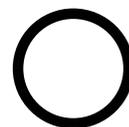


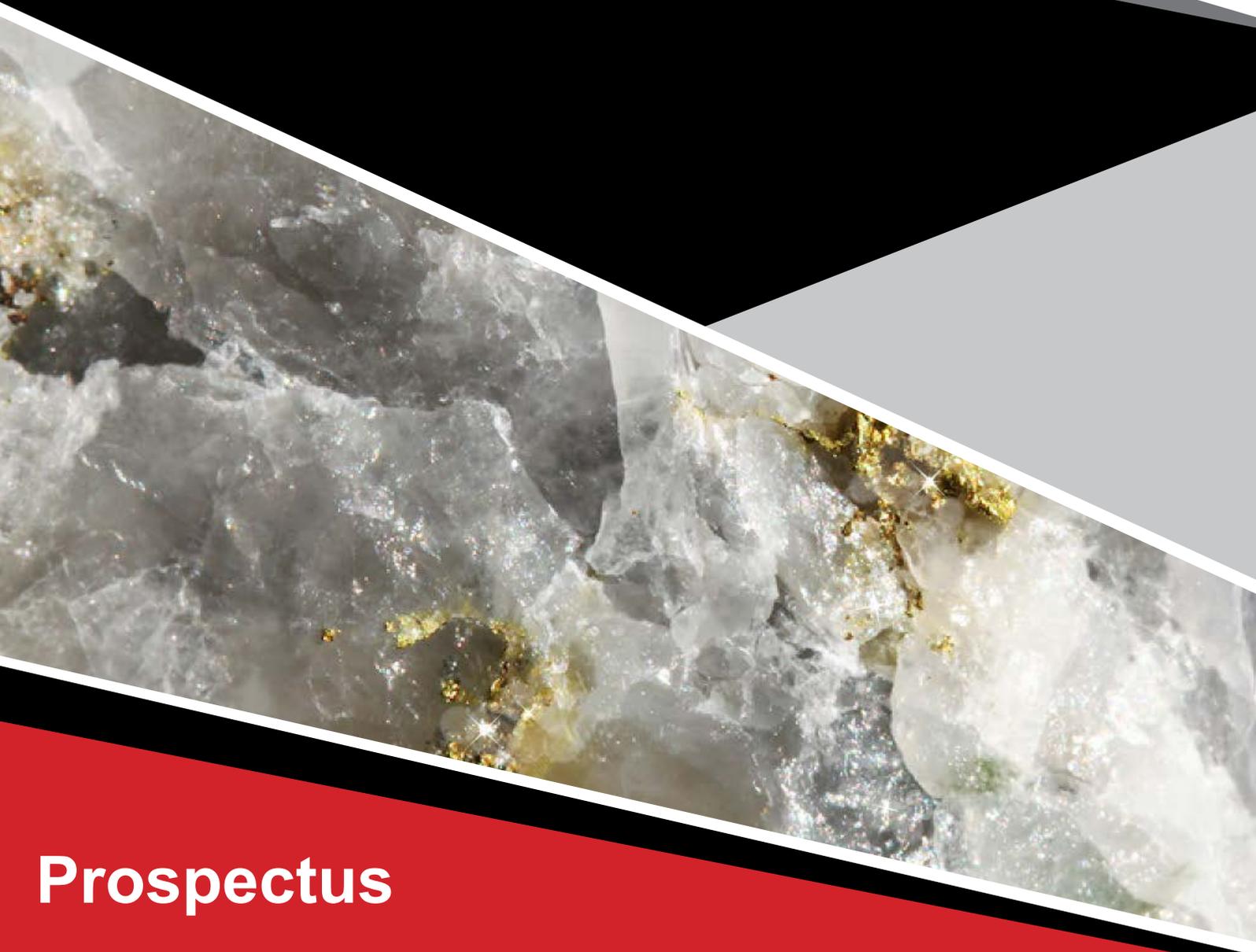
For an offer of 22,500,000 Shares at issue price of \$0.20 per Share to raise \$4,500,000 (**Offer**).



Kaiser Reef Limited



ACN 635 910 271



Prospectus

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered highly speculative.**

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CORPORATE DIRECTORY

Directors

Adrian Byass

Non-Executive Chairman

Jonathan Downes

Executive Director

David Palumbo

Non-Executive Director

Company Secretary

David Palumbo

Registered Office

Level 11
216 St Georges Terrace
PERTH WA 6000

Telephone: + 61 9481 0389

Facsimile: + 61 9463 6103

Email: admin@kaiserreef.com.au

Website: www.kaiserreef.com.au

Proposed ASX Code

KAU

Share Registry*

Security Transfer Australia Pty Ltd

770 Canning Highway
APPLECROSS WA 6153

Lead Manager

Peloton Capital Pty Ltd

Level 8/2 Bligh Street,
SYDNEY NSW 2000
AFSL: 406 040

Investigating Accountant

PKF Perth

Level 5
35 Havelock Street
WEST PERTH WA 6005

Auditor

PKF Perth

Level 5
35 Havelock Street
WEST PERTH WA 6005

Australian Solicitors

Steinepreis Paganin

Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Independent Geologist

Snowden Mining Industry Consultants Pty Ltd

Level 6
130 Stirling Street
PERTH WA 6000

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

IMPORTANT NOTICE

This Prospectus is dated 5 December 2019 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

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

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

Applicants outside Australia

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

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at **www.kaiserreef.com.au**. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 9481 0389 during office hours or by emailing the Company at **admin@kaiserreef.com.au**.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

Website

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

Forward-looking statements

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

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

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 our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by 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.

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

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.

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 the 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.

Definitions

Terms used in this Prospectus are defined in the Glossary in Section 11.

CHAIRMAN'S LETTER

Dear Investor

On behalf of the directors of Kaiser Reef Limited (Kaiser or the Company), it gives me great pleasure to invite you to become a shareholder of the Company.

The Company is a junior exploration company with a right to acquire a highly prospective mineral exploration project targeting large scale gold mineralisation located in New South Wales. The project consists of an exploration licence and application for an exploration licence (together, the Project) located between Newcrest Mining Limited's Cadia mining operation and Alkane Resources Limited's recent significant porphyry gold-copper drill intercept. The Project covers a significant historic gold field that has had very limited exploration in a premier district – refer to Figure 1 below.

Under this Prospectus, the Company is seeking to raise \$4,500,000 via the issue of 22,500,000 Shares at an issue price of \$0.20 per Share under the Offer. The Company has engaged Peloton Capital to act as lead manager to the Offer. The primary purpose of the Offer is to provide the Company with funds to undertake systematic exploration programs on the Project. Exploration programs have been developed to test for the source of the significant historic gold field and explore for felsic hosted major gold deposits within the Project.

Kaiser is a focused exploration company that has a lean capital structure and low overheads to ensure a high leverage for the investor to any exploration success. The Board have significant expertise and experience in the mining and resources industry and will aim to ensure that funds raised through the Offer will be utilised in a cost-effective manner to advance the Company's business. The Board considers that one of the best indicators for a large-scale gold deposit is below a significant historic gold field that remains largely unexplained.

This Prospectus is issued for the purpose of supporting an application to list the Company on ASX. At the time of listing, Kaiser will seek to immediately commence exploration activities that will include drilling, geophysics and mapping. In addition, the funds raised by the Offer will be used towards meeting working capital requirements.

This Prospectus contains detailed information about the Company, its business and the Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully. The Shares offered by this Prospectus should be considered highly speculative.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours sincerely



Adrian Byass

Non-Executive Chairman

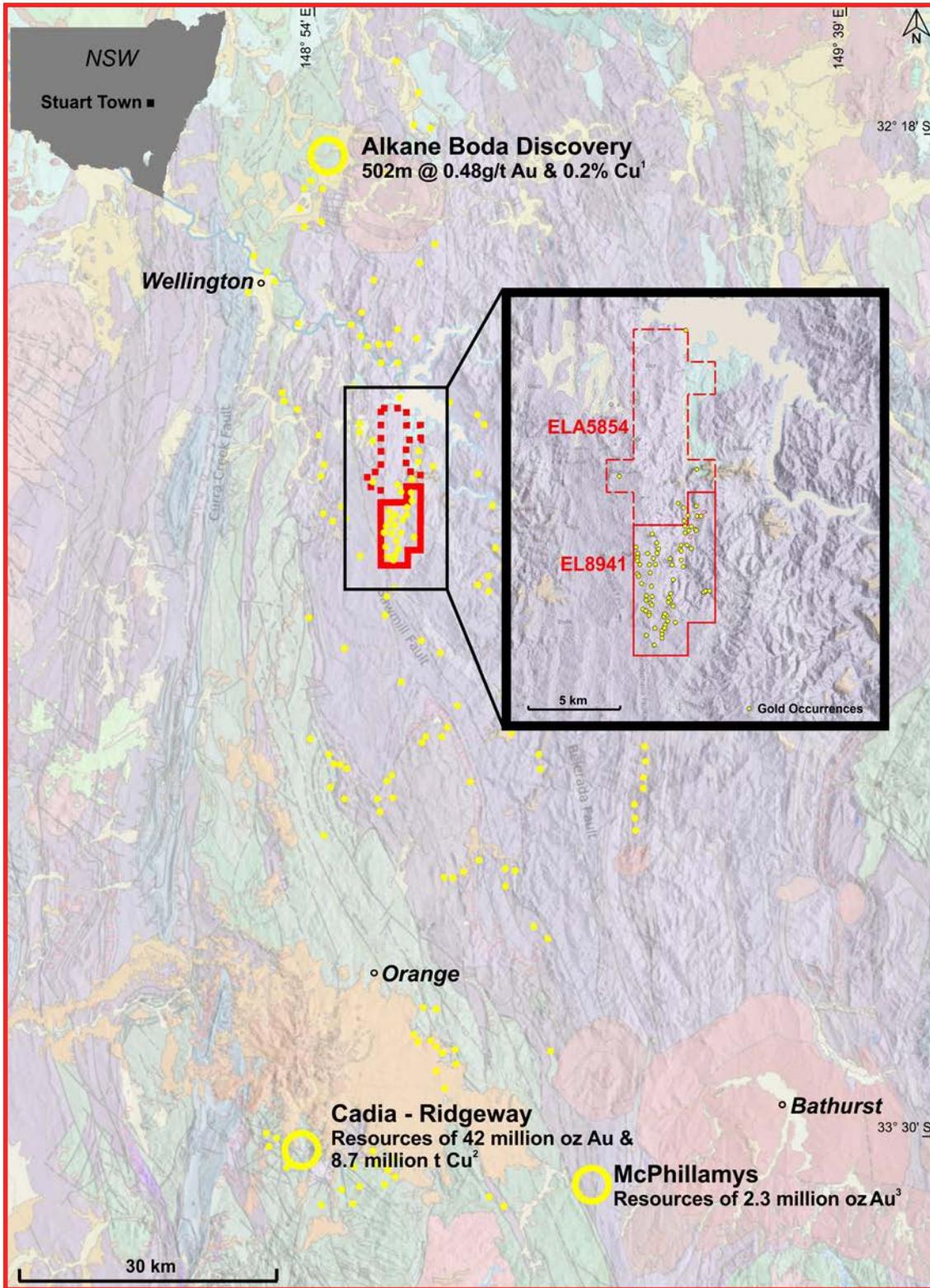


Figure 1: Location map showing location of the Project between Boda and Cadia. The inset illustrates the large numbers of recorded gold workings at Stuart Town (yellow circles).

¹ Alkane Boda Discovery, 502m @ 0.48 g/t Au & 0.2% Cu, refer to ASX release of Alkane Resources Limited (ASX Code: ALK) dated 9 September 2019

² Cadia Ridgeway, Newcrest Mining Limited Annual Report, refer to ASX release (ASX Code: NCM) dated 16 August 2019

³ McPhillamys, Regis Resources Mineral Resource and Ore Reserve Statement, refer to ASX release (ASX Code: RRL) dated 19 July 2019

KEY OFFER INFORMATION

Key Dates - Indicative timetable¹

Lodgement of Prospectus with the ASIC	5 December 2019
Exposure Period begins	5 December 2019
Opening Date	13 December 2019
Closing Date	7 February 2020
Settlement of the Acquisition Agreement ² and Issue of Shares under the Offer	14 February 2020
Despatch of holding statements	18 February 2020
Expected date for quotation on ASX	27 February 2020

Notes

1. The above dates are indicative only and may change without notice. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to Applicants.
2. The above stated date for settlement of the Acquisition Agreement is only a good faith estimate by the Directors and may be extended.

Key Offer Details

Current Shares on issue	4,950,001
Shares to be issued on acquisition of Chase Metals	6,000,000
Offer Price per Share	\$0.20
Shares to be issued under Offer	22,500,000
Total number of Shares on issue following the Offer	33,450,001
Gross Proceeds of the Offer	\$4,500,000
Market capitalisation following the Offer	\$6,690,000

1. Investment Overview

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Kaiser Reef Limited (ACN 635 910 271) (Company).	
Who is the Company?	<p>The Company is an Australian unlisted public company, which was incorporated on 2 September 2019 for the purpose of completing the Acquisition and being admitted to the Official List of the ASX.</p> <p>The Company has entered into the Acquisition Agreement with Chase Metals Pty Ltd (ACN 629 589 448) (Chase Metals) pursuant to which the Company has agreed, subject to satisfaction of certain conditions precedent, to acquire all of the Chase Shares from the Chase Shareholders. Chase Metals is the beneficial owner of one exploration licence (EL 8491) and one exploration licence application (ELA 5854) located in New South Wales (together, the Tenements).</p>	Section 3.1 and 8.1
B. Business Model		
What are the key business objectives of the Company?	<p>The primary objective of the Company is to focus on exploration and development of the Project that has the potential to deliver growth for Shareholders. In order to achieve this objective following listing, the Company proposes to undertake the exploration programs explained in the Independent Geologist's Report in Annexure A of this Prospectus and Section 3 of the Prospectus.</p> <p>The Company proposes to fund its exploration activities over the first two years as outlined in the table at Section 2.6.</p> <p>Following completion of the Offer and the Acquisition, the Company will also:</p> <ol style="list-style-type: none"> systematically explore the Company's Projects conduct geological mapping, geophysics, surface sampling and drilling; implement a growth strategy to seek out further potential exploration and acquisition opportunities; and meet the costs of the Offer and provide working capital for the Company. 	Sections 2.6, 3.2 and 3.4

Item	Summary	Further information
<p>What are the key dependencies of the Company's business model?</p>	<p>The key dependencies of the Company's business model include:</p> <ol style="list-style-type: none"> closing the Offer, successfully raising the Minimum Subscription and completing the Acquisition; maintaining title to the Project; successfully exploring for and delineating mineral deposits on the Project and any other project interests that the Company may acquire in the future; securing further funds for continued exploration and development of any economic resources; and retaining and recruiting key personnel skilled in the mining and resources sector. 	
<p>C. Key Risks</p>		
<p>What are the key risks of an investment in the Company?</p>	<p>The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.</p> <p>These risks include a variety of Company, industry specific and general risks, including that:</p> <ol style="list-style-type: none"> following completion of the Acquisition, the Company will be subject to mineral exploration risks particular to New South Wales; and the Company is subject to customary risks associated with an exploration company, such as the volatility of commodity prices and exchange rates, exploration costs and risks with respect to the holding of exploration tenure. <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which it can effectively manage them is limited.</p>	<p>Section 4</p>
<p>D. Directors and Key Management Personnel</p>		
<p>Who are the Directors?</p>	<p>The Board consists of:</p> <ol style="list-style-type: none"> Adrian Byass – Non-Executive Chairman; Jonathan Downes – Executive Director; and David Palumbo – Non-Executive Director. <p>The profiles of each of the Directors are set out in Section 3.5.</p>	<p>Sections 3.5 and 6.1</p>

Item	Summary	Further information
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What are the significant interests of Directors in the Company?

The Company's policy in respect of related party arrangements is:

- a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- for the Board to consider such a matter, the Director who has a material personal interest must not be present while the matter is being considered at the meeting and cannot vote on the matter.

Sections 6.2 and 6.3

Under the Company's Constitution, Directors are not required to hold any Shares in order to be eligible to act as a Director. As at the date of this Prospectus, the Directors have relevant interests in Securities as follows:

Director	Shares	Options
Adrian Byass	Nil	4,000,000 ¹
Jonathan Downes	Nil	4,000,000 ¹
David Palumbo	100,000 ¹	200,000 ¹

Notes

1. Refer to notes in table below.

Following completion of the Offer, the Directors will have relevant interests in Securities as follows:

Director	Shares	Options
Adrian Byass	3,000,000 ¹	4,000,000 ¹
Jonathan Downes	3,000,000 ³	4,000,000 ⁴
David Palumbo	100,000 ⁵	200,000 ⁶

Notes

1. Adrian Byass will (through Valiant Equity Management Pty Ltd <Byass Family Trust> (Valiant), which is a shareholder of Chase Metals and a company associated with Mr Byass) receive 3,000,000 Shares as part-consideration for the acquisition of Chase Metals. Refer to Section 8.1(b)(iii) for further details.

2. Mr Byass holds (through Valiant) 4,000,000 Options comprising 2,000,000 Options exercisable at \$0.30 per option on or before 31 January 2023 and 2,000,000 Options exercisable at \$0.40 per Option on or before 31 January 2024. Refer to Sections 9.3 and 9.4 for the terms and conditions of the Options (respectively).

3. Jonathan Downes will (through Kiandra Nominees Pty Ltd <JK Downes Family Trust> (Kiandra), which is a shareholder of Chase Metals and a company controlled by Mr Downes) receive 3,000,000 Shares as part-consideration for the acquisition of Chase Metals. Refer to Section 8.1(b)(iii) for further details.

4. Mr Downes holds (through Kiandra) 4,000,000 Options comprising 2,000,000 Options exercisable at \$0.30 per Option on or before 31 January 2023 and 2,000,000 Options exercisable at \$0.40 per Option on or before 31 January 2024. Refer to Sections 9.3 and 9.4 for the terms and conditions of the Options (respectively).

5. Arising from Mr Palumbo's participation in the pre-listing capital raising.

Item	Summary	Further information
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6. Mr Palumbo holds 200,000 Options comprising 100,000 Options exercisable at \$0.30 per option on or before 31 January 2023 and 100,000 Options exercisable at \$0.40 per Option on or before 31 January 2024.

All Directors reserve the right to participate in the Offer. Each Director will decide whether to take up their respective Entitlement based on their financial position at the relevant time.

If any of the Directors do participate in the Offer, the Company will ensure compliance with the relevant ASX Listing Rules and make the relevant announcements in the form of Appendix 3Y.

Details of the Directors' remuneration for the period from incorporation until the 30 June 2019 and proposed remuneration for the current financial year (on an annualised basis) are set out in the table below:

Director	Financial Year 2019 ¹	Options
Adrian Byass	Nil	\$27,375
Jonathan Downes	Nil	\$68,437.50
David Palumbo	Nil	\$20,531.25

Notes

1. The Company was incorporated on 2 September 2019.
2. Includes per annum base salary or directors' fees (as applicable), pro-rated for 5 months (assuming an admission date of 1 February 2020) to 30 June 2020.

What related party agreements are the Company a party to?

Adrian Byass (Non-Executive Chair)

The Company has entered into an appointment letter with Mr Byass under which Mr Byass will receive \$60,000 p.a (plus statutory superannuation) in Director's fees.

Jonathan Downes (Executive Director)

The Company has entered into an Executive Services Agreement with Mr Downes under which he will receive a base salary of \$150,000 p.a (plus statutory superannuation).

David Palumbo (Non-Executive Director and Company Secretary)

The Company has entered into an appointment letter with Mr Palumbo under which Mr Palumbo will receive \$45,000 p.a (plus statutory superannuation) in Director's fees.

On listing, the Company will be party to the following related party agreements:

- a. the Acquisition Agreement;
- b. Executive Services Agreement - Jonathan Downes
- c. Non-Executive Director appointment letters with each of Adrian Byass and David Palumbo; and
- d. Deeds of Indemnity, Insurance and Access with the Directors on standard terms.

Sections 8.1 and 8.5

Item	Summary	Further information
E. Financial Information		
What is the Company's financial position?	<p>Financial information about the Company is included in Section 5. An Independent Limited Assurance Report is included in Annexure B.</p> <p>The Board is satisfied that upon completion of the Offer, the Company will have adequate working capital to meet its stated objectives.</p>	Section 2.6 and Section 5 and Annexure B
What is the financial outlook for the Company?	<p>Given the current status of the Company and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings.</p> <p>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 on a reasonable basis.</p>	Section 5 and Section 9.13
F. Offer		
What is being offered?	<p>The Offer is the offer of 22,500,000 Shares at an issue price of \$0.20 per Share to raise \$4,500,000 (before costs).</p> <p>The purpose of the Offer is to facilitate an application by the Company for admission of the Company to the Official List of ASX and position the Company to seek to achieve the objectives set out in Section B above.</p> <p>The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its objectives.</p>	Section 2 and Section 3.1
Is the Offer underwritten?	The Offer is not underwritten.	Section 2.4
Who is the lead manager to the Offer?	The Company has appointed Peloton Capital (Lead Manager) as lead manager to the Offer. The Lead Manager will receive a fee of 6% of the total amount raised under the Offer (except for funds raised under the Chairman's list. A co-ordination fee of 1% will be payable to the Lead Manager for all funds raised via the Chairman's list).	Sections 2.5 and 8.2
What will the Company's capital structure look like after completion of the Offer?	Refer to Section 3.7 for a pro forma capital structure following completion of the Offer.	Section 3.7
What are the terms of the Securities offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer is set out in Section 9.2.	Section 9.2

Item	Summary	Further information
Will any Securities be subject to escrow?	<p>Subject to the Company being admitted to the Official List, certain Securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. No Shares issued under the Offer will be subject to escrow under the ASX Listing Rules.</p> <p>During the period in which these 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 his or her Shares in a timely manner.</p> <p>The Company's confirms its 'free float', being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List will be not less than 20% in compliance with ASX Listing Rule 1.1 Condition 7.</p>	Section 2.12
Will the Shares be quoted?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 2.9
Are there any conditions to the Offer?	No, other than raising the minimum subscription amount and ASX approval for quotation of the Shares, the Offer is unconditional.	Section 2.2
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section of this Prospectus.	Key Offer Information Section
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).	Section 2.7
Are there any conditions to the Offer?	No, other than raising the minimum subscription amount and ASX approval for quotation of the Shares, the Offer is unconditional.	Section 2.2
G. Use of proceeds		
How will the proceeds of the Offer be used?	<p>The Offer proceeds and the Company's existing cash reserves will be used for:</p> <ol style="list-style-type: none"> exploration expenditure and assessment of the Project; expenses of the Offer; administration costs; and working capital. <p>The Company intends to apply the funds raised under the Offer, along with its current cash reserves, in the manner detailed in Section 2.6 and the Independent Geologist's Report at Annexure A.</p>	Section 2.6 and Annexure A

Item	Summary	Further information
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 2.6
H. Additional information		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer.	Section 2.15
What are the tax implications of investing in Securities?	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 2.15
What are the corporate governance principles and policies of the Company?	<p>To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (Recommendations).</p> <p>The Company's main corporate governance policies and practices and the Company's compliance and departures from the Recommendations as at the date of this Prospectus are outlined in Section 7.</p> <p>In addition, the Company's full Corporate Governance Plan is available from the Company's website (www.kaiserreef.com.au).</p>	Section 7.1
Where can I find more information?	<ol style="list-style-type: none"> By speaking to your sharebroker, solicitor, accountant or other independent professional adviser; By contacting the Company Secretary, on + 61 9481 0389; or By contacting the Share Registry on 1300 992 916. 	

This section is a summary only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

2. Details of the Offer

2.1 The Offer

Pursuant to this Prospectus, the Company invites applications for 22,500,000 Shares at an issue price of \$0.20 per Share to raise \$4,500,000 (Offer). The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

2.2 Minimum subscription

The minimum amount which must be raised under this Prospectus is \$4,500,000 (**Minimum Subscription**). If the Minimum Subscription has not been raised within 4 months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

2.3 Oversubscriptions

No oversubscriptions will be accepted by the Company.

2.4 Underwritten

The Offer is not underwritten.

2.5 Lead Manager

The Company has appointed Peloton Capital (Peloton Capital or Lead Manager) as lead manager to the Offer. The Lead Manager will receive a fee of 6% of the total amount raised under the Offer (except for funds raised under the Chairman's list). A co-ordination fee of 1% will be payable to the Lead Manager for all funds raised via the Chairman's list).

The terms of the Lead Manager Mandate are summarised in Section 8.2.

2.6 Use of Funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following admission of the Company to the Official List of ASX as follows:

Allocation of funds	Minimum Subscription (\$4,500,000)	Percentage of funds (%)
Existing cash reserves ¹	\$410,855	8.4%
Funds raised from the Offer	\$4,500,000	91.6%
Total	\$4,910,855	100%
Exploration expenditure ²	\$2,500,000	50.9%
Expenses of the Offer ³	\$420,000	8.6%
Administration costs ⁴	\$1,000,000	20.4%
Working capital	\$990,855	20.1%
Total	\$4,910,855	100%

Notes

1. Refer to the financial information set out in Section 5 for further details.

2. Refer to table 1.2 of the Independent Geologist's Report at Annexure A for further details of the proposed exploration program. An additional \$150,000 from general working capital may be allocated from to exploration expenditure in the event that ELA 5854 is granted.

