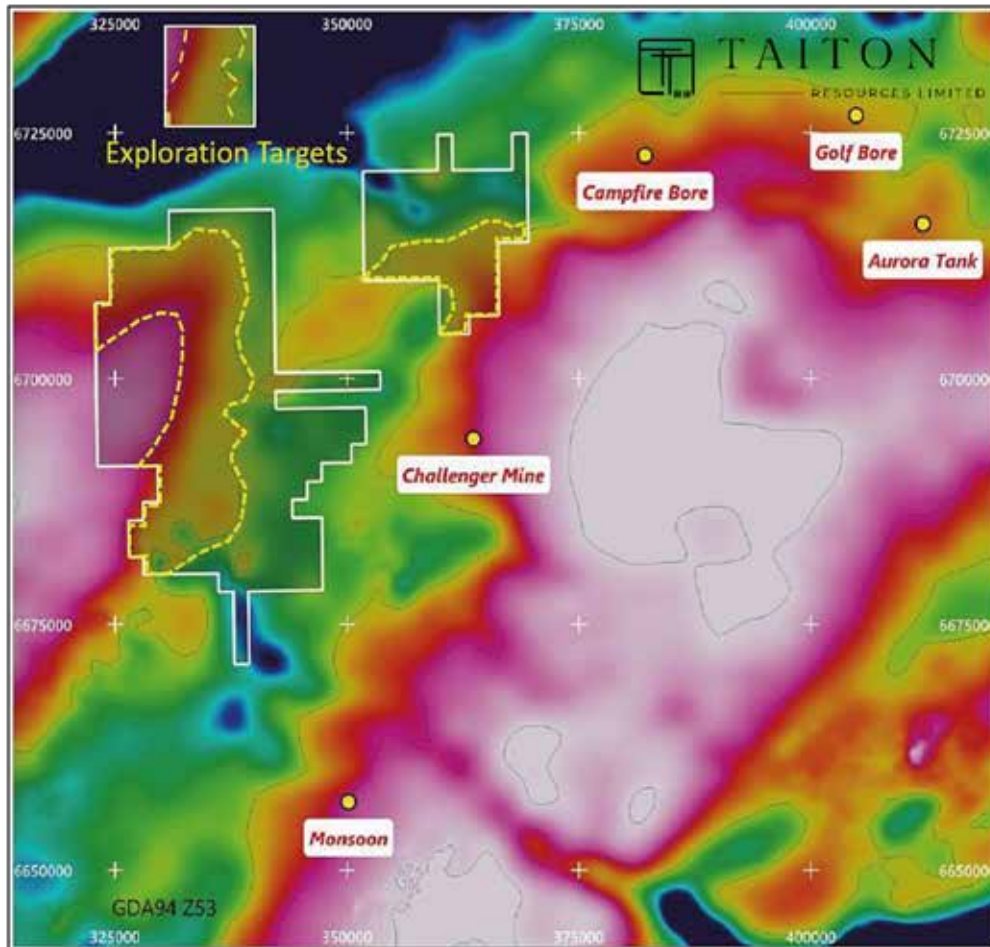


Figure 32. Bouguer anomaly map (isocontours along the 10mGal band) showing locality of the Challenger West Prospect, in relation to the Challenger Gold Mine. The presence of additional gold occurrences and mines along a gravity high boundary and a mirrored gravity ridge to the west, attests to the high prospectivity of this ground (dashed yellow lines). Major gold mines highlighted.

### 3.10 LOCAL GEOLOGY AND MINERALISATION

The Challenger gold deposit is hosted predominantly in the Archaean-age Christie Gneiss which comprises banded iron-formation, cordierite-garnet gneiss, layered calc-silicates, marble (locally dolomite), basic gneiss and quartzite. It is the basal unit of the c.3150 to 2950 Ma Mulgathing Complex (Figure 33) (e.g., Gum, *op. cit.*).

Studies of the Christie Gneiss indicate peak granulite facies metamorphism between 2450 and 2420 Ma, although this may not be regionally consistent in the different domains of the Craton. Variably developed retrograde metamorphism is also associated with later deformation during the Kimban (~1845 to 1700 Ma) and Kararan (~1650 to 1540 Ma) orogeny's.

Two major periods of deformation are recognised in the region;

- 1) A period of ductile deformation occurring concurrently with the granulite facies metamorphism during the Sleafordian orogeny (2450 to 2420 Ma), interpreted to have produced the dominant regional structures of tight isoclinal macrofolds refolding earlier macro- and micro-isoclinal folds, and,
- 2) A phase of Mesoproterozoic amphibolite-greenschist facies reworking that developed extensive regional shear zones.



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Textural relationships indicate that gold was present prior to peak metamorphism. Visible gold is now restricted to migmatitic leucosomes and, to a lesser extent, melanosomes. These polyminerally leucosomes with vein-like morphology are generally composed of quartz + perthitic K feldspar ± plagioclase ± coarse-grained biotite and typically contain isolated porphyroblasts of garnet, cordierite and more rarely, orthopyroxene. No straight gold bearing quartz veins have been encountered. In the gold- and arsenic-rich zones, pyrrhotite (typically with chalcopyrite and rarely pentlandite) and arsenopyrite-löllingite grains are disseminated within mesosomes, melanosomes and leucosomes, but are concentrated in the melanosomes. Sulphides are less common within the leucosomes but are coarser. Visible gold (500 microns) is only seen in the leucosomes.

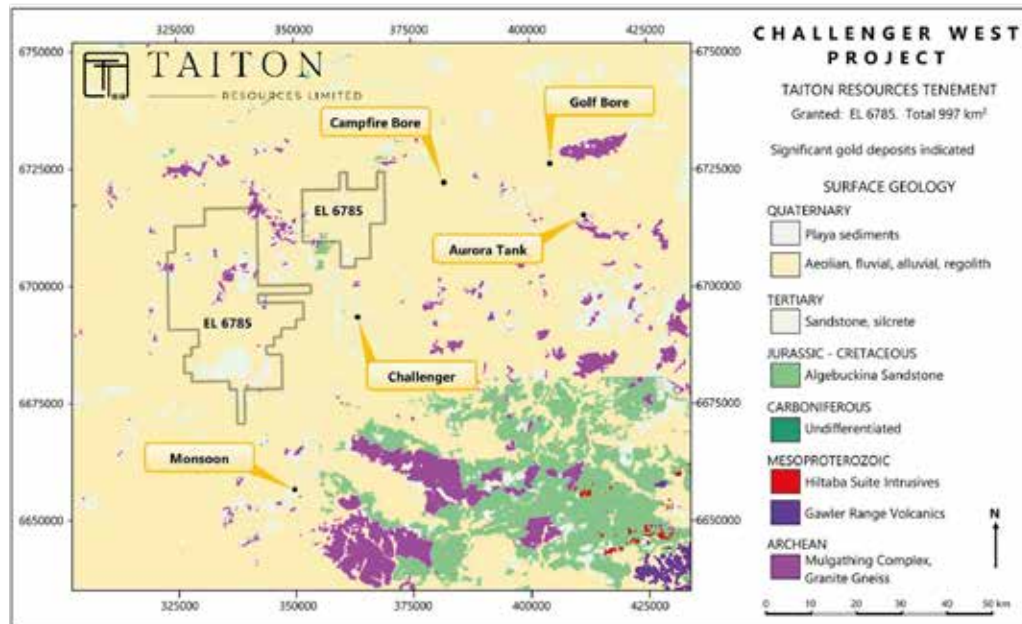


Figure 33. Showing local geology around the Challenger West tenements. Major gold mines are highlighted.

The gold-bearing leucosomes are believed to have been formed during the metamorphism of the Challenger deposit which resulted in partial melting of the gold bearing pelitic host rock and formation of silicate and polymetallic gold-rich melts which were synchronously redistributed to accumulate as leucosomes during development of a stromatic migmatite. Gold-rich shoots at Challenger parallel the plunge of pygmatically folded leucosomes that are shown to be parasitic to a larger scale fold geometry which appears to be structurally related to the ore shoots. It has been interpreted that concurrent migration of polymetallic and silicate melt allowed concentration of gold into a series of dilational structures which developed within the larger scale fold geometry, which appears to be structurally related to the ore shoots.

#### 3.10.1 Previous Work

The tenements covered by Challenger West have been sporadically explored from 1997-2011. An account of previous explorers follows.

##### 3.10.1.1 Noblex NL (1997)

Ground magnetic and radiometric surveys over 4 lakes, ground reconnaissance and grid sampling on these and numerous other nearby lakes, and diamond drilling of selected magnetic anomalies at Islam Lake 1 and 2 prospects (2 holes, total 403.19 m). Boxworks in amphibolitic BIF containing trace sulphides were observed in outcrop at Tastevin Lake 3 prospect, and at Tastevin Lake 4 prospect, weathered basement which carried 10% pyrite was found 6 inches below the lake surface.

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The 2 holes intersected shallow basement pyroxene-granulite and pegmatite lithologies containing sufficient magnetite to explain the magnetic anomalism. Logging of the core disclosed only weak radioactivity. It was concluded that patchy localised surface radioactivity in the playa lakes is due to the weathering of radioactive mineralised 'hotspots' in the adjacent basement rocks.

#### 3.10.1.2 BP Mining (1981)

Reverse circulation drilling (50 holes totalling 2331 m) was carried out to test sediments occurring within the Garford Palaeochannel, in basement depressions defined by SADME gravity surveys, in deflation depressions, and on the edge of the Tallaringa Trough. This was followed by basement rock outcrop and water bore groundwater sampling, plus hand-held alphameter and vehicle mounted spectrometer surveys, and follow-up drilling near earlier holes showing anomalous gamma radiation (WL22 and WL38).

Drilling failed to locate significant mineralization or sedimentary environments conducive to mineralization. Assessment of the base metal potential of the area is recommended.

#### 3.10.1.3 Stockdale Prospecting (De Beers Australia) (1983-1990)

After two intensive regional reconnaissance programmes of heavy mineral sampling, backed up by air photointerpretation and drill hole record checks, the licensee has concluded that the tenement areas relinquished have a low prospectivity for diamonds. All sample results were negative for kimberlitic indicator minerals; the reliability of these results has been confirmed by analyses of concentrate weight.

Literature reviews, plus studies of photogeology and of drillhole data, have confirmed the existence of palaeochannels and of the selective accumulation of Tertiary lignites within a broad area that surrounds and lies to the north and west of Lake Anthony, but extensive Tertiary and Quaternary cover and a lack of modern drainage make the area unsuitable for heavy mineral sampling for kimberlite - type intrusive bodies. Stockdale's exploration for diamonds in the Barton region, at the start of the licence period, commenced with the evaluation of 136 potential kimberlite targets generated by the detailed in-house interpretation of data acquired from an extensive new airborne magnetic/radiometric/VLF-EM survey (300 m NNE-SSW line spacing, 70 m nominal sensor height) flown over the period September 1981 to January 1982. Follow-up works, including loam sampling and later Sirotem, helicopter-borne magnetic-VLF, ground magnetic and gravity surveys, plus RC, RAB and mud drilling (54 holes, total 3638 m), were undertaken up until 1987, without disclosing kimberlitic indicators or kimberlite.

Subsequent precious and base metal exploration undertaken by CRA comprised an appraisal of existing data and follow-up IP and gravity surveys (Geotrex), percussion drilling (five holes, total 605 m) and diamond drilling (one hole, 161 m), but it gave no encouraging results.

#### 3.10.1.4 Roebuck Resources NL (1987)

Trenching and 10-20 kg bulk sampling of known dolomitic palygorskite occurrences (15 backhoe cuts in seven lake depressions, to 3.6 m below surface, including also the extraction of a 20-tonne bulk sample from Lake Stevenson), absorbency tests and clay mineralogy determinations, plus calcination processing, marketing and production feasibility studies.

A significant palygorskite resource was outlined at Lake Stevenson.

#### 3.10.1.5 CRA Exploration Pty Ltd (1995)

Lag and soil sampling carried out 170 km north-west of Tarcoola followed the public release by SADME of SAEI aeromagnetic data. No significant geochemical anomalies were identified

#### 3.10.1.6 Resolute Resources Ltd (1998-1999)

Regional calcrete and rock chip sampling results have been reported from surrendered portions of nine exploration licences occupying three areas which lie respectively 190 km north-west, 120 km north-northwest and 120 km west-northwest of Tarcoola, within the licensee's proven gold-bearing Gawler JV acreage. Assays of 8 and 10 ppb Au from the north-northwestern area warrant infill sampling.

Regional and infill grid calcrete sampling carried out over an area situated approximately 190 km north-west of Tarcoola failed to disclose significant gold anomalism.

#### 3.10.1.7 CRA Exploration Pty Ltd (2000)

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Initial investigations in the Garford area, 170 km north-west of Tarcoola, comprised lag and soil sampling, ground magnetics, and petrography. Follow up aircore and RAB drilling (78 holes, total 2209 m, including 13 m of diamond tails) returned elevated Au, Pt, Pd, Ni and Cr. Regional and infill calcrete sampling identified several areas anomalous in Au and As, two of which were RAB drilled (44 holes, total 1887 m). Further investigation was not feasible due to unresolved land access issues.

#### 3.10.1.8 Dominion Gold Operations (1995-2006)

Gold and copper deposited in the desert sand - covered Archaean basement terrain of the north-western Gawler Craton were the targets of exploration within a contiguous group of licences. Calcrete sampling by hand dug holes or vehicle mounted auger drill was carried out on a regional 1.6 km x 1.6 km grid, with later infill sampling to 800 m x 400 m or to 200 m x 200 m grid spacing. Two geochemically anomalous prospects were further tested by RAB and aircore drilling (16 holes, total 528 m), but the drilling was largely ineffective due to meeting with substantial thicknesses of transported overburden.

An area located 140 km north-west of Tarcoola was taken up to explore for possible economic high-grade occurrences of palygorskite clays formed in Tertiary palaeochannels and associated playa lakes.

This work commenced in July 1995, when 504 calcrete samples were taken on a nominal 1.6 km staggered regional grid spacing, plus another 33 infill calcrete samples at a staggered 200 m spacing, this method being identical to that used to locate the Challenger mineralisation. At first only low order gold assay results were obtained by the infill sampling, but after November-December 1995, when another 577 infill samples generally taken at 400 m centres had been assayed, encouraging >5 ppb Au anomalous areas were identified at eight prospects, five of which were given high priority for RAB drilling.

During May 1997 Dominion Mining contracted UTS Geophysics to conduct a detailed low level airborne geophysical survey over several Gawler Joint Venture prospects on the Gawler Craton, that included the Golf Bore and Campfire Bore prospects on EL 2018.

During licence years 1 and 2 two campaigns of RAB drilling were undertaken at Indooroopilly Bore prospect (87 holes for a total penetration of 3569 m, plus another 47 holes for 1489 m). Some chlorite alteration is associated with shearing in the northern part of this prospect.

During licence year 3 follow-up RAB drilling was conducted at Indooroopilly Bore (57 holes for 2192 m), while first-pass RAB drilling was also conducted at Tomahawk prospect (37 holes for 1564 m) after acquiring 15 line km of ground magnetic profiles, and at Coopers Tank prospect (27 holes for 1094 m). Minor regolith geological mapping and related rock chip sampling (7 samples) was also done.

#### 3.10.1.9 Challenger West Holdings Pty Ltd (2010)

An area located approximately 160 km south-west of Coober Pedy and just to the west of the Challenger gold mine is being explored for possible economic sedimentary uranium mineralisation which is inferred to be present in buried Tertiary palaeochannels. Drilling which has been carried out previously by Mega Hindmarsh and by past explorers in the general vicinity of EL 4165 has found dispersed uranium occurring mainly in the near-surface environment, whereas the deeper parts of palaeochannels, where tested, have been mostly barren. Although sedimentary uranium occurrences have lately been found at greater depths in the region, shallow targets are the focus of Hindmarsh's current programme, in the hope that these may lead to deeper, economic accumulations.

Because the licence area has a ubiquitous cover of sand dunes up to 16 m thick, it was decided to employ sampling of desert vegetation as a direct geochemical exploration method, since it was expected that the plant roots would be likely to have penetrated prospective units. Initially, vegetation was sampled along orientation traverses over known low-grade uranium occurrences encountered in Mega Hindmarsh drillholes. This work, reported in the 2007 Joint Annual Technical Report on neighbouring project licences ELs 3395 and 3396, successfully detected the uranium mineralisation, but the technique itself was too spatially specific for use in a regional survey, where the cost of obtaining effective regional coverage would be prohibitive. It was thought that the observed restricted dispersion areole for the uranium may be due to the very dry near-surface hydrological substrate existing in this arid environment at the time of sampling.

No significant uranium anomalies were found on the subject licence area by using this new biogeochemical technique, but gold and many other elements of economic interest were found to be anomalous. In view of this outcome, it was recommended that further scat sampling should be done, since such samples are easy to collect and cost-effective to process and analyse.

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### 3.10.1.10 Southern Gold Ltd

Early work by Genex Resources and then Southern Gold focussed on the Garford prospect, 30 km distant from Challenger, which is a previously defined but open ended, high order gold-in-calcrete anomaly that coincides with a north-east trending linear magnetic high. Interpretation of detailed ground magnetic data suggests that this anomaly is the magnetic expression of a south-easterly dipping shear zone.

During March 2004 Southern Gold acquired a detailed aeromagnetic/radiometric survey over the above three prospects on EL 3080 (5166-line km flown at 100 m x 1 km line spacing and 50 m mean terrain clearance, as infill to previous 400 m spaced regional coverage). In the same month, a geological review and prospectivity assessment was commissioned from consultants David Tonkin and Associates.

Hindmarsh Resources commenced its uranium search on the Challenger West Project ground by acquiring a ground gravity survey of 105 stations near Half Moon Lake in November 2005, and by performing traverse drilling of 76 vertical aircores holes for 3984 m over the period March-June 2006 to evaluate Tertiary palaeochannel sediments that had been broadly mapped using available DEM, remote sensing, and geophysical data. Gravity data seemed to give the best definition of more deeply buried portions of the channels. The drillholes were wireline logged with a gamma ray tool, and 2236 drill cuttings samples taken at selected intervals were assayed for uranium and thorium. The initial drillhole spacing along the traverses was at 800 m.

Many of the 2006 programme drillholes revealed anomalous radioactivity. The log peaks were thought to represent two geological contexts:

- Redox conditions at the base of shallow multi-coloured sands (less than 20 m thick) overlying grey pyritic clay
- Redox conditions at the base of oxidation in the modern climatic environment.

During November 2006 to May 2007 Hindmarsh Resources carried out a second round of drilling on palaeochannel targets spread across the Challenger West Project licences, this time using a rotary mud rig to complete a total of 78 holes for an aggregate penetration of 3872 m.

A re-assessment made late in 2007 by Mega Hindmarsh of the uranium exploration programmes underway in its Eucla JV Project acreage concluded that all of the best historical and current uranium mineralised intercepts occur at shallow depths of approximately 20 m. However, hitherto the targeting methods used had been indirect and very expensive. Therefore, the company decided to utilise in their place a regional geochemical exploration method which would be a direct and cheap pathfinder to uranium.

### 3.10.1.11 Palgrave Resources

An area centred ~20 km north of the Challenger gold mine has been explored for possible buried primary Challenger type basement gold lodes and for secondary roll-front style uranium mineralisation that may be hosted in buried Tertiary fluvial sediments of the Garford Palaeochannel.

During licence year 1, no field work was done. A consultant geologist was engaged to do a desktop prospectivity review of the area's Archaean basement and Tertiary cover sequence.

During licence year 2, further evaluation of surface (calcrete) geochemistry, drilling and geophysical data led to a decision that more work appeared to be warranted at Southern Gold's Nemesis prospect located in the southern part of EL 4971, as it was thought that possible occurrences of Challenger-style narrow high-grade gold shoots could well fit between the traverse spacing of the historic (2010) RAB drillholes. Therefore, it was recommended that additional RC drilling be performed to test across the trend of the anomaly, using inclined fenced holes.

During licence Year 3, UXA undertook a detailed office-based review of the past Nemesis prospect drilling and the mineralogical logs and assay results of the drill cuttings samples, besides conducting a detailed review of the previous company's bulk leach soil sampling data. The conclusion was reached that a mineralised retrograde shear zone, possibly up to 100 m wide, could be present at Nemesis. Interpretation of the previous regional soil sampling results also suggested that this zone might be up to 1.5 km long.

UXA considered that the work already completed on Nemesis should be mimicked in any future exploration orientation approach to covered parts of the licence area not yet explored. Plans were made to extend the existing calcrete and soil sampling grid to parts of the tenement located outside of the interpreted palaeochannel subcrop positions.

### 3.10.1.12 Marmota Energy Limited

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An agglomeration of exploration licences which partly surrounds the Challenger gold deposit at distances of between 35 and 80 km is being explored for similar type economic lode gold mineralisation that may exist in buried Archaean bedrock relatively close to the surface. The region is crossed by conjugate NE-trending and NW-trending faults, clearly delineated by regional magnetic data, which are interpreted to have been active during intrusion of Hiltaba Suite granite bodies. Several long-lived crustal scale shear zones cross the Archaean terrain, providing potential pathways for gold-bearing fluids.

