



# PROSPECTUS

GOLDEN STATE MINING LIMITED

ACN 621 105 995

For an offer of 22,500,000 new Shares at an issue price of \$0.20 per Share to raise \$4,500,000 (before costs) with the ability to accept oversubscriptions for up to 5,000,000 Shares to raise up to an additional \$1,000,000 (**Offer**).

The Offer is scheduled to close at 5.00pm (WST) on 28 September 2018 unless extended or withdrawn.

This Prospectus also incorporates an offer of up to 1,962,560 Lead Manager Options to the Lead Manager (or its nominees) in consideration for capital raising services provided to the Company (**Lead Manager Offer**).

## 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.

LEAD MANAGER

CO-MANAGER



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## CORPORATE DIRECTORY

### Directors

Damien Paul Kelly  
(Non-Executive Chairman)

Michael James Moore  
(Managing Director)

Brenton David Siggs  
(Non-Executive Director)

Gregory George Hancock  
(Non-Executive Director)

### Proposed Director

Janet Lee Wicks  
(Non-Executive Director)

### Company Secretary

Marc Boudames

### Registered office

Suite 14  
19-21 Outram Street  
West Perth WA 6005

### Principal Place of Business

Suite 14  
19-21 Outram Street  
West Perth WA 6005

Telephone: +61 8 6323 2344  
Facsimile: +61 9467 9114

Email: [info@gsmining.com.au](mailto:info@gsmining.com.au)

Website: [www.goldenstatemining.com.au](http://www.goldenstatemining.com.au)

### Proposed ASX Code

GSM

### Share Registry\*

Security Transfer Australia  
770 Canning Highway  
Applecross WA 6153

Telephone: 1300 992 916  
Facsimile: +61 (0)8 9315 2233

Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

Website: [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

### Solicitors

EMK Lawyers  
Suite 1B  
16 Phillimore Street  
Fremantle WA 6160

### Lead Manager

Hartleys Limited  
Level 6  
141 St Georges Terrace  
Perth WA 6000  
Australia

### Co-Manager

DJ Carmichael Pty Limited  
Level 14, Parmelia House  
191 St Georges Terrace  
Perth WA 6000

### Investigating Accountant

Stantons International Securities Pty Ltd  
Level 1, 1 Walker Ave  
West Perth WA 6005

### Auditor to the GSM Group\*

Stantons International Audit and  
Consulting Pty Ltd  
Level 1, 1 Walker Ave  
West Perth WA 6005

### Independent Geologist

Jewell Dunbar Pty Ltd trading as  
Dunbar Resource Management  
PO Box 1506  
West Perth WA 6872

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

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## IMPORTANT NOTICES

### General

This Prospectus is dated 22 August 2018 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 Securities 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 Securities 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 Securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

### No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

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.

No action has been taken to register or qualify the Securities or the Offers, or to otherwise permit a public offering of the Securities 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 or any other country except as contemplated in Section 3.11.

### Foreign offer restrictions

This Prospectus may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to certain types of institutional and professional investors in New Zealand, Singapore, Hong Kong and the United Kingdom pursuant to exemptions from local prospectus or registration requirements. See Section 3.11.

### 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 Securities under this Prospectus.

### Website – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at [www.goldenstatemining.com.au](http://www.goldenstatemining.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.

Securities will not be issued under the electronic version of the Prospectus. 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.

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, such Application Form was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. No document or information included on our website is incorporated by reference into this Prospectus.

### Forwarding-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'considers', '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 the Company, the Directors and management.

The Company cannot and does 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.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 2 and 8.



## Competent Persons' Statements

The information in Section 4 of this Prospectus that relates to Gold Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Mr Geoff Willetts, BSc. (Hons) MSc. who is a member of the Australian Institute of Geoscientists and is a consultant to GSM. Geoff Willetts has sufficient experience which is relevant to this style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a competent person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Geoff Willetts consents to the inclusion in Section 4 of this Prospectus of the matters based on this information in the form and context in which it appears.