3. Refer to Section 9.10 for further details.

4. Comprising employee and Director salaries, office, accounting and audit fees, ASX listing fees and other miscellaneous costs associated with operating a listed company.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

On completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives and expenditure commitments necessary to satisfy the admission requirements under the ASX Listing Rules. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 4.

2.7 Applications

Applications for Shares under the Offer must be made using the Application Form.

By completing an Application Form, each Applicant under the Offer will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to **"Kaiser Reef Limited – Share Offer Account"** and crossed **"Not Negotiable"**, must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (WST) on the Closing Date. The Company will also accept payment by electronic means, with instructions for doing so set out in the Application Form.

The Company reserves the right to close the Offer early.

2.8 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- a. you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- b. if you do not pay for your Application in full, you are deemed to have applied for such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 3:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

2.9 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.10 Issue

Subject to the Minimum Subscription to the Offer being reached, ASX granting conditional approval for the Company to be admitted to the Official List, and the Acquisition Agreement becoming unconditional, issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

2.11 Allocation Policy

The Company retains an absolute discretion to allocate Shares under the Offer and the Priority Offer and reserves the right, in its absolute discretion, to issue to an Applicant a lesser number of Shares than the number for which the Applicant applies or to reject an Application Form. If the number of Shares issued is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No Applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors will be influenced by the following factors:

- a. the number of Shares applied for;
- b. the overall level of demand for the Offer;
- c. the desire for spread of investors, including to ensure that the Company meets the shareholder spread requirements under the ASX Listing Rules; and
- d. the desire for an informed and active market for trading Shares following completion of the Offer.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

2.12 Restricted Securities

Subject to the Company's admission to the Official List and completing the Offer, certain Securities on issue (including the Consideration Shares and 2,800,001 Shares of the 4,950,001 existing Shares on issue) may be classified by ASX as restricted securities and would therefore be required to be held in escrow for up to 24 months from the date of Official Quotation.

The Shares issued pursuant to the Offer however will not be classified as restricted securities and will not be required to be held in escrow.

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).

At the Minimum Subscription, the Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List) will be approximately 73.69%, comprising:

- a. 2,150,000 existing Shares; and
- b. all Shares issued pursuant to the Offer.

2.13 Top 20 Shareholders

The Company will announce to the ASX details of its top 20 Shareholders following the completion of the Offer and prior to the date of re-admission of the Company to the Official List.

2.14 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

2.15 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

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

No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offers.

2.16 Withdrawal of Offer

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

3. Company and Project Overview

3.1 Background

The Company is an Australian unlisted public company incorporated on 2 September 2019. Since incorporation, the Company has focused on pre-listing activities, including entry into the Acquisition Agreement (a summary of which is contained in Section 8.1), raising seed capital and defining the first exploration programmes for the Project.

The purpose of the Offer is to facilitate an application by the Company for admission of the Company to the Official List of ASX and position the Company to seek to achieve the objectives set out in Section 3.4.

3.2 Overview of the Project

a. Summary

The Stuart Town project covers a significant historical gold mining district with over 80 recorded historic gold workings. The region is enticingly located between the Cadia mining operations, operated by Newcrest which is Australia's largest gold mine (Resources of 42M ounces gold and 8.7M tonnes copper) and the Boda copper/gold porphyry discovery held by Alkane (refer to Figure 1 set out in the Chairman's Letter) – who recently drilled 502m @ 0.48 g/t gold, 0.2% copper.

b. Geology and Mineralisation

The Stuart Town project is set within the Lachlan Fold Belt, New South Wales. The mineralisation styles range from lode style to alluvial and deep lead mines. The source and pathways for the extensive gold mineralisation remains unknown however some of the mineralisation is hosted within felsic units such as brecciated rhyolite and indicates that an underlying felsic intrusive unit may be related to the gold mineralisation. This is encouraging from the perspective of exploring for larger gold systems and is a primary initial exploration target. A more detailed description of the geology and mineralisation is detailed in the Independent Geologist's Report.

c. Previous Exploration

Gold mining in the Stuart Town project area first commenced in the 1850's and no records have been kept on the production sourced from the fields during the rush between 1850's and 1875 but it is considered to be significant. More than 5t (170,000 ounces) of gold are recorded to have been produced between 1875 (when mine records were first kept in NSW) and the early part of the 20th Century.

Subsequent explorers included CRAE (now Rio Tinto Limited) who focused on large scale and encouraging soil sampling programmes. The work focused on Cadia-style deposits mostly to the west and south of the main Stuart Town gold workings. Carpentaria Exploration Limited (a subsidiary of Mount Isa Mines Limited -MIM) also conducted work and commented that magnetic and radiometric data suggested a possible underlying intrusive unit that may be the source of the gold mineralisation. This target has not been drill tested.

A more detailed summary of the previous exploration is detailed in the Independent Geologist's Report.

d. Exploration Potential

The property is considered prospective for large scale intrusive gold mineralisation. The existence of a substantial gold field overlying the exploration targets is considered to enhance this as an exploration target and further encouragement is provided by the felsic host of some of the mapped and previously mined mineralisation.

A more detailed summary of the exploration potential is detailed in the Independent Geologist's Report.

3.3 Proposed Exploration Programs and Expenditure

A summary of the exploration strategy is detailed in section 1.4 of the Independent Geologist's Report however the Company will initially focus on geophysical surveys that will include detailed, magnetic, gravity and Induced Polarisation (IP) techniques.

This will correspond with detailed mapping and drill planning and possibly early drilling at some of the high-grade gold lodes.

3.4 Strategy following listing

The primary objective of the Company is to focus on exploration and development of the Project. In order to achieve this objective following listing, the Company proposes to undertake the exploration programs highlighted above and further explained in the Independent Geologist Report in Annexure A of this Prospectus. The results of the exploration programs will determine the potential of the Project to host significant mineralisation and possible timing for the commencement of potential further testing including pre-feasibility and feasibility studies in order to assess the economic viability of the Project.

In addition to the above activities, the Company intends to continue pursuing other potential acquisitions that have a strategic fit for the Company with the intention of providing maximum value to Shareholders for their investment.

In summary, the Company's strategy and purpose of this Offer is to provide the Company with funding to:

- a. systematically explore the Company's Project by exploring for gold through geological mapping, geophysics, surface sampling and drilling;
- b. implement a growth strategy to seek out further exploration and acquisition opportunities; and
- c. meet the costs of the Offer and provide working capital for the Company.

From time to time acquisition opportunities may be presented to the Board. At this time the Board will discuss and evaluate the merits of any acquisition opportunities presented to it depending on current market sentiments and the Company's current finances and appetite for additional assets. The Company has not identified any potential acquisition opportunities as at the date of this Prospectus. In considering future acquisitions, the Company's current intention is to consider mineral exploration projects, in particular those prospective for gold and base metals, primarily within Australia.

3.5 Directors and key personnel

Adrian Byass

(Non-Executive Chairman) BSc Geol (Hons), B Econ, MAIG, FSEG

Mr Byass has more than 20 years' experience in the mining industry with extensive experience as a Board member of ASX and AIM listed companies. This experience has principally been gained both listed and unlisted entities around the world through the evaluation and development of mining products for a range of base, precious and specialty metals and bulk commodities. Mr Byass is currently on Boards of ASX listed base metal, gold, lithium and phosphate companies and has extensive experience in gold exploration and gold production at executive level appointments in his technical capacity as a geologist.

Mr Byass is currently a director of Infinity Lithium Corporation Limited (ASX:INF), Galena Mining Limited (ASX:G1A), Kingwest Resources (ASX:KWR) and Fertoz Limited (ASX:FTZ).

The Directors do not consider that Mr Byass' other directorships will affect his ability to act as Non-Executive Chairman of the Company.

Investors should be aware that Mr Byass was the non-executive chair of Orinoco Gold Limited (Administrators Appointed) (Orinoco), for 11 weeks until it was placed into voluntary administration on 6 April 2019. Mr Byass resigned as a director of Orinoco on 6 April 2019 prior to it appointing administrators, having been appointed on behalf of major shareholders of Orinoco as part of a proposed recapitalisation on 13 February 2019.

The Directors (other than Mr Byass) have considered the circumstances surrounding Mr Byass' previous directorship with Orinoco and are of the view that it in no way impacts on his ability to perform and contribute as a director of Kaiser.

The Board considers that Mr Byass is not an independent Director.

Jonathan Downes

(Executive Director) BSc Geol, MAIGv

Mr Downes has more than 25 years' experience in the mining industry and has worked in various geological and corporate capacities. Mr Downes has experience with nickel, gold and base metals and has also been intimately involved with numerous private and public capital raisings. Mr Downes was a founding director of Hibernia Gold (later Moly Mines Ltd) (ASX: MOL), Ironbark Zinc Limited (ASX:IBG) and Siberia Mining Corporation Ltd (ASX: SIB) and is currently a non-executive director of Galena Mining Limited (ASX: G1A), Kingwest Resources Limited (ASX:KWR) and Corazon Mining Limited (ASX: CZN).

The Directors do not consider that Mr Downes' other directorships will affect his ability to act as Executive Director of the Company.

The Board considers that Mr Downes is not an independent Director.

David Palumbo

(Non-Executive Director and Company Secretary) BCom, CA, GAICD

Mr Palumbo is a Chartered Accountant and graduate of the Australian Institute of Company Directors with over fourteen years' experience across company secretarial, corporate advisory and financial management and reporting of ASX listed companies. Mr Palumbo is an employee of Mining Corporate Pty Ltd, where he has been actively involved in numerous corporate transactions.

Mr Palumbo is currently a director of Krakatoa Resources Limited (ASX: KTA).

The Directors do not consider that Mr Palumbo's other directorship will affect his ability to act as Non-Executive Director and Company Secretary of the Company.

The Board considers that Mr. Palumbo is an independent Director.

3.6 Dividend Policy

The Board anticipates that significant expenditure will be incurred in the development of the business. These activities are expected to dominate at least, the first two year periods following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

3.7 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

Shares

	Minimum Subscription
Shares on issue as at the date of this Prospectus	4,950,001
Shares issued pursuant to the Offer	22,500,000
Shares issued pursuant to the acquisition of Chase Metals	6,000,000
Total Shares on issue after completion of the Offer	33,450,001

Options

	Minimum Subscription
Options on issue as at the date of this Prospectus:	
Options exercisable at \$0.30 on or before 31 January 2023 ¹	4,250,000
Options exercisable at \$0.40 on or before 31 January 2024 ²	4,500,000
Options exercisable at \$0.30 on or before three years from the date of issue (pursuant to the Lead Manager Mandate) ³	1,750,000
Total Options on issue after completion of the Offer	10,500,000

Notes:

1. Refer to Section 9.3 for the full terms and conditions of these Options.
2. Refer to Section 9.4 for the full terms and conditions of these Options.
3. Refer to Section 9.5 for the full terms and conditions of these Options.

Subject to the Company being admitted to the Official List, certain Securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. No Shares issued under the Offer will be subject to escrow under the ASX Listing Rules.

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

3.8 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on completion of the Offer is set out in the table below (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer):

Shareholder	Shares	Options	% (undiluted)
Valiant Equity Management Pty Ltd <Byass Family Trust> ¹	3,000,000 ²	4,000,000 ³	8.97
Kiandra Nominees Pty Ltd <JK Downes Family Trust> ⁴	3,000,000 ⁵	4,000,000 ⁶	8.97

Notes:

1. Valiant Equity Management Pty Ltd <Byass Family Trust> (Valiant) is a shareholder of Chase Metals and a company associated with Director, Adrian Byass.
2. Valiant will receive 3,000,000 Shares as part-consideration for the acquisition of Chase Metals. Refer to Section 8.1(b)(iii) for further details.
3. Valiant will receive 4,000,000 Options comprising 2,000,000 Options exercisable at \$0.30 per option on or before 31 January 2023 and 2,000,000 Options exercisable at \$0.40 per Option on or before 31 January 2024. Refer to Sections 9.3 and 9.4 for the terms and conditions of the Options (respectively).
4. Kiandra Nominees Pty Ltd <JK Downes Family Trust> (**Kiandra**) is a shareholder of Chase Metals and a company controlled by Director, Jonathan Downes.
5. Kiandra will receive 3,000,000 Shares as part-consideration for the acquisition of Chase Metals. Refer to Section 8.1(b)(iii) for further details.
6. Kiandra will receive 4,000,000 Options comprising 2,000,000 Options exercisable at \$0.30 per Option on or before 31 January 2023 and 2,000,000 Options exercisable at \$0.40 per Option on or before 31 January 2024. Refer to Sections 9.3 and 9.4 for the terms and conditions of the Options (respectively).

All Directors reserve the right to participate in the Offer. Each Director will decide whether to take up their respective Entitlement based on their financial position at the relevant time.

If any of the Directors do participate in the Offer, the Company will ensure compliance with the relevant ASX Listing Rules and make the relevant announcements in the form of Appendix 3Y.

4. Risk Factors

4.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below and in the Investment Overview, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section and in the Investment Overview, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

4.2 Company specific

a. Contractual risk

In order for the Company to be able to achieve its objectives the Company is reliant on the registered holder of the Tenements to comply with its contractual obligations under the Acquisition Agreement with respect to maintaining the Tenements in full force and effect, free from any liability to forfeiture or non-renewal.

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

Where the registered holder of the Tenements fails to comply with conditions of the Tenements which results in loss of title to the Tenements the Company would lose its interest in the minerals rights being acquired pursuant to the Acquisition Agreement. It may then be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms. The Company has no current reason to believe that the registered holder of the Tenement that it has contracted with will not meet and satisfy its obligations under the Acquisition Agreement.

b. Limited History

The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty. The Project has undergone varying amounts of previous exploration and appraisal work and further exploration and appraisals are required to determine whether they contain economically viable mineral deposits.

c. Grant of Licence

The Company has agreed to acquire an application for New South Wales exploration licence ELA 5854. There is a risk that this prospecting licence may not be granted by the Minister responsible for the Mining Act 1992 (NSW). If ELA 5854 was not to be granted, the Company would be unable to explore the land covered by this exploration licence for minerals.

d. Exploration

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Tenement, 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 Tenement 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 Tenement, a reduction in the case reserves of the Company and possible relinquishment of the Tenement.

e. **Tenement applications and license renewal**

The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all. The Company has yet to receive regulatory and environmental approval to convert its exploration licences into production concessions. There is a risk that these approvals may not be obtained.

f. **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.

g. **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and 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 operations. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

h. **Reliance on key personnel**

The Company's future depends, in part, on its ability to attract and retain key personnel. The Company may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

4.3 Industry specific

a. **Environmental**

The operations and proposed activities of the Company are subject to Territory 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.

b. Failure to satisfy expenditure commitments

Interests in tenements in New South Wales are governed by the mining acts and regulations that are current and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenement if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

c. Mine development

Possible future development of a mining operation at the Company's Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

d. Native title and Aboriginal Heritage

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

There are currently no registered or unregistered native title claims in the vicinity of the Project. Please refer to the Solicitor's Tenement Report at Annexure C of this Prospectus for further details.

Further to this, it is possible that an Indigenous Land Use Agreement (ILUA) may be registered against the Tenements in which the Company has an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

In addition, there are a number of Aboriginal heritage sites in the vicinity of the Tenement. The existence of the Aboriginal heritage sites within the Tenement may lead to restrictions on the areas that the Company will be able to explore and mine.

However, the exact location of the Aboriginal sites cannot be ascertained from searches conducted by the Company. The Company will review the location of each site when planning its exploration programs so as to ensure that all activities near Aboriginal sites meet the requirements of the Commonwealth Heritage Act and the NSW Heritage Act. There are currently no Aboriginal heritage agreements or arrangements in place affecting the Tenements.

Please refer to the Solicitor's Tenement Report at Annexure C of this Prospectus for further details.

e. **Operations**

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

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

f. **Resource estimates**

In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

g. **Tenure and access**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

Tenements are subject to the applicable mining acts and regulations in New South Wales. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the Tenement comprising the Project. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Please refer to the Solicitor's Tenement Report at Annexure C for further details.

4.4 General risks

a. **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company, as well as on its ability to fund its operations.

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

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

c. Taxation

The acquisition and disposal of Shares 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 Shares from a taxation viewpoint and generally.

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

d. Government policy changes

Adverse changes in government policies or legislation may affect the activities of the Company.

e. Litigation risks

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

f. Insurance

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with the Company's business may not always be available and where available the costs may be prohibitive.

4.5 Investment speculative

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

5. Financial Information

5.1 Introduction

The Company was incorporated on 2 September 2019 with \$1 in issued capital (1 share issued at \$1.00 per Share). Subsequent to incorporation \$415,000 of capital has been raised up to 31 October 2019, with \$15,000 of the capital raised after 31 October 2019 on the 12 November 2019. The Company has agreed, on the terms and conditions as set out in the Acquisition Agreement, to acquire Chase Metals which owns tenements and tenement applications in New South Wales and will, upon settlement of the Acquisition Agreement, become the asset of the holding company by virtue of its 100% ownership of Chase Metals.

The financial information includes:

- a. The historical financial information for Kaiser comprising:
 - i. the historical statement of profit or loss and other comprehensive income for Kaiser for the period from incorporation, 2 September 2019 to 31 October 2019;
 - ii. the historical statement of cash flows for Kaiser for the period from incorporation, 2 September 2019 to 31 October 2019; and
 - iii. the historical statement of financial position for Kaiser as at 31 October 2019, (together, the Historical Financial Information).
- b. The pro forma historical consolidated statement of financial position for the Company as at 31 October 2019 (**Pro Forma Historical Statement of financial position**) which includes the acquisition of Chase Metals encompassing its 31 October 2019 financial position.

(Collectively, the **Financial Information**)

The Financial Information presented in this Section 5 should be read in conjunction with the risk factors set out in Section 4 and other information contained in this Prospectus.

The Financial Information has been prepared by the Company in connection with the Offer. The Financial Information as defined above has been reviewed by PKF Perth in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information as stated in its Independent Limited Assurance Report set out in Annexure B. Investors should note the scope and limitations of the Independent Limited Assurance Report.

5.2 Basis of preparation and presentation of the Financial Information

The Directors of the Company are responsible for the preparation and presentation of the Financial Information. The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of Kaiser together with the Pro-Forma Historical Statement of financial position for the Company.

The Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements and comparative information as required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

5.2.1 Preparation of Historical Financial Information

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB), which is consistent with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB).

In preparing the Historical Financial Information, the accounting policies of the Company have been applied consistently throughout the period presented. Significant accounting policies of Chase Metals and the Company relevant to the Financial Information are detailed in Section 5.5(a) below.

5.2.2 Financial information on the target entity – Chase Metals

Chase Metals was incorporated on the 24 October 2018 with issued capital of \$100. Chase Metals as at and for the period end 31 October 2019 is a dormant entity with fully paid up issued capital of \$100, and net assets of \$100. Chase Metals is the beneficiary of the Tenement and Tenement application in New South Wales which are the target of the acquisition planned post pro forma setout in Section 5.4. Chase has beneficial rights of tenement number EL8491 in New South Wales. It also has an application for EL5854 also in New South Wales.

5.2.3 Preparation of Pro Forma Historical Statement of financial position

The acquisition of Chase Metals by the Company is not considered to be a business combination due to the fact that the operations of Chase Metals do not consist of inputs and processes applied to those inputs that have the ability to create outputs. The transaction is therefore accounted for as an asset acquisition.

The Pro Forma Historical Statement of Financial Position for the Company has been prepared solely for inclusion in this Prospectus.

The Pro Forma Historical Statement of financial position for the Company has been derived from the historical statement of financial position for Kaiser as at 31 October 2019 and includes adjustments for the effects of the following group of proforma transactions:

- a. The Offer to raise gross proceeds of \$4,500,000 and incurring certain costs related to the offer being pro forma transactions (i) and (iii) outlined below;
- b. The acquisition by the Company of Chase Metals (Kaiser and Chase Metals are together referred to as the "Group") being pro forma transaction (ii) below;

The Pro Forma Historical Statement of financial position for the Company has been prepared in accordance with the recognition and measurement requirements of AASB other than that it includes adjustments which have been prepared in a manner consistent with AASB that reflect the impact of certain transactions as if they occurred as at 31 October 2019.

Details of the individual pro-forma transactions that have been applied to the historical statement of financial position as at 31 October 2019 of Kaiser are as follows:

- i. The issue of 22,500,000 Shares in the Company in accordance with the Offer to raise gross proceeds of \$4,500,000;
- ii. The Company's acquisition of all the shares (being 100 Shares) in Chase Metals for the consideration of \$20,000 in cash, 6,000,000 shares immediately post Offer at a fair value of \$0.20 per share totalling \$1,200,000 accordance with the Binding Heads of Agreement;
- iii. The estimated costs associated with the Offer and the listing of the Shares issued by Company estimated to be \$420,000. Of the total, \$420,000 has been deducted from contributed equity as these costs are directly attributable to the Offer. In addition to share based payment of \$197,750 in lieu of services valued using black scholes within Section 5.5(f).

5.3 Historical Financial Information

5.3.1 Historical Statements of Profit or Loss and Other Comprehensive Income

The table below sets out the Historical Statement of Profit or Loss and Other Comprehensive Income of Kaiser for the period from incorporation, 2 September 2019 to 31 October 2019.

Table 5.3.1

Reviewed 31 Oct 2019

\$

Revenue	-
Consultant & professional fees	-
Exploration expenses	(19,145)
Share based payments	-
Other expenses	-
Loss before income tax	(19,145)
Income tax benefit/(expense)	-
Loss for the period	(19,145)
Other comprehensive income/(loss)	-
Total comprehensive income/(loss)	(19,145)

This statement should be read in conjunction with the notes to the Financial Information.

5.3.2 Historical Statement of Cash Flows

The table below sets out the Historical Statement of Cash Flows of Kaiser for the period from incorporation, 2 September 2019 to 31 October 2019.

Table 5.3.2

Reviewed 31 Oct 2019

\$

Cash flows from operating activities	
Payments to suppliers and employees	-
Payments for exploration and evaluation	(19,145)
Net cash outflow used in operating activities	(19,145)
Cash flows from financing activities	
Proceeds from issue of shares	415,000
Net cash inflow from financing activities	415,000
Net increase (decrease) in cash and cash equivalents	395,855
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the financial year	395,855

This statement should be read in conjunction with the notes to the Financial Information.

5.4 Historical and Pro Forma Historical Statement of financial position

The table below sets out the Historical Statement of financial position of Kaiser as at 31 October 2019 and the Pro Forma Historical Statement of financial position for the Company as at 31 October 2019.

Table 5.4	Notes	Reviewed Historical Statement of financial position 31 Oct 19	Other Pro Forma Adjustment (i)	Reviewed Pro Forma Adjustment – Acquisition of Chase Metals (ii)	Reviewed Post Pro Forma adjustments
Current Assets					
Cash and cash equivalents	5.5(c)	395,855	4,095,000	(20,000)	4,470,855
Other assets		-	-	-	-
Total Current Assets		395,855	4,095,000	(20,000)	4,470,855
Non-Current assets					
Exploration and evaluation assets	5.5(d)	-	-	1,220,000	1,220,000
Total Non-Current Assets		-	-	1,200,000	1,220,000
Total Assets		395,855	4,095,000	1,200,000	5,690,855
Current Liabilities					
Trade and other payables		-	-	-	-
Total Current Liabilities		-	-	-	-
Total Liabilities		-	-	-	-
Net Assets (Liabilities)		395,855	4,095,000	1,200,000	5,690,855
Equity					
Contributed equity	5.5(e)	415,000	3,897,250	1,200,000	5,512,250
Share based payments reserve	5.5(f)	-	197,750	-	197,750
Accumulated losses		(19,145)	-	-	(19,145)
Total Equity		395,855	4,095,000	1,200,000	5,690,855

- i. The proforma adjustments of the offer to raise gross proceeds of \$4,500,000 and incurring certain costs related to the offer being pro forma transactions outlined in Section 5.2.3, also includes \$15,000 of seed capital raised after 31 October 2019 outlined in Section 5.5(i).
- ii. Acquisition of Chase Metals from vendors.

This statement should be read in conjunction with the notes to the Financial Information.

a. **Basis of Preparation**

i. **Going concern**

The Financial Information has been prepared on a going concern basis which assumes the continuity of the Group's normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. Kaiser had incurred losses totalling \$19,145 and had a net operating cash outflow of \$19,145 for the period from incorporation, 2 September 2019 to 31 October 2019. Following completion of the Offer and the acquisition by the Company of Chase Metals, the Group expects to be in a pro forma historical net current assets position of \$5,690,855 with net assets of \$5,690,855 and with a pro forma cash balance of \$4,470,855 as reflected in the Pro Forma Historical Statement of financial position as at 31 October 2019.