Exploration during the first project joint reporting year proceeded via ongoing surface geochemical sampling of calcrete in 8 target locations and the acquisition of ground geophysical surveys, followed by RC drilling of selected anomalies. A total of 3897 surface samples were assayed, 237 new gravity stations were read over a 200 m x 200 m grid at Widgey on EL 5195, accompanied ~46-line km of magnetometer readings made along 35 lines at 200 m or 100 m spacings, and 29 RC holes for 1643 m were drilled at Widgey and near Westpoint Hill on EL 5060.

During project Year 2, when additional licence acreage was added to the search area, 924 surface calcrete samples were assayed and 87 aircore holes for 4189 m were drilled. This work disclosed two significant gold occurrences on EL 5589 at Goshawk and Kingfisher. The Goshawk gold occurrence occupies weathered quartz-biotite-muscovite gneissic bedrock over a 500 m strike length, whereas at Kingfisher, where the extent of mineralisation is less well defined, the host rocks comprise both weathered mafic gneiss and weathered iron-rich BIF (to 37% Fe).

During project Year 3, activities comprised surface calcrete sampling (1479 samples assayed for 30 elements), vegetation biogeochemical sampling (415 plant samples assayed for 66 elements), acquisition of a 120.9 line km ground magnetic survey covering three target areas, the drilling of 50 RC holes for 3988 m plus 6 diamond cored holes for a total of 313.5 m (including 206.8 m cored), and the conduct of metallurgical gold extraction testwork involving 3 cyanide gold bottle rolls and performing a QUEMSCAN mineralogical analysis on 2 ore samples.

During project Year 4, activities comprised a continuation of plant biogeochemical sampling on ELs 5589 and 6166, the drilling of 31 RC holes for 3187 m on EL 5589 and the drilling of 12 RC holes for 1716 m on EL 6166, plus the drilling of 195 aircore holes for 3187 m on ELs 5589, 6166, 5799 and 6082; 61 of the latter holes were drilled to test eleven new targets. Holes put in at these targets were shallow, being designed to detect any secondary dispersion from an ore zone developed in the saprolite or saprock; however, the results obtained did not warrant follow-up.

Sighter column leach tests were performed on minus 12.5 mm crushed remnants of drill cores recovered by the previous diamond drilling, and total gold recoveries of better than 75% were achieved, which implied that heap leaching might be a viable method of gold extraction for the Aurora Tank deposit.

#### 3.10.1.13 Minotaur Operations

An area centred ~140 km north-west of Tarcoola and ~20 km north of the Challenger gold mine has been explored for possible economic high-grade occurrences of palygorskite (synonym attapulgite) clays which may have formed in Tertiary palaeochannels and associated playa lakes. Prior to grant of tenure, a desktop review that was made of historical geological, geochemical, and geophysical data for the area revealed significant potential for palygorskite and probably also for detrital placer gold to occur locally within the buried Garford Palaeochannel sediment fill, as well as largely untested prospectivity for Challenger-style primary metamorphic gold to exist accessibly in Archaean basement subcrop areas not covered by thick palaeochannel sediments.

During the two years' tenure of the subject licence, no field work was done. Initially, discussions were held with US and Japanese companies seeking palygorskite supply. Planning of a drilling programme was begun, to investigate the continuity and grade of historically discovered palygorskite mineralisation, but later, it was stopped when the negotiation process then underway with the Antakirinja Matu-Yankunytjatjara Aboriginal Corp. to gain legal access onto another Minotaur licence area (EL 5869) located north-east of EL 6144 broke down.

Minotaur subsequently withdrew from this region to focus its corporate exploration efforts elsewhere in Australia.

#### 3.10.1.14 Exploration Conducted by Taiton

Taiton is a new entrant to the area. As mentioned, the regolith of the area is extremely prospected, based on the discovery of Challenger by sampling calcrete carapaces and regolith. This approach led to a flurry of district-scale calcrete sampling for over a decade. More recently, limitations have been identified in that approach (McSkimming, pers. comm.). The Challenger gold camp is well understood, and Taiton is well-placed to capitalise on the vast amount of historic data available in the public domain and on SARIG. Taiton has only recently acquired its ground holdings at Challenger West and has not acquired any new data in the interim, other than to reprocess the gravity data to produce higher resolution

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Bouger anomaly maps that clearly highlight the relationship of the mineralisation to the gravity gradients (*cf.* Figure 28, Figure 32).

#### Summary

The Company's primary source of confidence in being situated in the Challenger region, besides its proximity to an existing mining district, is due to the presence of gravity highs (isocontours in the 10Mgal Band) found in the same basement terrane setting as the Challenger deposit (*cf.* Figure 32). The Challenger gold deposit has been extensively studied with respect to regolith, geology and geochemistry. The area hosts five (5) other significant gold mines in close proximity to this structure, which is mirrored to the west, with another gravity block border structure (*cf.* Figure 32).

The Company believes that the existing data, which has a good historical indicator of district-scale mineralisation, supports a strategy for a new discovery at Challenger West. The Bouger gravity model supporting gold deposits developing marginal to a metamorphosed gravity ridge, is a compelling concept. The mirror-imaged gravity ridge boundary located in the west of the tenement EL 6785 bodes well for similar mineralisation to other significant and neighbouring gold deposits (*cf.* Figure 32).

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**4 WESTERN AUSTRALIA – REGIONAL GEOLOGY AND METALLOGENY**

**4.1 REGIONAL GEOLOGY**

The tectonic evolution of the highly mineralised Yilgarn Craton exposes upper-crustal, Meso- to Neoproterozoic volcano-sedimentary sequences (greenstones) associated with 2960–2600 Ma granites and granite gneisses (Van Kranendonk *et al.*, 2013). The craton is divided into several terranes, based on distinctive stratigraphic and magmatic characteristics, geochemistry, and age. In the western half of the craton, the Youanmi Terrane includes the Murchison and Southern Cross domains, showing distinct lithostratigraphic assemblages in greenstone belts (e.g., Zibra, 2012), which are juxtaposed by the Youanmi shear zone (Figure 34). The Murchison Domain is flanked by the Narryer and the Southwest terranes, in the northwest and southwest, respectively (*cf.* Figure 34).

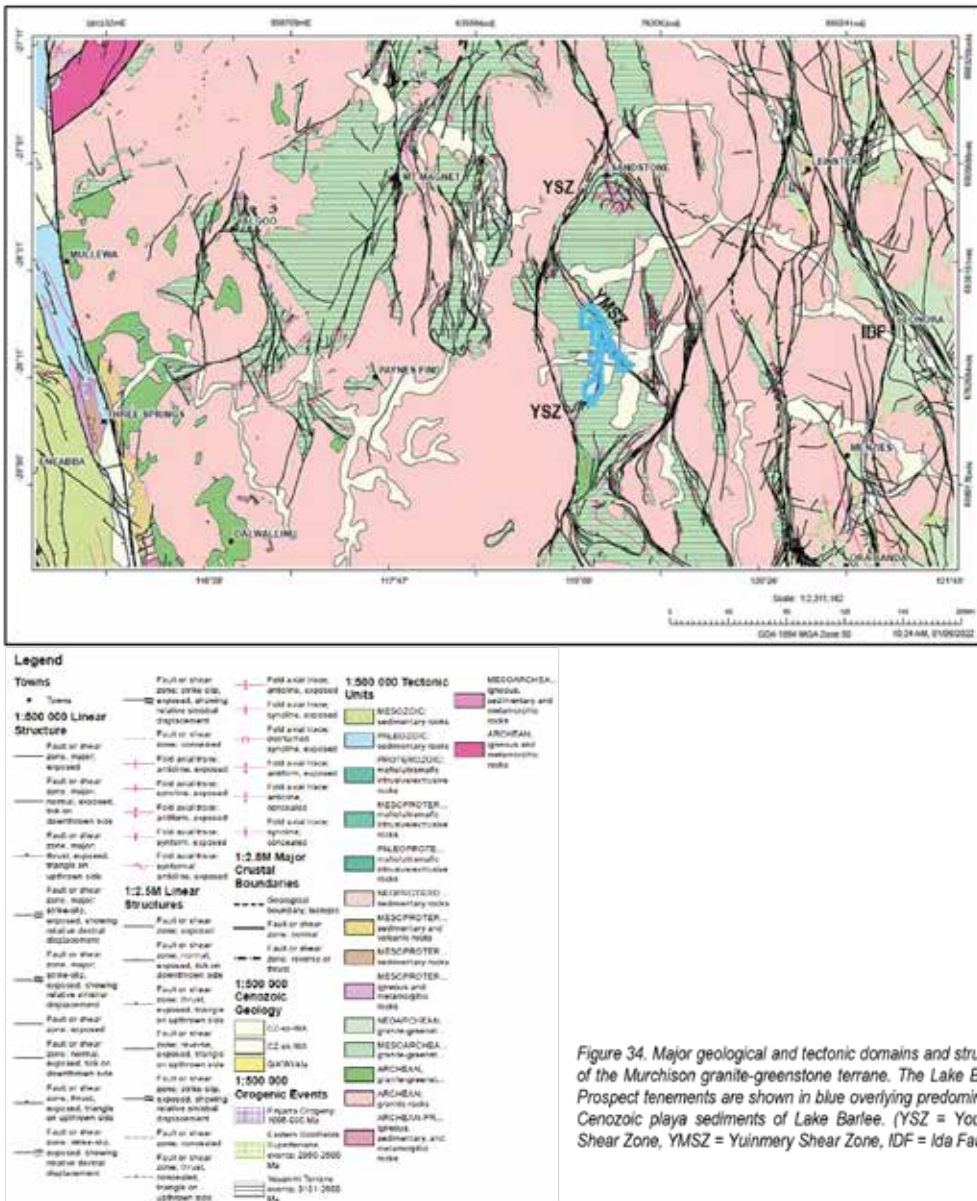


Figure 34. Major geological and tectonic domains and structure of the Murchison granite-greenstone terrane. The Lake Barlee Prospect tenements are shown in blue overlying predominantly Cenozoic playa sediments of Lake Barlee. (YSZ = Youanmi Shear Zone, YMSZ = Yuiemery Shear Zone, IDF = Ida Fault).



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Field and geophysical data indicate that the Murchison Domain, as well as the whole craton, is transected by a network of dominantly east-dipping, listric crustal-scale shear zones, juxtaposing terranes with contrasting stratigraphy (Wyche *et al.*, 2012). In map view (*cf.* Figure 34), these shear zones are broadly north-striking and can be followed for hundreds of kilometres along strike, and are flanked by north-striking, generally high-strain greenstone belts (Vearncombe, 1998). The Lake Barlee tenements lie entirely in the central part of the Southern Cross Granite–Greenstone Terrane (Figure 35), one of the major geological subdivisions of the Archaean Yilgarn Craton (Tyler and Hocking, 2001), which broadly corresponds to the Southern Cross Superterrane of Myers (1997) and the Southern Cross Province of Gee *et al.* (1981). The Southern Cross Granite–Greenstone Terrane is bound to the west and east by the Murchison and Eastern Goldfields Granite–Greenstone Terranes respectively. It is notable that less than 5% of the Lake Barlee area is occupied or underlain by greenstones, the remainder consisting of granitoid rocks (Riganti. *op. cit.*).

**4.2 LAKE BARLEE PROSPECT**

**4.2.1 Rationale for Exploration**

A greenstone-associated gold target defined under Lake Barlee on E77/2700 during interpretation of magnetic data in 2009 has not been drill tested. Approximately 60,000 kg/Au @ 10.6g/t Au has been mined from Halleys East, located some 15km southwest of the Lake Barlee tenements. Geological mapping indicates no greenstone outcrop on Lake Barlee tenements and only little exploration has been reported in some areas of residual soil over granite proximal to greenstone on tenement E77/2700, or distal from greenstone on tenements E57/1158 and 1168.

A greenstone-associated gold target defined under Lake Barlee on E77/2700 during interpretation of magnetic data in 2009 has not been drill tested. The Yuimery Shear Zone which defines a highly prospective granite-greenstone boundary (*cf.* Figure 34, Figure 35) and is one of the principal exploration targets, along with a fault splay off the Youanmi Fault (inset).

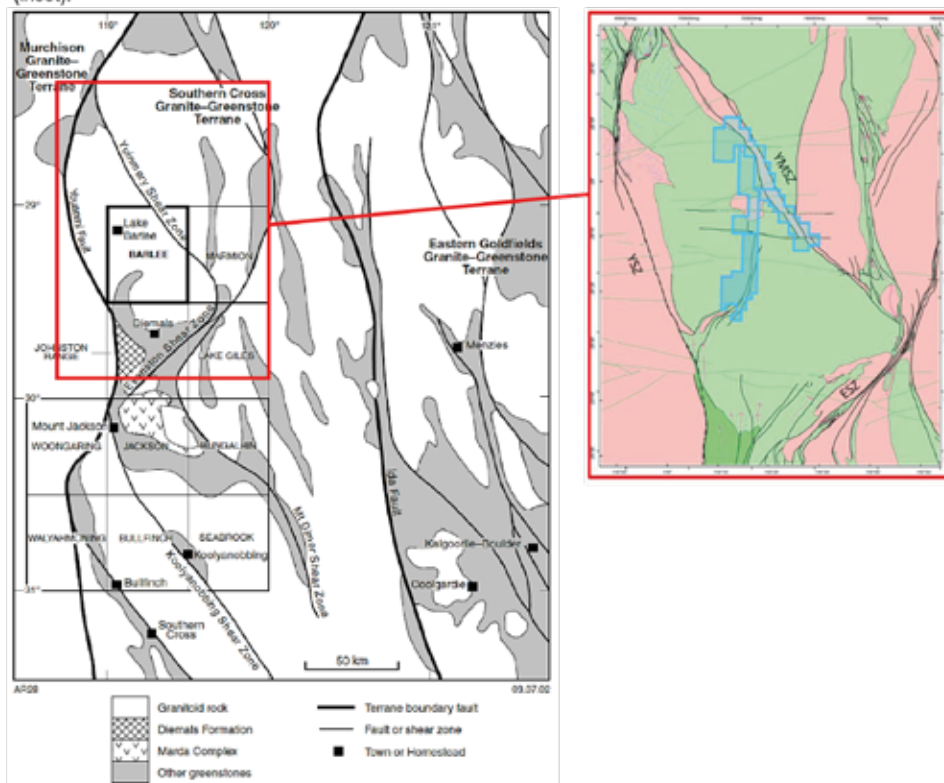


Figure 35. Simplified regional geological and tectonic setting of the Lake Barlee area (Riganti, 2002). Lozenge-shape granite-greenstones and N/S trending fault and shear zones attest to E/W compression and shortening (e.g., Zibra, 2020) (YSZ = Youanmi Shear Zone, ESZ = Evanston Shear Zone, YMSZ = Yuimery Shear Zone).

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Both faulted and shear-zone structures seem to have formed as a competency (rheology) contrast between granite-greenstone contacts. These spatial and temporal relationships across highly strained zones hosting compressional folding, traditionally act as mineralising conduits for concentrated hydrothermal fluid flow (e.g., Massey and Kowalczyk, 1994).

It is against this backdrop that Taiton has acquired its Lake Barlee tenement portfolio.

### 4.3 LOCAL GEOLOGY

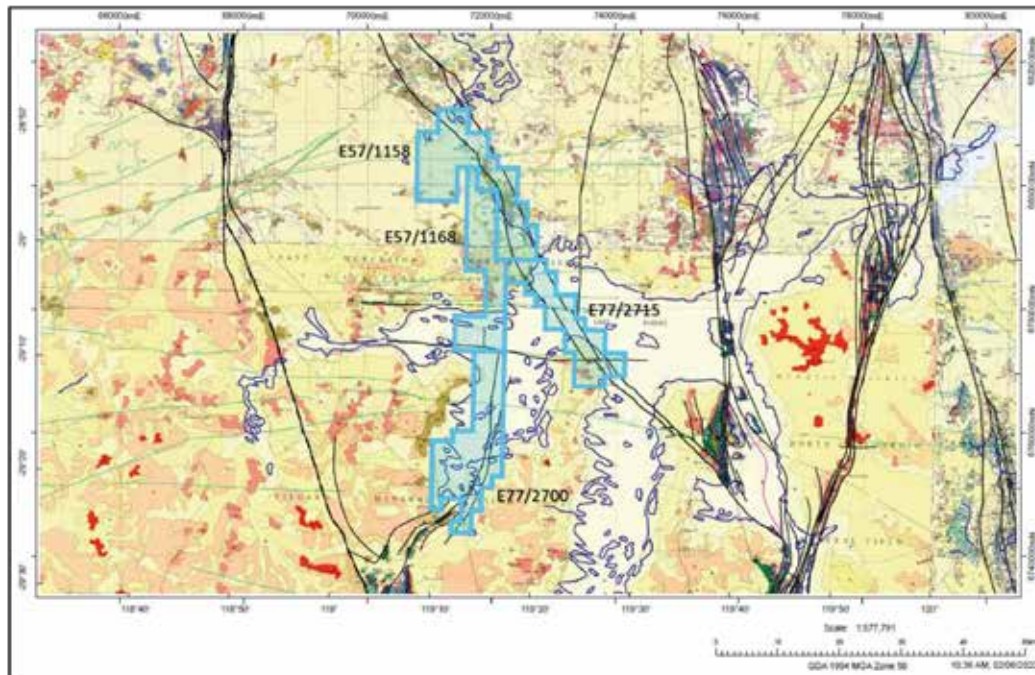


Figure 36. Local geology (1:250,000) and major structures around Lake Barlee (dark blue outline). The tenements have been sited along significant discontinuities and lithological contacts, which are prospective for gold mineralisation.

The volcanic greenstones form subdued hills, with more-rugged banded iron-formation (BIF) ridges, in the southwestern corner of the sheet. Elsewhere granitoid monoliths or flat pavements alternate with extensive undulating sandplains and flat sheetwash areas. The sandplains are punctuated by bedrock highs capped by ferricrete and silcrete, and erosional escarpments (breakaways) that are typically only a few metres high. The exposed greenstones at the Lake Barlee area are the northernmost outcrops of the Marda–Diemals greenstone belt (i.e., Riganti, *op. cit.*, Figure 36), which combines the Marda and Diemals belts of Griffin (1990). Aeromagnetic images, including a drone magnetic interpretation conducted by Taiton, confirm, as per the published geology records, that some greenstones also underlie the southwestern arm of Lake Barlee (Figure 37). The main exposures of the Marda–Diemals greenstone belt are south of the area. The regional stratigraphy of the belt comprises a mafic- and BIF-dominated lower greenstone succession unconformably overlain by an upper greenstone succession that includes the felsic volcanic rocks of the Marda Complex and the clastic sedimentary rocks of the Diemals. Only the lower greenstone succession has been recognized at Lake Barlee (e.g., Riganti, *op. cit.*). The lower greenstone succession is inferred to have a depositional age of 3 Ga (Wyche *et al.*, 2001). The age of the upper greenstone succession is well constrained at c. 2730 Ma by conventional and SHRIMP U–Pb zircon dating (Pidgeon and Wilde, 1990). Granitoid intrusions in the Marda–Diemals region range in age from c. 2730 to c. 2635 Ma (Bloem *et al.*, 1997).

Ferruginous and siliceous duricrusts commonly form caprocks over the greenstones. Lake Barlee itself covers almost the entire area of interest (*cf.* Figure 36) with mud and clay and veneers of halite and gypsiferous sediments. Variably thick sandplain deposits fringe the lake. Gold mineralization is typical of zones of alteration marginal to quartz veins. Quartz veins with intersected widths up to 16 m (but mostly up to 3 m) are surrounded by gold-bearing alteration zones consisting

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of fine-grained, sheared, silicified, and sericitized mafic and ultramafic rocks with grades up to 7.7 g/t Au (Doepel, 1990). Competency contrasts, such as fold hinges in BIFs and shear zones, were also targeted (i.e., Schwebel, 1991).

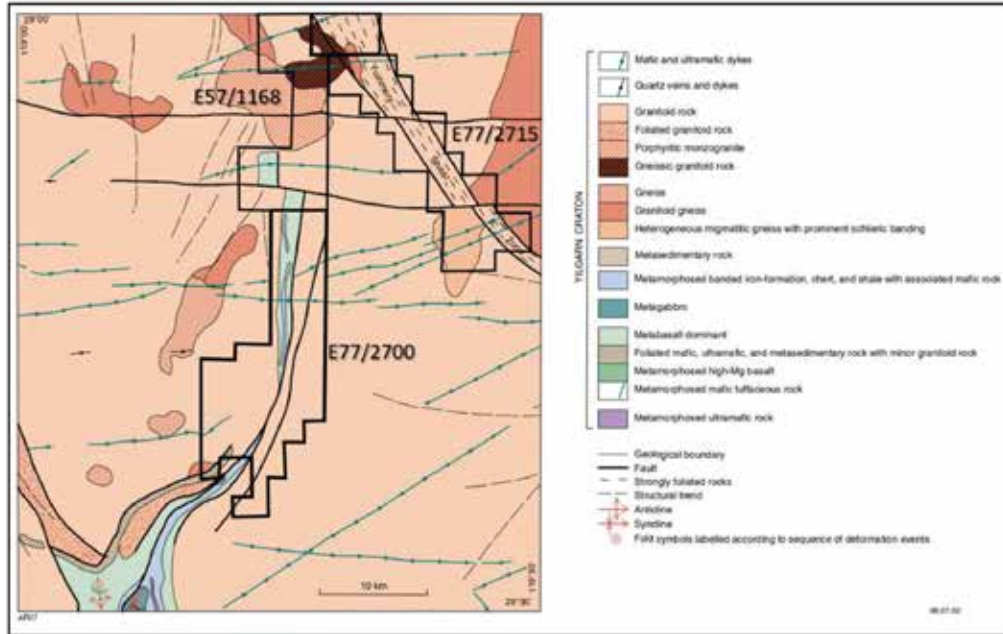


Figure 37. Showing detail of southern tenements with projected granite-greenstone contacts and principal shear zones. These contacts are almost wholly buried beneath depositional units of the Lake Barlee playa-lake system and are targets of the proposed exploration programs (after Riganti, 2002).

**4.4 PREVIOUS WORK**

Exploration on and around the Lake Barlee tenements has focussed on orogenic gold within greenstone sequences as well as calcrete-hosted uranium and salt lake potash deposits in playa lakes. Beacon Minerals explored parts of E77/2700 and an extensive trend to the southwest between 2007 and 2014 for orogenic gold systems; work culminated in extracting high grade ore from a small pit (60kt @ 10.6g/t Au) at Halleys East located 10-15km southwest of the Lake Barlee tenements. Between 2009 and 2013 Goldpride Pty Ltd and Jervois Mining conducted cursory exploration over Lake Barlee for uranium and potash deposits. Parkway Minerals undertook substantial exploration for potash in 2017 and 2018, which included reprocessing of historic airborne geophysical data, passive seismic surveys, auger sampling and drilling east of the Lake Barlee tenements. Historic exploration is summarised in Table 5.

Historic exploration for the following commodities has been summarised by M. Styles (2021, Geological Consultant to Taiton):

Company	Year	Target	WA MEX	Work	Comments
Western Mining	1968 - 1971	base metals	A11 91 A12 01 A11 96	mapping geophysical surveys geochemical programs drilling	no work on tenements <b>data not compiled</b>
Goldfields	1985	Au	A16 440	drilling	no work on tenements <b>data not compiled</b>
Arboye	1987	Au	A20 900	mapping rock and soil sampling	no work on tenements <b>data not compiled</b>
Pathfinder Gold	1988	Au	A22 764 A24 429	geochemical programs	no work on tenements <b>data not compiled</b>



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Kia Ora Gold Corp	1988	Au	A24 072	airborne magnetics mapping geochemical programs	no work on tenements <b>data not compiled</b>
Meekal	1988	Au	A24 582	geological mapping rock and soil sampling ground EM RC drilling	no work on tenements <b>data not compiled</b>
Anglo Australian Resources	1989 - 1990	Au	A28 197 A31 172 A33 277	mapping rock and soil sampling RAB drilling	no work on tenements <b>data not compiled</b>
RGC Exploration	1990	Au	A29 489	mapping rock and soil sampling RAB drilling	no work on tenements <b>data not compiled</b>
Battle Mountain	1993	Au	A40 354	rock and soil sampling RAB drilling	soil samples on tenements <b>data compiled</b>
Bumine	1995	Au	A46 434	no substantial work	<b>no data to compile</b>
Savage Australian Exploration	1997 - 1998	Au	A51 850 A55 105	soil sampling RC drilling	soil samples on tenements <b>data compiled</b>
Stockdale Prospecting	1997	Diamonds	A52 223 A52 224	geochemical programs drilling	little work on tenements <b>data not compiled</b>
Helix Resources	2003 - 2004	Au	A67 155 A68 723	airborne magnetics mapping geochemical sampling RC drilling targeting	no work on tenements moderate priority Au target defined south of tenements <b>data not compiled</b>
Beacon Minerals	2007 - 2014	Au	A76 706 A80 949 A85 509 A85 830 A89 362 A93 450 A96 727 A96 914 A10 0279 A10 0729	mapping geochemical sampling drilling targeting resource estimation mining studies mining	sampling on tenements low priority Au target defined on E77/2700 U targets on E77/2700 <b>some data compiled</b>

Table 4. Historic work conducted in the vicinity of the Taiton Lake Barlee tenements.

**4.4.1 Gold**

Exploration for gold within the southern part of E77/2700 has comprised collection and analysis of soil samples by Battle Mountain in 1993 and Savage Australian Exploration in 1997-1998; these data were compiled by Beacon Minerals in 2013 (report A96914). Beacon Minerals collected additional soil and calcrete samples through the area in 2013 (report A96914).

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Battle Mountain and Savage Australian Exploration soil samples were assayed for Au and As; Beacon Minerals soil samples were assayed for Au, As, Cu, Ni, Pb, Pd, Pt and Zn, with calcrete samples assayed for Au and As. According to GSWA information, soils in the area are transported or residual over granite.

GSWA geology maps indicate there is no outcrop of greenstone rocks on the Lake Barlee tenements. In 2009 (report A80949), Beacon Minerals had geophysical data reprocessed and interpreted. A target for gold mineralisation, comprising demagnetisation of north-south striking magnetic greenstone (likely BIF?) at the intersection with NE-striking structures, was defined under Lake Barlee on E77/2700. The target has not been test-drilled. Additional targets were defined immediately south of the Lake Barlee tenements; these prospective trends are likely to continue along strike under cover onto the tenements.

Exploration by Beacon Minerals culminated in mining of high-grade gold mineralisation via a pit at Halleys East (60kt @ 10.6g/t Au), 10-15km southwest of the Lake Barlee tenements. Note that Halleys East is located where NE-striking structures cut north-south striking greenstone sequences. Based on the Halleys East geochemical footprint (700m long at +0.1ppm Au and 500m long at +0.5ppm Au), the recommended drill spacing for gold exploration outlined in report A80949 is 50m (in an offset pattern) along east-west lines spaced 200m apart.

No substantive exploration for gold has been reported in some areas of residual soil over granite proximal to greenstone on tenement E77/2700 or distal from greenstone on tenements E57/1158 and E57/1168. There are no mineral occurrences in the MINEDEX database across these areas. Roof pendants of greenstone rocks (komatiitic basalt) are recorded within granite on GSWA geology maps adjacent to the Yuinmery Shear Zone on E77/1168. These areas might be more prospective for orogenic gold mineralisation than areas of granite having no greenstone roof pendants.

#### 4.4.2 Uranium

The Yuinmery (Shepherd Well) uranium deposit (MGA 705419E 6838476N) is located on the northern edge of Lake Noondie, 25-30km north of the Lake Barlee tenements. Exploration for uranium on the Lake Barlee tenements has been cursory at best and soil samples collected by Goldpride and Jervois Mining from various locations on Lake Barlee were evaluated with a handheld spectrometer, with no anomalous results returned.

Beacon Mineral's interpretation of radiometric data in 2009 (report A80949) led to the definition of four targets for calcrete-hosted uranium mineralisation located around the southwestern margin of Lake Barlee within E77/2700 - see Figure 3. Somewhat surprisingly, samples of calcrete collected from within the southernmost target area by Beacon Minerals in 2013 (report A96914) were only assayed for Au and As. None of the four targets have been adequately assessed.

#### 4.4.3 Potash

A substantial amount of work was undertaken by Parkway Minerals in 2017-2018 to evaluate brines under Lake Barlee as potential hosts for potash mineralisation (e.g., Salt Lake Potash Ltd, ASX:SO4). Aquifers intersected in drilling east of the Lake Barlee tenements returned results which Parkway considered too low to support commercial extraction. Other parts of the lake were deemed unlikely to be more prospective.

#### 4.4.4 Lithium

There are no recorded hard rock lithium occurrences within the tenements and no mention of pegmatite-associated lithium mineralisation, or even of pegmatites, in GSWA explanatory notes for the Rays Rocks 1:100 000 scale sheet (Chen, 2005).

### 4.5 EXPLORATION CONDUCTED BY TAITON

In April 2022, Taiton Resources sought Mitre Geophysics' opinion regarding the interpretation of orogenic gold-style targets in its Lake Barlee tenements, in the Yilgarn goldfields WA. Taiton supplied a regional 40 m merged aeromagnetic dataset from the WA State Department of Mines, Industry Regulation & Safety, and UAV magnetic data acquired by AirGeoX Pty Ltd for Taiton's subsidiary Lake Barlee Gold Pty Ltd, in December 2021-March 2022 (AirGeoX, 2022). The data was almost entirely sampled from the inshore of the lake itself.

The specifications of this magnetic survey are:

#### Survey parameters

- Flight-line spacing -25 m
- Tie-line spacing -250 m
- Terrain clearance -15 m
- Total line kilometres -1614 km

50



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The three surveyed areas are shown in Figure 38.

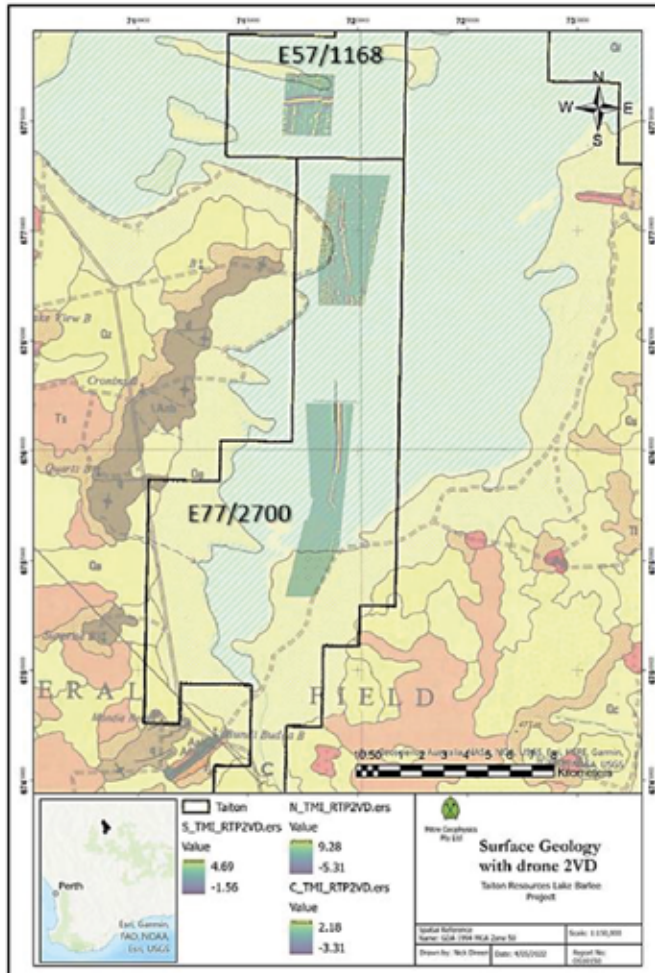


Figure 38. Geophysical survey conducted by a UAV in tenements E57/1168 and E77/2700. The flight areas are indicated in green polygons and areas of interest highlighted within these (gneisses – dark brown, migmatitic granites – red, BIF and cherts – dark green).

No substantive exploration for gold has been reported in some areas of residual soil over granite proximal to greenstone on tenement E77/2700 or distal from greenstone on tenements E57/1158 and E57/1168. However, a target for gold mineralisation, comprising demagnetisation of north-south striking magnetic greenstone (likely BIF) at the intersection with NE-striking structures, was defined onshore of the lake at its southern end on E77/2700 (cf. Figure 37). The target has not been drilled. Additional targets were defined immediately south of the Lake Barlee tenements, these prospective trends are likely to continue along strike under cover onto the tenements (cf. Figure 37, Figure 38). The interpretation of the continuation of the subsurface geology and structure under the playa lake system has been conjectured by Taiton, due to the continued magnetic expression of this geology under the lake's playa sedimentary cover (cf. Figure 38).

Three patches of drone magnetic data across a regional RTP TMI, have identified an intense linear anomaly that most likely sourced by chemical ironstone or jaspilite from the high strain Archean metavolcanic package (AMV). Taiton is of the opinion that this AMV package is similar in mode, occurrence and age to Taiton's preferred analogue, the 2.6 M Oz Big Bell deposit in the Cue region (Mitre Geophysics report, 2022) (cf. Figure 39). From their study, Taiton concluded that a comparison between the RTP and analytical signal suggests that part of the host sequence is remanent, due to the presence, in the Big Bell analogy, to monoclinic pyrrhotite and mafic units comprising the potential ore host rocks (Handley and Cary, 1990) (cf. Figure 39). Gold mineralisation is associated with distinct magnetic highs within a weakly magnetic



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felsic volcanic host. A high magnetic susceptibility is due to abundant disseminated pyrrhotite at the Big Bell and may be the case with the Lake Barlee UAV magnetic targets.

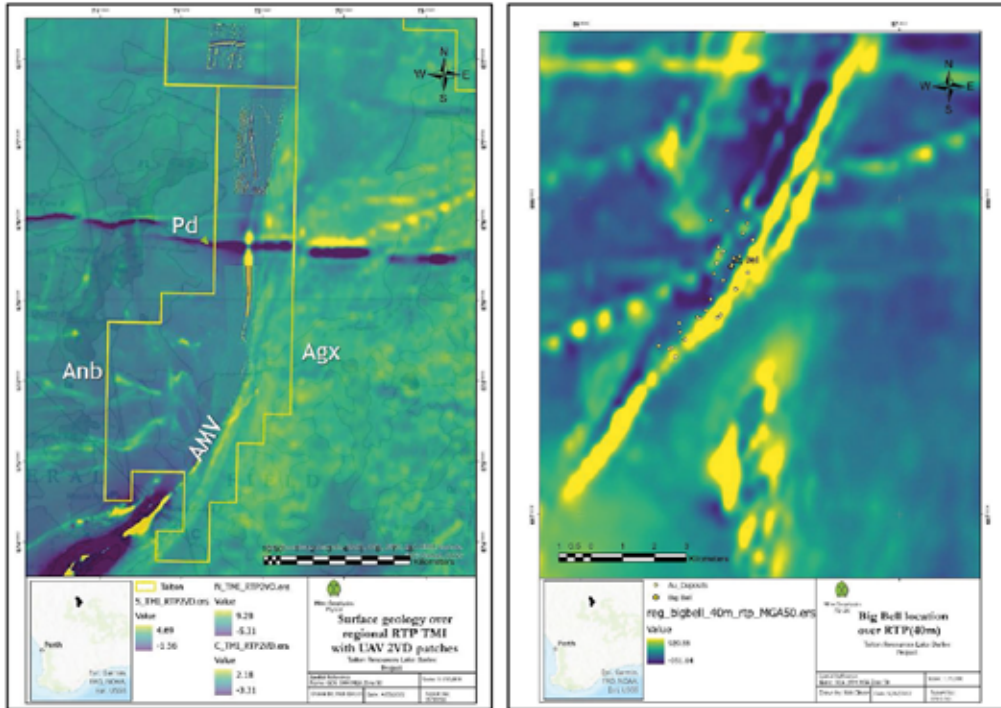


Figure 39. At left -an Archean-age low TMI para-gneiss domain to the west of the linear structure (Anb), accompanied with a high TMI signature domain migmatites and granites to the east (Agx), separate an interpreted meta-volcanic package at their common contact (AMV). At right -the Big Bell deposit at Cue to the north of the tenements. It is suggested that the Lake Barlee lithologies and structures beneath the Lake are analogous.

The Lake Barlee survey has clear areas of strong remanence associated with the Archean metavolcanic complex. On the basis of this work, four (4) distinct targets have been identified for follow-up work.

4.6 FIRST ORDER TARGETING AND PLANNED WORK PROGRAM

The following exploration targets have been planned by the Company (Figure 40) on the outcome of the AirGeoX Pty Ltd UAV magnetic data.

The Company anticipates that the targets generated by this methodology are of sufficient resolution to conduct a first-phase reconnaissance drilling operation. All planned collar positions have been sited on solid ground, away from the soft-sediment playa lake fill (Figure 41). Any alteration or mineralised zones intersected during this reconnaissance phase drilling will be characterised to provide vectors as to the size and distribution of mineralisation and guide a second round of definition drilling.

It is anticipated that the first target (Target A) will comprise thirteen (13) RC drill holes of XYZ dip and azimuth. Target B comprises a drill fence of five (5) RC drill holes (cf. Figure 41).

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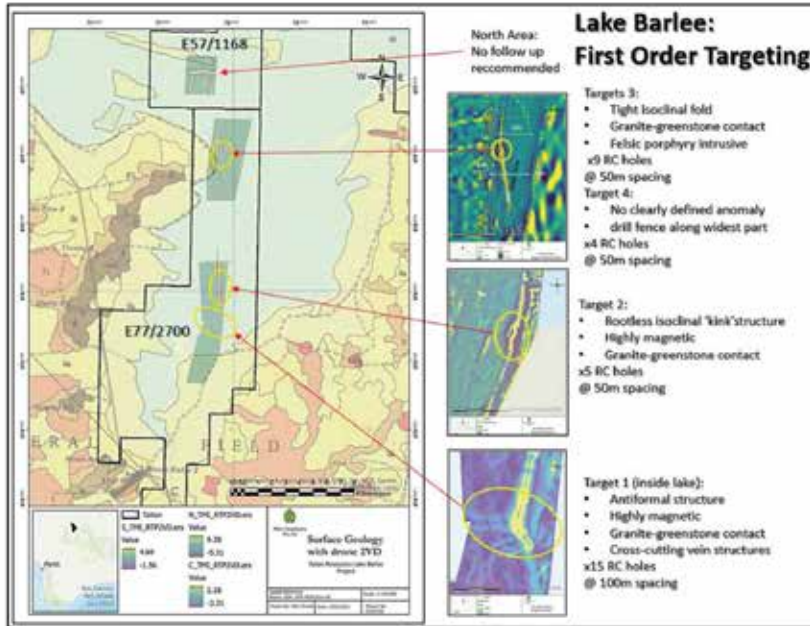


Figure 40. Planned RC drilling program of identified high-interest magnetic anomalies beneath Lake Barlee. The anomalies outline a narrow, linear zone of metavolcanics (AMV), which is thought to be an analogue of the Big Bell deposit in the Cue region to the north.

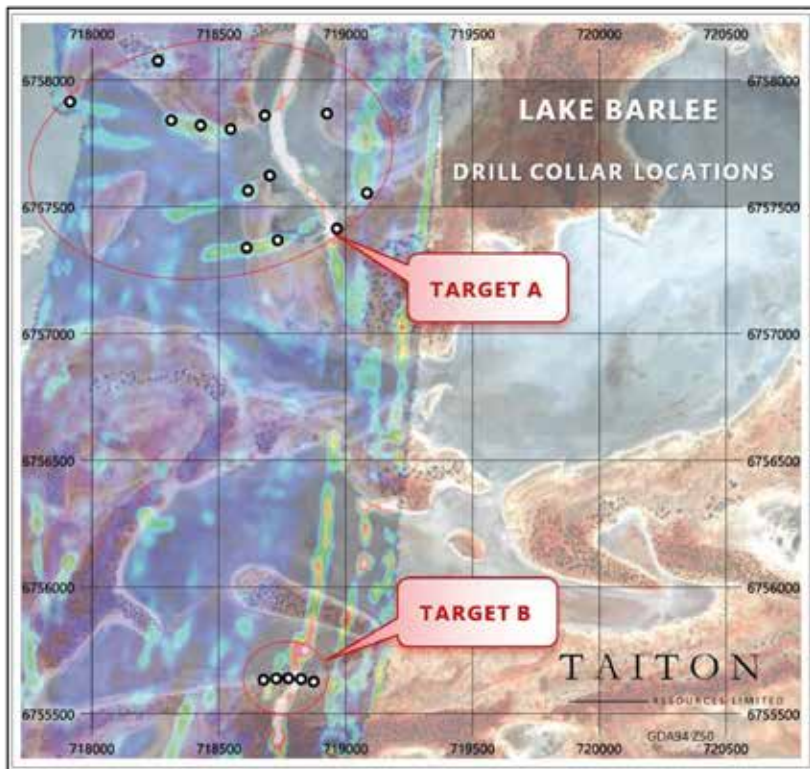


Figure 41. Lake Barlee proposed drilling program. Overlain is a TMI RTP\_2VD\_6.25m image over a Google Earth base map. Drill collars indicated for Target A and Target B.



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**5 PROPOSED EXPLORATION PROGRAMS AND BUDGETS**

Taiton has developed an exploration budget and strategy for their existing targets at their SA and WA projects. The proposed IPO is expected to raise a minimum of AU\$7M (Table 6), to a maximum subscription of AU\$10M (Table 7). These amounts are inclusive of Year 1 and Year 2 programs of work (cf. Table 6, Table 7).