The Directors believe that the ability of the Company to complete the acquisition of Chase Metals and for the Group to undertake its planned exploration program and to meet its working capital requirements so as to settle its liabilities as and when they fall due is dependent upon the completion of the capital raising under the Prospectus. The Directors expect that the proposed capital raising will be sufficient to allow for the planned exploration program to be undertaken and to provide the necessary working capital for a period in excess of 12 months from the date of this Prospectus.

Should the Company be unable to complete the capital raising under this Prospectus, as set out above, there is significant uncertainty whether the Company will be able to continue as a going concern and therefore, whether it will be able to pay its debts as and when they become due and payable and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the Historical and Pro Forma Historical Statement of financial positions. The Financial Information does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

ii. **Reporting basis and conventions**

The financial information has been prepared on an accruals basis and is based on historical costs, except for certain assets measured at fair value.

b. **Accounting Policies**

i. **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and in the bank's short term deposits with an original maturity not exceeding three months and if greater than three months, principal amounts can be redeemed in full with interest payable at the same cash rate from inception as per the agreement with each bank, net of bank overdrafts.

ii. **Exploration and evaluation assets**

Exploration and evaluation expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area or, alternatively, by its sale.

Exploration and evaluation in the area of interest that have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are expensed as incurred.

Impairment

The carrying value of capitalised exploration expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

The recoverable amount of capitalised exploration and evaluation expenditure is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit in which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

Capitalised exploration and evaluation expenditure that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

iii. **Trade and other payables**

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost when the Group becomes obliged to make payments resulting from the purchase of goods and services. The amounts are non-interest-bearing, unsecured and are usually paid within 30 days of recognition.

iv. **Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown as a deduction from the equity proceeds.

v. **Share based payments**

Equity-settled share-based compensation benefits are provided to directors, employees and shareholders. Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

vi. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

vii. **Income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- A. except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- B. in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- A. except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- B. in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets and liabilities are reassessed at each statement of financial position date and reduced to the extent that it is no longer probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

viii. **Critical accounting estimates and judgements**

The Directors evaluate estimates and judgements incorporated into the Financial Information based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained internally and externally.

A. *Impairment of capitalised exploration and evaluation expenditure*

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved and probable reserves and mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Capitalised exploration and evaluation expenditure that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

c. Cash and cash equivalents

	Reference	\$
Historical cash and cash equivalents in Kaiser as at 31 October 2019		395,855
<i>Pro forma transactions:</i>	5.5 (i)	15,000
Proceeds from seed capital raise after 31 October 2019	5.2.3 (i)	4,500,000
Proceeds from the issue of shares under the Offer	5.2.3 (iii)	(420,000)
Transaction costs relating to the Offer	5.2.3 (ii)	(20,000)
Post Pro forma adjustments cash and cash equivalents		4,470,855

d. Exploration and evaluation assets

	Reference	\$
Exploration and evaluation assets in Kaiser as at 31 October 2019		
<i>Pro forma transaction:</i>		
Excess of fair value of consideration payable to acquire Chase Metals over the net acquired assets of Chase Metals	5.2.3(ii)	1,220,000
Post Pro forma adjustments exploration and evaluation		1,220,000

e. **Contributed Equity**

	Reference	No.	\$
Historical contributed equity for Kaiser as at 31 October 2019		4,800,001	415,000
<i>Pro forma transactions:</i>			
Proceeds from seed capital raise after 31 October 2019	5.5 (i)	150,000	15,000
Issue of 6,000,000 shares to Vendor to complete the acquisition of Chase Metals at a deemed fair value of \$0.20 (Offer price)	5.2.3(ii)	6,000,000	1,200,000
Proceeds from the issue of shares pursuant to this Prospectus	5.2.3(i)	22,500,000	4,500,000
Transaction costs relating to the Offer charged to equity	5.2.3(iii)	-	(617,750)
Post Pro forma adjustments contributed equity		33,300,001	5,512,250

f. **Share Based Payment Reserve**

	Reference	Options No.	\$
Historical share based payment reserve for Kaiser as at 31 October 2019		8,750,000	415,000
<i>Pro forma transactions:</i>			
Issue of 1,750,000 options in lieu of capital raising services at \$0.113 per share	5.2.3 (iii)	1,750,000	197,750
Post Pro forma adjustments share based payment reserve		10,500,000	197,750

The fair value of all option issues have been determined with the use of a Black-Scholes option valuation model. The key inputs/assumptions to the models used are as follows:

Tranche 1 options:

Number of options	4,250,000
Expiry date	31 Jan 2023
Volatility	100%
Risk free rate	1.5%
Exercise price	\$0.30
Grant date share price	\$0.10
Deemed fair value	\$NIL
Total fair value	\$NIL

Tranche 2 options:

Number of options	4,500,000
Expiry date	31 Jan 2024
Volatility	100%
Risk free rate	1.5%
Exercise price	\$0.40
Grant date share price	\$0.10
Deemed fair value	\$NIL
Total fair value	\$NIL

Tranche 3 options:

Number of options	1,750,000
Expiry date	3 years from issue
Volatility	100%
Risk free rate	1.5%
Exercise price	\$0.30
Grant date share price	\$0.10
Deemed fair value	\$0.113
Total fair value	\$197,750

Issue of 1,750,000 options in lieu of capital raising services at \$0.113 per share of the Offer, and therefore are accounted forming part of the pro forma transactions totalling the value of \$197,750.

g. **Commitments**

The Directors are not aware of any significant commitments that would have a material impact on the Financial Information.

h. **Contingent assets and liabilities**

The Directors are not aware of other significant contingent assets and / or liabilities that would have a material impact on the Financial Information.

i. **Subsequent events**

Additional seed capital was issued after year end with 150,000 shares issued at \$0.10 on the 12 November 2019.

The Directors are not aware of any other significant events subsequent to 31 October 2019 that would have a material impact on the Financial Information.

6. Board Management and Interests

6.1 Directors and key personnel

The Board of the Company consists of:

- Adrian Byass** (BSc Geol Hons, B Econ, MAIG and FSEG) – Non-Executive Chairman;
- Jonathan Downes** (BSc Geol, MAIGv) – Executive Director; and
- David Palumbo** (BCom, CA, GAICD) – Non-Executive Director and Company Secretary.

The biographies for the Directors are set out in Section 3.5.

The Company is aware of the need to have sufficient management to properly supervise its operations and the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As the Company's Project requires an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's Project.

6.2 Disclosure of Personal Interests of Directors

Interests in Securities

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Prospectus, the Directors have relevant interests in Securities as follows:

Director	Shares	Options
Adrian Byass	Nil	4,000,000 ¹
Jonathan Downes	Nil	4,000,000 ¹
David Palumbo	100,000 ¹	200,000 ¹

Note:

- Refer to notes in table below.

Following the successful completion of the Offer, the Directors will have relevant interests in Securities as follows:

Director	Shares	Options
Adrian Byass	3,000,000 ¹	4,000,000 ²
Jonathan Downes	3,000,000 ³	4,000,000 ⁴
David Palumbo	100,000 ⁵	200,000 ⁶

Notes:

- Adrian Byass will (through Valiant Equity Management Pty Ltd <Byass Family Trust> (Valiant), which is a shareholder of Chase Metals and a company associated with Mr Byass) receive 3,000,000 Shares as part-consideration for the acquisition of Chase Metals. Refer to Section 8.1(b)(iii) for further details.
- Mr Byass holds (through Valiant) 4,000,000 Options comprising 2,000,000 Options exercisable at \$0.30 per option on or before 31 January 2023 and 2,000,000 Options exercisable at \$0.40 per Option on or before 31 January 2024. Refer to Sections 9.3 and 9.4 for the terms and conditions of the Options (respectively).
- Jonathan Downes will (through Kiandra Nominees Pty Ltd <JK Downes Family Trust> (Kiandra), which is a shareholder of Chase Metals and a company controlled by Mr Downes) receive 3,000,000 Shares as part-consideration for the acquisition of Chase Metals. Refer to Section 8.1(b)(iii) for further details.
- Mr Downes holds (through Kiandra) 4,000,000 Options comprising 2,000,000 Options exercisable at \$0.30 per Option on or before 31 January 2023 and 2,000,000 Options exercisable at \$0.40 per Option on or before 31 January 2024. Refer to Sections 9.3 and 9.4 for the terms and conditions of the Options (respectively).

5. Arising from Mr Palumbo's participation in the pre-listing capital raising.
6. Mr Palumbo holds 200,000 Options comprising 100,000 Options exercisable at \$0.30 per option on or before 31 January 2023 and 100,000 Options exercisable at \$0.40 per Option on or before 31 January 2024.

All Directors reserve the right to participate in the Offer. Each Director will decide whether to take up their respective Entitlement based on their financial position at the relevant time.

If any of the Directors do participate in the Offer, the Company will ensure compliance with the relevant ASX Listing Rules and make the relevant announcements in the form of Appendix 3Y.

Remuneration

Given that the Company was incorporated on 2 September 2019, the Directors did not receive any remuneration for the financial year 30 June 2019. In addition, the Directors will not receive any remuneration for the current financial year

Director	Remuneration for the year ended 30 June 2019 ¹	Remuneration for the year ended 30 June 2020 ²
Adrian Byass	Nil	\$27,375
Jonathan Downes	Nil	\$68,437.50
David Palumbo	Nil	\$20,531.25

Notes:

1. The Company was incorporated on 2 September 2019.
2. Includes per annum base salary or directors' fees (as applicable), pro-rated for 5 months (assuming an admission date of 1 February 2020) to 30 June 2020.

The Company's constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for Non-Executive Directors is \$300,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy in order to enable the Company to attract and retain Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

6.3 Agreements with Directors and Related Parties

The Company's policy in respect of related party arrangements is:

- a. a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- b. for the Board to consider such a matter, the Director who has a material personal interest must not be present while the matter is being considered at the meeting and cannot vote on the matter.

The agreements between the Company and related parties are summarised in Section 8.

7. Corporate Governance

7.1 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. To implement these systems, the Company has adopted a set of policies and procedures. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (**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 outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at (www.kaiserreef.com.au).

7.2 Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- a. maintain and increase Shareholder value;
- b. ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- c. ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- a. leading and setting the strategic direction, values and objectives of the Company;
- b. appointing the Chairman of the Board, and approving the appointment of senior executives and the Company Secretary;
- c. overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- d. approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- e. overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- f. establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- g. overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- h. reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- i. approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

7.3 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- a. membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- b. the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of three directors, two of whom will be non-executive Directors, of whom one is considered independent, being Mr. David Palumbo. The Board considers the proposed balance of skills and expertise is appropriate for the Company for its currently planned level of activity.

The Company, the Company's stated values and all the Company's related bodies corporate are committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

7.4 Identification and management of risk

The Board's collective experience will enable accurate 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.

7.5 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

7.6 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.

7.7 Remuneration arrangements

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

The total maximum remuneration of non-executive Directors is initially set by the Constitution. Subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum cap will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

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

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its 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.

7.8 Trading policy

The Board has adopted a trading policy that sets out the guidelines on the sale and purchase of securities in the Company by its directors, officers, employees and contractors. The trading policy generally provides that for directors, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

7.9 External audit

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

7.10 Audit committee

The Company will not have a separate audit 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:

- a. monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- b. verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- c. monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- d. management of the Company's relationships with external auditors.

7.11 Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will also be announced prior to admission to the Official List of the ASX.

8. Material Contracts

Set out below is a summary of certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details when making an investment decision.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

8.1 Acquisition Agreement

The Company has entered into a binding heads of agreement (Acquisition Agreement) with Chase Metals Pty Ltd (ACN 629 589 448) (Chase Metals) and the shareholders of Chase Metals, being Kiandra Nominees Pty Ltd (ACN 125 369 995) as trustee for the JK Downes Family Trust (Kiandra Nominees) and Valiant Equity Management Pty Ltd (ACN 122 958 614) as trustee for the Byass Family Trust (Valiant Equity) (together, the Chase Shareholders). Chase Metals is the beneficial owner of the Tenements.

The key terms and conditions of the Acquisition Agreement include the following:

- a. **(Acquisition):** The Company agrees to acquire, and Chase Metals and the Chase Shareholders agree to sell, 100% of the issued capital of Chase Metals, free from encumbrances.
- b. **(Consideration):** The consideration to be issued to Chase Metals or the Chase Shareholders (as directed by the Chase Shareholders) is:
 - i. \$20,000 in cash as reimbursement of monies expended by Chase Metals in relation to exploration and environmental bonds and costs incurred by Chase Metals in relation to the Project up to 6 November 2019 (**Effective Date**);
 - ii. a cash payment as reimbursement of monies expended by Chase Metals between the Effective Date and Completion in order to maintain the Project in good standing (such amount to be confirmed by Chase Metals no later than 5 days prior to Completion); and
 - iii. 6,000,000 fully paid ordinary shares in the capital of Kaiser with a deemed issue price of \$0.20 per Share,

which shall be issued or paid (as required) in full on the Completion Date (defined below).

- c. **(Conditions Precedent):** Completion of the Acquisition is conditional upon the satisfaction or waiver of the following conditions precedent:
 - i. receipt of conditional approval from ASX for Kaiser to be admitted to the Official List on terms acceptable to Kaiser;
 - ii. the Company completing due diligence of Chase Metals to its satisfaction;
 - iii. both parties receiving all necessary consents and approvals required in connection with the Acquisition; and
 - iv. the Company electing to proceed with the Acquisition in writing,which must be satisfied (or waived by the Company) on or before 180 days from the Effective Date (Completion Date).
- d. **(Kaiser Board):** The Company agrees to provide Chase Metals with the right to nominate all directors to the Board of the Company.
- e. **(Completion):** Completion of the Acquisition Agreement will occur on the date which is 7 days after the satisfaction (or waiver by Kaiser) of the Conditions Precedent (Completion Date).

The Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

Further agreements giving rise to Chase Metals' beneficial interest in the Tenements are set out in Part II of the Solicitor's Tenement Report at Annexure C of this Prospectus.

8.2 Lead Manager Mandate

The Company has signed a mandate letter with Peloton Capital engaging Peloton Capital to act as lead manager of the Offer (**Lead Manager Mandate**), the material terms and conditions of which are set out below:

a. Scope of Work

- i. Peloton Capital will assist the Company with:
 - A. Structuring: assisting the Company to determine the pricing, offer mechanism and timing of the issue, liaising with appropriate Australian regulatory authorities including ASIC and ASX and assisting the Company in developing a general strategy for successfully completing the Offer;
 - B. Marketing: assisting the Company by co-ordinating and accompanying the Company on roadshows, as well as facilitating presentations to potential investors, assist identifying and evaluating potential investors; and
 - C. Communications: determining key investor issues and co-ordinating appropriate responses to these issues, advising and assisting in negotiating and completing the offer and providing such other assistance as may be required by the Company from time to time.

b. Remuneration

- i. a capital raising fee of 6% of total funds raised under the Prospectus plus GST (excluding funds raised under the Chairman's list, which will attract a co-ordination fee of 1% for all funds raised via the Chairman's list), with up to 4% payable as a capital raising fee to other third party financial service licensees as agreed between Peloton Capital and the Company;
 - ii. a monthly advisory fee retainer of \$5,000 (exclusive of GST) payable until November 2020;
 - iii. 1,750,000 Options, exercisable at \$0.30 per Option on or before that date which is three years from the date of issue; and
 - iv. any reasonable disbursements and out of pocket expenses, which will be agreed upon between Peloton Capital and the Company prior to their incursion.
- c. (**Termination**): The Lead Manager Mandate may be terminated without cause by giving 30 days written notice to the other party, or in the event of a breach, if the defaulting party does not remedy the breach within 10 business days of receiving written notice from the non-defaulting party.

8.3 Executive Services Agreement – Jonathan Downes

The Company has entered into an Executive Services Agreement (ESA) with Mr Downes. A summary of the material terms and conditions of the ESA is set out below:

- a. (**Position**): Mr Downes is appointed as the Executive Director of the Company.
- b. (**Commencement Date**): Mr Downes' term as the Executive Director of the Company commenced on 2 September 2019.
- c. (**Term**): Mr Downes' employment commenced on the Commencement Date and will continue until the ESA is validly terminated in accordance with its terms.
- d. (**Notice Period**): The Company must give 1 months' notice to terminate the ESA other than for cause. Mr Downes must give 6 months' notice to terminate the ESA.
- e. (**Remuneration**): The Company will pay Mr Downes a base salary of \$150,000 per annum (plus statutory superannuation), effective from the date of the Company's admission to the Official List of the ASX; and
- f. (**Expenses**): On provision of all documentary evidence reasonably required by the Company, the Company will reimburse Mr Downes for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred by Mr Downes in the performance of all duties in connection with the business of the Company.

The ESA otherwise contains leave entitlements, termination, confidentiality and general provisions considered standard for an agreement of this nature.

8.4 Non-Executive Director Appointment Letters – Adrian Byass and David Palumbo

The Company has entered into non-executive director appointment letters with Messrs Byass and Palumbo pursuant to which Messrs Byass and Palumbo have been appointed as Non-Executive Directors of the Company on the following terms:

- a. **(Fees)**: Fees payable to Messrs Byass and Palumbo accruing upon admission to ASX are \$60,000 and \$45,000 per annum plus statutory superannuation (respectively); and
- b. **(Reimbursements)**: Each Non-Executive Director is also entitled to be reimbursed reasonable expenses incurred in performing their duties, including the cost of attending Board meetings, travel, accommodation and entertainment expenses where agreed to by the Board.

Both of the appointment letters otherwise contain terms and conditions that are considered standard for agreements of this nature.

8.5 Deeds of indemnity, insurance and access

The Company has entered into a Deed of Indemnity, Insurance and Access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

8.6 Mining Corporate Pty Ltd Services Agreement

The Company has entered into an agreement with Mining Corporate Pty Ltd (**Mining Corporate**) for Mining Corporate to act as corporate and statutory compliance and financial advisor to, and provide company secretarial, accounting and bookkeeping services for, the Company (**Services Agreement**).

The Services Agreement is for a minimum term of 12 months. Upon expiry of the initial 12 months, the appointment of Mining Corporate will automatically renew on a month to month basis unless the Services Agreement is terminated or as otherwise agreed between the parties. Mining Corporate shall be paid:

- a. for the provision of company secretarial, bookkeeping and accounting services, a fee calculated on an hourly basis as follows:
 - i. \$265 (excluding GST) an hour for company secretary services; and
 - ii. \$100 (excluding GST) an hour for accounting and bookkeeping services; and
- b. a monthly fee of \$8,000 (excluding GST), commencing on admission of the Company of the Official List.

The Services Agreement otherwise contains termination and indemnity provisions considered customary for an agreement of this nature.

It is noted that Director and Company Secretary, David Palumbo, is an employee and minority shareholder of Mining Corporate.

9. Additional Information

9.1 Litigation

As at the date of this Prospectus, our Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

a. 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.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

b. Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- i. each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- ii. on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- iii. on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

c. Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

d. **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

e. **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

f. **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

g. **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

h. **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

9.3 Rights attaching to 30 cent Options

a. **Entitlement**

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

b. **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).

c. **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 January 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d. **Exercise Period**

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

e. **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

f. **Exercise Date**

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

g. **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- i. 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;
- ii. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- iii. 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 a notice delivered under paragraph (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

h. **Shares issued on exercise**

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

i. **Reconstruction of capital**

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

j. **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.

k. **Change in exercise price**

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

l. **Transferability**

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

9.4 Rights attaching to 40 cent Options

a. **Entitlement**

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

b. **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.40 (Exercise Price).

c. **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 January 2024 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d. **Exercise Period**

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

e. **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

f. **Exercise Date**

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

g. **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- i. 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;
- ii. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- iii. 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 a notice delivered under paragraph (g)(iii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

h. **Shares issued on exercise**

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

i. **Reconstruction of capital**

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

j. **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.

k. **Change in exercise price**

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

l. **Transferability**

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

9.5 Rights attaching to Options to be issued pursuant to the Lead Manager Mandate

a. **Entitlement**

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

b. **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.30 (Exercise Price).

c. **Expiry Date**

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

d. **Exercise Period**

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

e. **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

f. **Exercise Date**

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

g. **Timing of issue of Shares on exercise**

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

- i. 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;
- ii. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- iii. 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 a notice delivered under paragraph (g)(iii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

h. **Shares issued on exercise**

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

i. **Reconstruction of capital**

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

j. **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.

k. **Change in exercise price**

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

l. **Transferability**

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

9.6 Performance Rights and Option Plan

The Company has adopted a Performance Rights and Option Plan (Plan). The key terms of the Plan are as follows:

- a. **(Eligibility)**: Participants in the Plan may be:
- i. a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a Group Company);
 - ii. a full or part time employee of any Group Company;
 - iii. a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (Class Order); or
 - iv. a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,

who is declared by the Board to be eligible to receive grants of Awards under the Plan (Eligible Participants).

- b. **(Offer)**: The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines **(Offer)**.
- c. **(Plan limit)**: The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Awards offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- d. **(Issue price)**: Unless the Awards are quoted on the ASX, Awards issued under the Plan will be issued for no more than nominal cash consideration.
- e. **(Vesting Conditions)**: An Award may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Awards **(Vesting Conditions)**.
- f. **(Vesting)**: The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (Relevant Person)), resolve to waive any of the Vesting Conditions applying to Awards due to:
- i. special circumstances arising in relation to a Relevant Person in respect of those Performance Rights, being:
 - A. a Relevant Person ceasing to be an Eligible Participant due to:
 - I. death or total or permanent disability of a Relevant Person; or
 - II. retirement or redundancy of a Relevant Person;
 - B. a Relevant Person suffering severe financial hardship;
 - C. any other circumstance stated to constitute "special circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
 - D. any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the Relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant; or
 - E. a change of control occurring; or

- F. the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- g. **(Lapse of an Award)**: An Award will lapse upon the earlier to occur of:
- i. an unauthorised dealing, or hedging of, the Award occurring;
 - ii. a Vesting Condition in relation to the Award is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition and vest the Award;
 - iii. in respect of unvested Awards only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - iv. in respect of vested Awards only, a relevant person ceases to be an Eligible Participant and the Award granted in respect of that person is not exercised within a one (1) month period (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
 - v. the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - vi. the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Award;
 - vii. the expiry date of the Award.
- h. **(Shares)**: Shares resulting from the exercise of the Awards shall, subject to any Sale Restrictions (refer paragraph (i)) from the date of issue, rank on equal terms with all other Shares on issue.
- i. **(Sale Restrictions)**: The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Awards up to a maximum of five (5) years from the grant date of the Awards. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- j. **(No Participation Rights)**: There are no participating rights or entitlements inherent in the Awards and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards.
- k. **(Change in exercise price or number of underlying securities)**: Unless specified in the offer of the Awards and subject to compliance with the ASX Listing Rules, an Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.
- l. **(Reorganisation)**: If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Award are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- m. **(Trust)**: The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Awards, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Plan to effect the establishment of such a trust and the appointment of such a trustee.

9.7 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director of the Company holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- a. the formation or promotion of the Company;
- b. any property acquired or proposed to be acquired by the Company in connection with:
 - i. its formation or promotion; or
 - ii. the Offer; or
- c. the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director of the Company:

- d. as an inducement to become, or to qualify as, a Director; or
- e. for services provided in connection with:
 - i. the formation or promotion of the Company; or
 - ii. the Offer.

9.8 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- a. person 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; or
- b. promoter of the Company,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- c. the formation or promotion of the Company;
- d. any property acquired or proposed to be acquired by the Company in connection with:
 - i. its formation or promotion; or
 - ii. the Offer; or
- e. the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- f. the formation or promotion of the Company; or
- g. the Offer.

PKF Perth has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included at Annexure B. The Company estimates it will pay PKF Perth a total of \$9,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, PKF Perth has not received any fees from the Company for any other services.

Following completion of the Offer, Peloton Capital will receive 6% of the total amount (excluding funds raised under the Chairman's list, which will instead attract a co-ordination fee of 1% for all funds raised via the Chairman's list) raised under the Prospectus for its services as Lead Manager to the Offer (plus GST). Peloton Capital will be responsible for paying all capital raising fees that Peloton Capital and the Company agree with any other financial service licensees. Further details in respect to the Lead Manager Mandate with Peloton Capital are summarised in Section 8.2. During the 24 months preceding lodgement of this Prospectus with the ASIC, Peloton Capital has not received any fees from the Company for other services.

Snowden Mining Industry Consultants Pty Ltd prepared the Independent Geologist's Report which is included at Annexure A of this Prospectus. The Company estimates it will pay Snowden a total of \$20,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Snowden has not received any fees from the Company for other services.

Steinepreis Paganin has acted as the Australian solicitors to the Company in relation to the Offer and has prepared the Solicitor's Tenement Report which is included at Annexure C of this Prospectus. The Company estimates it will pay Steinepreis Paganin approximately \$50,000 (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 the ASIC, Steinepreis Paganin has not received any fees for legal services provided to the Company.