In MTGS's opinion, the proposed budget and work program is justified and recommended, respective to each capital raising scenario.

<b>\$7M Raising</b>									
PROJECT	Year 1				Year 2				TOTAL
	Highway	Lake Barlee	Challenger West	Year 1 Total	Highway	Lake Barlee	Challenger West	Year 2 Total	
Data Review	\$5,000	\$5,000	\$5,000	\$15,000	\$5,000	\$5,000	\$5,000	\$15,000	\$30,000
Geological Supervision	\$130,000	\$100,000	\$50,000	\$280,000	\$130,000	\$75,000	\$75,000	\$280,000	\$560,000
Geophysical Consultants	\$50,000	\$20,000		\$70,000	\$30,000		\$20,000	\$50,000	\$120,000
Geophysical Surveys	\$150,000	\$70,000		\$220,000	\$50,000		\$50,000	\$100,000	\$320,000
Geochemical Surveys	\$50,000		\$50,000	\$100,000	\$30,000		\$20,000	\$50,000	\$150,000
Drilling	\$600,000	\$300,000		\$900,000	\$600,000	\$300,000	\$300,000	\$1,200,000	\$2,100,000
Field Logistics	\$15,000	\$15,000	\$10,000	\$40,000	\$15,000	\$10,000	\$15,000	\$40,000	\$80,000
Laboratory Costs	\$70,000	\$20,000	\$15,000	\$105,000	\$70,000	\$30,000	\$30,000	\$130,000	\$235,000
Heritage Survey	\$10,000	\$10,000		\$20,000	\$10,000	\$5,000	\$5,000	\$20,000	\$40,000
Access/Heritage payments	\$10,000	\$10,000		\$20,000	\$10,000	\$5,000	\$5,000	\$20,000	\$40,000
Tenement rents/rates	\$60,000	\$45,000	\$25,000	\$130,000	\$60,000	\$45,000	\$25,000	\$130,000	\$260,000
<b>TOTALS</b>	<b>\$1,150,000</b>	<b>\$595,000</b>	<b>\$155,000</b>	<b>\$1,900,000</b>	<b>\$1,010,000</b>	<b>\$475,000</b>	<b>\$550,000</b>	<b>\$2,035,000</b>	<b>\$3,935,000</b>

Table 5. Proposed exploration expenditure for the Taiton tenements: Years 1-2 with \$7M capital raise.

<b>\$10M Raising</b>									
PROJECT	Year 1				Year 2				TOTAL
	Highway	Lake Barlee	Challenger West	Year 1 Total	Highway	Lake Barlee	Challenger West	Year 2 Total	
Data Review	\$5,000	\$5,000	\$5,000	\$15,000	\$5,000	\$5,000	\$5,000	\$15,000	\$30,000
Geological Supervision	\$150,000	\$115,000	\$65,000	\$330,000	\$180,000	\$85,000	\$85,000	\$330,000	\$660,000
Geophysical Consultants	\$70,000	\$30,000		\$100,000	\$50,000		\$30,000	\$80,000	\$180,000
Geophysical Surveys	\$250,000	\$100,000		\$350,000	\$100,000		\$10,000	\$110,000	\$460,000
Geochemical Surveys	\$70,000		\$70,000	\$140,000	\$50,000		\$30,000	\$80,000	\$220,000
Drilling	\$900,000	\$600,000		\$1,500,000	\$900,000	\$600,000	\$600,000	\$2,100,000	\$3,600,000
Field Logistics	\$25,000	\$20,000	\$15,000	\$60,000	\$25,000	\$15,000	\$20,000	\$60,000	\$120,000
Laboratory Costs	\$120,000	\$30,000	\$20,000	\$170,000	\$120,000	\$60,000	\$60,000	\$240,000	\$410,000
Heritage Survey	\$15,000	\$10,000		\$25,000	\$15,000	\$5,000	\$5,000	\$25,000	\$50,000
Access/Heritage payments	\$15,000	\$10,000		\$25,000	\$15,000	\$5,000	\$5,000	\$25,000	\$50,000
Tenement rents/rates	\$60,000	\$45,000	\$25,000	\$130,000	\$60,000	\$45,000	\$25,000	\$130,000	\$260,000
<b>TOTALS</b>	<b>\$1,680,000</b>	<b>\$965,000</b>	<b>\$200,000</b>	<b>\$2,845,000</b>	<b>\$1,500,000</b>	<b>\$820,000</b>	<b>\$875,000</b>	<b>\$3,195,000</b>	<b>\$6,040,000</b>

Table 6. Proposed exploration expenditure for the Taiton tenements: Years 1-2 with \$10M capital raise.

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### 6 PROPOSED WORK PROGRAM

#### 6.1 SOUTH AUSTRALIA

##### 6.1.1 Year 1

Exploration activities in Year 1 will comprise:

The exploration-focus during the first year of work will centre around the polymetallic anomalism and interpretation of airborne magnetic data to target porphyry style mineralisation.

Targets will be followed up on the ground by the induced polarisation geophysical method. A single 1 km line of induced polarisation by historical workers found a chargeability anomaly. Drill testing found the anomaly was due to pyrite in quartz veins with highly anomalous Zn and Pb in sulphides. Other metals indicated at Merino, such as Mo and Ag were not assayed at that hole. A grid survey of induced polarisation is intended for Year 1 at the Merino Prospect. Other porphyry style targets already identified by the company located nearby to Merino Prospect are candidates for reconnaissance induced polarisation.

Much of the target areas at Merino Prospect and the vicinity are in basement rocks at or near to surface. Historical explorers did not have access to affordable assaying through the ICP-MS method. Modern geochemical techniques will allow the company to undertake reconnaissance surface sampling during Year 1 and explore for indicator elements to porphyry and IOCG styles of mineralisation that have been ignored in the past.

Initial drilling will focus on targets generated by the induced polarisation survey at Merino Prospect. The extent of the historical chargeability will become evident by grid survey and the sulphide mineralisation will be sampled and extensively for a broad spectrum of elements. Scant historical sampling of the basement rocks at Merino was sufficient to indicate enrichment in Rare Earth Elements. Initial phase of drilling in the Merino area will also assess REEs concentrated in overlying ion adsorption clays.

At the Challenger West project, Taiton intends to undertake surface geochemistry sampling along gravity gradients analogous to those hosting other Archean gold deposits in the region. Again, recent advances in assaying and sampling techniques, including the UltraFine+™ regolith sampling method, allows the prospectivity of the tenement to be assessed.

Land access negotiations across the Project areas are being undertaken in parallel with exploration as required.

##### 6.1.2 Year 2

Exploration activities in Year 2 will comprise;

Systematic drill testing of targets identified at the Merino Prospect in Year 1. The findings at Merino will also help direct strategies elsewhere in the Highway Project, which the Company believes is prospective for porphyry-type and IOCG-related deposits. Year 2 program will expand to geophysics and geochemistry methods to develop and drill test targets over a greater extent of the Highway tenement package.

At Challenger West, targets generated from assays of surface and auger sampling will be drill tested. Currently the Geological Society of South Australia is undertaking a program to review data and assess the prospectivity of a large tract within the west of the Gawler Craton, including at the company's Challenger West tenement area. Results from that work will assist to generate the ongoing program for discovery at Challenger West.

#### 6.2 WESTERN AUSTRALIA

##### 6.2.1 Year 1

Exploration activities in Year 1 will comprise:

Drill testing of targets A and B that have already been generated by high resolution aerial magnetic survey (*cf.* Figure 41). The company is currently obtaining the necessary approvals with the intent to have an RC drill rig on site before the hot summer months.

##### 6.2.2 Year 2

The company considers that the existing aeromagnetic targets are well defined, and subsequent exploration activity at Lake Barlee will be dependent on the results of the first phase of drilling. Aside from testing the targets by direct drill intersection, the Year 1 drill holes will allow for down hole electromagnetics. Saline surface sediments at the lake render surface electrical methods ineffective, and the drilling of holes distributed at the planned collar locations provides an appropriate spatial resolution to assess the broader target areas by the downhole electro-magnetic method.

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### 7 CONCLUSIONS

It is the author's opinion that the polymetallic base and precious metal potential identified on the South Australian and Western Australian project tenements held by Taiton Resources Limited, justifies their continued exploration. On the data and evidence provided, the potential to host one or more gold, polymetallic porphyry, epithermal or IOCG-style economic deposits on limited, but compelling evidence from both historic and archival geophysical and limited historic drilling and sampling records, is well within expectations. In particular, the potential for a large hydrothermal system at the Merino Prospect, based on proprietary zircon U-Pb geochronology showing an OME date and geochemical evidence for hydrothermal mixing, is a particularly exciting prospect for the Company.

Confirmation of a greater regional OME footprint than has previously been considered, will be taken note of by both the mineral resource industry and academia alike.

Moreover, it is anticipated that the exploration budgets outlined by Taiton for both their maximum and minimum subscriptions will more than adequately cover the proposed work programs over the next two years.

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## 10 GLOSSARY OF TECHNICAL TERMS AND ABBREVIATIONS

Below are brief descriptions of some terms encountered in this report.

### A

acid	pertaining to igneous rocks containing more than 60% silica
adamellite	a variety of granite containing a calcium bearing plagioclase
aeolian	of or formed by the action of wind
aeromagnetic survey	a geophysical survey conducted from the air to record variations in the earth's magnetic field <i>syn.</i>
aeromagnetometry, airborne magnetometry, airborne magnetic survey	
aircore	a rotary drilling technique that uses compressed air to cut a core sample and return fragments to surface inside the drill rods
alluvium	a sediment deposited by water <i>adj. Alluvial</i>
andesite	an extrusive rock intermediate in composition between acid and basic <i>adj. andesitic</i>
anomaly	a value or group of values higher or lower than expected often outlining a zone of potential exploration interest but not necessarily of commercial significance <i>syn. anomalism adj. anomalous</i>
anticline	a fold where the rock strata dip outwards away from the axis <i>adj. anticlinal ant. syncline</i>
Archaean	a division of geological time from the origin of the Earth to 2500 million years ago

### B

basalt	a fine-grained volcanic rock composed primarily of plagioclase feldspar and mafic minerals <i>adj. basaltic</i>
basement	a much older harder rock surface underlying more recent deposits
basement high	an old topographically elevated area of the basement surface
basic	pertaining to igneous rocks containing between 45% and 52% silica
basin	a low area of the earth's crust in which sediments accumulate <i>adj. basinal</i>
bedding	the general arrangement and types of beds in a stratigraphic sequence <i>adj. bedded syn. stratigraphy</i>
bedrock	any solid rock underlying unconsolidated material
breccia	a coarse-grained rock of angular broken rock fragments cemented together <i>adj. brecciated</i>
bulk sample	a large sample taken from a deposit usually for metallurgical purposes

### C

Cambrian	a division of geological time from 580 to 500 million years ago
carat	one fifth (0.2) of a gram
carbonate	a mineral or compound containing the carbonate radical CO <sub>3</sub>
catchment	an area that collects and drains rainwater
clast	a fragment produced by physical weathering <i>adj. clastic</i>
clay	particles of less than 0.0039 millimetres often but not always composed of clay minerals <i>adj. clayey</i>
clay mineral	a member of a large group of essentially aluminium silicate minerals with micro crystalline, colloidal, or amorphous structure
colluvium	alluvium transported only a short distance before deposition <i>adj. colluvial</i>
core	a continuous cylindrical sample
core drilling	a rotary drilling technique whereby a continuous cylindrical sample is produced
country rock	the rock enclosing a mineral deposit or an igneous intrusive
Cretaceous	a division of geological time from 135 to 65 million years ago
crop out	applied to rocks that are exposed at the earth's surface <i>noun outcrop</i>
crust	the outermost part of the earth <i>adj. crustal</i>
cut	pertaining to a gem that has been faceted or fashioned <i>ant. uncut</i>

### D

dacite	a fine-grained igneous rock consisting essentially of quartz, more plagioclase than alkali feldspar and mafic minerals <i>adj. dacitic</i>
deformation	the folding and faulting that results from the application of Earth forces <i>adj. deformed</i>
deposit	a natural accumulation of material
deposition	the processes that result in the formation of deposits <i>adj. depositional</i>
detritus	material derived from the mechanical disintegration of a parent rock <i>adj. detrital</i>

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diamond core drilling sample is produced	a rotary drilling technique using diamond set or impregnated bits whereby a continuous cylindrical sample is produced
dip	the angle that an inclined sedimentary layer, fault or other planar surface makes with the horizontal
<i>adj. dipping</i>	
dissected	pertaining to a peneplain where erosion has recommenced
disseminated	where one material is distributed through the mass of another material
dolerite	a medium grained intrusive rock mainly composed of feldspar and pyroxene <i>adj. doleritic</i>
dolomite	a mineral composed of calcium, magnesium, carbon and oxygen Ca Mg (CO <sub>3</sub> ) <sub>2</sub> and the rock that is composed predominantly of the mineral dolomite <i>adj. dolomitic</i>
dome	an approximately circular anticlinal structure where strata dip downwards <i>adj. domal</i>
down-warp	a regional area of the earth's crust that has subsided
drainage	a collective term for the rivers, streams, lakes etc by which an area is drained of rainwater
drill	to produce a hole by rotary or percussive action <i>adj. drill, drilling</i>
drill string	the rods, bit, core barrel and other component parts with which a hole is drilled
dyke	a tabular intrusive body of igneous rock that cuts across the layers it intrudes

E

EM survey associated with electrical	Electromagnetic survey, a geophysical method of measuring the alternating magnetic fields currents artificially or naturally maintained in the subsurface
erosion	the wearing away of the Earth's crust by physical and chemical means <i>adj. eroded, eroding, erosional</i>
escarpment	a long cliff or steep slope separating two areas of different elevations
Exploration Licence	a type of mineral tenement
extensional fault	a fault giving rise to tectonic elongation and thinning of strata
extrusive	a molten rock that has been erupted on to the earth's surface <i>syn. lava</i>

F

fault	a fracture in rocks on which there has been movement on one of the sides relative to the other and parallel to the fracture <i>adj. faulted syn. dislocation</i>
faulting	the general style and arrangement of faults in an area
ferruginous	containing iron
fissure	a fracture in rock with a distinct separation often filled with other material
fluvial	of or found in rivers <i>adj. fluvialite</i>
fold	a bend in a planar feature such as bedding usually resulting from deformation <i>adj. folded</i>
fold axis	the plane around which a fold is wrapped
folding	the general style and arrangement of folds in an area
foliation	the planar arrangement of features in a rock <i>adj. foliated</i>
fracture	a break resulting during deformation

G

Ga	one billion years
geochemistry	the study of the variation of chemical elements in rocks or soils <i>adj. geochemical adv. geochemically</i>
geomorphology	the study of the configuration of the Earth's surface <i>adj. geomorphological syn. physiography</i>
geophysics	the study of the Earth by quantitative physical methods <i>adj. geophysical adv. geophysically</i>
geosyncline	a large linear trough on the earth's surface in which sediments or volcanic rocks are deposited
gneiss	a regionally metamorphosed foliated rock with alternating bands of granular and elongated minerals
granite	a coarse-grained igneous rock consisting essentially of quartz and more alkali feldspar than plagioclase <i>adj. granitic</i>
granitoid	an intrusive of generally granitic affinities
granophyre	a microgranite which displays small scale, graphic texture
gravel	unconsolidated sediment formed by fragments greater than 2.0 millimetres in diameter <i>adj. gravelly</i>
gravity survey	a geophysical survey technique using a gravimeter to measure the force of gravity at locations within an area



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<b>H</b>	
heavy mineral	those minerals having a relative density greater than around 2.9
host rock	a rock that contains mineralisation
hydrothermal	of or pertaining to hot water
<b>I</b>	
igneous	pertaining to rocks formed by crystallisation from molten material
ilmenite	oxide of iron and titanium $FeTiO_3$
indicator minerals	those minerals that indicate the possible presence of kimberlite or lamproite
induration	the hardening of a rock by geological processes <i>adj. indurated</i>
Inferred Resource	the least assured category of resource
intrusion	a body of igneous rock that was intruded whilst molten into the earth's crust <i>syn intrusive</i>
intrusive	a body of igneous rock that was intruded whilst molten into the earth's crust <i>syn intrusion</i>
<b>J</b>	
JORC Code and Ore Reserves	Joint Ore Reserves Committee Code, the Australasian Code for the Reporting of Mineral Resources
<b>L</b>	
linear	any elongated feature on an image from aerial photography, geophysical survey, Landsat etc <i>syn.</i>
<i>lineament</i>	
lithology	the physical characteristics of a rock <i>adj. lithological adv. lithologically</i>
loam	soil or other surficial material
<b>M</b>	
<i>Ma</i>	one million years
mafic	pertaining to dark coloured silicate minerals that are rich in iron and magnesium and the igneous rocks in which these minerals are abundant
magma	molten rock <i>adj. magmatic</i>
magnetic survey	a geophysical survey made to record variations in the Earth's magnetic field <i>syn. Magnetometry</i>
Mesozoic	a division of geological time from 225 to 65 million years ago
metamorphism	the mineralogical, structural, and chemical changes induced within solid rocks through the actions of heat, pressure, or the introduction of new chemicals <i>adj. metamorphic, metamorphosed</i>
mineral	a naturally occurring chemical compound that is a constituent of a rock or sediment
mineralisation	in economic geology the introduction of valuable elements into a rock body or the result of such introduction <i>adj. mineralised</i>
mineralogy	the study of minerals <i>adj. mineralogical</i>
Mining Lease a	type of mineral tenement
<b>N</b>	
NeoProterozoic	last era of the Proterozoic geological period
<b>O</b>	
olivine	an olive green to brown mafic silicate mineral
Ordovician	a division of geological time from 500 to 440 million years ago
outcrop	the surface expression of a rock layer <i>syn. exposure</i>
<b>P</b>	
palaeo	a prefix relating to a past, ancient or fossil feature
palaeoalluvials	ancient or fossil river alluvials
palaeochannels	ancient or fossil river channels
Palaeozoic	a division of geological time from 590 to 248 million years ago
pebble	an informal term pertaining to a relatively coarse phosphate concentrate
physiography	the study of the configuration of the Earth's surface <i>adj. physiographic syn. geomorphology</i>
placer	a mineral deposit formed by physical concentration processes
planation	the erosional processes whereby a flat surface is produced over an area of the Earth

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porphyry	an igneous rock with a comparatively fine-grained matrix and scattered coarse mineral crystals
<i>adj. porphyritic</i>	
prospectivity	the degree to which an area is judged to have the potential to contain a mineral deposit <i>adj.</i>
<i>prospective</i>	
Proterozoic	a division of geological time from 2400 to 570 million years ago
<b>Q</b>	
quartz	a very common mineral composed of silicon and oxygen SiO <sub>2</sub>
Quaternary	a time period from 1.8 million years ago to the present
<b>R</b>	
RC	Reverse Circulation, a rotary percussion drilling technique in which the samples are returned to the surface inside the drill rods minimising contamination
regolith	the loose, incoherent mantle of rock fragments, soil, sand and alluvium which rests upon bedrock
Recent	a division of geological time from 10 000 years ago to the present <i>syn. Holocene</i>
resource	quantitative estimate of material in a mineral deposit that is potentially exploitable at a profit
<b>S</b>	
sample	collected material that is intended to be representative of a larger body of material
sampling	the processes by which samples are obtained
sand	unconsolidated sediment formed by fragments between 0.06 and 2.0 millimetres in diameter <i>adj. sandy</i>
sandstone	a sedimentary rock usually composed essentially of sand sized grains
sediment	solid material whether mineral or organic that has been moved from its position of origin and redeposited <i>adj. sedimentary</i>
silt	unconsolidated sediment formed by fragments between 0.0039 and 0.06 millimetres in diameter <i>adj. silty</i>
siltstone	a sedimentary rock usually composed essentially of silt sized grains
soil	the variegated unconsolidated material that overlies bedrock <i>syn. regolith</i>
stratigraphy	the general arrangement and types of beds in a sedimentary sequence <i>adj. stratigraphic, stratified</i>
<i>syn. bedding</i>	
stream sed. survey	a geochemical exploration technique where stream sediments are the sampling medium <i>syn. stream sediment geochemistry</i>
strike	the direction of a horizontal line in the plane of an inclined sedimentary layer, fault or other planar surface perpendicular to the direction of dip <i>adj. striking</i>
strike slip fault	a fault with movement parallel to the strike of the fault
structure	the general arrangement of rock masses in an area resulting from folding, faulting etc <i>adj. structural</i>
<i>adv. structurally</i>	
subcrop	the near surface presence of a concealed rock layer <i>adj. subcropping</i>
syncline	a fold where the rock strata dip inwards towards the axis <i>adj. synclinal ant. anticline</i>
<b>T</b>	
Tertiary	a division of geological time from 65 to 1.8 million years ago
Testwork	studies or work to determine certain parameters
transform fault	a strike slip fault where the displacement changes along the fault
trap site	those portions of an alluvial drainage where heavy minerals preferentially accumulate
trench	an elongated pit
trenching	the process of making a trench
trial mining	small scale mining carried out as a precursor to possible full-scale mining
<b>U</b>	
ultramafic	pertaining to the igneous rocks in which mafic minerals predominate
<b>V</b>	
Vein	a tabular or sheet like mineral filled fracture <i>adj. veined collect. veining</i>
veinlet	a narrow vein
volcanic	pertaining to a rock originating from the activities of volcanoes
volcaniclastic	pertaining to a clastic rock with a high proportion of volcanic derived material



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volcano	a vent where magma reaches the Earth's surface
W weathering	a process of change to rocks brought about by their exposure to oxygen and water <i>adj. weathered</i>
X xenolith hardening	a rock fragment which becomes enveloped in a larger rock during the latter's development and
Z zircon	A zirconium silicate mineral $ZrSiO_4$ .