9.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for

the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- a. does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- b. in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

PKF Perth has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance and Financial Information Report which is included at Annexure B in the form and context in which the information and report is included. PKF Perth has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

PKF Perth has given its written consent to being named as auditor in this Prospectus in the form and context in which the information is included. PKF Perth has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Snowden Mining Industry Consultants Pty Ltd has given its written consent for the inclusion of the Independent Geologist's Report at Annexure A of this Prospectus in the form and context in which the information and report is included. Snowden Mining Industry Consultants Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the Australian solicitors to the Company and for the inclusion of the Solicitor's Tenement Report at Annexure C of this Prospectus in the form and context in which the information is included. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Peloton Capital has given its written consent to being named as the Lead Manager to the Company in this Prospectus. Peloton Capital has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Security Transfer Australia Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus. Security Transfer Australia Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

9.10 Cash Expenses of the Offer

The total cash expenses of the Offer (excluding GST) are estimated to be approximately \$420,000 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription (\$)
ASIC Fees	3,206
ASX Fees	58,602
Lead Manager Fees	270,000
Australian Legal Fees	50,000
Independent Geologist Fees	20,000
Investigating Accountant's Fees	9,500
Printing, Postage and Administration Fees	8,692
TOTAL	420,000

9.11 Continuous disclosure obligations

Following the Company's admission to the Official List, 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 Company's securities.

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

9.12 Electronic Prospectus

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 contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.kaiserreef.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.13 Financial Forecasts

The Directors have considered the matters set out 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.

9.14 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

10. Directors' Authorisation

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Adrian Byass

Non-Executive Chairman

For and on behalf of
Kaiser Reef Limited

11. Glossary

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

Acquisition Agreement means the agreement between the Company and Chase Metals (as amended) effective from 6 November 2019 as summarised in Section 8.1.

Applicant means a party that completes an Application Form and submits it to the Company in accordance with this Prospectus relating to the Offer.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Chase Metals means Chase Metals Pty Ltd (ACN 629 589 448).

Chase Shareholders means Kiandra Nominees and Valiant Equity.

Chase Shares means 100% of the issued share capital in Chase Metals, being 100 fully paid ordinary shares.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **Kaiser** means Kaiser Reef Limited (ACN 635 910 271).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

Kiandra Nominees means Kiandra Nominees Pty Ltd (ACN 125 369 995).

Lead Manager Mandate means the mandate between the Company and Peloton Capital dated 8 November 2019, as summarised at Section 8.2.

Minimum Subscription means the minimum amount to be raised under the Offer, being \$4,500,000.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 2.

Official List means the official list of ASX.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Peloton Capital means Peloton Capital Pty Ltd (ACN 149 540 018) (AFSL 406 040).

Project means the Tenements, collectively.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of Shares.

Tenements means EL 8491 and ELA 5854 and Tenement means any one of them.

Valiant Equity means Valiant Equity Management Pty Ltd (ACN 122 958 614).

Vendors means Kiandra Nominees and Valiant Equity.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A – INDEPENDENT GEOLOGIST'S REPORT

Kaiser Reef Limited
Stuart Town Exploration Project - Independent
Geologist's Report
Project Number AU10324
November 2019

SNOWDEN

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Final

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This report has been prepared by Snowden Mining Industry Consultants Pty Ltd (Snowden) for use by Kaiser Reef Limited, pursuant to an agreement between Snowden and Kaiser Reef Limited for use in a Prospectus to support a listing on the Australian Stock Exchange and not for any other purpose.

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ANNEXURE A – INDEPENDENT GEOLOGIST’S REPORT

SNOWDEN

Kaiser Reef Limited
Stuart Town Exploration Project - Independent Geologist's Report

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1 EXECUTIVE SUMMARY

Snowden Mining Industry Consultants Pty Ltd (Snowden) was requested by Kaiser Reef Limited (KAU) to prepare a Independent Geologist's Report (IGR) for its Stuart Town Exploration Project ("Stuart Town" or "the Project"), located near Orange in New South Wales (NSW) (Figure 1.1).

Snowden considers that the project has some geological similarities to Resolute Mining Limited's (Resolute) 6 million ounce (Moz) Ravenswood field¹ and is in the regional vicinity of Newcrest Mining Limited's (Newcrest's) 22 Moz Cadia Valley operations². It is considered to be prospective for large scale intrusion related gold systems. Snowden is encouraged by the following points:

- Significant historical production exceeding 170,000 ounces of gold sourced from many relatively small lode and alluvial gold sources. No major source or pathway has yet been identified for the gold mineralisation.
- Large interpreted thrust fault zones provide favourable structural setting for an interpreted auriferous intrusive felsic body.
- Examination of publicly available geophysical data indicates that coincident magnetic and gravity anomalies support the interpretation of a large, relatively shallow felsic intrusive, supported by a coincident potassic radiometric signature.
- Mineralised brecciated rhyolites at Quartz Hill with accompanying high levels of arsenic reported from historic soil sampling and drilling may represent minor subvolcanic intrusives related to of an underlying mineralised intrusive.
- Government mapping indicates that the Project lies within a west-northwest transverse fault zone.
- There has been no effective testing of the deep-seated intrusive model.

Snowden further notes recent positive exploration results at Alkane Resources Limited's (Alkane's) North Molong porphyry project, some 20 km north of Stuart Town³.

Snowden understands that this IGR is to be included in a prospectus to be issued by KAU for an initial public offer of 22,500,000 shares at \$0.20 to raise \$4.5 million to facilitate a listing on the Australian Securities Exchange (ASX).

KAU proposes to acquire 100% of the issued capital in Chase Metals Pty Ltd (Chase). Chase currently has the rights to Exploration Licence (EL) 8491 and Exploration Licence Application (ELA) 5854 through trust deeds with Jonathan Downes and Adrian Byass respectively, as Directors of KAU.

This report has an Effective Date of 27 November 2019, this being the most recent date on which KAU made material in its possession available to Snowden; and Snowden is unaware of any material change since this date.

The KAU Mineral Assets being described are located within NSW (Figure 1.1) and comprise an EL and an ELA (Table 1.1) under NSW mining legislation (refer Section 2.2 below).

This document is prepared in accordance with the 2012 guidelines of the Australian Joint Ore Reserves Committee (the JORC Code) and the 2015 Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the "VALMIN Code").

Table 1.1 KAU Mineral Assets

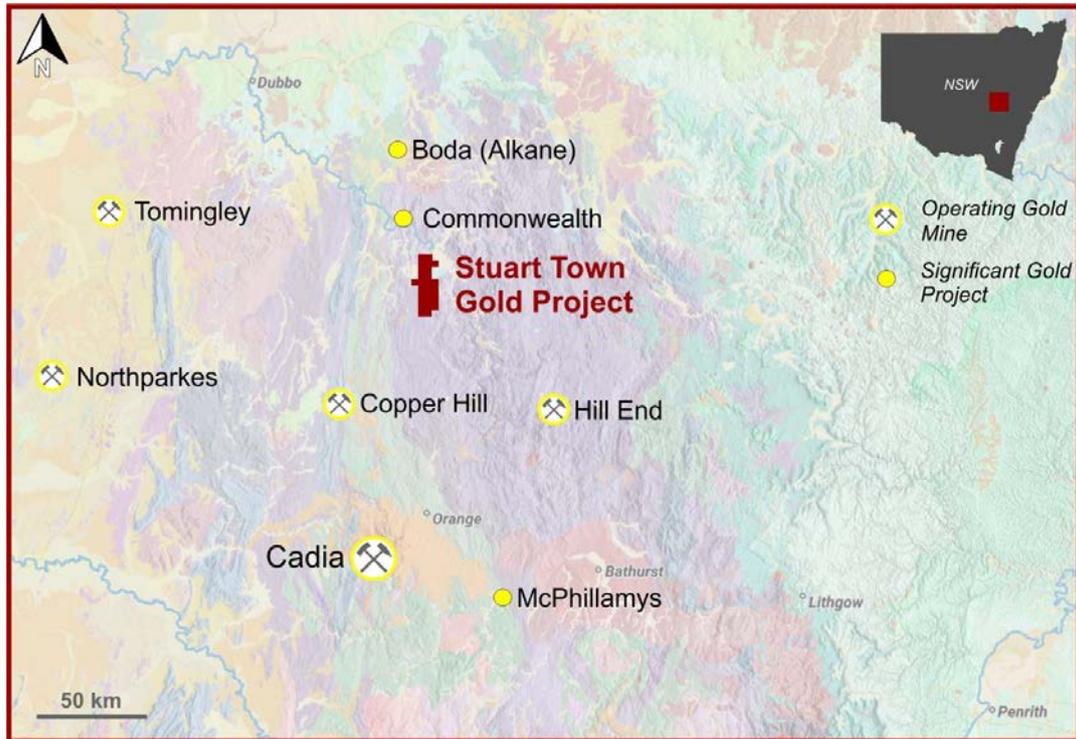
Tenement ID	Status	Operator	Holder	Expiry	Area (units/km ²)
EL 8491	Live	KAU	Jonathan Charles Downes	21 Dec 2020	12/32.55
ELA 5854	Application	KAU	Adrian Paul Byass		15/43.34

¹ www.rml.com.au/ravenswood

² www.newcrest.com.au

³ ALK ASX release, 9 September 2019

Figure 1.1 Stuart Town Exploration Project schematic location



Source: KAU

1.1 Summary of Mineral Resources and Ore Reserves

The Project does not contain any identified Mineral Resource or Ore Reserve estimates.

1.2 Summary of Exploration Results

Snowden is not reporting any recent Exploration Results⁴.

Snowden has based its report on the results of exploration historically performed by parties other than KAU and has referenced the publicly available descriptions of exploration undertaken by previous explorers and the results of that exploration.

These results are historical in nature and may not have been reported in accordance with the JORC Code or its predecessors and are to be treated with appropriate caution. The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the Stuart Town geology.

The Competent Person has referenced the source of these historic exploration results as footnotes throughout this document and has provided a completed JORC Code Table 1, Sections 1 and 2 in Appendix A below, along with a summary of relevant drill hole locations and results in Appendix B below.

There are numerous soil geochemical anomalies identified by previous explorers throughout the Stuart Town area that are yet to be drill tested.

⁴ As defined by Clause 18 of the JORC Code

1.3 Summary of geology and mineralisation

More than 80 lode-gold (quartz vein) and alluvial gold occurrences have been identified and documented at the Stuart Town goldfield. Gold mining first commenced in the 1850s and more than 5 tonnes (170,000 ounces) of gold was produced between 1875, when mine records were first kept in NSW and the early part of the 20th century⁵. No records have been kept on the production sourced from the fields during the rush between the 1850s and 1875, but it is considered to be significant.

The Project area covers a series of Silurian and Devonian sediments (Cunningham Formation), which were deposited in an extensional environment (Hill End Trough) prior to being compressed in a later orogenic event which is represented by upright folding and reverse faulting. These reverse faults have been shown in regional exploration to be conduits for gold mineralisation, which occurred after major deformation. The historically mined area is shear-bounded by a western and eastern structure.

Gold mined to date was structurally controlled as lode-style veins or as alluvial concentrations. Lode gold was often associated with laminated quartz veins and has also been documented in quartz vein stockworks. Gold was associated with pyrite and arsenopyrite, galena, chalcopyrite and sphalerite. Documented veins range in width from 0.1 m to 1.2 m, with the strike of some individual veins exceeding several hundred metres. Historical production often documented head grades of sorted ore at two to three ounces of gold per ton. Underground mining has not been documented below 65 m depth.

Gold mineralisation occurs intermittently along approximately 6 km of the Western Shear and 2 km of the Eastern Shear, in relatively narrow quartz veins. The Kaiser Wilhelm Mine was the largest recorded producer from which 112 kg of Au was mined at an average reported sorted grade of 24 g/t Au.

The Project overlies an interpreted intrusive unit that has been modelled previously by Kratos Uranium whilst in joint venture with Freeport (1984). Carpentaria Exploration Company Pty Ltd (owned by MIM Limited) described the deep-seated intrusion related gold hypothesis in 1985. This theory postulates a felsic intrusive body at depth being the source of gold mineralisation at Stuart Town. This is based on ground magnetic and gravity surveys, airborne magnetic and radiometric data in conjunction with gold-arsenic-base metal assays from soil sampling and geological mapping.

Only limited drilling has been conducted to date and observation of this drilling indicates that it was ineffective. Anecdotal evidence indicates that drilling by several parties was hastily conceived and directed toward meeting tenement expenditure commitments, rather than a particular geological strategy⁶.

An underlying intrusive has been interpreted from geophysics with estimated dimensions of 1,200 m across, an estimated vertical extent of 1,700 m and is interpreted to come within 200 m of the surface. Altered, brecciated and mineralised rhyolites have been observed to occur to the northeast of the interpreted intrusion at Quartz Hill and Specimen Hill.

1.4 Summary of exploration strategy

Snowden considers the Stuart Town Project to represent an exploration project that enjoys relative ease of access and the regional presence of significant infrastructure.

Work by historical explorers has identified sufficient indications of mineralisation to warrant further exploration on the premise that the intrusive system is large.

KAU proposes to:

- Rank all structural, geochemical and geophysical targets in order to prioritise drill targets
- Drill the highest priority targets from surface to confirm their location, geology and geometry
- Conduct further geophysical programmes to identify the location of favourable structure and associated indications of mineralisation

⁵ NSW DPI Primefacts, Primefact 562, February 2007, Stuart Town Gold Field

⁶ Various conversations with locals who were engaged to assist in several drilling campaigns.

- Collect samples for metallurgical testwork.

Snowden has been advised that KAU has budgeted approximately \$2.5 million on direct exploration out of available funds of \$4.5 million post expenses to issue (Table 1.2). The budget contemplates exploration expenditure at Stuart Town over two years and Snowden considers this to be appropriate to support the strategy described.

Table 1.2 Summary of proposed exploration expenditure

Project area	Activity	Year 1 (\$)	Year 2 (\$)	Total (\$)
Stuart Town	Detailed mapping	60,000	20,000	80,000
	Assays	20,000	60,000	80,000
	Geophysical surveys	400,000	n/a	400,000
	Reverse circulation (RC) drilling	200,000	200,000	400,000
	Diamond drilling	n/a	700,000	700,000
Service costs	Heritage and tenement administration	50,000	40,000	90,000
	Geological services and field labour	250,000	300,000	550,000
	Administration	100,000	100,000	200,000
Total		1,080,000	1,420,000	2,500,000

1.5 Conclusions and recommendations

1.5.1 Conclusions

Snowden concludes that KAU has rights to tenure over a prospective area near Orange, NSW that has prospective geology and recommends that it proceed to implement its exploration strategy on listing.

The regional geology hosts Newcrest’s Cadia operations and KAU contends that there is likely to be economic mineralisation on its tenements. Snowden concurs with this contention.

Snowden considers the Project to be at an Early Exploration⁷ stage. Previous explorers have returned gold drill intersections as well as attractive geochemical results. Numerous geochemical and geophysical targets have been identified that are yet to be drill tested.

The prospectivity of the Stuart Town Project is supported by the regional presence of the Cadia project and recent exploration results at Alkane’s Northern Molong project in comparable geology. Further support is provided the Competent Person’s observation of geological and geochemical similarities to Resolute’s Ravenswood project.

KAU will benefit from the work by previous miners and explorers that has resulted in the identification of alluvial and lode gold mineralisation.

Snowden has examined the proposed exploration budget of \$2.5 million, and the proposed work program for the first two years after KAU’s listing and concludes that these are reasonable and achievable.

In the event of grant of Exploration Licence Application 5854, KAU plans to expend \$25,000 on mapping of this licence in the first year and a further \$125,000 in the second year on geochemical exploration and geophysics. This is considered to be appropriate and not to represent a material increase to the overall planned budget.

1.5.2 Recommendations

Snowden recommends that structural geology work should commence in parallel with the proposed geophysics, mapping and geochemical sampling to provide context to the results of these exercises.

2 INTRODUCTION

Snowden was requested by KAU to prepare a IGR for its Stuart Town Exploration Project, located near Orange, in the central west of NSW (Figure 1.1).

The Project is directed toward the identification of economic gold mineralisation.

Stuart Town is located in the vicinity of Newcrest’s Cadia project, a large-scale intrusive related gold and copper mine (refer Section 4.2.3 below). KAU has identified sufficient geological evidence to indicate potential for intrusive related gold mineralisation. Snowden advises that this concept is based on the findings of previous exploration and Snowden has referenced the publicly available sources of this information, as appropriate. Snowden concurs with this view.

This IGR does not provide a Valuation⁷ of KAU’s Stuart Town Project for the purposes of listing.

2.1 Competent Person, Effective Date and no material change

The Competent Person for preparation of the report is Mr Jeremy Peters, FAusIMM CP (Mining, Geology). Mr Peters has extensive professional experience with the geology of and has worked extensively throughout Australia and is familiar with the geology of NSW.

The effective date of this report is 27 November 2019, this being the date at which no further information was supplied to the author by KAU, and the author is not aware of any material change in the status of The Project in the period between receipt of data and completion of the report.

Unless otherwise stated, information and data contained in this report or used in its preparation has been provided by KAU or has been gathered from public sources.

2.2 Mineral Assets

The Mineral Assets that are the subject of this IGR are a granted EL and an ELA under NSW mining legislation⁸ (Table 1.1 and Figure 3.1). The Division of Resources and Geoscience in NSW requires minimum expenditure and annual reporting of exploration activity as a condition of tenure.

Chase currently has the rights to EL 8491 and ELA 5854 through trust deeds with Jonathan Downes and Adrian Paul Byass, respectively, both being Directors of KAU.

Upon listing, KAU is to acquire 100% of the issued capital in Chase and thereby beneficial rights to EL 8491 and ELA 5854.

Snowden is not qualified to comment definitively on licensing matters but has made enquiries of publicly available data⁹ to the effect that the tenements are in good standing.

2.3 Mineral Resources and Ore Reserves

The Project does not contain any Ore Reserves or Mineral Resources, as defined by the JORC Code.

2.4 Sources of information and site visit

The geology and exploration history of the Stuart Town area has been extensively and publicly reported. Mr Peters has worked on the rocks of the Lachlan Fold Belt at various points in his career and has traversed the Stuart Town locality in the course of that work. Mr Peters has examined the database of Stuart Town literature to satisfy himself of the veracity of the information.

⁷ As defined by the VALMIN Code

⁸ For a more comprehensive explanation of NSW mining legislation, refer to <https://www.resourcesandgeoscience.nsw.gov.au/miners-and-explorers/applications-and-approvals/mining-and-exploration-in-nsw>

⁹ NSW Department of Industry Exploration and Mining Titles, accessed 15/10/19

Mr Peters has physically examined the exploration site between 30 August 2019 and 3 September 2019 and accepts representations made by KAU and bases his inferences on his own experience and observations.

Unless otherwise stated, all currencies are expressed in Australian dollars (A\$) and units of measurement are metric. Historical units have been converted to metric units. Grid locations are in Geocentric Datum of Australia 1994 (GDA94), unless otherwise indicated.

Extensive reference is made to the results of historical exploration. These results have not previously been reported in accordance with the JORC Code and may not have been reported in accordance with any of its predecessors. Consequently, these results are to be interpreted with an appropriate degree of caution. The Competent Person considers these to be adequately reliable for the purposes of indicating geological prospectivity. Snowden has referred to the publicly available MinView¹⁰ database references for these historical exploration results, where they can be read in their original format and context.

The Competent Person has referenced the source of these historic exploration results as footnotes throughout this document and has provided a completed JORC Code Table 1, Sections 1 and 2 in Appendix A below, along with a summary of relevant drill hole locations and results in Appendix B below.

Snowden is responsible for this report as part of KAU's listing documentation and declares that it has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no material omissions.

2.4.1 Reliance on other experts

In preparing this report, Mr Peters has extensively relied on information collated by other parties, as described in Section 2.4 above. Mr Peters has critically examined this information, made his own enquiries and applied his general geological competence to conclude that the information presented in this IGR complies with the definitions and guidelines of the JORC Code.

The responsibility of the author is provided in Table 2.1.

Table 2.1 Responsibilities of the author

Author	Responsible for sections
Jeremy Peters, FAusIMM CP (Min, Geo)	1, 2, 3, 4, 5, 6, 7

The principal sources of information regarding KAU's assets are private and statutory reports that have been prepared by various parties and collated by the Geological Survey of New South Wales (GSNSW).

2.4.2 Reliance on information

Snowden believes that its opinion must be considered as a whole and that presentation of selections of its report could create a misleading view of the opinions presented in this IGR. The preparation of a IGR is a complex process and does not lend itself to partial analysis or summary.

2.4.3 Limitations

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

¹⁰ <https://minview.geoscience.nsw.gov.au/#?!=&lat=148.9143431&lon=-32.6560775&z=6&bm=6&bm1>

2.4.4 Declaration

Snowden will receive a fee for the preparation of this report in accordance with normal professional consulting practice. This fee is not contingent on the outcome of the IGR and Snowden will receive no other benefit for the preparation of this report. Snowden does not have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the assets.

Neither Snowden, the Competent Person, Mr Peters, who is responsible for authoring this IGR, nor any Directors of Snowden have at the date of this report, nor have had within the previous two years, any shareholding in KAU or any of its advisors.

Consequently, Snowden, Mr Peters and the Directors of Snowden consider themselves to be independent of KAU and its related parties.

2.4.5 Copyright

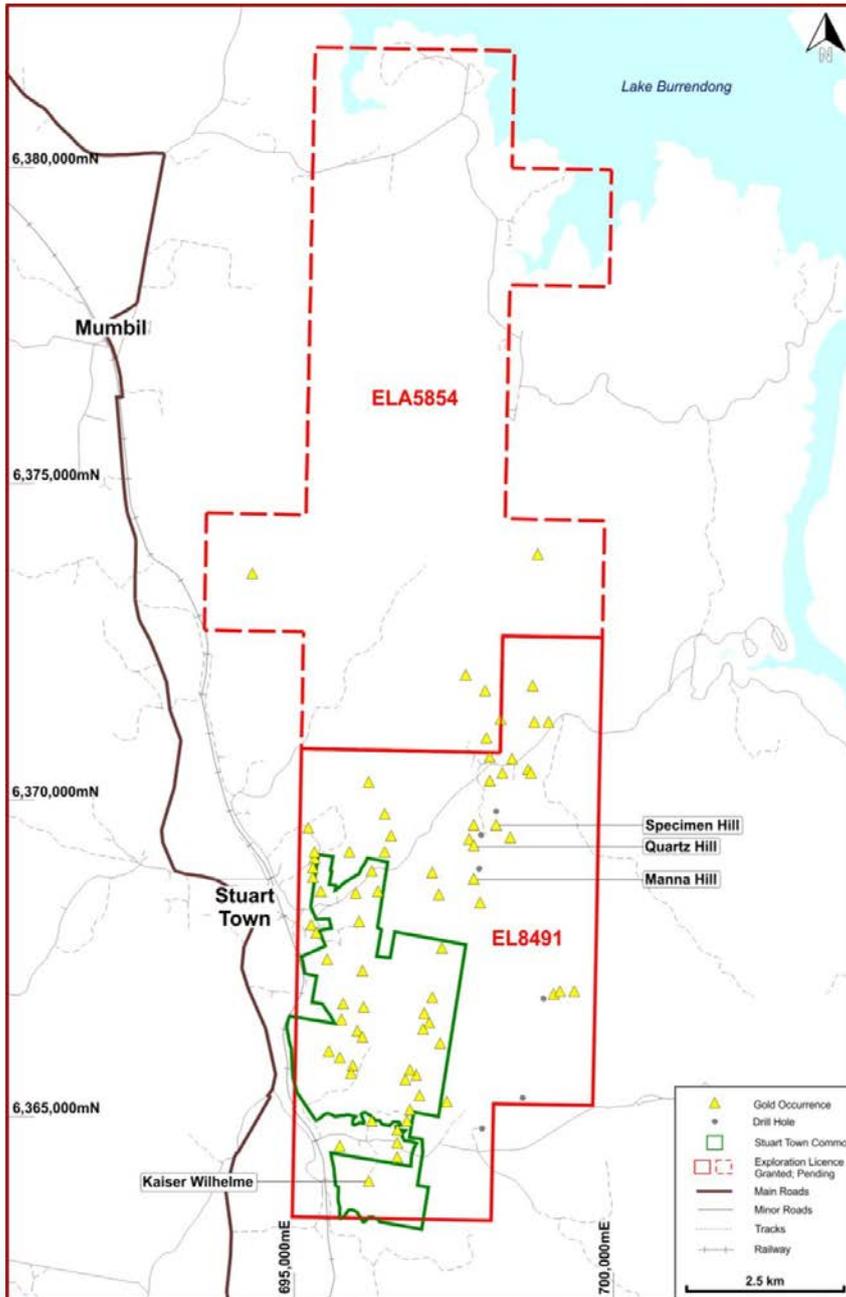
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3 PROJECT DESCRIPTION

The Stuart Town licences include the granted EL 8491 and an ELA 5854 (Figure 3.1). On listing, KAU will have the rights to these licences as a result of acquiring 100% of the capital of Chase (refer Section 2.2 above). The total area of EL 8491 is 12 graticular units (or about 32.55 km²) and the area of ELA 5854 is 15 graticular units (or about 43.34 km²).