Appendix 1. Summary of JV Partner Drilling at Merino Prospect

Year	JV Partner Operator	Drill hole names	Drill type	No. Holes Drilled	Total Drilled (m)
1993	Dominion	MORB 1 -24	RAB	25	768
1995	Dominion	MOAR 25 - 30	RAB	6	259
1996	MIMEX	MER 1	RAB	1	91

Drillholes

Hole Name	Easting GDA 94	Northing GDA 94	Elevation (metres)	Azimuth	Dip	EOH (metres)
MORB 1	528025	6619779	159.5	0	-90	29
MORB 2	528125	6619779	161.0	0	-90	34
MORB 3	528227	6619779	164.0	0	-90	33
MORB 4	528326	6619779	167.2	0	-90	36
MORB 5	528435	6619779	174.1	0	-90	29
MORB 6	528535	6619779	182.5	0	-90	49
MORB 7	528537	6620758	168.1	0	-90	26
MORB 8	528633	6620758	172.1	0	-90	34
MORB 9	528735	6620758	173.4	0	-90	12
MORB 10	528839	6620758	172.6	0	-90	12
MORB 11	529033	6620258	174.3	0	-90	30
MORB 12	529141	6620258	176.0	0	-90	28
MORB 13	529234	6620258	176.7	0	-90	25
MORB 14	529338	6620258	176.7	0	-90	14
MORB 15	528526	6619284	165.7	0	-90	4
MORB 16	528627	6619284	168.2	0	-90	4
MORB 17	528725	6619284	170.2	0	-90	2
MORB 18	528824	6619284	173.0	0	-90	3
MORB 19	528928	6619278	173.5	0	-90	2
MORB 20	528227	6619778	164.0	270	-60	70
MORB 21	528326	6619778	167.2	270	-60	69
MORB 22	528434	6619778	174.1	270	-60	70
MORB 23	528535	6620763	168.1	270	-60	75
MORB 24	528636	6620763	172.1	270	-60	78
MOAR 25	527359	6621063	162.7	0	-90	40
MOAR 26	528240	6621523	166.8	0	-90	49
MOAR 27	528140	6621523	166.7	0	-90	49
MOAR 28	528040	6621523	167.2	0	-90	41
MOAR 29	527260	6621063	163.2	0	-90	49
MOAR 30	527158	6621063	164.8	0	-90	31
MER 1	527363	6621065	162.7	0	-90	91



**11 JORC CODE, 2012 EDITION – TABLE 1**

Merino Prospect.

Dominion Mining and Resolute entered into a 50/50 JV which included EL 1792 and the area of the Merino Prospect. The JV was operated by Dominion from 1993 – 1995. In 1995 the JV attained an additional partner in MIMEX, by way of a farm-in agreement. From the end of 1995, MIMEX became the operators. The operators of the programs that explored Merino Prospect with drilling in 3 phases between 1993 to 1996 are described herein as the JV Partners.

**11.1 SECTION 1 SAMPLING TECHNIQUES AND DATA**

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>• <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li>• <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The drilling samples from Merino Prospect described in the Annual Reports submitted by the JV partners to the South Australian Department of Primary Industries and Resources, (hereafter the Annual Reports) consisted of chips from RAB drilling conducted over 3 phases between 1993 and 1996.</li> <li>• There are no specific records on sample representivity for the RAB drill programs at Merino Prospect in the Annual Reports. All the samples from all of the programs have since been discarded or lost by the JV Partners.</li> <li>• The Annual Reports indicate that Analabs in Adelaide assayed all the samples for all the phases of drilling at Merino Prospect. Assayed intervals reported during the phase 1 1993 drilling are over 4 metre sample composites; for the phase 2 1995 drilling the assay reporting intervals are over 6 metre sample composites; for the phase 3 1996 drilling the assay reporting intervals are over 2 metres sample composites.</li> <li>• Gold determination was by Fire Assay with AAS finish on a 30g charge by aqua regia digest with carbon rod finish (Analabs method GG334). All other metal determination was by three acid digest AAS (Analabs method GA115).</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>• <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drilling by JV Partners at Merino Prospect consisted of: Phase 1 - 25 rotary air blast holes drilled in 1993, Phase 2 - 6 rotary air blast holes drilled in 1995, and Phase 3 - 1 rotary air blast hole drilled in 1996. Core was not oriented</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Annual Reports do not include quantification of sample recoveries.</li> <li>• The Annual Reports do not discuss measures to maximise sample recoveries.</li> <li>• There is insufficient information in the Annual Reports to determine if a relationship exists between sample recovery and grade, or, if there is any bias in grade related to recovered or lost grain sizes.</li> </ul>

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Criteria	JORC Code explanation	Commentary
	<i>occurred due to preferential loss/gain of fine/coarse material.</i>	
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>No geotechnical logging was possible from RAB cuttings. The geological logs in the Annual Reports are not sufficient for Mineral Resource Estimation, mining studies and metallurgical studies.</li> <li>Logged attributes in the Annual Reports are descriptive and include lithology, weathering (oxidation), mineralisation, alteration, veining, and structure.</li> <li>The total length of drilling over 3 Phases by the JV Partners was 1118 metres. The drilled intersections were logged in their entirety from surface to EOH.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>The Annual Reports do not report issues of sample collection or preparation.</li> <li>The Annual Reports do not report issues regarding quality control.</li> <li>There is insufficient detail in the Annual Reports to assess the sampling quality control procedures.</li> <li>The Annual Reports lack details on measures taken to ensure that the sampling is representative.</li> <li>There is insufficient evidence in the Annual Reports to assess whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>The Annual Reports indicate all samples from the JV drilling at Merino Prospect were analysed at Analabs in Adelaide. Analabs assayed for gold using GG334 method and for all other metals the GA115 method was utilised.</li> <li>Drill logs in the Annual Reports indicate magnetic susceptibility measurements were made for the recovered chips over the composite sample intervals sent for assay. There is no information regarding the instrument make and model or any other parameters used in determining magnetic susceptibility</li> <li>The Annual Reports do not describe standards, blanks or laboratory checks for samples collected during the Merino Prospect drilling program.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification,</li> </ul>	<ul style="list-style-type: none"> <li>The Annual Reports reveal MIMEX staff relogged drill holes previously logged by Dominion staff. Consequently, quartzite host lithologies were revised as granites.</li> <li>MORB 20 was drilled with a -60 degree dip from the same collar location as MORB 3 (vertical).</li> </ul>



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Criteria	JORC Code explanation	Commentary
	<p><i>data storage (physical and electronic) protocols.</i></p> <ul style="list-style-type: none"> <li>Discuss any adjustment to assay data.</li> </ul>	<p>MORB 21 was drilled with a -60 degree dip from the same collar location as MORB 4 (vertical). MORB 22 was drilled with a -60 degree dip from the same collar location as MORB 5 (vertical). MORB 23 was drilled with a -60 degree dip from the same collar location as MORB 7 (vertical). MORB 24 was drilled with a -60 degree dip from the same collar location as MORB 8 (vertical). MER 1 (91 metres to EOH) twinned MORB25 (40 metres to EOH).</p> <ul style="list-style-type: none"> <li>The Annual Reports do not provide details on protocols for recording, handling and storing data. Scanned Annual Reports indicate that drill logs were drafted by hand in the field. Assays were stored electronically.</li> <li>No adjustments to assay data have been described in the Annual Reports.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>The JV Partners at Merino Prospect surveyed 5 drill fences for 32 drill holes traversing EW on northings of the MGA, Z53, AGD66. Drill hole collars along the fences were positioned 100m apart. The holes were not surveyed downhole. The collars have not been subsequently resurveyed to assess accuracy.</li> <li>The original projection used was AGD66. The coordinates have been repositioned to GDA94 grid for the collar table in this report (refer section to the collar table).</li> <li>Geoscience Australia and GSSA commissioned the Gawler Craton Aerial Survey which included LIDAR remote sensing. The survey flew at 200m line spacings at 60m altitude. In 2019 the GCAS product release included LIDAR raster data in a 40m grid in .ers format. This data has been used by the Company for topographic control of the historical drill hole collars at Merino Prospect.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Drill spacing averages 100 m spacing to depths of between 2 and 91m. Average depth for the 31 holes drilled over 3 phases is 31 metres.</li> <li>Drill hole spacing, density, orientation and directions of drilling are sufficient to provide geological interpretation</li> <li>Sample compositing has been applied at 4 metres during Phase 1 drilling, 6 metres during Phase 2 drilling and 2 metres during Phase 3 drilling.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported</li> </ul>	<ul style="list-style-type: none"> <li>The Annual Reports provide insufficient information to conclude whether the orientation of sampling achieves unbiased sampling of possible structures.</li> <li>N/A.</li> </ul>





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Criteria	JORC Code explanation	Commentary
	<i>if material.</i>	
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>The Annual Reports do not provide information on sample security.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>The Annual Reports do not describe audits or reviews of sampling techniques and data.</li> </ul>

## 11.2 SECTION 2 REPORTING OF EXPLORATION RESULTS

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The Merino Prospect is contained within tenements EL 6658 and EL6706, which are 100% owned by Taiton Resources Limited. The prospect overlaps the Native Title Determination area for the Antakirinja Matu-Yankunytjatjara People and the Department of Defence Woomera Prohibited Area</li> <li>Tenements EL 6658 and EL6706 are granted to Taiton Resources Limited. The Company also holds an Exploration Permit (Number: REX 058-22) to access the Woomera Permit Area. Access agreements with the Antakirinja Matu-Yankunytjatjara People are currently ongoing.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>In 1991, the South Australian Department of Mines and Energy (SADEM) completed a reconnaissance bedrock drilling program in the Kingoonya area. The program identified anomalous Cu, Pb, Zn, Mo at Merino Prospect (Morris 1992).</li> <li>1992 - 1995. Dominion and Resolute entered into the "Gawler Joint Venture" in 1993, which was operated by Dominion. Exploration at Merino Prospect included calcrete geochemical survey, Phase 1 drilling of 25 RAB drill holes (MOAR 1 - 24) and Phase 2 of 6 RAB holes (MOAR 26 - 30).</li> <li>In 1995 MIMEX farmed in to the Joint Venture and conducted further calcrete sampling, an IP survey and RAB drill hole (MER 1)</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>Petrology reports commissioned by the JV Partners to Pontifex and Associates in Adelaide and included in the Annual Reports describe samples with hydrothermal alteration and polymetallic associations with pyrite in quartz veins. Some host rocks are described as porphyritic microgranite. Zircon geochemical analyses by Taiton Resources Limited on a sample collected at 7m by SADEM at Merino Prospect finds evidence for fluid mixing and hydrothermal activity. The footprint of observations of hydrothermal activity as indicated by review of Annual Reports submitted by the JV Partners extends over more than 4 km<sup>2</sup>. The style of mineralisation is interpreted to</li> </ul>



Criteria	JORC Code explanation	Commentary
		be hydrothermal / porphyry. The geological setting for the hydrothermal activity is interpreted to be a switching of compression to extension during the Mesoproterozoic Olympic Metallogenic Event.
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:               <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>A summary of the drill hole information sufficient to the understanding of the exploration results are provided in Appendix 1.</li> <li>N/A</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>No statistical weighting techniques, or grade truncations, have been used for the reporting of the Exploration Results in the Annual Reports.</li> <li>For drillholes MORB 1 – 24, assayed samples were 4 metre composites; for drillholes MOAR 25 – 30, assay samples were 6 metre composites; for drill hole MER 1, assay samples were 2 metre composites.</li> <li>No metal equivalents have been reported in the Annual Reports.</li> </ul>
Relationship between mineralisation on widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>The geometry of mineralisation is not reported in the Annual Reports.</li> <li>All reported intercepts at Merino Prospect described in the Annual Reports are down hole lengths, true widths are not known.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These</li> </ul>	<ul style="list-style-type: none"> <li>Refer Figure 25 and Figure 27.</li> </ul>





Independent Geologist's Report

Criteria	JORC Code explanation	Commentary
	<i>should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>All drill hole intersections significant to explain the exploration concepts at Merino Prospect have been tabled in the Annual Reports.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>There is no other substantive exploration data in the Annual Reports omitted from this commentary. There is no evidence for potential deleterious or contaminating substances at Merino Prospect.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>The Company has identified Merino Prospect as prospective for polymetallic porphyry style mineralisation. The potentially large scale of a porphyry alteration system warrants a broad footprint Induced Polarisation / Resistivity survey to detect sulphides across a wide area and at depth. Taiton Resources is in discussions with geophysics contractors to undertake the proposed geophysics program. The Company also intends to undertake surface sampling and multi-element assaying for porphyry system indicators and vectors.</li> <li>The results of the geophysics and surface geochemical programs will indicate the potential for any extensions to extensions exist and will guide plans for future targeting and drilling.</li> </ul>

**Annexure C | SOLICITOR'S REPORT**







16 September 2022

The Directors  
Taiton Resources Limited  
Level 13  
200 Queen Street  
Melbourne VIC 3000

Dear Directors

**Taiton Resources Limited  
Solicitor's Report – Mining Tenements**

This Report has been prepared for Taiton Resources Limited (ACN 062 284 084) (**Company**) for inclusion in the Company's prospectus issued in connection with the Company's application for the admission to the Official List of the ASX (**Prospectus**). The Prospectus is being issued in respect of an initial public offering of a minimum of 35,000,000 Shares and a maximum of 50,000,000 Shares to be issued at a price of \$0.20 per Share to raise a minimum of \$7,000,000 and a maximum of \$10,000,000 (before costs).

The Prospectus also contains an offer of options to existing shareholders, the lead manager and underwriters on the terms and conditions contained in the Prospectus.

All capitalised words not otherwise defined in this Report are defined in Section 11.

## 1. Scope

We have been requested to report on:

- (a) four granted exploration licences (prefixed 'E'), E 77/2700, E 57/1158, E 77/2715 and E 57/1168, which are located in Western Australia and are held by the Company's wholly owned subsidiary Lake Barlee Gold Pty Ltd (ACN 641 937 797) (**WA Tenements**); and
- (b) four granted exploration licences, (prefixed 'EL') EL 6658, EL 6785, EL 6784 and EL 6706, which are located in South Australia which are held by the Company (**SA Tenements**); and
- (c) and one exploration licence application (prefixed 'ELA'), ELA 2022/00039, which is located in South Australia which is held by the Company (**SA Application**).

Key details of the Tenements, the conditions imposed thereon and overlapping tenure affecting the Tenements, are set out in Schedule 1, Schedule 2, Schedule 3 and Schedule 4 respectively, of this Report and must be read in conjunction with this Report.

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Canberra  
Darwin  
Hobart  
Melbourne  
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Perth  
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## 2. Searches

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

- (a) searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreement and national land use agreements as maintained by the NNTT for any native title claims (registered or unregistered), native title determinations and ILUAs that overlap or apply to the Tenements on 8 September 2022 (**NNTT Searches**);
- (b) In respect of the WA Tenements:
  - (i) searches of the WA Tenements on the register maintained by the WA Department pursuant to the WA Mining Act on 12 September 2022 (**DMIRS Searches**);
  - (ii) quick appraisal user searches of the Tengraph system maintained by the WA Department on 8 September 2022 (**Tengraph Searches**); and
  - (iii) searches from the online Aboriginal Heritage Inquiry System (**AHIS Searches**) maintained by the Department of Aboriginal Affairs for any Aboriginal sites registered on the Register of Aboriginal Sites and other heritage places over the WA Tenements on 1 September 2022; and
- (c) In respect of the SA Tenements:
  - (i) searches of the SA Tenements on the SARIG register maintained by the SA Department pursuant to the SA Mining Act on 8 September 2022; and
  - (ii) a search of the Register of Aboriginal Sites and Objects (**ASO Searches**) kept under the SA Heritage Act and maintained by the South Australian Department of the Premier and Cabinet for any Aboriginal sites registered over the SA Tenements on 12 September 2022.

## 3. Purpose

The purpose of this Report is to determine and identify, as at the dates of the Searches and enquiries specified in this Report:

- (a) the interests held by the Company in the Tenements;
- (b) any third party interests, including encumbrances, in relation to the Tenements;
- (c) any material issues existing in respect of the Tenements;



- (d) the good standing, or otherwise, of the Tenements; and
- (e) any concurrent interests in the land the subject of the Tenements, including other mining tenements, private land, pastoral leases, native title and Aboriginal heritage.

This Report is limited to the matters contained within and, for example, does not consider risks and issues (such as any additional approvals) that may arise in relation to the development of a mining project on the Tenements and any subsequent mining and processing of ore.

#### 4. **Opinion**

Based on our Searches (set out in Section 2), subject to our assumptions and qualifications (set out in Section 12) we are satisfied that, as at the date of the each of the relevant Searches, this Report provides an accurate statement as to:

- (a) the status of the Tenements and the Company's interest in them;
- (b) the existence and standing of the Tenements;
- (c) the specific conditions which apply to the Tenements; and
- (d) third party interests in the Tenements.

Subject to the comments and qualifications set out in this Report, we make the summary comments set out below. Further details on the Tenements, and the relevant legislation governing the Tenements, is set out in Sections 5 to 9 of the Report.

#### 5. **Summary of Report**

##### 5.1 **Title, existence, ownership**

As at the dates of the relevant Searches (referred to in Section 2):

- (a) Lake Barlee Gold Pty Ltd (ACN 641 937 797) (a wholly owned subsidiary of the Company) (**Lake Barlee**) is the 100% registered legal holder of the WA Tenements;
- (b) the Company is the 100% registered legal holder of the SA Tenements and sole holder of the SA Application.

The Tenements are all live except for the SA Application. Schedule 1 lists the relevant expiry date for each Tenement, noting that none of the Tenements are due to expire within the next 3 years.

##### 5.2 **Good standing**





Subject to the matters disclosed in this Report, the Tenements are in good standing in relation to the obligation to pay rent and satisfy the relevant minimum expenditure requirements for each Tenement.

Schedule 1 includes details in relation to the minimum expenditure commitment for each Tenement. The Company notes that the SA Tenements are in their first year of expenditure commitment, which is why their current expenditure commitments are high.

### 5.3 Conditions and endorsements

The Tenements are subject to certain conditions and endorsements imposed by the Departments. Our Searches indicate that each of the WA Tenements is subject to a conditions specific to each of the WA Tenements.

Our Searches did not indicate that any of the conditions or endorsements imposed on the Tenements have been breached by the holders, to the extent our Searches reveal such information.

For more information on conditions and endorsements, please see Sections 6.1, 6.2 and Schedule 2.

### 5.4 Native title

The existence of native title determinations or claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder under the Tenements provided the Tenements have been or will be validly granted in accordance with the Native Title Act.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

For information on native title affecting the Tenements, please see Section 7.9.

### 5.5 Aboriginal heritage

The AHIS Searches indicate that there is one registered Aboriginal heritage site located on the land which is the subject of the WA Tenements. The ASO Searches indicate that there are registered and reported Aboriginal heritage sites located on the land which is the subject of the SA Tenements.

There remains a risk that additional Aboriginal sites or places may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements or cause delays in the progression of the development of a mine.

See Section 8 below for further details.



## 5.6 Overlapping land

Our Searches indicate that the Tenements generally overlap with land that is the subject of other rights, including:

- (a) parcels of private land (see Section 9.1 below);
- (b) the Woomera Prohibited Area (see Section 9.2 below); and
- (c) Crown Land (see Section 9.3 below).

Any delays or costs in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas. Other than as disclosed in this Report, we did not identify any material issued in respect of the Tenements.

Our Searches did not identify any third party tenements or tenement applications which overlap the Tenements.

For more information on land which is subject of other rights that affect the Tenements please see Section 9 and Schedules Schedule 3 and Schedule 4.

## 5.7 Dealings and third party interests

Our Searches did not identify any current mortgages, covenants or other dealings registered against the Tenements which would indicate that there are any third party interests in the Tenements other than those mentioned below.

We have not been provide with, and are not aware of, any contracts relating to third party interests in the Tenements (other than the Lake Barlee Agreement and Highway Agreement referred to in Section 10 and the native title and heritage agreements referred to in Sections 7 and 8).