Figure 3.1 Stuart Town tenements



Source: KAU

KAU has collated a substantial database of historical geological, geochemical, geophysical and drilling data from exploration programs completed since the 1970s and historical reports since the 1870s.

KAU’s primary focus will be to explore for economic gold deposits, possibly associated with copper. As a result of the historical exploration programs, numerous attractive drill targets have already been identified across the Project area and prioritised and KAU considers that drilling can commence soon after listing on the ASX.

Snowden concurs with this view.

3.1 Location and access

The Stuart Town Project is located around 300 km northwest of Sydney. Access from Sydney is via the Great Western Highway to Orange, a distance of 262 km, and a further 62 km to the north on a sealed road. Access within the Project is via station tracks and minor shire roads.

Stuart Town may also be reached by sealed road from Wellington via sealed roads 35 km south of Wellington to the township, via Burrendong Way. It is serviced by the main western railway, which provides regular service to/from Sydney. The closest regular air service is to and from Orange. There is a well-maintained network of shire and farm roads throughout most of the project area.

The Stuart Town Project tenements are located on the GSNSW Euchareena 1:100,000 map sheet, Code 8732.

The area consists of an undulating plateau incised by tributaries of the Macquarie River. The native vegetation is ironbark scrub, partially cleared for farmland. The terrain within the Project area is undulating, with no seasonal restriction of access to the project.

The land has a maximum relief of approximately 270 m and the physiography becomes progressively more rugged to the east of the Project area. Rock outcrop is good outside the reworked alluvial areas.

3.2 Aboriginal heritage, Native Title and environment

The Stuart Town Project lies within the Wellington Local Aboriginal Land Council Region. There are currently no Registered Native Title Applications, Determination Outcomes or Indigenous Land Use Agreements in Place over the Stuart Town Project area.

Prior to ground disturbing exploration, a Right to Negotiate process¹¹ must be followed by the negotiation parties (Title Holder and Native Title Claimants) to ensure exploration is lawfully completed. Claimants have three months to commence the negotiation process with the Title Holder once the negotiation has been signalled.

3.2.1 Town Common

Significantly, the Project covers land held in Trust as a Common for the inhabitants of Stuart Town. This removes access restrictions associated with freehold land from a large part of the historical gold-producing area. Access to the Town Common is unrestricted for inspection purposes, but more intensive exploration activities will require Native Title and Local Council clearance.

The remainder of the tenement is Stuart Town freehold proper, freehold or leasehold farmland. KAU has established communications and rapport with the owners of areas of interest.

¹¹ For details of the Right to Negotiate process, refer to: <http://www.nntt.gov.au/futureacts/Pages/Negotiation.aspx>

4 GEOLOGY AND MINERALISATION

Stuart Town is interpreted to be an intrusive related gold system. Field observation and examination of the conclusions drawn by previous explorers, particularly, strong arsenic values coincident with an interpreted intrusive, leads Snowden to infer strong similarities to Resolute’s 6 Moz Ravenswood gold field. Significantly, Newcrest’s 22 Moz Cadia Valley gold mining operations and Alkane’s North Molong porphyry project occur in the region and in an adjacent geological setting.

4.1 Regional geology

The Stuart Town Project occurs at the junction of the late-early-Silurian to early Middle Devonian Molong Zone and Hill End Zone of the Palaeozoic Lachlan Fold Belt, of the Lachlan Orogen¹² (Figure 4.1). The Molong Zone comprises a suite of intermediate to basic volcanics, volcanoclastics, co-magmatic intrusions, and limestones, probably part of a subduction-related island arc disrupted by later tectonism.

The Hill End Zone is a rift trough of mainly sediments that developed during the middle Silurian in the north-eastern Lachlan Orogen and continued until the end of the Early Devonian.

Erosion during the Lachlan Orogen into ocean basins covered Cambrian oceanic crustal basalts and form Early to Middle Ordovician turbidites that occupy much of the Lachlan Orogen. Destruction of a Cambrian subduction zone formed the Ordovician Macquarie island arc system of central and southern NSW, above a west-dipping subduction zone. Breaks in volcanism are marked by the formation of tropical limestone reefs.

The intrusion of monzonites before resumption of plate tectonics in the Early Silurian caused the arc to collide with the back-arc basin turbidites, resulting in the major Benambran deformation that caused the folding and faulting of older rocks and generation of new granite magmas. This deformation ended the first stage in the development of the Lachlan Orogen.

The Macquarie arc is a world-class porphyry copper-gold province. Monzonite intrusives in the arc host gold-copper deposits at Cadia, Northparkes, Lake Cowal, Browns Creek and major mineral accumulations at Cargo and Copper Hill.

A new subduction zone was formed several hundred kilometres to the east after the Benambran deformation event, placing the Lachlan Orogen in a back-arc position.

Extension occurred in the Lachlan Orogen from the Middle Silurian to middle Devonian and reworking of the earlier crust formed sedimentary and volcano-sedimentary basins and emplacement granites, some mineralised. The Macquarie arc split into several belts, separated by rift-sag basins which were closed by the mid-Devonian Tabberabberan Deformation, at the end of the second stage of development of the Lachlan Orogen.

Mid-Silurian to Mid-Devonian extension formed a major volcanic province with numerous volcanic hosted metal sulphide deposits. Later development of volcano-sedimentary rift basins accompanied Devonian fluvial sedimentation. The Carboniferous Kanimblan deformation event followed and was itself followed by emplacement of the post-tectonic Bathurst Batholith.

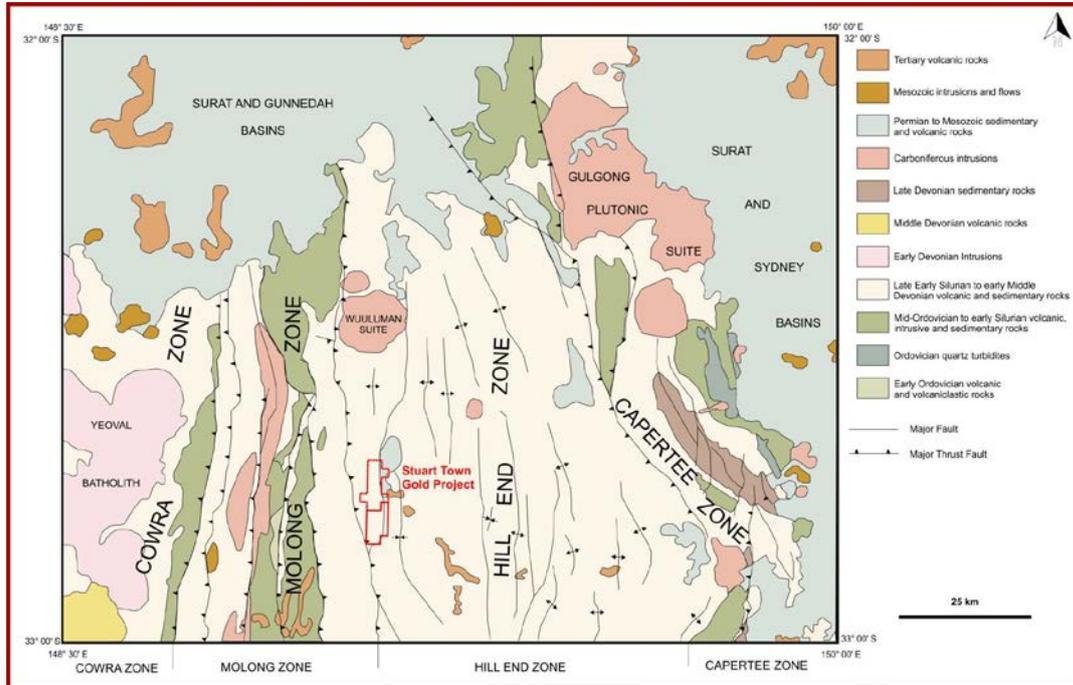
Subsequent activity includes two major deformations and a number of magmatic events.

Significant mineral deposit types include volcanic-hosted massive sulphide systems, low-sulphide orogenic gold vein deposits, intrusive related skarns, epithermal and porphyry systems of various ages and placer deposits of various styles ranging in age from the Permian to recent.

¹² <https://www.resourcesandgeoscience.nsw.gov.au/miners-and-explorers/geoscience-information/nsw-geology-overview/statewide-tectonics>

ANNEXURE A – INDEPENDENT GEOLOGIST’S REPORT

Figure 4.1 Regional geology of the Stuart Town Project



Source: GSNSW Dubbo SI55-4 1:250,000 geological map sheet

4.2 Local geology

The Stuart Town Project lies in the northern part of the Hill End Trough, within largely Devonian volcano-sedimentary rocks of the Crudine Group and Cunningham Formation.

The Project area straddles a structural boundary divide within the Lachlan Fold Belt between the Molong Zone (refer Section 4.2.3 below) and the Hill End Zone (Figure 4.1). This boundary approximates the division between the Cunningham Formation to the west, and the Crudine Group to the east. Both the Molong and Hill End structural zones comprise predominantly Silurian-Devonian aged sediments and volcanics within the Project area and surrounds.

GSNSW mapping indicates the central part of the tenement is underlain by undifferentiated elements of the Devonian Crudine Group, which is composed of thin to thick bedded and massive, quartzose, feldspathic and crystal-lithic felsic volcanoclastic sandstones; dacitic to rhyolitic and andesitic lavas and volcanoclastics; slate, tuff, siltstone, conglomerate, phyllite, rare limestone¹³ (Figure 4.2). This group hosts the greatest intensity of historic gold workings.

Previous explorers mapped interbedded volcanic arenites, tuffs, greywackes, siltstones and slates, which was unofficially described as the Stuart Town Formation. This sequence was differentiated on the basis of the occurrence of volcanic arenites and tuffs.

The eastern and western parts of the tenement are underlain by the ungrouped Devonian Cunningham Formation, comprising phyllite, slate, shale, siltstone, quartz-feldspar-lithic- calcareous sandstone and tuff¹⁴, which overlies the Crudine Group. Mapping of the Cunningham Formation at Stuart Town has identified a sequence of undifferentiated creamy brown to dark grey slates, phyllites, shales, calcareous and lithic greywackes and minor volcanic arenites.

A conglomerate member of the Cunningham Formation is mapped in the extreme southeast the Project area, comprising a sequence of interbedded volcanic arenites, slates, mudstones and greywackes.

Previous explorers have mapped a brecciated and altered intrusive rhyolite near the historical Quartz Hill mine (refer Section 4.2.2 below). KAU considers this to be significant in the context of epithermal or intrusion-related mineralisation, given the association of rhyolite breccias with economic mineralisation in many places. Snowden concurs with this assessment.

Examination of geophysical data has led previous explorers to conclude the presence of a shallow, blind intrusive beneath the area of historical workings (refer Section 4.2.2 below). Snowden's field examination of the area supports this interpretation, postulating the presence of several such intrusions, based on apparent ring-structures in the topography and magnetic imagery. Snowden observes that such an intrusive has not been drill tested and recommends that detailed mapping be undertaken, followed by stratigraphic drilling to test this interpretation.

Such an intrusive (a monzonite) is associated with the Cadia mineralisation near Orange, around 40 km to the south of Stuart Town.

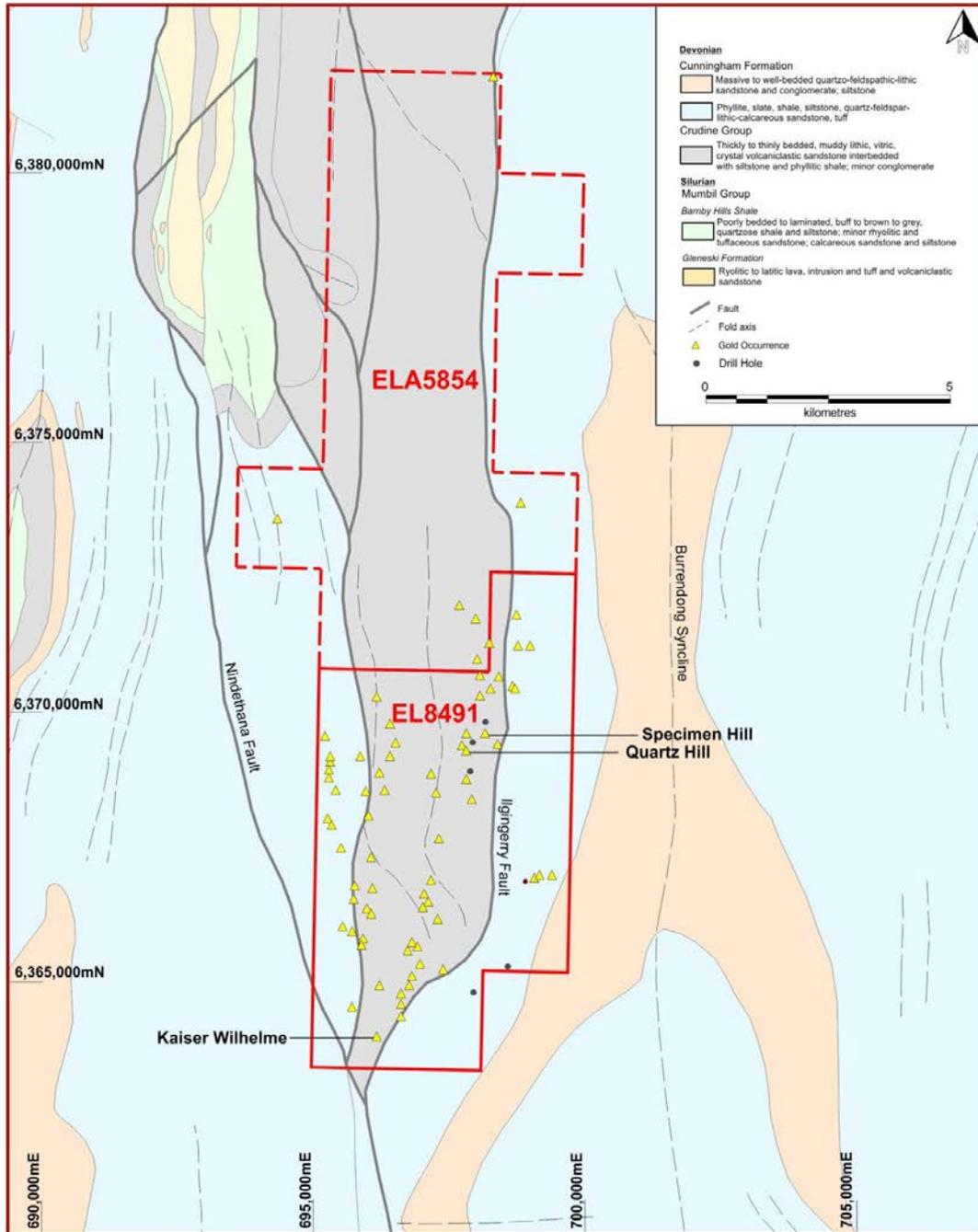
Alteration in the Project area includes silicification, chloritisation and rock ground mass replacement by calcite. There is considerable silicification and kaolin clay development around the historical Specimen Hill mine. Extensive hydrothermal alteration, defined by silicification, sulphidation alteration was mapped in this area by Kratos (1981 to 1983).

Snowden considers this to be consistent with the presence of an underlying intrusive.

¹³ <https://asud.ga.gov.au/search-stratigraphic-units/results/4970>

¹⁴ <https://asud.ga.gov.au/search-stratigraphic-units/results/5031>

Figure 4.2 Stuart Town local geology



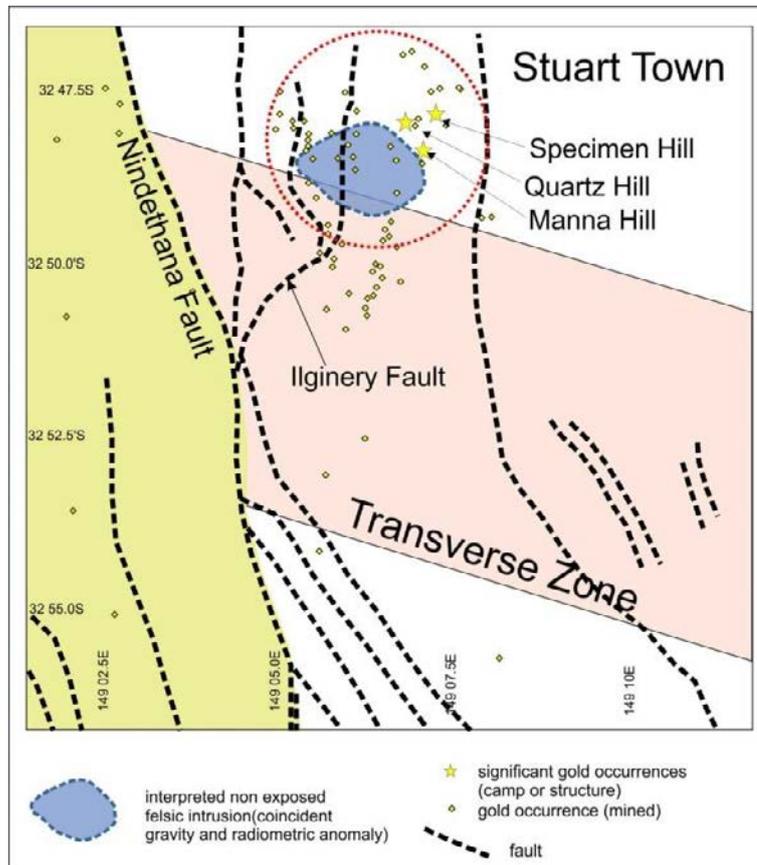
Source: Dubbo 1:250:000 sheet

4.2.1 Structure

Previous explorers have identified a single major generation of folding, followed by broad, gentle east-west deformation of the Project area. Cleavage is mapped as being uniform throughout, striking roughly north-south and dipping steeply to the east.

Two prominent shears have been mapped and interpreted at the eastern and western boundaries of the Project area. An interpreted west-northwest trending transverse zone is known to pass through the Project area on the southern margins, which has been identified through plunge changes that are interpreted to reflect inferred blind faults (Figure 4.3).

Figure 4.3 Stuart Town structure and interpreted transverse zone



Source: 1:250,000 Dubbo map sheet. The red circular ring represents the coincident gravity/magnetic anomaly (refer Section 4.2.2 below).

4.2.2 Geophysics

Previous explorers have accessed publicly available geophysical data to assist in geological interpretation of Stuart Town. Early reports describe ground-based gravity, ground-magnetic and Induced Polarity (IP) surveys¹⁵. These were limited in area and the historical data of limited usefulness in the modern context.

Snowden recommends that an airborne geophysical program be commissioned, including gravity, magnetics and radiometrics and that the resultant data be professionally interpreted.

Publicly available regional airborne magnetic, gravity and radiometric survey data has been used to correlate previous ground-based surveys. Previous explorers have interpreted a blind intrusive unit below the historical gold mine workings¹⁶, based on then-available magnetic and gravity geophysical information and surface mapping of rhyolite (Figure 4.4).

¹⁵ NSWGS GS1981_185, Kratos Uranium NL, IP and gravity surveys between 1981 and 1983, Reports R00015387 to R00015391.
¹⁶ NSWGS GS1983_279, Report R00014680

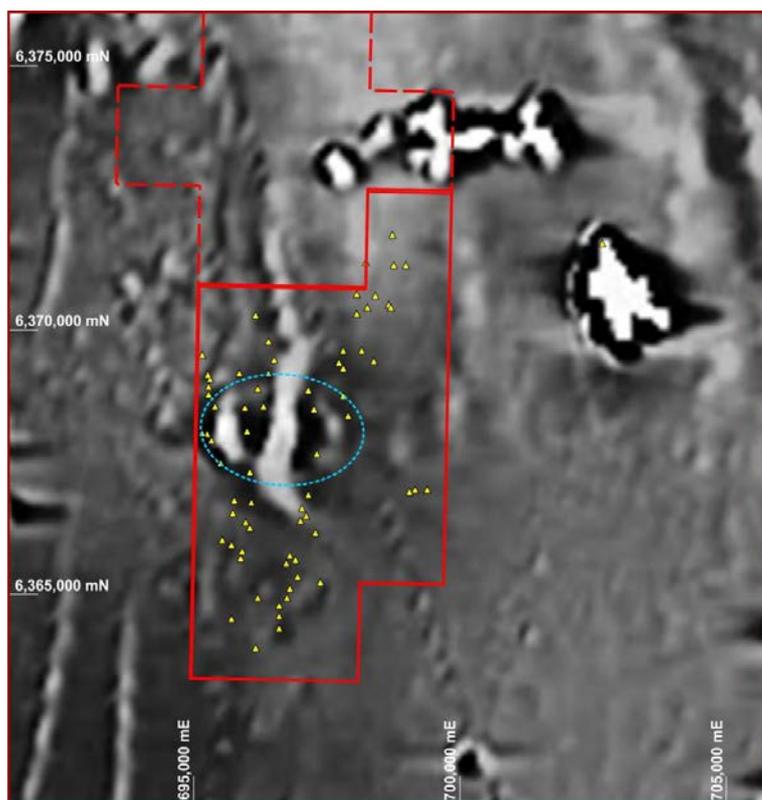
Preliminary modelling of the magnetic/gravity feature indicated a source lying 200 m below the surface, of approximately 1,200 m diameter and extending to a depth of 1,700 m. Further historical work included a gradient array IP survey and six percussion holes.

The gradient array survey was hampered by the proximity of high voltage powerlines, but some anomalies were detected which were interpreted to have been possibly related to sulphide alteration.

In 1984, a limited program of RC drilling conducted by Freeport of Australia Inc. was based on both geophysical surveys and soil sampling. The results indicated that the rhyolite breccia at Quartz Hill is associated with arsenic (As) values. These include an intersection of 15.5 m at 0.32% As from 30 m depth and an associated subtle gold anomaly of 0.04 g/t Au in hole PH4, and 8.0 m at 0.40% As with a subtle gold anomaly of 0.04 g/t Au in hole PH3 from 72 m depth¹⁶. The larger Manna Hill and Specimen Hill workings remain untested.

Snowden cautions that these results are historical and have not been reported in accordance with the JORC Code and should be treated with appropriate caution but are considered to be reliable in the context of indicating geological prospectivity. However, Snowden considers that the presence of anomalous As values to be significant in the context of intrusive-related gold mineralisation, with reference to gold mineralisation in the intrusive Lolworth-Ravenswood Block of North Queensland. Snowden considers this analogy to be directly applicable to Stuart Town (refer Section 4.2.3 below).

Figure 4.4 Central Stuart Town magnetic image



Source: GSNSW. First vertical derivative, total magnetic intensity, interpreted intrusive circled in blue.

4.2.3 Mineralisation

The NSWGS identifies 80 lode gold deposits within the Project area, which includes 43 historical mines and numerous alluvial gold workings. The mines that have been the focus of most of the exploration programs are Quartz Hill, Specimen Hill, and Kaiser Wilhelm mines (Figure 4.2). All except two of the mines lie within the Cunningham Formation and Crudine volcanoclastics.

The field was initially worked between 1851 and 1910, with most activity during the late 19th century. Recorded production is 5.3 tonnes of gold, but it is apparent from early reports that the actual production, particularly from artisanal workings, was significantly greater. Historically reported head grades from Mines Department records were in the order of 25 g/t to 30 g/t, consistent with hand-picking of ore to be carted to batteries and amalgam tables.

Gold was recovered from hard-rock mining of lodes or veins; significant and extensive alluvial workings, both artisanal and by commercial dredges which operated until the 1950s and from deep leads beneath Tertiary basalts covering streambeds.

The NSW Mines Department records document the annual production sources and mine types for the field. The longest running operation was the Manna Hill gold mine which continued production until 1914.

Site inspection by Snowden indicates there are substantially more workings than those in the literature, and Snowden understands from examination of NSWGS data that the Stuart Town area has the greatest concentration of historical workings in NSW, outside of the Cadia Valley.

The primary gold mineralisation is structurally controlled and orogenic and occurs in quartz veins from 10 cm to 1.2 m thick, mostly striking northward and dipping steeply eastward, consistent with the lineation of the synclines and anticlines that control schistosity and dominate the surface structure of the area. There are numbers of workings that strike counter to the major lineation, indicating a Riedel¹⁷ control to the structure.

Historical reports indicate that the gold is mostly free milling and several stamp batteries were in operation at various times. Minor gangue sulphides include pyrite and arsenopyrite with reports of copper minerals in some places. Mining appears to have ceased when sulphides were encountered, a practise consistent with metallurgical processing techniques of the time.

Workings were mostly shallow, with the deepest workings of 65 m recorded at Kaiser Wilhelm. The topography allowed several deposits to be worked by adits at various levels in the hillsides. The field appears to have not attracted significant capital in the manner that Western Australian gold operations of the period, possibly a result of tenure limitations. Field observation by Snowden of the workings indicates that several, parallel veins were worked at many locations, indicating the presence of stacked lode systems. The records show that the thickness and tenor of the gold decreased with depth in most mines.

The emplacement of the gold-bearing quartz veins appears to have been a late-stage event following the major episode of folding in the project area. The veins are structurally controlled by faulting, jointing, cleavage and bedding planes. Seventeen of the major historical mines are spatially associated with the Western Shear and three of the major mines are spatially associated with the Eastern Shear. Gold mineralisation occurs intermittently along approximately 6 km of the Western Shear and 2 km of the Eastern Shear.

Cadia

Newcrest's 38 Moz¹⁸ Cadia Valley gold mining operations are the largest mining operation in the district and offer an analogue to the potential intrusive-related gold system inferred to underlie Stuart Town.

¹⁷ https://en.wikipedia.org/wiki/Strike-slip_tectonics

¹⁸ Newcrest Mining Limited – Explanatory Notes to the Annual Mineral Resources and Ore Reserves Statement – 31 December 2018

The Cadia deposits are 40 km south of Stuart Town and are part of a Late Ordovician–Early Silurian porphyry alteration-mineralisation system that extends over an area of at least 6 km x 2 km within the Ordovician Molong Volcanic Belt of the Palaeozoic Lachlan Fold Belt¹⁹. The Molong Volcanic Belt comprises a suite of intermediate to basic volcanics, volcanoclastics, co-magmatic intrusions, and limestones. The suite is probably part of a subduction-related island arc disrupted by later tectonism²⁰. In the Cadia area the volcanics and intrusions are shoshonitic²¹.

Mineralisation styles at Cadia include sheeted quartz vein, stockwork quartz vein, disseminated and skarn, all of which are genetically related to a relatively small, predominantly monzonitic intrusion into volcanoclastics, lavas, subvolcanic intrusions and minor limestone. Emplacement of the Cadia Hill Monzonite was probably facilitated and localised by the development of a major northwest to southeast trending dilational structural zone, which is evident in magnetic data.

The discovery of Cadia occurred over a number of years, with explorers initially being attracted to the high density of historical workings over a small area. An intrusive source was inferred from geophysical data and mapping and initial stratigraphic drilling returned anomalous, but modest gold values. Persistence with drilling eventually revealed the size and tenor of the deposits.

Ravenswood

Resolute's Ravenswood 6 Moz²² gold mining operations occur in a geologically and structurally comparable situation to Stuart Town and offer a possibly more accurate analogue than Cadia.

The Ravenswood goldfield is located about 100 km south of Townsville and exploits Carboniferous structurally controlled orogenic quartz veins emplaced in a Silurian granite. These are apparently zoned away from an inferred central intrusive, possibly exploiting a major fault and dyke structure. Mineralisation varies from massive quartz lodes with a gold-copper-tellurium association through a gold-zinc-bismuth and gold-arsenic-lead association to a silver-arsenic-antimony association (Figure 4.5). The nearby Mount Wright mine exploits a Carboniferous rhyolite intruding and Ordovician granite²³.

Significantly, the Sarsfield-Nolans mine exploits a structurally controlled sheeted vein system with a gold-arsenic-lead association, which Snowden considers to be analogous to the historical workings at Stuart Town.

At Stuart Town, Waratah Resources Limited returned an intersection of 50 m at 0.3% As from RC drilling at Quartz Hill in 2010²⁴. Snowden cautions that this Exploration Result was reported in accordance with then current standards and is historical in nature and not reported in accordance with the provisions of the JORC Code and should be treated with appropriate caution, but the Competent Person considers that it attracts sufficient confidence to indicate geological prospectivity.

This is further supported by the arsenic-bismuth soil results at Stuart Town returned by CRA Exploration Ltd (CRAE) in the mid-1990s (refer Section 5 below). Explorers were initially attracted to the intense concentration of old workings at the Nolans-Sarsfield area, seeking orogenic lode-gold deposits of the Charters Towers type. Exploitation and exploration over time revealed the size of the field and the relationship between intrusions and mineralisation.

¹⁹ Newcrest Mining Staff, 1997

²⁰ Glen et al, 1997

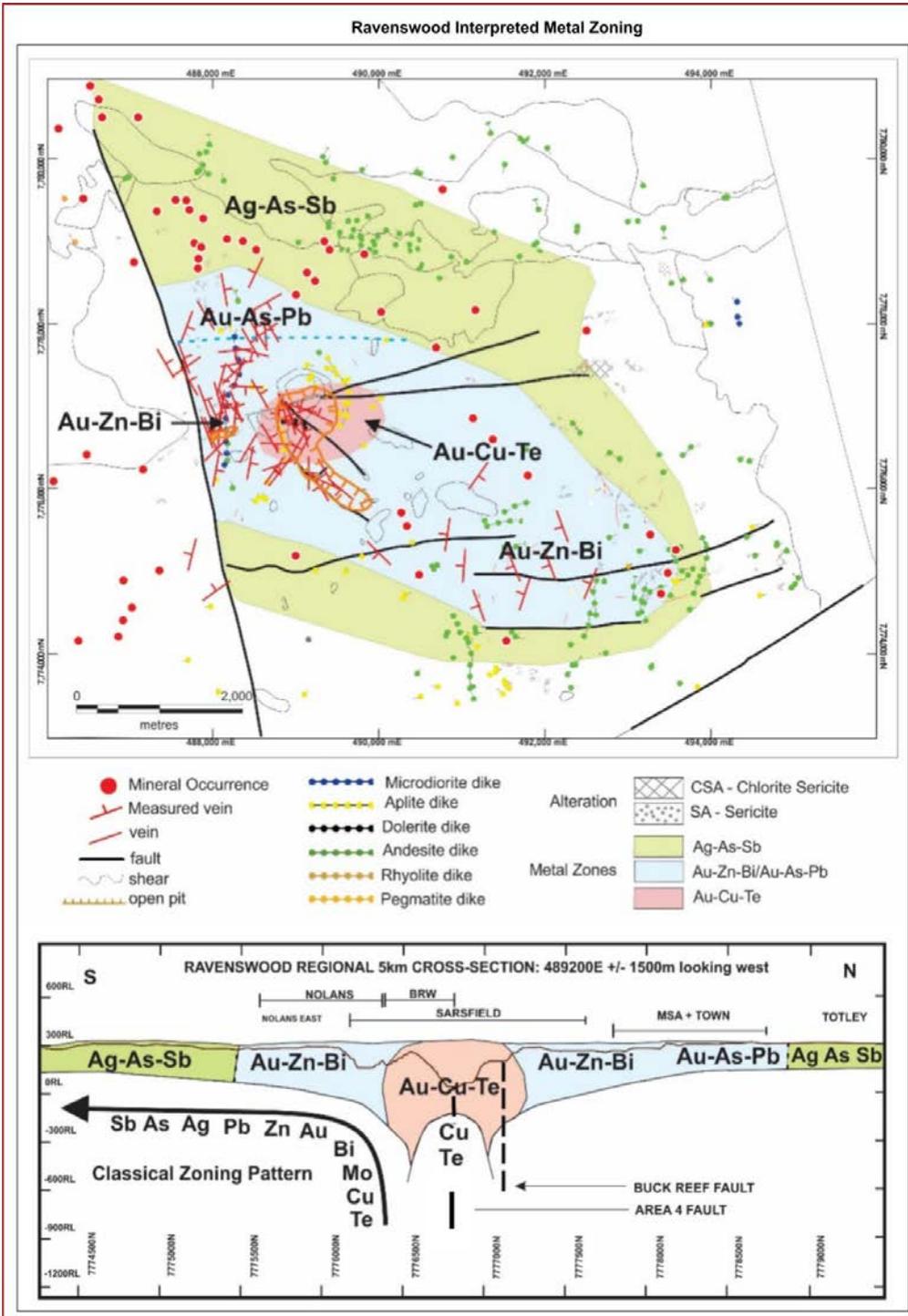
²¹ Blevin, 1998

²² Resolute ASX Announcement, 22 July 2019

²³ www.jcu.edu.au/_data/assets/pdf_file/0005/597587/Updated-Geology-Metallogeny-Charter-Towers_Beams-S.pdf

²⁴ NSWGS Report GS2013_1267 Report04462

Figure 4.5 Stuart Town/Ravenswood analogy



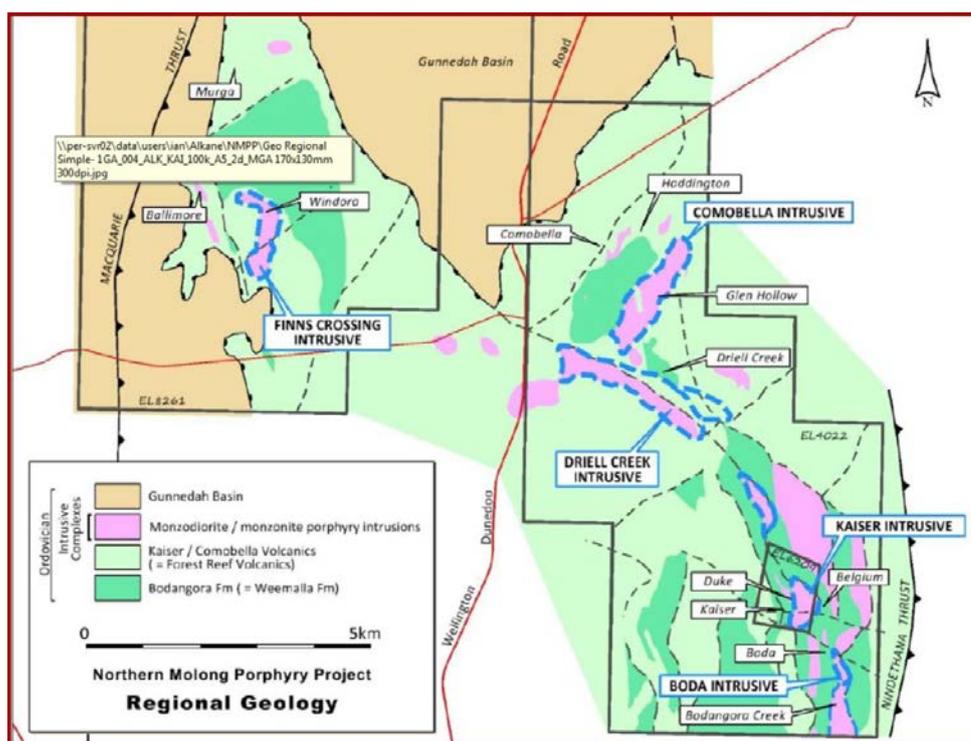
Source: Beams and Morrison, *Characterization of Intrusion-related hydrothermal mineral systems in the Charters Towers Region, Northeast Queensland*, James Cook University, 2017

Alkane Resources Limited

Alkane’s Northern Molong porphyry project is located some 20 km north-northwest of Stuart Town in the Molong Zone, which hosts the Cadia mineralisation and occurs parallel to and abuts the Hill End Zone, which hosts the Stuart Town mineralisation.

Alkane reports significant drill intersections from its Boda, Kaiser and Glen Hollow prospects, which been mapped over a north-south strike length of 5 km and 1 km wide corridor defined by monzonite intrusives, extensive alteration and widespread low-grade gold-copper mineralisation.

Figure 4.6 Alkane prospects



Source: ALK ASX release, 9 September 2019

Snowden refers to Alkane’s recent public announcement regarding the exploration results²⁵, which states that at Boda, a single diamond drillhole followed up gold mineralisation (311 m at 0.28 g/t Au²⁶) identified in previous RC drilling and intersected a thick zone of gold and copper mineralisation for 502 m at 0.48 g/t Au and 0.2% Cu from 211 m.

At Alkane’s Kaiser prospect, five RC drillholes and a single diamond drillhole returned 40 m at 1.30 g/t Au from surface and 2 m at 3.24 g/t Au from 25 m (drillhole KSRC027) and 0.26% Cu, and 32 m at 0.53 g/t Au and 0.27% Cu (drillhole KSRC029).

At Glen Hollow, two RC drillholes returned 42 m at 0.27 g/t Au and 0.19% Cu from surface (drillhole COMRC045).

²⁵ ALK ASX Announcement 9 September 2019

²⁶ ALK ASX Announcement 6 May 2016

SNOWDEN

Kaiser Reef Limited
Stuart Town Exploration Project - Independent Geologist's Report

Snowden considers this to be relevant to the Stuart Town mineralisation given spatial proximity and geological relationship, being located in the Molong Zone, adjacent to the Hill End Zone. Alkane's intrusive related geological model is similar to that proposed for Stuart Town, with the presence of monzonite intrusives and copper bearing a strong resemblance to Cadia, which is located in the same geology to the south. Stuart Town has not returned copper values of this tenor in previous exploration but has returned a strong arsenic association.

5 HISTORICAL EXPLORATION

The Stuart Town area has a history of artisanal exploration since the 1850s, much of which was uncoordinated and directed toward the identification of placed deposits for dredging.

Modern exploration was initiated by Kamilaroi Ltd and Aquitaine Australia Minerals Pty Ltd, which explored the general Stuart Town region between 1970 and 1975. Most of this work was focused on an area to the southwest of the Project area.

The Project area was held as E1439 by Kratos Uranium NL (Kratos) between 1980 and 1985, being explored in joint venture with Freeport of Australia Inc. during this time. Kratos commissioned Geoscience Field Surveys Ltd to undertake a limited study of the regional geology of the exploration licence area and an evaluation of the gold mines located within it.

Geoscience Field Surveys Ltd concluded that there was low potential for establishing a high tonnage mining operation on an extension of one or more of the historical mines, but that the area had good potential for either:

- High tonnage gold/base metal deposits in acid volcanics analogous to that exploited at Cadia
- Carlin-type fine grained gold mineralisation in carbonates within the sequence at Stuart Town.

Snowden concurs with the Cadia model but discounts the Carlin-type model as being unsupported by subsequent understanding of the geology.

Kratos conducted detailed geochemical soil surveys over two of the historical mines, Specimen Hill and Quartz Hill, together with underground chip sampling at Specimen Hill. The geochemical survey indicated that, although substantial sulphide mineralisation had been encountered at the mines, the main geochemical anomaly lay to the north.

Work at Specimen Hill indicated that the mineralisation exploited by the underground workings was evident on the surface over a strike length of at least 150 m. Underground sampling indicated erratic gold distribution.

Kratos commissioned a reconnaissance gravity survey to explore for an intrusive source beneath the Stuart Town area. The most prominent feature identified by this survey was a residual gravity low centred in the region of the Quartz Hill and Manna Hill mines. The feature was coincident with the centre of a magnetic identified in government data (refer Section 4.2.2 above).

Subsequent major explorers included CRAE (now Rio Tinto Limited) and Carpentaria Exploration Limited (CEC, a subsidiary of Mount Isa Mines Limited). These explorers were seeking a Cadia-style and scale deposit and mostly centred their attention on the Molong Area, to the south and west of Stuart Town.

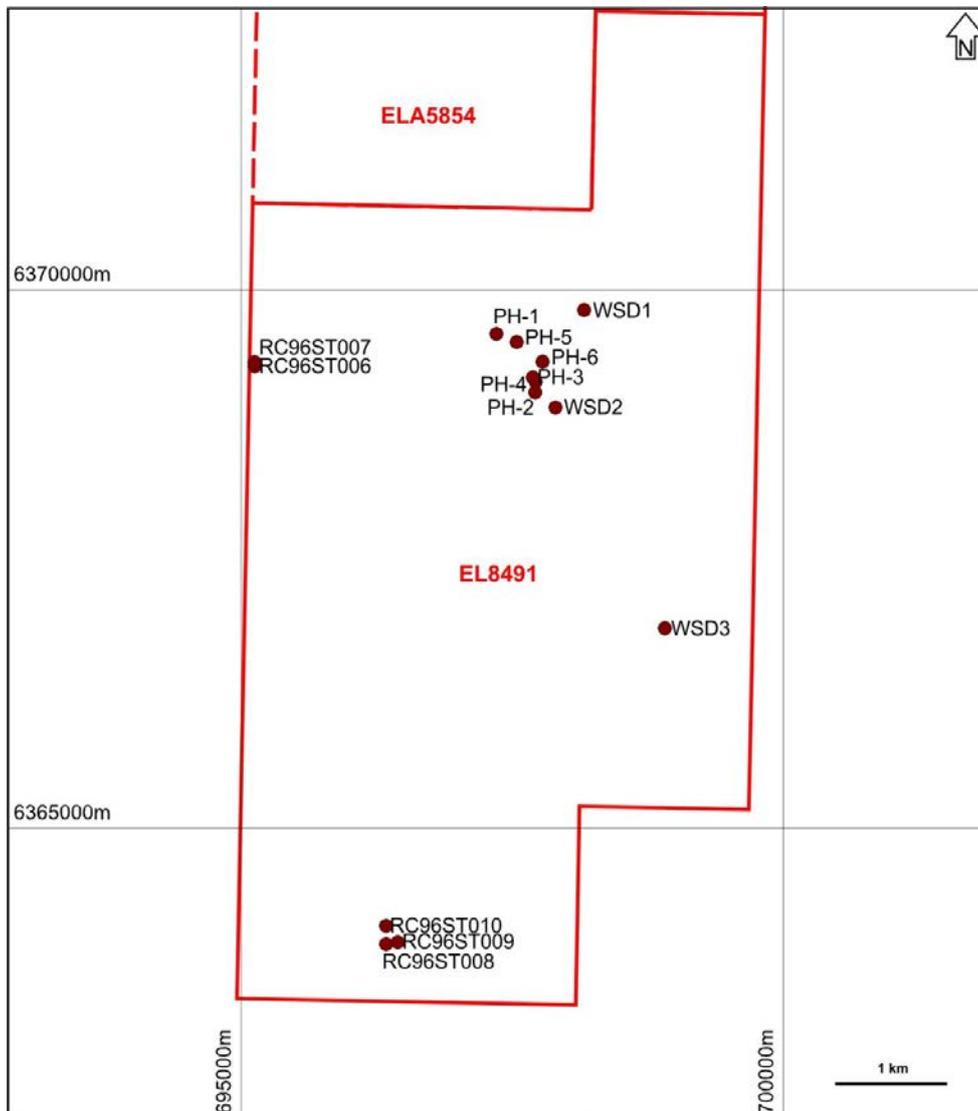
5.1.1 Stuart Town historic drilling

Several previous explorers have engaged in drilling at Stuart Town and Snowden has referenced the publicly available descriptions of the results of that drilling (Figure 5.1).

These results are historical in nature and may not have been reported in accordance with the JORC Code or its predecessors and are to be treated with appropriate caution. The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the Stuart Town geology.

The Competent Person has referenced the source of these historic exploration results as footnotes throughout this document and has provided a completed JORC Code Table 1, Sections 1 and 2 in Appendix A below, along with a summary of relevant drill hole locations and results in Appendix B below.

Figure 5.1 Stuart Town historic drilling



Source: KAU

5.2 Exploration summary

More recent explorers have been juniors and have for the most part been restricted by funding. KAU has collated the findings of the more productive explorers:

5.2.1 Kratos Uranium NL (1980 to 1982)

Philosophy

Literature search with regard to the prospectivity the historical mines and development of a geological mineralisation model¹⁵.

Work undertaken

Historical mines were mapped and chip sampled and the general geology mapped and related to publicly-available geophysical data.

Results and conclusions

Kratos concluded that potential for a large-scale mining appeared to be limited due to the narrowness and intermittent occurrence of gold-bearing veins. Kratos noted that the extent and behaviour of the same veins at depth remained unknown due to the lack of drilling and these should be assessed by way of drilling to establish whether there are deposits of sulphide ore that early miners would have had difficulty treating.

Kratos developed the intrusive-related model during this period, being particularly interested in the Quartz Hill rhyolite.

5.2.2 Kratos-Stellar Exploration Group (1983, first reporting period)**Philosophy**

Undertake soil geochemical surveys at Quartz Hill and Specimen Hill historical mining activity to determine whether this method of exploration would delineate any extension of anomalous metal values beyond the general area of the existing workings.

Work undertaken

Soil geochemistry for copper, lead and arsenic was undertaken for 158 samples at Quartz Hill and 91 samples at Specimen Hill, spaced at 25 m intervals on lines 50 m apart. A total of 21 rock chip samples were taken from the Quartz Hill adit and 45 rock chip samples from the Specimen Hill adit. Soil samples were sieved to -80# and assayed for arsenic, copper and lead; chip sampling involved channel sampling of underground workings.

Results and conclusions

The soil samples identified an arsenic anomaly at Quartz Hill associated with rhyolite.

Two areas of anomalism at Specimen Hill were associated with old workings, and weaker anomalism associated with a tailings dump, possibly a result of contamination and minor workings in the west of the area:

- One of the anomalies highlighted the area occupied by the adits, open cuts and pits and defined the outcrops of the shear zone in the area of the workings. The values along the shear zone fell off to the northwest and southeast.
- The second anomaly was a circular zone situated to the north of the adit indicating that the adit had not been sited optimally. Underground samples taken in the adit were regarded as indicative of background gold levels within the intrusion, away from the main body of any higher-grade mineralisation which may be inferred from the geochemical anomaly.

Underground sampling confirmed the highly erratic nature of gold values and the conclusion drawn was drawn that although continuous sampling may provide a clearer idea of the grade of mineralisation, only a large bulk sample would give reliable grade information.

The rock chips from the Quartz Hill adit returned disappointing results, with the best result being 0.47 g/t Au. Six of the rock chip samples taken from the Specimen Hill adit (number 2) returned encouraging assay results, the highest being 120 g/t Au and 7.3 g/t Ag¹⁶. A more thorough sampling program of the Specimen Hill number 2 adit was recommended.

Snowden cautions that these results are historical and have not been reported in accordance with the JORC Code and should be treated with appropriate caution, but the Competent Person considers them to attract sufficient confidence to indicate geological prospectivity.

5.2.3 Kratos-Stellar Exploration Group (1983, second reporting period)**Philosophy**

Follow up soil sampling of the Quartz Hill and Specimen Hill prospects, follow-up underground channel sampling at Specimen Hill and initial soil sampling at the Post Office, Redfern and Kaiser Wilhelm mines.

Work undertaken

Soil samples previously collected were re-analysed for mercury and silver. Soil samples were collected from the Post Office, Redfern and Kaiser Wilhelm grids at a nominal depth of 20 cm. At Specimen Hill, adit numbers 1, 2 and 3 were resampled to compare previously reported gold values. In all, 46 samples were collected; six from adit number 1, 22 from adit number 2, and 18 from adit number 3.

Results and conclusions

The Quartz Hill soil geochemistry identified several areas that warranted further work. Kratos concluded that the geometry of the geochemical anomalies indicated that the rhyolite intrusion had probably acted as a source, rather than a host for any mineralisation in the area and was encouraged by As, Hg, and Ag geochemistry. Kratos proposed geophysical testing using surface electrical techniques to delineate sulphide concentrations.

Recommendations included bedrock gold geochemistry across the rhyolite/sediment boundary and into the sediments to assist in determining whether the rhyolite had acted as a mineralising source and therefore whether there was an enrichment of gold in the sediments.

Detailed gravity traversing was proposed to determine the geometry of the rhyolite intrusion and the likelihood that it was part of a larger mineralising system at depth.

5.2.4 Kratos Uranium NL, Joint Venture with Freeport of Australia Limited (1984)**Philosophy**

Determine the prospectivity of old mines in the area, particularly Quartz Hill.

Work undertaken

Soil sampling over a 50 m grid at the Quartz Hill mine, IP survey, adit sampling and percussion drilling (six holes) of Quartz Hill.

Results and conclusions

Adit sampling yielded low gold grades but the amount of brecciation, silicification and sulphidisation associated with high arsenic values supported the presence of a substantial hydrothermal system.

Kratos concluded that quartz stockworks in the sediments at Kaiser Wilhelm and Specimen Hill remained prospective. As a result of negligible assays from the Quartz Hill drilling program, no further exploration on the Quartz Hill prospect was proposed. However, targets such as Kaiser Wilhelm and Specimen Hill remained prospective.

5.2.5 Carpentaria Exploration Company Pty Ltd (1984 to 1986)**Philosophy**

Exploration of the Ordovician Molong Rise to the west of Stuart Town.

Work undertaken

No work was carried out at Stuart Town.

Results and conclusions

Access to the area of interest was denied and no effective work was completed; however, CEC noted that:

“...just to the east of the licence area is the important former gold producing area of Stuart Town. Here approximately 5.4t of gold were produced from both alluvial and reef area. The reef gold principally occurred in narrow quartz veins within slates and siltstones of the Cunningham Formation. The origin of the gold still unknown, however magnetic and radiometric data suggest there is the possibility of a deep-seated intrusive body occurring within the area which may be the source of gold mineralisation”.²⁷

5.2.6 CRA Exploration Pty Ltd (1992 and 1993)**Philosophy**

To test the potential for economic gold mineralisation associated with historically mined high-grade shoots within large low grade disseminated mineralisation.

Work undertaken

Purchase of airborne and radiometric data, literature search, geochemical anomaly follow-up, and collection of 48 rock chip samples²⁸.