# 6. Tenements

## 6.1 South Australia (SA Tenements)

The summary below applies to the SA Tenements applied for and granted under the New Regime of the SA Regulations.

The following provides a description of the relevant concepts in the SA Mining Act applicable to the SA Tenements (including potential successor tenements).

### (a) Exploration Licence

The summary below applies generally to EL's applied for or granted under the New Regime.

- (i) Licence area and authority



An EL granted under the SA Mining Act authorises the tenement holder to enter the area of the EL and undertake activities for the purpose of exploring for minerals. This general right to explore is subject to:

- (A) compliance with the SA Mining Act and SA Regulations thereunder;
- (B) the grant of a number of other applicable permits and operational authorisations, including a PEPR (see below); and;
- (C) such terms or conditions as may be prescribed and to such additional terms or conditions as the SA Minister thinks fit and specifies in the EL.

An EL must not be granted in respect of extractive minerals.

Except with the consent of the SA Minister, an EL cannot exceed 1,000km<sup>2</sup>.

If, in the opinion of the SA Minister, any land comprised in an EL is required for a public purpose, the SA Minister may, in a manner and form prescribed by the SA Regulations, excise that land from the total area comprised in the EL, and the EL will then cease to apply to the land (but the land will not be considered to be open ground, that is, land which is generally available and open for mining).

(ii) Term and extension

An EL granted for the first time under the New Regime will be granted for successive, renewable terms each of 6 years with a maximum of 2 renewals (or a total maximum term of 18 years).

Applications for renewal of an EL must be made in the form specified by the Minister, and must include the items expressly set out in section 28 of the New Regime, including:

- (A) a statement of performance;
- (B) a statement outlining intended exploration operations for the first two years (or a period determined by the Minister), and the amount of expenditure estimated to be incurred;
- (C) a statement nominating the principal mineral or minerals targeted by the applicant, including the intended exploration model;
- (D) a statement of the technical, operational and financial capabilities and resources available to the applicant; and



- (E) a statement by the applicant or a related body corporate outlining any contravention of, or failure to comply with, a provision of a corresponding law or designated Act resulting in a revocation, suspension, offence or penalty.

(iii) Conditions

The SA Mining Act sets out an additional operation approval for PEPR that is required to be obtained prior to conducting exploration activities on an EL. There are two tiers of PEPR applicable at the exploration stage:

- (A) A PEPR relating to defined categories of 'low impact exploration'. The low impact PEPR consists of a standard set of conditions set out by gazetted Ministerial determination from time to time and does not involve a separate application and approvals process; and
- (B) A PEPR for advanced exploration activities (being all exploration that is not 'low impact'). An application for a PEPR is required to be made in relation to each specific program of works as documented in the PEPR application. A rehabilitation bond may be required as part of the advanced exploration PEPR approval process, to guarantee rehabilitation obligations under the PEPR.

An EL may be granted, subject to such conditions as the Minister determines. EL's are also issued subject to a standard schedule of general exclusions and conditions under the SA Mining Act including environmental conditions, payment of rent, compliance with minimum expenditure and reporting requirements. These standard conditions are detailed in Part B of Schedule 2 of this Report.

A failure to comply with these conditions or obtain an exemption from compliance may lead to cancellation of the EL. Where a licence is suspended or cancelled, the tenement holder may, within 28 days after the cancellation or suspension, appeal to the ERD who may, if it is satisfied that there is no proper ground for the cancellation or suspension, declare that cancellation or suspension void.

(iv) Relinquishment requirement

Under the New Regime, the tenement holder is required to relinquish 50% of the area of the EL when applying for a third 6 year term.

(v) Retention status

The holder of an EL may apply to the SA Minister for approval of RS in relation to the EL. The holder may apply for a RS for a period of up to 6 years pending application for a mining lease or retention lease, in certain circumstances.



The SA Minister may grant RS over the EL, if satisfied that one or more of the following grounds exists:

- (A) there is an identified mineral resource located on the land to which the application for RS relates;
- (B) it is unreasonable to expect an application to be made for a mining lease or a retention lease because it is not commercially viable to spend time and money on developing the resource; and
- (C) that it is reasonably likely that mining the relevant land will become commercially viable within the next 6 years; or
- (D) the tenement holder has been unable to obtain 1 or more approvals under other applicable legislation that are required before commencing or continuing exploration operations in relation to the land to which the application for RS relates; or
- (E) there are other circumstances which justify the granting of RS (in the Minister's absolute discretion).

(vi) Transfer

An EL, or an interest in an EL, must not be transferred, assigned, mortgaged, sublet or be held subject to a trust, whether directly or indirectly, without the written consent of the SA Minister.

(vii) Expenditure requirements

The tenement holder is required to meet certain minimum expenditure commitments during the term of an EL, in accordance with conditions imposed on the EL.

In the event minimum expenditure commitments are not met, the SA Minister may reduce the area of an EL by an amount or an area at the discretion of the SA Minister.

The minimum expenditure requirements for the SA Tenements are set out in Part B of Schedule 1.

(viii) Right to apply for a mining lease

ELs do not provide the holder with a right to mine or develop a mineral deposit however, the EL holder has the right to apply for a ML over any part of the area of its EL, subject to the SA Mining Act. A third party may not apply for an ML on and part of the EL without the consent of the EL holder, effectively giving the EL holder a priority right to apply for mining rights within that area. A ML application must be accompanied by a proposal however, an ML





application doesn't guarantee the grant of an ML. Any grant of an ML will be subject to the regime for ML's under the SA Mining Act.

## 6.2 Western Australia (WA Tenements)

The following provides a description of the relevant concepts in the WA Mining Act applicable to the WA Tenements (including potential successor tenements).

### (a) Exploration Licences

The summary below applies generally to E's applied for or granted under the WA Mining Act.

#### (i) Licence area and authority

The holder of an E is entitled to enter the land for the purposes of exploring for minerals with employees, contractors and such vehicles, machinery and equipment as may be necessary or expedient. An E will not be granted over land the subject of an existing mining tenement, other than a miscellaneous licence.

#### (ii) Term and extension

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

#### (iii) Conditions

E's are granted subject to various standard conditions (contained in the Department's standard conditions and endorsements list), including conditions relating to minimum expenditure, the payment of prescribed rent and observance of Aboriginal heritage, environmental protection and reporting requirements. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the E.

In addition to standard conditions, the WA Tenements are subject to a number of additional specific conditions (ie those not listed in the Department's standard conditions and endorsements list). This is not unusual, with the specific primarily pertaining to environmental and land-owner consultation, non-interference with pastoral leases, water reserves and survey stations contained therein and obtaining governmental consents for exploration and other activities in certain sensitive areas within the relevant WA Tenements.

There was no indication from the Searches that any of the standard or specific conditions have been breached by the Company, to the extent the Searches reveal such information. Refer to Part A of



Schedule 2 for a summary of the conditions imposed on the WA Tenements.

(iv) Relinquishment requirement

EL's of more than 10 blocks applied for after 10 February 2006 (which is the case for all of the WA Tenements) are subject to a requirement that the holder relinquishes 40% of the tenement area at the end of the sixth year that the licence is held. A failure to lodge the required partial surrender could render the E liable to forfeiture.

(v) Retention status

The holder of an E applied for after 10 February 2006 may apply for retention status for the E. The WA Minister may approve the application where there is an identified mineral resource in or under the land the subject of the E, but it is impractical to mine the resource for prescribed reasons. Where retention status is approved, the minimum expenditure requirements are reduced in the year of grant and cease in future years, however, the WA Minister has the right to impose a programmed of works or require the holder to apply for a mining lease.

(vi) Transfer during first year

During the first year of grant of an E, a legal or equitable interest in or affecting the E cannot be transferred or otherwise dealt with, whether directly or indirectly, without the prior written consent of the Minister. E's can otherwise be transferred without the requirement to obtain the consent of the Minister.

(vii) Rent and expenditure requirements

Annual rent is payable for an E and the holder of an E must comply with the prescribed minimum expenditure conditions unless the holder has been granted an exemption (in whole or part) from those conditions by the WA Minister. An exemption to the minimum expenditure conditions will only be granted on certain grounds set out in the WA Mining Act or at the discretion of the WA Minister. A failure to comply with expenditure requirements, unless an exemption is granted, renders the E liable to forfeiture or the Minister imposing a monetary penalty as an alternative to forfeiture. The minimum expenditure requirements for the WA Tenements are set out in Part A of Schedule 1.

(viii) Right to apply for a mining lease

The holder of an E has priority to apply for a mining lease over any land subject to the E. Any application for a mining lease must be made prior to the expiry of the E. The E remains in force until the application for the mining lease is determined.



(ix) Mining Rehabilitation Fund

The holders of all mining tenements, except those tenements granted or held pursuant to certain agreements with the State of Western Australia, are required to contribute to the Mining Rehabilitation Fund. This is a pooled fund to which Western Australian mining operators contribute and the money is used to rehabilitate abandoned mine sites in Western Australia. Tenement holders with an annual rehabilitation liability of \$50,000 or less are not required to contribute.

## 7. Native title

### 7.1 General

- (a) On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. The Native Title Act came into effect on 1 January 1994, largely in response to the decision in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1.
- (b) The law in Australia recognises that Aboriginal people may hold native title rights and interests in respect of their land. Native title exists where Aboriginal people have maintained a traditional connection to their land and waters, provided it has not been extinguished.
- (c) The grant of a mining tenement also creates rights in respect of land. Those mining tenement rights may affect (ie be inconsistent with) certain native title rights and interests. As a general statement, those mining tenement rights will be invalid as against any native title rights, unless made valid by certain procedures in the Native Title Act.

### 7.2 Native title claims

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



- (c) The Native Title Act sets out when 'acts' will be 'valid' in the event they affect (ie are inconsistent with) native title, however, this process need only apply where native title exists (a determined native title claim entered on the NNTR) or is claimed to exist (a native title claim entered on the RNTC). The 'acts' can be a proposed activity or development on land and waters.

### 7.3 'Past Acts' (ie grants of mining tenements): Prior to 1 January 1994

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

### 7.4 'Future Acts' (ie proposed grants of mining tenements): After 1 January 1994

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

### 7.5 SA Mining Act requirements

With respect to the grant of tenements in South Australia, the SA Mining Act provides for an "alternative State procedure" for the validation of these future acts. As part of this procedure, the SA Mining Act allows for miners to acquire the right to carry out mining operations on land affected by native title by entering into a native title mining agreement with a current native title party (NTP) (i.e. RNTBC, for areas where native title has been determined, or a RNTC, for areas subject to a registered native title claim).

There is an exemption to this requirement where:

- (a) the mining operations do not affect native title (i.e. they are not wholly or partly inconsistent with the continued existence, enjoyment or exercise of rights deriving from native title); or



- (b) a declaration is made under the law of the State or the Commonwealth to the effect that the land is not subject to native title (including by way of an ILUA extinguishing native title); or
- (c) an indigenous land use agreement registered under the Native Title Act provides that statutory rights to negotiate are not intended to apply in relation to the mining operations.

The Searches do not indicate that any of the SA Tenements have a native title mining agreement registered against them. This is likely due to the fact that the Searches indicate the SA Tenements are subject to ILUAs, which may extinguish native title (see Section 7.10 below for further information).

#### 7.6 Right to negotiate procedure

- (a) Under the right to negotiate procedure the NTP whose details are registered on the RNTC or NNTR, the applicant for the mining tenement and the relevant State or Territory (collectively, the **Negotiation Parties**) are required to negotiate in good faith with a view to the NTP agreeing to the proposed future act.
- (b) The scope of the negotiations includes any matters relating to the effect of the grant of the future act on the claimed or determined native title rights and interest. Where the future act is the proposed grant of an exploration or prospecting licence, usually an agreement is reached which aims to protect Aboriginal heritage. This is because exploration licences confer only limited rights to the registered holder of the licence, conferring rights to conduct exploration and disturb the land for that purpose.
- (c) Where the future act is the proposed grant of a mining lease, the negotiations and resulting agreement are usually more complex, as the nature of rights granted for a mining lease contemplates substantial ground disturbance over a portion of the area granted. Such an agreement may address employment and training, environmental rehabilitation, Aboriginal heritage protection, cultural awareness and the payment of compensation.
- (d) If the Negotiation Parties negotiate in good faith but cannot reach agreement as to the doing of the future act, then provided at least 6 months have elapsed since the section 29 Notice, any party (in most cases the applicant for the mining tenement) may apply to the NNTT for a determination as to whether the future act may be done, and if so, on what conditions.

#### 7.7 Expedited procedure

- (a) If the proposed future act (ie grant of the tenement) is not likely to interfere with the activities or sites of significance of the registered NTP or involved major disturbances to land or waters, a simplified process may apply (known as the Expedited Procedure) and the right to negotiate procedure may not be required to be followed. A registered NTP may object to this process and, if it does, the NNTT must determine the validity of the objection (which may result in the Expedited Process not being able to be followed).





- (b) On 1 June 2022, the WA Department implemented a new expedited procedure process.

Prior to 2022, State policy on the inclusion of the expedited procedure statement in notices issued under section 29 of the Native Title Act applied a 'blanket approach' to the application of the expedited statement to particular kinds of tenements, namely prospecting licences, exploration licences, and retention leases (exploratory titles). However, the new process allows the WA Department greater discretion in the application of the expedited statement to such tenements.

In particular, the new expedited procedure process involves:

- (i) the introduction of a new early risk assessment and triage process to identify applications for tenements that are at high risk of a determination by the NNTT that the expedited procedure does not apply, should an objection to the assertion of the expedited procedure statement be lodged with the Tribunal;
- (ii) the implementation of a case management approach to encourage applicants and NTPs to achieve early agreement making;
- (iii) education and engagement with NTPs about the reforms (on request);
- (iv) clear engagement protocols for applicants and NTPs to promote early engagement and agreement making between industry and NTPs;
- (v) ongoing discussions with the NNTT regarding the operation of the expedited procedure process; and
- (vi) ongoing discussions with the Chief Magistrate regarding matters to be resolved in the warden's court.

The stated purpose of the new process is to encourage early agreement making between parties and reduce delays to the grant of exploratory titles.

## 7.8 Compensation

In certain circumstances holders of native title (a determined native title claim that is registered on the NNTR) may be entitled to apply under the Native Title Act to the Federal Court for compensation for any effect on their native title. The WA Mining Act provides that holders of mining tenements are liable for such compensation where awarded by reason of their mining tenements having affected native title. Consequently, if it has been, or is in the future, determined that native title exists over any of the land the subject of a mining tenement (or granted future act) and the holders of the native title apply to the Federal Court for compensation, the holder of the tenement may be liable and directed to pay any compensation determined.



Under Part 9B of the SA Mining Act, holders of mining tenements are similarly liable to pay compensation to NTPs, such amount being determined by Environment, Resources and Development Court established under the *Environment, Resources and Development Court Act 1993 (SA)*.

#### 7.9 Native title claims and determinations affecting the Tenements

The NNTT Searches in respect of the WA Tenements indicate that the WA Tenements overlap the following native title claims and native title determinations.

Tenement (% affected)	Name	Type	NNTT Number
E77/2700 (90.91%)	Marlinyu Ghoorlie	Applications (Schedule)	WC2017/007
E77/2700 (90.91%)	Marlinyu Ghoorlie	Applications (RNTC)	WC2017/007

The NNTT Searches in respect of the SA Tenements indicate that the SA Tenements overlap the following native title claims and native title determinations.

Tenement (% affected)	Name	Type	NNTT Number
EL6658 (99.89%)	Antakirinja Matu-Yankunytjatjara Aboriginal Corporation RNTBC	Applications (Schedule)	SP2022/001
EL6658 (99.89%)	Antakirinja Matu-Yankunytjatjara	Determinations	SCD2011/001
EL6706 (99.55%)	Antakirinja Matu-Yankunytjatjara Aboriginal Corporation RNTBC	Applications (Schedule)	SP2022/001
EL6706 (99.55%)	Antakirinja Matu-Yankunytjatjara	Determinations	SCD2011/001
EL6784 (33.61%)	Antakirinja Matu-Yankunytjatjara Aboriginal Corporation RNTBC	Applications (Schedule)	SP2022/001
EL6784 (33.94%)	Antakirinja Matu-Yankunytjatjara	Determinations	SCD2011/001



Tenement (% affected)	Name	Type	NNTT Number
EL6784 (61.62%)	Gawler Ranges People	Determinations	SCD2011/005
EL6785 (100.00%)	Antakirinja Matu-Yankunytjatjara Aboriginal Corporation RNTBC	Applications (Schedule)	SP2022/001
EL6785 (100.00%)	Antakirinja Matu-Yankunytjatjara	Determinations	SCD2011/001
ELA2022/00039 (99.35%)	Antakirinja Matu-Yankunytjatjara Aboriginal Corporation RNTBC	Applications (Schedule)	SP2022/001
ELA2022/00039 (99.35%)	Antakirinja Matu-Yankunytjatjara	Determinations	SCD2011/001

The existence of any native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights and interests of the holder under the Tenements provided they have been validly granted.

However, the grant of any future tenure over areas that are covered by a registered claim or a positive determination of native title will require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

Pursuant to the Native Title Act, an application by a NTC cannot be determined for an area over which there is already an approved determination of native title. However, in very limited circumstances, an application may be made to vary or revoke an approved determination of native title determination over an area, but only the relevant RNTBC, the Commonwealth Minister, the relevant State or Territory Minister or the Native Title Registrar can make a revised native title determination application. Whilst a number of approved determinations of native title have been revised on applications made by the relevant RNTBCs, to date, no approved determination of native title is yet to be revoked.

#### 7.10 Indigenous Land Use Agreements

An ILUA is an agreement which has been authorised by the native title claimant group and has been registered with the NNTT. An ILUA binds the parties to the ILUA and also all persons holding native title to the relevant area that may not be a party. If an ILUA provides that any particular tenement(s) may be granted, then the



relevant tenement(s) may be granted as provided for by the ILUA, generally without following other procedures, including the Right to Negotiate Procedure or the Expedited Procedure.

Our searches in respect of the WA Tenements indicate that the WA Tenements do not overlap any ILUAs.

Our searches in respect of the SA Tenements indicate that the SA Tenements overlap the following ILUAs:

Tenement (% affected)	ILUA	ILUA Type and Subject Matters	NNTT Number
EL6658 (100.00%)	Antakirinja Area Minerals Exploration ILUA	Area Agreement - Mining and Exploration	SI2004/003
EL6658 (2.75%)	Bulgunnia Pastoral ILUA	Area Agreement - Access	SI2011/011
EL6658 (82.30%)	Wilgena Pastoral ILUA	Area Agreement - Access	SI2011/012
EL6706 (100.00%)	Antakirinja Area Minerals Exploration ILUA	Area Agreement - Mining and Exploration	SI2004/003
EL6706 (59.00%)	Wilgena Pastoral ILUA	Area Agreement - Access	SI2011/012
EL6784 (34.01%)	Antakirinja Area Minerals Exploration ILUA	Area Agreement - Mining and Exploration	SI2004/003
EL6784 (65.99%)	Gawler Ranges Mineral Exploration ILUA	Area Agreement - Mining and Exploration	SI2004/004
EL6784 (0.06%)	Wilgena Pastoral ILUA (AJ & PA McBride Pty Ltd)	Area Agreement - Access	SI2008/016
EL6784 (63.14%)	Gawler Ranges - Coondambo Pastoral ILUA	Area Agreement - Mining and Exploration	SI2009/004



Tenement (% affected)	ILUA	ILUA Type and Subject Matters	NNTT Number
EL6784 (33.08%)	Wilgena Pastoral ILUA	Area Agreement - Access	SI2011/012
EL6784 (65.99%)	Gawler Ranges Native Title Claim Settlement ILUA	Area Agreement - Mining and Exploration	SI2012/004
EL6785 (100.00%)	Antakirinja Area Minerals Exploration ILUA	Area Agreement - Mining and Exploration	SI2004/003
EL6785 (16.30%)	Part Commonwealth Hill (PE 2169) Pastoral ILUA	Area Agreement - Access and Co-management	SI2011/007
EL6785 (34.66%)	Part Commonwealth Hill (PE2424) Pastoral ILUA	Area Agreement - Access	SI2011/008
EL6785 (49.04%)	Mobella Pastoral ILUA	Area Agreement - Access	SI2011/010
ELA2022/00039 (99.97%)	Antakirinja Area Minerals Exploration ILUA	Area Agreement - Mining and Exploration	SI2004/003
ELA2022/00039 (0.03%)	Gawler Ranges Mineral Exploration ILUA	Area Agreement - Mining and Exploration	SI2004/004
ELA2022/00039 (0.03%)	Gawler Ranges - Coondambo Pastoral ILUA	Area Agreement - Access	SI2009/004
ELA2022/00039 (6.42%)	Bulgunnia Pastoral ILUA	Area Agreement - Access	SI2011/011
ELA2022/00039 (16.68%)	Wilgena Pastoral ILUA	Area Agreement - Access	SI2011/012





Tenement (% affected)	ILUA	ILUA Type and Subject Matters	NNTT Number
ELA2022/00039 (0.03%)	Gawler Ranges Native Title Claim Settlement ILUA	Area Agreement - Consultation protocol	SI2012/004

As at the date of this Report, the Company is not party to any of the abovementioned ILUAs.