Results and conclusions

CRAE confirmed that previous mining and exploration activity in the area focused on narrow shear zone hosted quartz reefs and concluded that gold associated with the massive white, sometimes banded buck quartz is nuggety with no consistent base metal association. Calcite gangue was noted in some of the higher-grade samples. Detailed mapping to record the location of all shafts was recommended. In addition, the geological mapping of a 10 km x 14 km area centred on Stuart Town and a stream sediment orientation program was proposed.

5.2.7 CRA Exploration Pty Ltd (1994)**Philosophy**

To test the potential for economic gold mineralisation associated with historically mined high-grade shoots within large low-grade disseminated mineralisation.

Work undertaken

Regional geological mapping, review of publicly available stream sediment data and collection of 12 rock chip samples.

Results and conclusions

In addition to the widespread gold anomalism throughout the Project area, the stream sediment sampling review identified coincident gold, arsenic, bismuth and antimony anomalism east of Stuart Town Common. The geochemical anomalism appears coincident with a large 4 km x 4 km aeromagnetic low. Recommendations were to conduct an improved soil sampling program, and the selection of targets for reconnaissance RC drilling in the Stuart Town area.

²⁷ NSWGS Report 1984_385

²⁸ NSWGS Report 1993_084

5.2.8 CRA Exploration Pty Ltd (1995)**Philosophy**

To test the potential for economic gold mineralisation associated with historically mined high-grade shoots within large low-grade disseminated mineralisation.

Work undertaken

A total of 2,892 soil samples, 35 rock chip samples were taken over the Stuart Town area²⁹.

Results and conclusions

Soil sampling returned anomalous gold-arsenic-antimony geochemistry near the Princess Alex and Kaiser Wilhelm workings. Rock chip sampling of these quartz veins returned maxima of 15 g/t Au and 2.9 g/t As³⁰. The gold-arsenic-antimony soil geochemistry anomaly in the Kaiser Wilhelm area lies within an area of associated copper, cobalt and nickel, resembling a fold closure. Other potential targets were highlighted.

Snowden cautions that these are historical exploration results and are to be treated with appropriate caution, but the Competent Person considers that these attract appropriate reliability to indicate geological prospectivity.

5.2.9 CRA Exploration Pty Ltd (1996)**Philosophy**

To drill RC holes to test zones of anomalous gold-arsenic-antimony soil geochemistry coincident with Kaiser Wilhelm and Princess Alex workings.

Work undertaken

Eleven RC holes totalling 1,113 m were drilled.

Results and conclusions

Drilling returned gold grades³¹ that were considered to be anomalous, but not economic and no further work was recommended, as the target of large tonnage disseminated gold mineralisation was not met.

5.2.10 LFB Resources NL (1997 to 1999)**Philosophy**

General appraisal of the prospectivity of the tenement.

Work undertaken

Rock chip sampling and evaluation of previous exploration.

Results and conclusions

The licence was relinquished on the basis that the cost of locating viable gold deposits using existing technology would probably be too high.

Recommendations made by LFB Resources NL were to drill test the laterally continuous and relatively wide Ginger Reefs lode system located within the Town Common and explore via drilling for a deep-sourced intrusive source for gold mineralisation.

²⁹ NSWGS Report 1996_109

³¹ GSNSW Report 1996_105

5.2.11 Kanimblan Mines Pty Ltd (2002 and 2003)**Philosophy**

Not stated.

Work undertaken

Review of previous exploration reports and re-evaluation of archival geochemical and geophysical data as well as interpretation of airborne geophysical data.

Results and conclusions

The work defined various targets related to an inferred deep-seated porphyry system that may have been the source of historical gold production.

Airborne geophysical data was purchased and processed by Kanimblan Mines Pty Ltd to identify a magnetic low that was interpreted to reflect magnetite depletion related to a deep intrusive. A secondary source, of similar magnetic susceptibility, was observed at shallow depth that was thought to constitute a relatively easy target to evaluate. Kanimblan Mines Pty Ltd was unable to attract joint venture participation to test these models.

5.2.12 Ironbark Gold Limited and Waratah Gold Limited (2007 to 2011)**Philosophy**

Development of the intrusive model.

Work undertaken

Review of previous exploration reports, rock chip sampling and drilling of three diamond holes for 1,041 m.

Results and conclusions

Snowden observed during its site visit that the drilling was poorly targeted, based on the orientation of the holes and reportedly returned no material results.

5.3 Snowden commentary

Snowden considers that the intrusive-related gold model has not been adequately tested by previous explorers despite its first being postulated in the 1980s. Exploration has been poorly coordinated over time. The companies involved have not committed sufficient funding to drill the deep stratigraphic holes required to identify the location and nature of the inferred intrusive.

Snowden considers that remodelling of the Kanimblan Mines Pty Ltd geophysical data and compilation of the historical soil sampling results with mapping by the various explorers over time would, when compiled into a modern GIS database, provide sufficient information on which to plan and locate a stratigraphic drilling program.

Of particular interest is Waratah's intersection of 50 m at 0.3% As from RC drilling at Quartz Hill in 2010, supported by the arsenic-bismuth soil results returned by CRAE in the mid-1990s. The Competent Person considers these results to be historical in nature but attract sufficient confidence to indicate geological prospectivity.

Snowden concludes that there is evidence to support the presence of intrusive-related gold mineralisation.

6 EXPLORATION STRATEGY

Subject to a successful Initial Public Offering, KAU has an exploration budget of approximately \$2,500,000, for its first two financial years, which includes exploration expenditure, tenement rents and rates, office and administration costs and salaries.

In the event of grant of Exploration Licence Application 5854, KAU plans to expend \$25,000 on mapping of this licence in the first year and a further \$125,000 in the second year on geochemical exploration and geophysics. This is considered to be appropriate and not to represent a material increase to the overall planned budget.

KAU is aware that exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied and has explained to Snowden that it reserves the right to alter the way funds are applied.

Snowden has interviewed KAU directors and worked with them on a number of assignments over a period of some years and considers these personnel to be suitably qualified to implement the proposed exploration strategy.

Snowden comments that the most valuable asset for any mining or exploration company is its knowledge of its mineral assets and observes a significant volume of data has been collected by numerous explorers over a long period of time. Snowden further observes the effort that has been put into collating this information.

Table 6.1 KAU proposed exploration activities

Project area	Activity	Year 1 (\$)	Year 2 (\$)	Total (\$)
Stuart Town	Detailed mapping	60,000	20,000	80,000
	Assays	20,000	60,000	80,000
	Geophysical surveys	400,000	n/a	400,000
	Reverse circulation (RC) drilling	200,000	200,000	400,000
	Diamond drilling	n/a	700,000	700,000
Service costs	Heritage and tenement administration	50,000	40,000	90,000
	Geological services and field labour	250,000	300,000	550,000
	Administration	100,000	100,000	200,000
Total		1,080,000	1,420,000	2,500,000

Source: KAU

6.1 Snowden opinion

Snowden considers that the project has some similarities to Resolute’s 6 Moz Ravenswood field³² and is prospective for large scale intrusion-related gold systems and is encouraged by the following points:

- Significant historical production exceeding 170,000 ounces. Au sourced from many relatively small lode and alluvial gold sources. No major source or pathway has yet been identified for the gold mineralisation.
- Large interpreted thrust fault zones provide a favourable structural setting for an interpreted auriferous intrusive felsic body.
- Examination of publicly available geophysics indicates that coincident magnetic and gravity anomalies support the interpretation of a large, relatively shallow intrusive felsic unit, as does a coincident potassic radiometric signature.

³² www.rml.com.au/ravenswood

- Mineralised brecciated rhyolites with accompanying high levels of arsenic returned by historical soil sampling and drilling observed at Quartz Hill may represent minor high level subvolcanic intrusives related to an underlying mineralised intrusive unit.
- Government mapping indicates that the Project lies within a west-northwest transverse fault zone.
- There has been no effective testing of the deep-seated intrusive model.

6.2 Snowden conclusions

Snowden concludes that KAU holds tenure over a prospective area near Orange, NSW that has potential to yield economic mineralisation and recommends that it proceed to implement its exploration strategy on listing.

Snowden concludes that the Stuart Town Project is at an early conceptual stage of exploration but its prospectivity is enhanced by the presence of the Cadia Project and recent Alkane discovery (Northern Molong project) in comparable geology.

KAU will benefit from the work by previous miners and explorers that has resulted in the identification of alluvial and lode gold mineralisation.

Snowden has examined the proposed exploration budget of \$2.5 million, and the proposed work program for the first two years after KAU's listing and concludes that these are reasonable and achievable.

6.3 Snowden recommendations

Snowden recommends that structural geology work should commence in parallel with the proposed detailed mapping and geochemical sampling to provide context to the results of these exercises.

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7 REFERENCES

Author	Date	Title	GSNSW data reference
ASARCO (Australia) Pty Ltd	1980	Annual Report Burrendong Project	1980/428
AuriCula Mines Pty Ltd	2006	Final Report EL 6185	2006/277
		Final Report EL 6185	2006/276
CEC	1984	Final Report EL2242 & EL2243	1984/385
Cluff Resources Pacific Limited	1988	Reports, EL2890	1988/014
		Reports, EL2890, 2139 & 2631	1988/238
CNGM Resources Limited	2014	Annual Report EL 8044	2014/329
Compass Resources NL	1990	Reports, EL3373	1990/165
CRAE	1992	Stuart Town Group of ELs: Annual Report	1982/459
	1993		1993/084
	1994		1996/105
	1995		1996/108
	1996		1996/109
Freeport of Australia Inc.	1984	Reports EL 1439	1983/279
			1983/279
Ironbark Gold Limited	2007	Annual Report EL 6575	2007/422
	2008	Annual Report EL 6575	2008/545
	2006	Information Memorandum (unpublished)	2008/545
LFB Resources Limited	1999	Final Report EL5249	1999/333
	1998	Final Report EL4023	1998/316
	1999	Annual Report EL4225	1999/331
	1998	Annual Report EL4023 & 41265	1999/332
	1998	Annual Report EL 4023, 4126 and 4225	1998/395
NSW Department of Primary Industry	2007	Stuart Town Gold	Primefact 562
			Primefact 562
NSW Geological Survey	1999	Dubbo 1:250,000 Geological Sheet	ARC066
	2014	Bathurst 1:250,000 Metallogenic Sheet	
	1975	Dubbo 1:250,000 Metallogenic Sheet	
	1999	Dubbo 1:250,000 Geological Sheet Explanatory Notes www.minview.geoscience.nsw.gov	
PLD Corporation Limited	2013	Annual Report EL7948	2014/361
			2014/361
Kanimblan Mines Pty Ltd	2002	Annual Report EL 5877	2002/698
	2002	Final Report EL 5877	2003/359
Kratos-Stellar Exploration Group Limited	1980	Reports, Stuart Town	1981/185
	1983		1983/279
Newmont Holdings Limited	1982	EL1839 Annual Report	1982/459
Rio Tinto Exploration	1998	EL 4199: Final Report	1998/397
Sunshine Gold Search Pty Ltd	1984	Reports, EL2153	1984/206
Waratah Gold Limited	2009	Annual Report EL6575	2010/891
Waratah Resources Limited	2013	Annual Report EL6575	2013/1267

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8 ABBREVIATIONS AND UNITS

Abbreviation/unit	Definition
%	percent
Ag	silver
Alkane	Alkane Resource Limited (ASX: ALK)
As	arsenic
ASX	Australian Securities Exchange
Au	gold
Bi	bismuth
CEC	Carpentaria Exploration Company Limited (formerly a subsidiary of Mount Isa Mines Limited)
Chase	Chase Metals Pty Ltd
cm	centimetre(s)
IGR	Competent Person's Report
CRAE	CRA Exploration Limited (now Rio Tinto)
Cu	copper
EL	exploration licence
ELA	exploration licence area
GSNSW	Geological Survey of New South Wales
g/t	grams per tonne
IP	Induced Polarity, gravity and magnetics; geophysical exploration techniques; For a brief explanation: www.en.wikipedia.org/wiki/Exploration_geophysics
kg	kilogram(s)
km	kilometre(s)
km ²	square kilometres
Kratos	Kratos Uranium NL
KAU	Kaiser Reef Limited
m	metre(s)
mH	metre high
Moz	million ounces
mW	metre wide
Newcrest	Newcrest Mining Limited (ASX: NRL)
Pb	lead
pXRF	Portable X-Ray Fluorescence, a field analytical technique; for a brief explanation: www.thermofisher.com.au
Resolute	Resolute Mining Limited (ASX: RES)
RC	Reverse circulation – a pneumatic percussion drilling technique. For an explanation refer: www.castledrill.com/an-introduction-to-reverse-circulation-drilling/
Sb	antimony
Snowden	Snowden Mining Industry Consultants Pty Ltd
Zn	zinc

Appendix A JORC Code Table 1

JORC Code, 2012 Edition – Table 1 report template

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"> 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. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (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. 	<ul style="list-style-type: none"> Information on sample collection was not recorded.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> 1984 Drilling conducted by Freeport of Australia was Reverse Circulation Drilling. Drilling conducted by Waratah gold Limited was non-oriented standard NQ Diamond Core Drilling.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Drilling recoveries not recorded.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All drill holes were logged in their entirety. Logging was qualitative.

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Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • Half Core samples were sawn using a core saw • No recorded information for non-core samples.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • Industry standard assay techniques used that are appropriate for gold exploration.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • Historic reports have been reviewed by independent and company personnel. • No holes have been twinned. • Data entered onto paper logs • There have been no adjustments to assay data.
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Holes have not been surveyed. • Kaiser Reef has recorded all data point in MGA 1994 Z 55 coordinates.
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • No mineral resource has been estimated.

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Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Orientation of sampling is unbiased.
<i>Sample security</i>	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Sample security measures unknown.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Available data has been reviewed by independent and company personnel.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Stuart Town Project lies within Exploration Licence 8491 held in trust for Kaiser Reef Limited in the name of Jonathan Charles Downes. The adjacent Exploration Licence Application 5854 is held in trust for Kaiser Reef Limited in the name of Adrian Byass Limited. The Licences lie 40km south east of Wellington in NSW, adjacent to the township of Stuart Town. Both the Licence and Licence Application are in good standing.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Previous exploration has been completed by: <ul style="list-style-type: none"> Kratos Uranium NL (1980-1982) Kratos-Stellar Exploration Group (1983) Kratos Uranium JV with Freeport of Australia (1984) Carpentaria Exploration (194-1986) CRA Exploration (1992-1996) LFB Resources NL (1997-1999) Kanimblan Mines (2002-2003) Ironbark Gold Limited / Waratah Resources Limited (2007-2011) Exploration included mapping, rock chip and soil sampling, limited geophysics and limited drilling.
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Project lies within the Northern part of the Hill end Trough, within largely Devonian volcano-sedimentary rocks of the Crudine Group and Cunningham Formation. The primary gold is structurally controlled and hosted in quartz veins. There are many alluvial workings documented within the Licence.

Final

26 November 2019

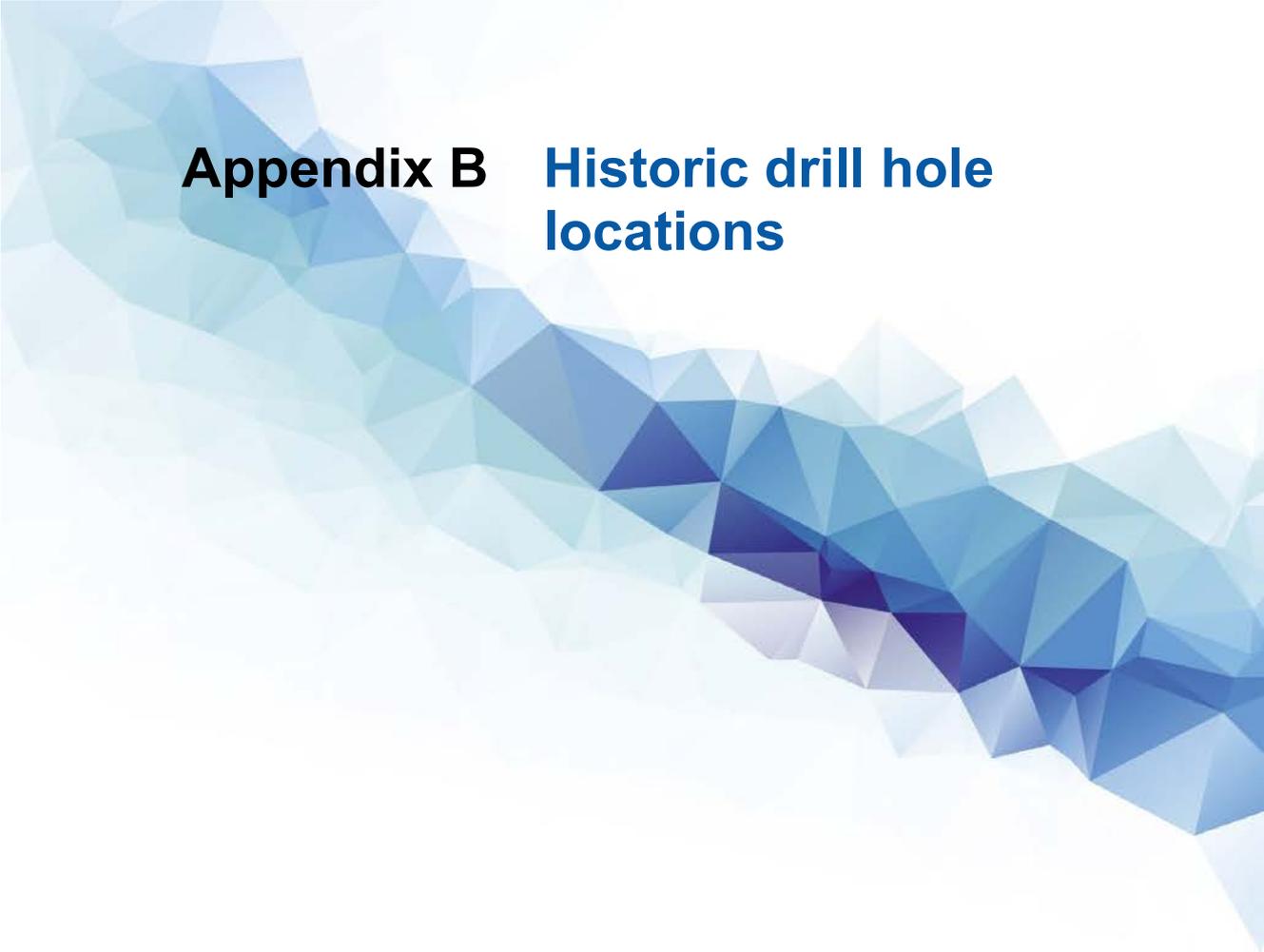
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ANNEXURE A – INDEPENDENT GEOLOGIST’S REPORT

Criteria	JORC Code explanation	Commentary
Drill hole Information	<ul style="list-style-type: none"> 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"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Refer Appendix B
Data aggregation methods	<ul style="list-style-type: none"> 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. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> All reported assays have been length weighted. No metal equivalents have been reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The geometry of the mineralisation is not well understood.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	Refer to: <ul style="list-style-type: none"> Figure 4.2 Figure 4.3 Figure 4.4 Figure 5.1
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All results have been reported.

ANNEXURE A – INDEPENDENT GEOLOGIST’S REPORT

Criteria	JORC Code explanation	Commentary
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> Limited exploration has been conducted on the site and work is ongoing to compile some of the data from geophysics and soil surveys.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Kaiser Reef is planning detailed mapping, sampling geophysics and drilling.



Appendix B **Historic drill hole locations**

ANNEXURE A – INDEPENDENT GEOLOGIST’S REPORT

SNOWDEN

Kaiser Reef Limited
Stuart Town Exploration Project - Independent Geologist's Report

Hole ID	licence_holder	Easting	Northing	EOH (m)	Dip	Azi	Significant Intercept
PH-1	Kratos Exploration Pty Ltd	697355	6369595	92.5	55	49	NSI
PH-2	Kratos Exploration Pty Ltd	697710	6369050	136	50	49	NSI
PH-3	Kratos Exploration Pty Ltd	697690	6369190	79.5	50	49	NSI
PH-4	Kratos Exploration Pty Ltd	697715	6369150	47.5	50	49	NSI
PH-5	Kratos Exploration Pty Ltd	697540	6369520	60	60	49	NSI
PH-6	Kratos Exploration Pty Ltd	697780	6369335	200.3	50	202	17.3m @ 0.23 g/t Au from 36
WSD1	Waratah Gold Limited	698163	6369819	339.2	60	180	NSI
WSD2	Waratah Gold Limited	697896	6368911	351.3	60	205	1m @ 2.3g/t Au from 259
WSD3	Waratah Gold Limited	698904	6366860	351.6	65	75	NSI
RC96ST006	CRA Exploration Pty Limited	695123	6369294	105	60	235	NSI
RC96ST007	CRA Exploration Pty Limited	695123	6369334	99	60	235	NSI
RC96ST008	CRA Exploration Pty Limited	696333	6363924	99	60	258	6m @ 0.43g/t Au from 24m
RC96ST009	CRA Exploration Pty Limited	696443	6363944	117	60	258	3m @ 0.78g/t Au from 84m
RC96ST010	CRA Exploration Pty Limited	696333	6364094	99	60	258	NSI

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26 November 2019

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ANNEXURE B – INDEPEDENDENT LIMITED ASSURANCE REPORT

PKF Perth



Advisory • Audit
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5 December 2019

The Board of Directors
Kaiser Reef Limited
Level 11
London House
216 St Georges Terrace

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION

INTRODUCTION

We have been engaged by Kaiser Reef Limited (“Kaiser Reef” or “the Company”) to report on the historical financial information of the Company and pro forma historical consolidated statement of financial position of the Company for inclusion in Section 5 of the prospectus (“Prospectus”) to be dated on or about 5 December 2019, and to be issued by Kaiser Reef, in respect of its offer of 22,500,000 shares at an issue price of \$0.20 per share to raise \$4,500,000 by way of an Initial Public Offering (“the Offer”).

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

This Report has been prepared to provide information and a conclusion on the historical results of the Company for the period from incorporation (2 September 2019) to 31 October 2019 and on pro forma financial information as at 31 October 2019. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than for which it was prepared.

SCOPE OF REPORT

You have requested PKF Perth to perform a limited assurance engagement in relation to the historical and pro forma historical information described below and disclosed in the Prospectus.

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

You have requested PKF Perth to review the following historical financial information (together the ‘Historical Financial Information’) of the Company included in Section 5 of the Prospectus;

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PKF Perth



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- The historical Statement of Profit or Loss and Other Comprehensive Income for the period from incorporation, 2 September 2019 to 31 October 2019;
- The historical Statement of Financial Position as at 31 October 2019; and
- The historical Statement of Cash Flows for the period from incorporation, 2 September 2019 to 31 October 2019.

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.

Pro Forma Historical Financial Information

You have requested PKF Perth to review the following pro forma historical financial information (the 'Pro Forma Historical Financial Information') of the Company included in Section 5 of the Prospectus:

- The pro forma historical Statement of Financial Position as at 31 October 2019.

The Pro Forma Historical Financial Information has been derived from the historical financial information of the Company as at 31 October 2019 after adjusting for the effects of the pro forma adjustments detailed in Section 5.4.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 5.4, as if those event(s) or transaction(s) had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

Within the pro forma adjustments detailed in Section 5.4 is a transaction relating to the acquisition of 100% of the issued capital in Chase Metals Pty Ltd, which has been derived from the reviewed financial information of Chase Metals Pty Ltd as at 31 October 2019. This financial information was reviewed by PKF Perth for the purposes of the Report and nothing came to our attention that suggests that this information could not be relied on.

DIRECTORS' RESPONSIBILITY

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

OUR RESPONSIBILITY

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Australian Standard on Assurance Engagement (ASAE) 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

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

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

CONCLUSIONS

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in this Report, and comprising:

- The historical Statement of Profit or Loss and Other Comprehensive Income for the period from incorporation, 2 September 2019 to 31 October 2019;
- The historical Statement of Financial Position as at 31 October 2019; and
- The historical Statement of Cash Flows for the period from incorporation, 2 September 2019 to 31 October 2019.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.2.1.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in this Report, and comprising:

- The pro forma historical Statement of Financial Position of the Company as at 31 October 2019;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.2.3.

SUBSEQUENT EVENTS

We note, one instance of additional seed capital issued after year end with 150,000 shares issued at \$0.10 on the 12 November 2019, with the exception of this the pro forma statement of financial position does not reflect any events that have occurred subsequent to the period ended 31 October 2019.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or events outside the ordinary business of the Company, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

PKF Perth



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ASSUMPTIONS ADOPTED IN COMPILING THE PRO-FORMA STATEMENT OF FINANCIAL POSITION

The pro forma historical Statement of Financial Position as described in Section 5.4. This has been prepared based on the financial statements of the Company as at 31 October 2019, the acquisition of the dormant entity Chase Metals Pty Ltd, the subsequent events set out in Section 5.5 (b)(i), and the pro forma adjustments detailed at 5.4.