#### 7.11 Compliance with the validity of Tenements

With respect to the Tenements we have assumed that, prior to grant, the WA Department or the SA Department (as applicable) was satisfied that the Native Title Act had been complied with. Provided that the Tenements are validly granted in accordance with the Native Title Act, they will be valid as against native title rights and interests.

## 8. Aboriginal heritage

### 8.1 General

Aboriginal heritage is protected by both Commonwealth legislation as well as legislation in each State and Territory of Australia.

### 8.2 Commonwealth legislation

The Commonwealth Heritage Act is aimed at the preservation and protection of any Aboriginal objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities.

Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

We have not undertaken any searches in respect of the Commonwealth Heritage Act for the purposes of this Report.

### 8.3 South Australian legislation

In South Australia, Aboriginal heritage is regulated by the SA Heritage Act. Under the SA Heritage Act, it is an offence to damage, destroy or interfere with an Aboriginal site, object or remains, whether or not the site, object or remains has been entered into the central register maintained under the SA Heritage Act.



Access for exploration or mining in an area of a site which is on the register may only be authorised through an application under the SA Heritage Act pursuant to which the Minister under the SA Heritage Act may, after consultation with traditional owners, authorise damage, destruction or interference with that registered site.

Any heritage surveys conducted under heritage protection agreements (or similar) can be used as a mitigation tool to protect against breaches of the SA Heritage Act through damage, destruction or interference with unregistered sites or objects.

#### 8.4 Aboriginal sites and other heritage places on the SA Tenements

The ASO Searches of the SA Tenements identified the Aboriginal heritage sites as summarised in the below table:

Map Number	Site Number	Site Type	Site Status
<b>EL 6785</b>			
5538	7186	Cultural	Reported
<b>EL 6784</b>			
5936	7722	Cultural	Reported
6034	6742	Cultural	Registered
<b>EL 6658</b>			
5936	1218	Historic	Registered
<b>ELA 2022/00039</b>			
5937	1216	Arrangement	Registered
5936	5380	Archaeological/Historic	Reported
5937	7993	Archaeological	Reported

In respect to Aboriginal heritage sites, the registration or not on the ASO Searches does not mean that there are no other Aboriginal sites within the area of the SA Tenements. It is only an indication that no other Aboriginal sites have been registered in the area to date.

#### 8.5 Western Australian legislation

The regime regulating dealings with Aboriginal cultural heritage in Western Australia is currently in a transitional period of reform.

In December 2021 a new ACH Act was passed to replace the existing WA Heritage Act. Although the ACH Act is now law, the substantive provisions of the new Act will



not come into effect until after a transition period, while the underlying regulations and management code are prepared. It is likely that this transition period will extend for 12-18 months from enactment. During this time the WA Heritage Act will continue to apply but new section 18 consents will only have effect for a maximum of 5 years.

Under the ACH Act, existing section 18 consents granted under the WA Heritage Act will continue to apply. In the absence of a section 18 consent, proponents of resources projects proposing to undertake activities that may harm Aboriginal cultural heritage will need to comply with a new 'tiered' approvals system.

All activities that may harm Aboriginal cultural heritage, other than exempt activities, will trigger obligations to undertake due diligence and take all reasonable steps to avoid harm. The nature of the required due diligence will be set out in the still to be prepared Aboriginal Cultural Heritage Management Code.

Where the activity will involve a moderate to high level of ground disturbance (referred to as a 'tier 3 activity'), the proponent will need to have an Aboriginal Cultural Heritage Management Plan that is agreed with a representative of the local traditional owners and approved by the Aboriginal Cultural Heritage Council (ACHC) or authorised by the Minister where no agreement can be reached. Tier 2 activities involving low level ground disturbance will require an Aboriginal Cultural Heritage Permit granted by the ACHC or an approved or authorised Aboriginal Cultural Heritage Management Plan. Permits can only have effect for up to 4 years.

The ACH Act also includes 'continuous disclosure' obligations, broad ministerial powers to issue orders to stop activities, prohibit activities or enforce remediation and significantly increased penalties for offences.

#### 8.6 Aboriginal sites and other heritage places on the WA Tenements

The AHIS Searches of the WA Tenements identified Aboriginal heritage sites on the following WA Tenements as summarised in the below table:

Tenement	ID	Name	Boundary Restricted	Restrictions	Status	Type
E 57/1158	19515	Lake Noondie	No	None	Registered Site	Mythological
E 57/1168	38935	Lake Barlee Mythological Site	Yes	Male access only	Lodged	Ceremonial, Mythological, Camp, Meeting Place, Natural Feature



E 77/2715	38935	Lake Barlee Mythological Site	Yes	Male access only	Lodged	Ceremonial, Mythological, Camp, Meeting Place, Natural Feature
E 57/1158	38935	Lake Barlee Mythological Site	Yes	Male access only	Lodged	Ceremonial, Mythological, Camp, Meeting Place, Natural Feature
E77/2700	38935	Lake Barlee Mythological Site	Yes	Male Access Only	Lodged	Ceremonial, Mythological, Camp, Meeting Place, Natural Feature

In respect to Aboriginal heritage sites, the registration or not on the AHIS searches does not mean that there are no other Aboriginal sites within the area of the WA Tenements. It is only an indication that no other Aboriginal sites have been registered in the area to date.

#### 8.7 Aboriginal heritage agreements affecting the Tenements

Under current WA Department policy applications for E's will generally not be processed for grant through the Expedited Procedure unless the applicant for the licence provides evidence that an appropriate Aboriginal heritage agreement has been entered into with any affected registered NTC (if any).

Aboriginal heritage agreements will generally include a process of engagement between the parties to protect Aboriginal heritage. This process includes the undertaking of heritage surveys to identify Aboriginal site. A procedure is usually included for the parties to consider the proposed works on the tenements, and decide on the best course of action given any potential impacts the proposed works may have on Aboriginal sites.

The entry into Aboriginal heritage agreements is not a requirement of the WA Heritage Act but is an industry standard mechanism of managing the risk of contravention of the WA Heritage Act where there is a NTC or other claim group with a recognised connection to the relevant land.

As at the date of this Report, we are not aware of the Company (or Lake Barlee) being a party to any Aboriginal heritage agreements.



## 9. Land access

### 9.1 SA Tenements

Where mining tenements are granted over land which is considered to have an 'owner', the mining operator requires certain authorisations before entering that land. An owner of land under the SA Mining Act is a person who has freehold title, is a leaseholder, an occupier, has statutory care, control or management of land, holds native title in the land, or is a licensee under the *Petroleum and Geothermal Energy Act 2000* (SA). Where native title has not yet been determined, the native title claimant is treated as an owner of land.

The Searches indicate the SA Tenements and SA Application all overlap pastoral leases as noted in Schedule 3. Given that the SA Tenements overlap these pastoral leases, the Company may need to enter into land access and compensation agreements in respect of the SA Tenements, or otherwise comply with the access requirements set out in Part 9 of the SA Mining Act.

As at the date of this Report, the Company has not entered into land access agreements with respect to the SA Tenements. Any delays or costs in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas of the SA Tenements.

### 9.2 Woomera Prohibited Area

The Searches indicate that the SA Tenements overlap the WPA. The WPA is declared a 'Prohibited Area' in accordance with regulation 35 of the *Defence Force Regulations* and is used for the testing of war material. The WPA covers approximately 122,000 km<sup>2</sup> of South Australia.

Non-Defence users in the WPA (such as explorers and miners) are subject to the access regime pursuant to the WPA Rule which sets out, amongst other things, a permit system, access management zones with defined exclusion periods, and a process for review of decisions. The administrative details of the permit system are found in the WPA Rule.

Under the revised management framework, the WPA has been divided into four access zones (Red Zone, Amber Zone One, Amber Zone Two and Green Zone), each with different levels of accessibility with the exception of the Red Zone where no new non-Defence activities may take place. Each access zone is subject to exclusion periods during which the Department of Defence may, for safety and security reasons, close the relevant zone during the designated exclusion periods and non-Defence users will be required to evacuate the zones during these times.

Amber Zone exclusions periods are published in March of each year showing the restrictions to apply during the following financial year. Restrictions that may take place in parts of the Green Zone are notified at least 6 months in advance for resource production permit holders, and a minimum of 21 days prior to the activity for all other users.





- (a) Amber Zone 1 will be accessible for 225 days of the year for mineral exploration or production.
- (b) Amber Zone 2 will be accessible for 295 days of the year for mineral exploration or production.
- (c) Green Zone will be accessible for 309 days of the year for mineral exploration or production.

A joint Australia Government being the South Australia Government WPA Coordination Office (**WPACO**) administers non-Defence use of the WPA. In each zone, access is subject to completion of a prescribed entry permit procedure through WPACO, whereby personnel entering the WPA are required to be authorised under a permit applied for and held by either the Company and/or its contractors.

Some of the SA Tenements overlap each of the Green Zone, Amber Zone 1 and Amber Zone 2 within the WPA. The Company currently holds a Resource Exploration Access Permit, expiring on 6 April 2028, allowing the Company to conduct mineral exploration within its tenements located in the WPA subject to the conditions imposed by that permit and Division 3 of the WPA Rules.

While the Company is not aware of any adverse indication as to the granting of future permits, there is no guarantee that in the future such permits will be granted. The lack of such a permit would have an adverse impact upon the activities and future potential scope for operations of the Company, and could cause significant delay in the Company's exploration objectives.

### 9.3 WA Tenements

The Searches Indicate that the WA Tenements overlap various parcels of land as set out in Schedule 4, the most notable of which being unallocated crown land, former pastoral lease land purchased under the auspices of the *Conservation and Land Management Act 1984* and pastoral leases.

The WA Mining Act prohibits the carrying out of prospecting, exploration or mining activities on crown land that is less than 30 metres below the lowest part of the natural surface of the land and:

- (a) for the time being under crop (or within 100 metres of that crop);
- (b) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard vineyard, plantation, airstrip or airfield;
- (c) situated within 100 metres of any land that is an actual occupation and on which a house or other substantial building is erected;
- (d) the site of or situated within 100 metres of any cemetery or burial ground; or
- (e) if the Crown land is a pastoral lease, the site of, or situated within, 400 metres of any water works, race, dam, well or bore not being an excavation



previously made and used for purposes by a person other than the pastoral lessee,

without the written consent of the occupier, unless the warden by order otherwise directs.

The Mining Act further provides that, unless overruled by the mining warden, the written consent of any such pastoral lease holders will be required for the holders to gain access within 'buffer zones' around certain restricted sites (e.g. water bores, dams etc.) on these leases. There is also potential compensation payable to the pastoral lessee, primarily in the event the pastoral lessee suffers a substantial loss of earnings as a result of the tenement holder's activities or there is damage to pastoral infrastructure or improvements.

As at the date of this Report, the Company has not entered into land access agreements with respect to the WA Tenements. In the absence of an agreement, the warden's court determines compensation payable to leaseholders that may be undertaken in the future. The entry into these agreements may delay the undertaking of activities, including the development of any future mines, and may restrict the areas within which the Company can explore for mineral development.

## 10. Material Agreements

For a summary of the Lake Barlee Agreement in respect of the WA Tenements please refer to Section 6.1 of the Prospectus.

For a summary of the Highway Agreement in respect of the SA Tenements please refer to Section 6.2 of the Prospectus.

## 11. Definitions

In this Report:

**ACH Act** means *Aboriginal Cultural Heritage Act 2021 (WA)*.

**AHIS Searches** has the meaning given in Section 2(b)(iii).

**ASO Searches** has the meaning given in Section 2(c)(ii).

**ASX** means the ASX Limited (ABN 98 008 624 691).

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

**Company** means Taiton Resources Limited (ACN 062 284 084).

**DMIRS Searches** has the meaning given in Section 2(b)(i).

**ERD** means the Environmental, Resources and Development Court.

**Federal Court** means the Federal Court of Australia.



**ILUA** has the meaning given in Section 7.4(c).

**Lake Barlee** means Lake Barlee Gold Pty Ltd (ACN 641 937 797).

**Material Agreements** means any agreements summarised in Section 10.

**Minister** means the minister who is responsible under the relevant legislation, as applicable.

**ML** means mining lease.

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

**Native Title Registrar** means the native title registrar who is responsible under the relevant legislation, as applicable.

**Negotiation Parties** has the meaning given in Section 7.6(a).

**New Regime** means the amendments to the *Mining Regulations 2020* (SA) which replace the now revoked *Mining Regulations 2011* (SA).

**NNTR** has the meaning given in Section 7.2(a).

**NNTT Searches** has the meaning given in Section 2(a).

**NTC** means a native title claimant.

**NTP** has the meaning given in Section 7.5.

**PEPR** means a plan for environment protection and rehabilitation.

**Prospectus** has the meaning given in the opening Section of this document.

**Report** means this solicitor's tenement report, including Schedule 1, Schedule 2, Schedule 3 and Schedule 4.

**RNTC** has the meaning given in Section 7.2(a).

**RS** means retention status.

**SA Application** has the meaning given in Section 1.

**SA Department** means the South Australian Department for Energy and Mining.

**SA Heritage Act** means the *Aboriginal Heritage Act 1988* (SA).

**SA Mining Act** means the *Mining Act 1971* (SA).

**SA Minister** means the person holding ministerial office who is responsible for the administration of the law of South Australia relating to mining for minerals.

**SA Regulations** means *Mining Regulations 2020* (SA).



**SA Tenements** has the meaning given in Section 1.

**SARIG** means the South Australian Resources Information Gateway.

**Searches** means the searches referred to in Section 2.

**Section** means a numbered section of this Report.

**Tenements** means the tenements set out in Schedule 1, which comprise the SA Tenements, SA Application and the WA Tenements, and **Tenement** means any one of them.

**Tengraph Searches** has the meaning given in Section 2(b)(ii).

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

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

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

**WA Minister** means the Minister under the WA Mining Act.

**WA Tenements** has the meaning given in Section 1.

**WPA** means the Woomera Prohibited Area.

**WPA Rules** means *Woomera Prohibited Area Rule 2014 (Cth)*.

**WPACO** has the meaning given in Section 9.2.

## 12. Qualifications and assumptions

### 12.1 General

This is a high level report covering material legal issues affecting the Tenements and does not purport to cover all possible issues which may affect the Tenements. This Report is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this Report.

### 12.2 Assumptions

This Report is based on, and subject to, the following assumptions (in addition to any assumptions expressed elsewhere in this Report):

- (a) any instructions, documents and information given by the Company or any of its officers, agents or representatives are accurate and complete;
- (b) that the registered holder of a Tenement has valid legal title to the Tenement;



- (c) unless apparent from the Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain each Tenement in good standing;
- (d) where a Tenement has been granted, the future act provisions of the Native Title Act have been complied with;
- (e) all information obtained from the Department, the NNTT and any other governmental or regulatory department referred to in this Report is accurate and complete;
- (f) the Company has complied with the terms and conditions of the relevant legislation and any applicable agreements;
- (g) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from the Searches and the information provided to us;
- (h) all facts stated in documents, and responses to requests for further information, and other material on which we have relied in this Report are and continue to be correct, and no relevant matter has been misstated or withheld from us (whether deliberately or inadvertently);
- (i) that there are no other documents or materials other than those which were disclosed to us and which we were instructed to review, which related to the matters examined; and
- (j) the Material Agreements have been duly executed and the copies of the Material Agreements made available to us are accurate, complete and conform to the originals of the Material Agreements and there have been no material breaches of the Material Agreements.

### 12.3 Qualifications

This Report is subject to the following qualifications:

- (a) there may be native title, Aboriginal heritage or other third party agreements of which we are not aware;
- (b) the information in Schedule 1, Schedule 2, Schedule 3 and Schedule 4 is accurate as at the date of the relevant Searches. We do not comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (c) this Report is based only upon the information and materials which are described in this Report. There may be additional information and materials (of which we are unaware) which contradict or qualify that which we have described;
- (d) the Tenements may be affected by a procedural defect and/or may have been granted other than in strict compliance with the relevant legislative





regime and therefore may be subject to challenge as a result of decisions such as *Forrest & Forrest Pty Ltd v Wilson* [2017] HCA 30 and subsequent cases that have applied it. We have not reviewed, investigated and make no comment on the applications the subject of the Tenements and whether any defect or deficiency could lead to the Tenements being challenged or impugned. It is expected legislation will be presented and passed by relevant parliaments to address this issue, however, it is not clear how long it will take for such legislation to be passed;

- (e) a recording in the mining tenement register of a person's holding in a mining tenement is not absolute proof of that person's entitlement to the tenement. The mining tenement system is not based on a system of indefeasibility by registration;
- (f) a registered mining tenement holder's entitlement to a tenement can be defective if there were procedural defects in the original grant of a tenement or if there are any subsequent dealings with a tenement. We are unable to confirm whether there are any such defects in the Tenements disclosed in this Report without a detailed review of the register for each Tenement and other matters;
- (g) this Report relates only to the laws of the South Australia, Western Australia and the Commonwealth of Australia in force at the date of this Report and we do not express or imply any opinion as to the laws at any other time or of any other jurisdiction;
- (h) in the performance of our enquiries for this Report, we have acted on the Company's written and oral instructions as to the manner and extent of enquiries to be conducted;
- (i) this Report is strictly limited to the matters it deals with and does not extend by implication or otherwise to any other matter;
- (j) we have relied upon information provided by third parties, including various departments, in response to searches made, or caused to be made, and enquiries by us and have relied upon that information, including the results of Searches, being accurate, current and complete as at the date of its receipt by us;
- (k) references in the Schedules are taken from details shown on the Searches we have obtained from the relevant departments referred to in Section 2 above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of the Tenement areas or the areas of the relevant native title claims;
- (l) where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in the South Australia and Western Australia and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim;



- (m) where ministerial consent is required, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matters which would cause consent to be refused;
- (n) we have not conducted searches of the Database of Contaminated Sites maintained by the Western Australian Department of Environment Conservation or the registers maintained by the South Australian Environment Protection Authority;
- (o) native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further the Native Title Act contains no sunset provisions and it is possible that additional native title claims could be made in the future; and
- (p) Aboriginal heritage sites, sacred sites or objects (as defined in the SA Heritage Act, Sacred Sites Act, WA Heritage Act or the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the relevant Register or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites, sacred sites or objects within the area of the Tenements.

#### 12.4 Disclaimer

HWL Ebsworth Lawyers has prepared this Report for the purposes of the Prospectus only, and for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours sincerely

**HWL Ebsworth Lawyers**

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mbrady@hwle.com.au



## Schedule 1 Tenement Summary

### A. WA Tenements

Tenement	Registered Holder (100%)	Status	Area	Application Date	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
E77/2700	Lake Barlee Gold Pty Ltd	Live	64 Blocks	26 June 2020	26 May 2021	25 May 2026	2022: \$64,000	2022: Paid in full, \$8,832 2023: \$9,344	Overlapping Land IDs: R 13315; PL N049422; UCL; ANCA Wetlands Lake Barlee; ERF124160; FNA 13757; FNA 16179; FNA 16530; GWA 21.
E57/1158	Lake Barlee Gold Pty Ltd	Live	68 Blocks	26 June 2020	3 March 2021	2 March 2026	2022: \$68,000 2023: \$68,000	2023: Paid in full \$9,928 2024: \$9,928	Overlapping Land IDs: R 13455; PL N049869; UCL; ANCA Wetlands Lake Barlee; CLP 20; GWA 15.
E77/2715	Lake Barlee Gold Pty Ltd	Live	44 Blocks	29 July 2020	23 March 2021	22 March 2026	2022: \$44,000 2023: \$44,000	2023: Paid in full \$6,424 2024: \$6,424	Overlapping Land IDs: UCL; ANCA Wetlands Lake Barlee; HAS 23451 1; CLP 20; FNA 13757; FNA 16530; GWA 15; GWA 21.
E57/1168	Lake Barlee Gold Pty Ltd	Live	47 Blocks	4 September 2020	8 June 2021	7 June 2026	2022: \$47,000	2022: Paid in full \$6,627 2023: \$6,862	Overlapping Land IDs: PL N049869; UCL; ANCA Wetlands Lake Barlee; CPL 20; GWA 15; GWA 21.

### B. SA Tenements

Tenement	Registered Holder (100%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Special Locations	Notes
EL6658	Taiton Resources Limited	Active	972km <sup>2</sup>	3 September 2021	2 September 2027	\$100,000 for the first 2 years (being the period from 3 September 2021 to 2 September 2023)	Defence: Woomera Prohibited Area. ILUA: Antakirinja SCD2011/001: Antakirinja Matu-Yankunytjatjara Aboriginal Corporation	Overlapping pastoral leases (Station number): Wilgena (1278) Bulgunnia (1022) Bon Bon (1020) North Well (1143)
EL6706	Taiton Resources Limited	Active	160km <sup>2</sup>	4 March 2022	3 March 2028	\$40,000 for the first 2 years (being the period	Defence: Woomera Prohibited Area.	Overlapping pastoral leases (Station number): Bon Bon (1020)



Tenement	Registered Holder (100%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Special Locations	Notes
						from 4 March 2022 to 3 March 2024)	ILUA: Antakirinja. SCD2011/001: Antakirinja Matu-Yankunytjatjara Aboriginal Corporation	North Well (1143)
EL6784	Taiton Resources Limited	Active	884km <sup>2</sup>	2 June 2022	1 June 2028	\$90,000 for the first 2 years (being the period from 2 June 2022 to 1 June 2024)	Defence: Woomera Prohibited Area. ILUA: Gawler Ranges SCD2011/001: Antakirinja Matu-Yankunytjatjara Aboriginal Corporation ILUA: Antakirinja SCR2N0T1B1C/005: Gawler Ranges Aboriginal Corporation RNTBC	Overlapping pastoral leases (Station number): Wilgena (1278) North Well (1143) Bon Bon (1020) Coondambo (1037)
EL6785	Taiton Resources Limited	Active	997km <sup>2</sup>	2 June 2022	1 June 2028	\$100,000 for the first 2 years (being the period from 2 June 2022 to 1 June 2024)	Defence: Woomera Prohibited Area. ILUA: Antakirinja SCD2011/001: Antakirinja Matu-Yankunytjatjara Aboriginal Corporation	Overlapping pastoral leases (Station number): Mobella (1108) Commonwealth Hill (1034)
ELA 2022/00039	Taiton Resources Limited	NA	914km <sup>2</sup>	N/A	N/A	N/A	N/A	Overlapping pastoral leases (Station number): Mount Eba (1116) Bulgunnia (1022) North Well (1143)

## Schedule 2 Summary of Tenement Conditions and Endorsements

### A. WA Tenements

The notes below refer to specific conditions and endorsements attached to the WA Tenements and other findings from the DMIRS Searches and Tengraph Searches. It is not an exhaustive list. In addition to the specific conditions listed below, the WA Tenements are subject to a range of other standard conditions and endorsements that must be adhered to by the Company, including (but not limited to) the payment of rent, annual expenditure requirements, the requirement to lodge reports in respect of the Tenements and compliance with applicable mining and environmental legislation. For all conditions and endorsements attached to the WA Tenements, a search of the WA Department register should be consulted. For details of overlapping tenure and other interests, the Tengraph system should be consulted.

- E77/2700, E57/1158, E77/2715, E57/1168:** All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines, Industry Regulation and Safety. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, Department of Mines, Industry Regulation and Safety.
- E77/2700, E57/1158, E77/2715, E57/1168:** All waste materials, rubbish, plastic sample bags abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
- E77/2700, E57/1158, E77/2715, E57/1168:** Unless the written approval of the Environmental Officer, Department of Mines, Industry Regulation and Safety is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
- E77/2700, E57/1158, E57/1168:** The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
- E77/2700, E57/1158, E57/1168:** The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:





- (a) the grant of the Licence; or
- (b) registration of a transfer introducing a new Licensee;

advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.

6. **E77/2700:** The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water Reserve R13315.
7. **E57/1158:** The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water Reserve R13455.
8. **E57/1158:** No interference with Geodetic Survey Station YOUANMI 12 & YOUANMI 37 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
9. **E77/2715, E57/1168, E57/1158:** Prior to any ground-disturbing activity, as defined by the Executive Director, Resource and Environmental Compliance, Department of Mines, Industry Regulation and Safety (DMIRS) the licensee preparing a detailed program for each phase of proposed exploration for approval of the Executive Director, Resource and Environmental Compliance, DMIRS. The program to include:
  - (a) maps and/or aerial photographs showing all proposed routes, construction and upgrading of tracks, camps, drill sites and any other disturbances;
  - (b) the purpose, specifications and life of all proposed disturbances;
  - (c) proposals which may disturb any declared rare or geographically restricted flora and fauna; and
  - (d) techniques, prescriptions and timetable for the rehabilitation of all proposed disturbances.
10. **E77/2715, E57/1168, E57/1158:** The licensee, at their expense, rehabilitating all areas cleared, explored or otherwise disturbed during the term of the licence to the satisfaction of the Executive Director, Resource and Environmental Compliance, DMIRS. Such rehabilitation as is appropriate and may include:
  - (a) stockpiling and return of topsoil;
  - (b) backfilling all holes, trenches and costeans;
  - (c) ripping;
  - (d) contouring to the original landform;
  - (e) revegetation with seed; and
  - (f) capping and backfilling of all drill holes.
11. **E77/2715, E57/1168, E57/1158:** Prior to the cessation of exploration/prospecting activity the licensee notifying the Environmental Officer, DMIRS and arranging an inspection as required.
12. **E77/2700, E77/2715:** The land the subject of this mining tenement affects environmental sensitive wetlands listed within the RAMSAR Convention 1971 and advice should be sought from the Commonwealth Department of the Environment before commencing any activities within 200 metres of the wetlands.
13. **E77/2700, E77/2715:** The Licensee's attention is drawn to the existence of the proposed inclusion of UCL Lot 355 into Mount Jackson Pastoral Lease which is shown designated as FNA 13757 in TENGRAPH.

#### **B. SA Tenements**

The conditions below refer to particular conditions and endorsements attached to the SA Tenements EL 6706 and EL6658 and other findings from the Searched of the SAIRG register. It is not an exhaustive list. For all conditions and endorsements attached to the SA Tenements, a search of the SA Department SARIG register should be consulted.

1. **Expenditure Commitment:** Pursuant to subsection 30AAA(3) of the Mining Act and regulation 25(c) of the Mining Regulations, an Expenditure Return for this Tenement must be submitted within 60 days following the end of the expenditure period. The expenditure commitment for future expenditure periods will be set following review of the Expenditure Return and will be in accordance with the Exploration Expenditure Policy published from time to time, pursuant to the requirements of subsection 30AAA(5) of the Mining Act.





2. **Native Title Land:** This Tenement confers no rights on the Tenement Holder to carry out authorised operations on native title land (as defined by the Mining Act) within the area of this Tenement, other than in accordance with Part 9B of the Mining Act.
3. **Other State Legislation:** The Tenement Holder must comply with the laws in force in South Australia in the course of undertaking any operations pursuant to this Tenement, including but not limited to the *Aboriginal Heritage Act 1988*, *Environment Protection Act 1993*, and *Work Health and Safety Act 2012*.
4. **Stakeholder Engagement Plan:** Prior to commencing authorised exploration operations, the Tenement Holder must have a stakeholder engagement plan and keep records of consultation undertaken in connection with the authorised exploration operations.
5. **Program for Environment Protection and Rehabilitation (PEPR):** Prior to conducting authorised exploration operations other than the conduct of airborne surveys on this Tenement, an operating approval in the form of a Program for Environment Protection and Rehabilitation (PEPR) must be in force in accordance with Part 10A of the Mining Act and determinations made by the Minister. Failure to comply with an approved PEPR will constitute a failure to comply with the conditions of this Tenement.
6. **Airborne Survey Notification:** Prior to commencing an airborne survey including the use of a drone or unmanned aerial vehicle (UAV), the Tenement Holder must provide written notification to the Department in accordance with regulation 80 of the Mining Regulations using the form Notification of an airborne survey on a Mineral Exploration Licence as determined by the Minister under subregulation 80(2) of the Mining Regulations.
7. **PEPR Approval for Support Facilities:** Prior to commencing construction of campsites, track networks, airstrips and other support facilities, those support facilities must be described in a PEPR in accordance with the requirements under Part 10A of the Mining Act and determinations made by the Minister.
8. **PEPR Approval for Sensitive Locations:** Prior to conducting authorised exploration operations other than the conduct of airborne surveys, a PEPR in accordance with Part 10A of the Mining Act and determinations made by the Minister must be submitted to the Department and be approved by the Minister or the Delegate in relation to the following:
  - (a) A Park, Reserve or Specially Protected Area
  - (b) A wetland of International (RAMSAR) or National Importance
  - (c) A Native Vegetation Heritage Agreement Area
  - (d) A State Heritage Area/Place
  - (e) Exploration operations over the seabed (seaward of low water mark)
  - (f) User of vehicles off existing tracks within 100m of a Park or Reserve under the *National Parks and Wildlife Act 1972* (SA)
  - (g) Drilling or use of vehicles off existing tracks within 5km of a Great Artesian Basin spring
9. **Groundwater Information and Management:**

**Water Resource Information:** the Tenement Holder must notify the Director of Mines in the event that drilling operations encounter previously unknown underground water in sufficient volumes or flow rates that suggest it has potential for future agricultural or industrial use. The notification must include the location of such underground water and report the analytical results of water samples in the Technical Exploration Report pursuant to the determination made by the Minister under subregulation 78(5)(c) of the Mining Regulations.

**Groundwater Investigations:** The Tenement Holder must give written notice to the Department of a proposal to investigate the use of groundwater on the land for the purpose of water supplies, de-watering, in-situ leaching, waste disposal or other purpose, and provide the results of any such investigation in the Technical Exploration Report pursuant to the determination made by the Minister under subregulation 78(5)(c) of the Mining Regulations.

**Drilling Inspector Notification:** At least fourteen (14) days prior to commencing drilling operations that are likely to intersect groundwater, the Tenement Holder must advise the Drilling Inspector of the Department for Environment and Water. In the event of artesian conditions being encountered during drilling, the Drilling Inspector must be contacted within twenty-four (24) hours.
10. **Exploration Reporting:** The Tenement Holder must submit technical exploration reports, compliance reports, incident reports, and geological samples to the Department during the term of the Tenement pursuant to the requirements of the Mining Act, Mining Regulation and determinations made by the Minister.
11. **Petroleum Tenements:** This Tenement does not authorise the Tenement Holder to undertake any activities which may significantly deleteriously affect the potential for coal seam methane drainage or in situ gasification of coal within any overlapping Petroleum Exploration Licence.



Petroleum Retention Licence or Petroleum Production Licence granted under the *Petroleum and Geothermal Energy Act 2000*, the application for which predates the application for this Tenement and any former related Tenement, without the agreement of the relevant Licence Holder under the *Petroleum and Geothermal Energy Act 2000*, or unless otherwise agreed by the Minister after consultation with the parties concerned.

### Schedule 3 Pastoral Leases Affected by SA Tenements

Station Name	Station No	Property Type
<b>EL6658</b>		
Wilgena	1278	STATION
Bulgunnia	1022	STATION
Bon Bon	1020	STATION
North Well	1143	STATION
<b>EL6706</b>		
Bon Bon	1020	STATION
North Well	1143	STATION
<b>EL 6784</b>		
Wilgena	1278	STATION
North Well	1143	STATION
Bon Bon	1020	STATION
Coondambo	1037	STATION
<b>EL6785</b>		
Mobella	1108	STATION
Commonwealth Hill	1034	STATION
<b>ELA 2022/00039</b>		
Mount Eba	1116	STATION
Bulgunnia	1022	STATION
North Well	1143	STATION

### Schedule 4 Land Affected by WA Tenements

Land ID	Purpose/Name	Land Type	Responsible Agency/Vesting	Encroached Area	Encroached Percentage
<b>E77/2715</b>					
395 411	Historical Pastoral Lease (C)	Lease	Department of Planning, Lands and Heritage	1828.4152HA	13.86%
UCL	UCL	Cadastral	Landgate	3969.2614HA	30.09%
UCL	UCL	Cadastral	Landgate	97.426HA	0.74%
UCL	UCL	Cadastral	Landgate	1791.0724HA	13.58%
Water	Water	Cadastral	Landgate	7335.2498HA	55.6%
ANCA WETLANDS LAKE BARLEE	ANCA Wetlands	Special Category Land	Dept. of the Environment and Energy	7361.341HA	55.8%



Land ID	Purpose/Name	Land Type	Responsible Agency/Vesting	Encroached Area	Encroached Percentage
HSA 23451 1	Aboriginal Heritage Survey Areas	Special Category Land	Department of Planning, Lands and Heritage	10314.2075HA	78.18%
CPL 20	Calm Purchased Former Leases Part Cashmere P/L 3114/658	Special Category Land	Dept. of Biodiversity, Conservation and Attractions	1791.072HA	13.58%
FNA 13757	File notation area proposed inclusion of UCL lot 355, into Mount Jackson Station, pastoral lease n049761, Mount Jackson, shire of Yilgarn. Section 101 LAA. Section 16(3) clearance	Special Category Land	Dept. of Planning, Lands & Heritage	3969.2612HA	30.09%
FNA 16530	File notation area proposed sec 91 licence and extension of option to lease over Lot 355 on DP 56287, Shire Of Yilgarn Section 91(5) LAA	Special Category Land	Dept. of Planning, Lands and Heritage	3969.2614HA	30.09%
GWA 15	Groundwater Area East Murchison	Special Category Land	Dept. of Water and Environmental Regulation	6507.529HA	49.33%
GWA 21	Groundwater Area Goldfields	Special Category Land	Dept. of Water and Environmental Regulation	6685.4806HA	50.67%
MZ 2	Mineralisation Zone, Non Section 57(2AA) Southern Section	Special Category Land	Dept. of Mines, Industry Regulation and Safety	13193.0097HA	100%
<b>E77/2700</b>					
R 13315	"C" Class Reserve Water	Reserve	Water Corporation	10.207HA	0.05%
PL N049422	Pastoral Lease (C) Lake Barlee	Lease	Department of Planning, Lands and Heritage	716.4HA	3.74%
UCL	UCL	Cadastral	Landgate	6561.3838HA	34.26%
UCL	UCL	Cadastral	Landgate	99.9996HA	0.52%
UCL	UCL	Cadastral	Landgate	100.6286HA	0.53%
Water	Water	Cadastral	Landgate	11665.2666HA	60.9%
ANCA WETLANDS LAKE BARLEE	ANCA Wetlands	Special Category Land	Dept. of The Environment and Energy	12211.3541HA	63.75%
ERF124160	Carbon Farming / Sequestration Project Lake Barlee Regeneration Project	Special Category Land	Department of Planning, Lands and Heritage No RTD/REC action required. For information only	716.3999HA	3.74%
FNA 13757	File notation area proposed inclusion of UCL Lot 355, into Mount Jackson Station, pastoral lease N049761, Mount	Special Category Land	Dept. of Planning, Lands & Heritage	6561.3834HA	34.26%



	Jackson, Shire of Yilgarn. Section 101 LAA. Section 16(3) clearance				
FNA 16179	File Notation Area Lake Barlee Regeneration Project - ERF124160 Carbon Credits (Carbon Farming Initiative) Lake Barlee Regeneration Project	Special Category Land	Dept. Planning, Lands and Heritage. No RTD/REC action required. For information only.	716.3999HA	3.74%
FNA 16530	File notation area proposed sec 91 licence and extension of option to lease over Lot 355 on DP 56287, Shire of Yilgarn Section 91(5) LAA	Special Category Land	Dept. of Planning, Lands and Heritage	6561.3838HA	34.26%
GWA 21	Groundwater Area Goldfields	Special Category Land	Dept. of Water and Environmental Regulation	19153.8856HA	100%
MZ 2	Mineralisation Zone, Non Section 57(2AA) Southern Section	Special Category Land	Dept. of Mines, Industry Regulation and Safety	19153.8856HA	100%
<b>E57/1158</b>					
R 13455	"C" Class Reserve Water	Reserve	Water Corporation	20.2396HA	0.1%
395 411	Historical Pastoral Lease (C)	Lease	Department of Planning, Lands and Heritage	6533.7408HA	31.99%
PL N049869	Pastoral Lease (C) Yuinmery	Lease	Department of Planning, Lands and Heritage	8780.1886HA	42.99%
UCL	UCL	Cadastral	Landgate	8284.7913HA	40.56%
UCL	UCL	Cadastral	Landgate	3340.5671HA	16.35%
ANCA Wetlands Lake Barlee	ANCA Wetlands	Special Category Land	Dept. of the Environment and Energy	2.726HA	0.01%
CPL 20	Calm Purchased Former Leases Part Cashmere P/L 3114/658	Special Category Land	Dept. of Biodiversity, Conservation and Attractions	8284.7908HA	40.56%
GWA 15	Groundwater Area East Murchison	Special Category Land	Dept. of Water and Environmental Regulation	20425.7865HA	100%
MZ 2	Mineralisation Zone, Non Section 57(2AA) Southern Section	Special Category Land	Dept. of Mines, Industry Regulation and Safety	20425.7865HA	100%
<b>E57/1168</b>					
395 411	Historical Pastoral Lease (C)	Lease	Department of Planning, Lands and Heritage	1471.0042HA	10.43%
PL N049869	Pastoral Lease (C) YUINMERY	Lease	Department of Planning, Lands and Heritage	60.6461HA	0.43%
UCL	UCL	Cadastral	Landgate	5.3038HA	0.04%
UCL	UCL	Cadastral	Landgate	85.8657HA	0.61%
UCL	UCL	Cadastral	Landgate	100.4049HA	0.71%
UCL	UCL	Cadastral	Landgate	9387.9565HA	66.58%
UCL	UCL	Cadastral	Landgate	11.1256HA	0.08%
Water	Water	Cadastral	Landgate	4448.8206HA	31.55%



ANCA WETLANDS LAKE BARLEE	ANCA Wetlands	Special Category Land	Dept. of the Environment and Energy	4722.9643HA	33.5%
CPL 20	CALM PURCHASED FORMER LEASES PART CASHMERE P/L 31 14/658	Special Category Land	Dept. of Biodiversity, Conservation and Attractions	9387.9561HA	66.58%
GWA 15	Groundwater Area East Murchison	Special Category Land	Dept. of Water and Environmental Regulation	10545.9711HA	74.79%
GWA 21	Groundwater Area Goldfields	Special Category Land	Dept. of Water and Environmental Regulation	3554.1521HA	25.21%
MZ 2	Mineralisation Zone, Non Section 57(2AA) Southern Section	Special Category Land	Dept. of Mines, Industry Regulation and Safety	14100.1232HA	100%



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## CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Company
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

## INSTRUCTIONS FOR COMPLETING THE FORM

### YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

This is an Application Form for fully paid ordinary Shares in Taiton Resources Limited ACN 062 284 084 (**Company**) made under the terms set out in the Prospectus dated 23 September 2022.

Capitalised terms not otherwise defined in this document has the meaning given to them in the Prospectus. The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable) and an Application Form, on request and without charge.

- Shares Applied For & Payment Amount** - Enter the number of Shares & the amount of the application monies payable you wish to apply for. Applications must be for a minimum of 10,000 Shares at \$0.20 per Share (i.e. for a minimum subscription amount of \$2,000). A larger number of Shares may be applied for in multiples of 2,500 Shares.
- Applicant Name(s) and Postal Address** - ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
- Contact Details** - Please provide your contact details for us to contact you between 9:00am and 5:00pm (AWST) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at <https://investor.automic.com.au/#/home>
- CHESS Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" (SRN) will be allocated to you.
- TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
- Payment** - Payments for Applications made using a paper Application Form can only be made by cheque. Your cheque must be made payable to "Taiton Resources Limited" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Completed Application Forms and accompanying cheques must be received before 5:00pm (AEDT) on the Closing Date by being delivered or mailed to the address set out in the instructions below.

Applicants wishing to pay by BPAY® or EFT should complete the online Application, which can be accessed by following the web address provided on the front of the Application Form. Please ensure that payments are received by 5:00pm (AEDT) on the Closing Date. Do not forward cash with this Application Form as it will not be accepted.

## DECLARATIONS

### BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the Prospectus, either in printed or electronic form and have read the Prospectus in full;
- Have completed this Application Form in accordance with the instructions on the form and in the Prospectus;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus; and
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company.
- Acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- Apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- Acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated;
- Am/are over 18 years of age;
- Agree to be bound by the Constitution of the Company; and
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of capital.

## LODGEMENT INSTRUCTIONS

The Offer opens on 3 October 2022 and is expected to close at 5:00pm (WST) 21 October 2022. The Directors reserve the right to close the Offer at any time once sufficient funds are received or to extend the Offer period. Applicants are encouraged to submit their Applications as early as possible. Completed Application Forms and payments must be submitted as follows:

### Paper Application and Cheque

**By Post:**  
Taiton Resources Limited  
C/- Automic Pty Ltd  
GPO Box 5193  
SYDNEY NSW 2001

or

**By Hand Delivery:**  
Taiton Resources Limited  
C/- Automic Pty Ltd  
Level 5, 126 Phillip Street  
SYDNEY NSW 2000

### Online Applications and BPAY® or EFT Payments

**Online:**  
<https://apply.automic.com.au/TaitonResources>

## ASSISTANCE

Need help with your application, no problem. Please contact Automic on:



**PHONE:**  
1300 288 664 within Australia  
+61 (2) 9698 5414 from outside Australia



**EMAIL:**  
corporate.actions@automicgroup.com.au





TAITON RESOURCES  
LIMITED

# TAITON PROSPECTUS 2022

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