INDEPENDENCE OR DISCLOSURE OF INTEREST

PKF Perth does not have any interest in the outcome of this Offer, other than in connection with the preparation of this Report for which normal professional fees will be received.

DISCLOSURES

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 be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

RESTRICTION ON USE

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

CONSENT

PKF Perth has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this report this consent has not been withdrawn. However, PKF Perth were not involved in the preparation of any part of the Prospectus, and accordingly, make no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

A handwritten signature in black ink that reads 'PKF Perth'.

PKF PERTH

A handwritten signature in black ink that reads 'Simon Fermanis'.

SIMON FERMANIS
AUDIT PARTNER

5 DECEMBER 2019

ANNEXURE C – SOLICITOR’S TENEMENT REPORT



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Perth | Melbourne

5 December 2019

The Board of Directors
Kaiser Reef Limited
Level 11
216 St Georges Terrace
PERTH WA 6000

Dear Sirs

SOLICITOR’S REPORT ON TENEMENTS

This report is prepared for incorporation by reference in a prospectus to be issued by Kaiser Reef Limited (ACN 635 910 271) (**Company**) on or about 5 December 2019 for the issue of 22,500,000 shares in the capital of the Company at an issue price of 20 cents per share to raise \$4,500,000 (**Prospectus**).

1. ASSETS

As at the date of this report, the Company, has entered into an agreement (**Acquisition Agreement**) with Chase Metals Pty Ltd (ACN 629 589 448) (**Chase**), pursuant to which the Company has the right to acquire 100% of the issued capital of Chase. Chase is the beneficial owner of exploration licence 8491 (**EL8491**) and exploration licence application 5854 (**ELA5854**) (together, the **Tenements**), which are both located in New South Wales (**NSW**).

A schedule of the Tenements is attached to and forms part of this report (**Schedule**). Part I of the Schedule contains a list of the Tenements. Part II of the Schedule contains a summary of the material terms of the Acquisition Agreement and associated agreements giving rise to Chase's beneficial ownership of the Tenements. Part III of the Schedule contains a summary of the status of the native title claims existing over the Tenements.

ANNEXURE C – SOLICITOR'S TENEMENT REPORT

2. SEARCHES

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

- (a) searches of the Tenements in the mining tenement register (**Register**) maintained by the Division of Resources and Geoscience of the NSW Department of Planning and Environment (**DPE**) under the Mining Act 1992 (NSW) (**Mining Act**) and Mining Regulation 2016 (NSW) (**Mining Regulation**). These searches were conducted on 8 November 2019;
- (b) summary searches of the Tenements on the 'MinView' online system maintained by the DPE. These searches were conducted on 7 November 2019;
- (c) we have obtained a register of extracts from the Register of Native Title Claims native title register maintained by the National Native Title Tribunal (**NNTT**) in respect of native title claims identified by the NNTT in searches of the Tenements. These materials were obtained on 4 December 2019; and
- (d) searches of the Aboriginal Heritage Information Management System maintained by the Office of Environment and Heritage (NSW). These searches were conducted on 8 November 2019; and
- (e) we have reviewed the material agreements relating to the Tenements (**Agreements**) and summarised the material terms (details of which are set out in Part II of the Schedule).

The Company's rights in respect of the Tenements depend on the enforceability of the Agreements and the parties to the Agreements complying with and fulfilling the terms and conditions of such Agreements.

On the basis of the searches conducted and our review of the Agreements, subject to the enforceability of such Agreements, we consider that this report (and the Schedule) provides an accurate statement as to the status of the Tenements as at the date the relevant searches were obtained.

3. OPINION

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out below, we are of the view that, as at the date of the relevant searches:

- (a) the details of the Tenements included in this report are accurate as to the status of the Tenements and the Company's interest in the Tenements;
- (b) where title to a Tenement has not been granted or an application for extension of a term of a Tenement is pending, that fact is disclosed in the Schedule;
- (c) all expenditure requirements under the relevant mining legislation have been met or exemptions obtained, unless otherwise noted in the Schedule; and
- (d) the valid grant of any of the current applications for Tenements which may affect native title will require compliance with the applicable

ANNEXURE C – SOLICITOR’S TENEMENT REPORT

processes of the *Native Title Act 1993* as amended by the *Native Title Amendment Act 1998 (Cth)* (which are together referred to as the **NTA**).

4. TENEMENTS

The Tenements comprise exploration licences and exploration licence applications granted under the Mining Act.

4.1 General

The Schedule sets out a description of the Tenements and a summary of any encumbrances that apply to them.

In relation to the area of each Tenement specified in the Schedule, it should be noted that:

- (a) the area is described by units, given by one minute of latitude by one minute of longitude on the earth’s surface. In the general location of the Tenements, each unit is approximately 2.9 square kilometres. Therefore, any references to square kilometres in this report are approximate values only. It is not possible to verify those areas without conducting a survey; and
- (b) the area might be reduced by a number of exclusions, including the existence of mining leases, National Parks or reserves situated within the boundaries of the relevant Tenement.

5. EXPLORATION LICENCES AND APPLICATIONS IN NSW

The Tenements are exploration licenses, both granted and applications, and are in respect to Group 1 minerals, which are metallic minerals such as gold, silver, tin and copper as set out in Schedule 2 of the Mining Regulation (**Group 1 Minerals**).

5.1 Rights

The rights of a holder of an exploration licence are subject to the Mining Act and the terms and conditions attaching to a particular licence.

An exploration licence issued under the Mining Act gives the holder exclusive rights to explore for the minerals specified in the area covered by the licence. However, an exploration licence does not permit mining, and the holder of an exploration licence will not necessarily be permitted to mine in the future in the event that a discovery is made. An exploration licence takes effect on the date on which it is granted and ceases to have effect at the expiration of such period (not exceeding 6 years) as the Minister for Energy and Environment (**Minister**) may determine (section 27(b)(ii)).

5.2 Access

It is necessary to enter into an access agreement with all landholders prior to carrying out exploration (section 140). All landholders are entitled to compensation for all compensable loss caused by exploration (section 263) and mining (section 265). In the event that no agreement can be reached with the landholders, the matter can be referred to arbitration, and if not resolved there, the Mining Warden for determination.

ANNEXURE C – SOLICITOR’S TENEMENT REPORT

5.3 Renewal

Exploration licences are renewed under the provisions of the Mining Act. If a holder intends to carry out further exploration within an exploration licence after the expiry date, the holder must apply for a renewal of the licence. Applications for renewal must be made no earlier than two months and no later than one month before the expiry date (section 113). If a valid application for renewal is not dealt with before the expiry date, the licence remains in force until the application is dealt with (section 117).

An exploration licence may not be renewed for more than half the area of the licence at the time of lodgement of the renewal application (section 114A(1)), unless special circumstances are applicable.

An exploration licence may be renewed for a maximum term of six years and may be renewed for further periods not exceeding six years on any one occasion. However, exploration licences are typically granted and renewed for periods of three years, though this depends on the proposed work program and other factors. Exploration licences may be transferred upon approval by the Minister. In the event that the Minister approves a transfer, the Minister may impose amended or additional conditions on the holder of the exploration licence.

EL8491 was first granted on 21 December 2016 and was last renewed on 17 June 2019 and is due to expire on 21 December 2020. The directors of the Company intend to renew this licence prior to its expiry and are not aware of any reason why the renewal application for EL8491 will not be approved at that time.

5.4 Royalties

Tenement holders are required to pay royalties to the NSW government on minerals (including material containing minerals) obtained from a mining tenement. Royalties payments must be made quarterly and be accompanied by a royalty return in the approved form. The holder of a mining tenement must provide a quarterly production report commencing at the expiration of the first quarter during which any mineral is produced or obtained from that mining tenement.

Royalty rates for Group 1 Minerals, comprising metallic minerals, are generally 4% of the value of the mineral recovered.

5.5 Rehabilitation Securities

The holders of tenements are required to lodge a security by way of a cash deposit or banker's undertaking with the DPE for the performance of its rehabilitation and other obligations arising under the Tenement. The security for each of the Tenements is \$10,000.

Our searches indicate that the \$10,000 security required for EL8491 has been lodged. The \$10,000 payment for ELA5854 will be payable once and if the application is approved and converted into an exploration licence.

5.6 Generally Applicable Conditions

Mining tenements are granted subject to various conditions prescribed by the Mining Act including compliance with any minimum expenditure, payment of applicable government fees and reporting requirements including, but not limited to, those referred to above.

ANNEXURE C – SOLICITOR’S TENEMENT REPORT

The Tenements are also subject to statutory requirements of certain other Acts including Aboriginal heritage legislation, environmental protection legislation and rights in water legislation. These standard conditions are not detailed in the notes to the Schedule. Standard conditions arising out of these Acts require that a tenement holder obtains the consent of an officer of the DPE before commencing any ground-disturbing work, and impose basic environmental and rehabilitation conditions, such as the removal of all waste and the capping of drill holes.

5.7 Specific Conditions

Specific conditions applicable to the Tenements are detailed in the notes to Part I of the Schedule.

6. ABORIGINAL HERITAGE

6.1 Commonwealth Legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)* (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and 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.

6.2 New South Wales Legislation

The *National Parks and Wildlife Act 1974 (NSW)* (**NSW Heritage Act**) is aimed at the preservation and protection of any Aboriginal places and objects that may be located on the Tenements.

Under the NSW Heritage Act, the Minister administering the NSW Heritage Act may declare a place to be protected where that place is deemed to have special significance to Aboriginal culture.

It is an offence to destroy, deface, damage or desecrate, or cause or permit the destruction, defacement, damage or desecration of, an Aboriginal object or Aboriginal place without a heritage impact permit issued by the Director-General of the Department of Environmental and Conservation pursuant to section 90 of the NSW Heritage Act. There is a defence to this offence where a party acts with due diligence and reasonable precaution.

6.3 Heritage surveys

In order to satisfy the obligations imposed by the Commonwealth Heritage Act, tenement holders often undertake Aboriginal heritage surveys, which involve the relevant traditional owners and (if necessary), an archaeologist or anthropologist walking the land, identifying sites and discussing the impact of proposed exploration activity. The costs of a heritage survey are met by the tenement holder.

6.4 Heritage searches

We have obtained and reviewed searches of the Aboriginal Heritage Information Management System maintained by the Office of Environment and Heritage (NSW) on 8 November 2019. The searches showed that there are a number of known Aboriginal sites in the vicinity of the Tenements. However, the exact location of the Aboriginal sites cannot be ascertained from these searches. The Company will review the location of each site when planning its exploration programs so as to ensure that all activities near Aboriginal sites meet the requirements of the Commonwealth Heritage Act and the NSW Heritage Act.

There are currently no Aboriginal heritage agreements or arrangements in place affecting the Tenements.

7. NATIVE TITLE – LEGISLATION

7.1 General

On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (no.2) (1992) 175 CLR 1 (Mabo #2)* that the common law of Australia recognises a form of native title which reflects the entitlements of Aboriginal people to their traditional lands in accordance with their traditional laws and customs. In order to succeed in a native title claim, the persons making such claim must show that they enjoy certain customary rights and privileges in respect of a particular area of land and that by these rights and privileges they have a connection with that land.

In *Mabo #2*, the High Court held that native title could be extinguished through loss of traditional connection with the land or by legislative or executive actions which are inconsistent with the continued right to enjoy native title. In particular, native title may be extinguished by the State:

- (a) granting a title or interest in land, such as a freehold or leasehold title; or
- (b) appropriating or reserving and using land for a public purpose such as public works,

which is inconsistent with the continued right to enjoy native title in respect of the same land. Extinguishment may be whole or partial depending upon the nature of the State’s action. The principles concerning extinguishment have been developed in subsequent High Court and Federal Court decisions.

The grant of a mining tenement only partially extinguishes native title rights and interests. Under Section 44H of the NTA and at common law, the rights held under mining tenements will prevail over any inconsistent native title rights. In the case of exploration licences, recent court decisions have held that there is considerable scope for the co-existence of native title rights and the exploration licensee’s rights.

The Commonwealth Parliament responded to the *Mabo* decision by passing the *Native Title Act 1993 (Cth)*. This Act enabled a State Parliament to validate any mining tenements granted prior to its commencement which might otherwise have been invalid. The *Native Title Act 1993* was extensively amended by the *Native Title Amendment Act 1998 (Cth)*.

ANNEXURE C – SOLICITOR’S TENEMENT REPORT

7.2 New South Wales

The New South Wales Parliament has adopted the *Native Title (New South Wales) Act 1994* (NSW) which adopts the NTA.

Under the NTA, native title is extinguished by grants of private freehold title and exclusive possession tenures such as freehold leases. Validly granted mining tenements that are to be granted solely over such tenures are not subject to native title considerations.

Tenures which may co-exist with native title are generally non-exclusive leases such as pastoral leases, pastoral development holdings, some special leases and term leases for grazing pastoral purposes, occupation licences, permits to occupy, road licences and some others.

We have not researched the underlying land tenure in respect of the Tenements in order to determine the extent of extinguishment for the purposes of this report.

8. NATIVE TITLE – CLAIMS

8.1 Native Title, Claims and Future Acts

Native title or claims for native title exist over parts of New South Wales. For the purposes of the Native Title Act 1993 (Cth) (**NTA**), the grant of a mining tenement subject to a native title or a claim for native title is a 'Future Act' for the purposes of the NTA as it is an activity or development on land or waters that affects native title (section 233 NTA).

A lodged claim for native title does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim indicate that no native title exists in a particular area. Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The Court will then refer the application to the Native Title Registrar for the registration test.

The existence of native title is not a high priority issue for the Company as the purchaser/holder of the Tenements. The main issue is the existence of a registered native title claim. A registered native title claim requires the Company to observe the provisions of the NTA in proceeding with its applications for Tenements. The reason for this is that an act which affects native title rights such as the grant of a mining tenement may be invalid unless there has been compliance with the provisions of the NTA. Until the native title claim has been determined by the Federal Court the existence of native title will be uncertain. Prudence dictates that native title should be assumed to exist over all claimed land other than freehold, "exclusive possession" leasehold or vested reserve until the claim has been determined.

8.2 Right to Negotiate

The grant of a mining tenement is a 'Future Act' for the purposes of the *Native Title Act 1993* (Cth) (**NTA**) (section 233 NTA). A Future Act is an activity or development on land or waters that affects native title. If the Native Title Registrar is satisfied that the lodged claim meets the registration requirements set out in the NTA (**Registration Test**), it will be entered on the Register of Native Title Claims maintained by the National Native Title Tribunal (**Register**). Claimants of registered claims are afforded certain procedural rights under the NTA including the "right to negotiate".

ANNEXURE C – SOLICITOR’S TENEMENT REPORT

Claims which fail to meet the Registration Test are recorded on the Schedule of Applications Received. Such claims may be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. If a claim fails to meet the Registration Test, this only means that the native title claimants do not have access to the future act procedures under the NTA. It does not mean that the claim has been dismissed or discontinued. An unregistered claim must still be heard and determined by the Federal Court.

Exploration licences are generally subject to a condition that requires the holder to obtain the Minister’s consent before carrying out exploration activity on land where native title has not been extinguished. Ministerial consent will only be granted after the right to negotiate process has been followed, or the land on which native title has not been extinguished has been excised from the EL. The grant of a mining lease over land where native title has not been extinguished is also subject to the right to negotiate process.

The DPE has published guidelines on the evidence required to demonstrate extinguishment of native title. Native title has been wholly extinguished over much of NSW, including through the grant of freehold estates, leases in perpetuity for grazing purposes under the Western Lands Act 1901, and the establishment of public works.

8.3 Searches

Searches conducted in the register maintained by the NNTT on 7 November 2019 showed that neither of the Tenements overlap with any registered or unregistered native title claims. The results from these searches are identified in Part III of the Schedule. However, we note that the absence of a claim necessarily indicate that no native title exists over that area.

We have not undertaken the considerable historical, anthropological and ethnographic work that would be required to determine the likelihood that the existing claim may be successful, or the possibility of any further native title claims being made in the future.

8.4 Compensation

The Mining Act makes mining tenement holders liable for any native title compensation that may be payable as a result of the grant of the mining tenement (section 281B Mining Act). If the existence of native title is proven over any of the land subject to the Tenements, and the native title holders make an application to the Federal Court for compensation, the Tenement holder may be liable to pay any compensation awarded.

9. ENVIRONMENTAL AND PLANNING LEGISLATION

Tenement holders may also be required to obtain approvals under and comply with environmental and planning and other legislation, including:

- (a) Environmental and Planning Assessment Act 1979 (NSW);
- (b) Protection of the Environment Operations Act 1997 (NSW); and
- (c) Water Act 1912 and Water Management Act 2000 (NSW).

10. QUALIFICATIONS

While the status of the Tenements is dealt with in the Schedule, we point out, by way of summary, that:

- (a) we have assumed the accuracy and completeness of all tenement searches and other information or responses which were obtained from the relevant department or authority. We cannot comment on any obligations of the Company that may arise from agreements that are not registered as a dealing, encumbrance or otherwise noted on the searches of the Tenements;
- (b) with respect to the Tenements, we have assumed the accuracy and completeness of the information which we have received from the various departments;
- (c) the holding of the Tenements is subject to compliance with the terms and conditions and the provisions of the applicable state mining legislation;
- (d) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (e) with respect to any application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;
- (f) where compliance with the requirements necessary to maintain a Tenement in good standing is not disclosed on the face of the searches referred to in this report, we express no opinion on such compliance;
- (g) references in the Schedule to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (h) where Ministerial consent to any agreement or dealing referred to in Part II of the Schedule is being or will be sought, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we have no reason to believe that any application for consent will be refused; and
- (i) the information in the Schedule is accurate as at the date the relevant searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the searches and the date of the Prospectus.

11. CONSENT

This report is made on 5 December 2019 and relates only to the laws in force on that date. This report has been provided solely 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 relied on or 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.

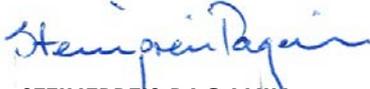
ANNEXURE C – SOLICITOR’S TENEMENT REPORT

Steinepreis Paganin has consented to the inclusion of this report in the Prospectus in the form and context in which it is included and has not withdrawn that consent prior to the lodgement of the Prospectus with ASIC.

12. DISCLOSURE OF INTEREST

Steinepreis Paganin will be paid normal and usual professional fees for the preparation of this report and related matters, as set out elsewhere in the Prospectus.

Yours faithfully


STEINEPREIS PAGANIN

ANNEXURE C – SOLICITOR’S TENEMENT REPORT

PART I

TENEMENT SCHEDULE

TENEMENT	HOLDER / APPLICANT	SHARES HELD	GRANT / APPLICATION DATE	EXPIRY DATE	AREA SIZE ⁴	ANNUAL RENT (NEXT RENTAL YEAR) ⁵	PROPOSED EXPENDITURE YEAR ONE	PROPOSED EXPENDITURE YEAR TWO	ENCUMBRANCES/ DEALINGS	NATIVE TITLE CLAIMS
EL 8491	Jonathan Charles Downes	100% owned	21/12/2016 ²	24/12/2020 ³	12 units (approx. 34.8 km ²)	\$820 ⁶	\$45,000 ⁷	\$155,000 ⁷	Nil	Nil
ELA 5854	Adrian Paul Byass	100% owned ¹	09/09/2019	Pending	15 units (approx. 43.5 km ²)	\$1,000	25,000 ¹⁻⁷	\$125,000 ¹⁻⁷	Nil	Nil

Key to Tenement Schedule

EL – Exploration Licence

ELA – Exploration Licence Application

All native title claims listed in the Schedule have been accepted and entered on the Register of Native Title Claims. Please refer to Part III of this Report for the status of the Native Title Claims.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

References to letters in the “Notes” column refers to the agreements summarised in Part II of the Schedule. References to numbers in the “Notes” column refers to the notes following this table.

Notes:

1. Provided that the application is converted into an exploration licence.
2. EL8491 was renewed on 17 June 2019 and, at this stage, is due to expire 21 December 2020.
3. The Company has advised that, upon acquisition of EL8491, it intends to extend the licence and does not foresee any reason why such a renewal would not be granted at that time.
4. One unit is comprised of one unit of latitude by one unit of longitude. In this particular area of New South Wales, the approximate area of one unit is 2.9km².
5. The rent applicable per tenement is \$60 per unit. The annual administrative levy is 1% of the security deposit of \$10,000 per tenement (\$100).
6. If EL8491 is to be renewed prior to its expiry, the renewal application fee is a flat fee of \$2,000 + \$12.50 per unit per year applied for. A two-year extension for EL8491 would be calculated as follows: \$2,000 + ((\$12.50 x 6 units) x 2 years) = \$2,150.
7. Proposed expenditure in the current year of the licence term, which must be met through exploration work programmes which have been approved by the Department of Planning & Environment, which may include geological mapping, rock chip sampling, geophysical surveys, soil geochemical surveys, modelling of results, drilling and core logging.

PART II

MATERIAL CONTRACT SUMMARIES

A. ACQUISITION AGREEMENT

The Company has into a binding heads of agreement (**Acquisition Agreement**) with Chase Metals Pty Ltd (ACN 629 589 448) (**Chase**) and the shareholders of Chase, being Kiandra Nominees Pty Ltd (ACN 125 369 995) as trustee for the JK Downes Family Trust and Valiant Equity Management Pty Ltd (ACN 122 958 614) as trustee for the Byass Family Trust (together, the **Chase Shareholders**). Chase is the beneficial owner of exploration licence 8491 (**EL 8491**) and exploration licence application 5854 (**ELA 5854**) (together, the **Tenements**).

The key terms and conditions of the Acquisition Agreement include the following:

- (a) (**Acquisition**): the Company agrees to acquire, and Chase Metals and the Chase Shareholders agree to sell, 100% of the issued capital of Chase Metals, free from encumbrances.
- (b) (**Consideration**): the consideration to be issued to Chase Metals or the Chase Shareholders (as directed by the Chase Shareholders) is:
 - (A) \$20,000 in cash as reimbursement of monies expended by Chase Metals in relation to exploration and environmental bonds and costs incurred by Chase in relation to the Project up to 6 November 2019 (**Effective Date**);
 - (B) a cash payment as reimbursement of monies expended by Chase Metals between the Effective Date and Completion in order to maintain the Project in good standing (such amount to be confirmed by Chase Metals no later than 5 days prior to Completion); and
 - (C) 6,000,000 fully paid ordinary shares in the capital of Kaiser with a deemed issue price of \$0.20 per share,which shall be issued or paid (as required) in full on the Completion Date.
- (c) (**Conditions Precedent**): Completion of the Acquisition is conditional upon the satisfaction or waiver of the following conditions precedent:
 - (i) receipt of conditional approval from ASX for Kaiser to be admitted to the Official List on terms acceptable to Kaiser;
 - (ii) the Company completing due diligence of Chase to its satisfaction;
 - (iii) both parties receiving all necessary consents and approvals required in connection with the Acquisition; and
 - (iv) the Company electing to proceed with the Acquisition in writing,which must be satisfied (or waived by the Company) on or before 180 days from the Effective Date (**Completion Date**).
- (d) (**Kaiser Board**): The Company agrees to provide Chase with the right to nominate all directors to the Board of the Company.

ANNEXURE C – SOLICITOR’S TENEMENT REPORT

- (e) **(Completion)**: Completion of the Acquisition Agreement will occur on the date which is 7 days after the satisfaction (or waiver by Kaiser) of the Conditions Precedent.

The Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

B. DECLARATIONS OF TRUST

Jonathan Charles Downes has signed a declaration of trust pursuant to which he confirmed that he holds EL8491 upon trust dual shares for Kiandra Nominees Pty Ltd (ACN 125 369 995) as trustee for the JK Downes Family Trust (**Kiandra Nominees**) and Valiant Equity Management Pty Ltd (ACN 122 958 614) as trustee for the Byass Family Trust (**Valiant Equity**) and their successors in title and agrees to transfer, pay and deal with EL8491 and the rights arising therefrom in such a manner as the beneficiaries shall from time to time direct.

Adrian Paul Byass has signed a declaration of trust pursuant to which he confirmed that he holds ELA5854 upon trust dual shares for Valiant Equity and **Kiandra Nominees** and their successors in title and agrees to transfer, pay and deal with ELA5854 and the rights arising therefrom in such a manner as the beneficiaries shall from time to time direct.

C. BINDING HEADS OF AGREEMENT

Pursuant to a binding heads of agreement, Kiandra Nominees and Valiant Equity have acknowledged that they each hold ELA8491 and ELA5854 on trust for Chase Metals.

ANNEXURE C – SOLICITOR’S TENEMENT REPORT

PART III

SEARCH RESULTS OF THE NATIONAL NATIVE TITLE TRIBUNAL REGISTER

TENEMENT NUMBER	FEDERAL COURT NUMBER	NNTT FILE NUMBER	STATUS	RNTC STATUS	IN MEDIATION
EL8491	Nil	Nil – no overlap	Nil	Nil	Nil
ELA5854	Nil	Nil – no overlap	Nil	Nil	Nil