The information in Section 4 of this Prospectus that relates to Lithium-Caesium-Tantalum-Tin Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Dr John Chisholm, BSc (Hons) PhD. who is a Fellow of the Australasian Institute of Mining and Metallurgy and is a principal geologist of Continental Resource Management Pty Ltd. Dr Chisholm has sufficient experience which is relevant to this style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a competent person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Chisholm consents to the inclusion in Section 4 of this Prospectus of the matters based on this information in the form and context in which it appears.

## 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.

## Defined terms

Unless the contrary intention appears, or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 14.

## Time

All references to time in this Prospectus are references to Australian Western Standard Time.

## Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities offered under this Prospectus. There are risks associated with an investment in the Company and the Securities offered under this Prospectus must be regarded as a speculative investment. The Securities offered under this Prospectus (and the Shares issued upon exercise of the Options offered under this Prospectus) carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Sections 2 and 8 for details relating to risk factors.

## Privacy Statement

By completing and returning an Application Form, you will be providing personal information directly or indirectly to the Company, the Share Registry, the Lead Manager and other brokers involved in the Offers, and related bodies corporate, agents, contractors and third-party service providers of the foregoing (**Collecting Parties**). The Collecting Parties collect, hold and will use that information to assess your application, service your needs as a Security holder and to facilitate distribution payments and corporate communications to you as a Security holder.

By submitting an Application Form, you authorise the Company to disclose any personal information contained in your Application Form (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with the Offers, including processing your acceptance of the Offers and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any public authority.

If you do not provide the information required in the Application Form, the Company may not be able to accept or process your acceptance of an Offer.

If an Offer is successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, public authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the *Privacy Act 1988* (Cth) and all other legal requirements. If obliged to do so by law or any public authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the date of this Prospectus, the Company does not anticipate that Personal Information will be disclosed to any overseas recipient.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory in this Prospectus. A fee may be charged for access.

## Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers, please call the Company's share registry, on +1300 992 916.

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## CHAIRMAN'S LETTER

Dear Investor,

On behalf of my fellow Directors, it gives me great pleasure to invite you to become a shareholder in Golden State Mining Limited (**GSM** or the **Company**).

GSM is a Perth-based mineral exploration company established with the purpose of exploring for gold and lithium mineralisation on a prospective package of mineral tenements in Western Australia.

The Company's current projects are located at Cue – a premier gold mining district in the Murchison region – Yule in the Pilbara and Four Mile Well near Laverton in the Eastern Goldfields. The Company secured these projects due to their prospective geological settings within proven mineralised areas, and their lack of previous systematic and dedicated modern exploration despite their significant potential.

The purpose of the Offer is to provide funds for the Company to undertake targeted exploration over the tenement portfolio along with general working capital. The Company's initial focus will be on the exploration of recognised priority gold targets identified within the Cue tenement area with prepared drill programs designed to target new discoveries of gold mineralisation. In conjunction, the Company will continue to evaluate its tenement portfolio at Yule and Four Mile Well to identify or upgrade priority targets for exploration.

Further activities will focus on the evaluation of early cash flow opportunities at Cue. This potential was a significant factor in the Company's decision to pursue the Cue project. We intend to undertake definition and extension drilling with the view to establishing a robust mineral resource base of sufficient scale to allow for the development of a mining operation.

The Prospectus is seeking to raise a minimum of \$4,500,000 at an issue price of \$0.20 per Share with the right to accept oversubscriptions to raise up to a further \$1,000,000, for a maximum of \$5,500,000. The Company will also be applying for admission to the Official List of the Australian Securities Exchange ("ASX").

GSM has assembled a well-qualified and balanced board and senior management team with proven corporate, technical, financial and commercial expertise ideally suited to maximising the value of the Company's projects and to capitalise on exploration success. The Company has also strived to minimise the number of Shares on issue upon listing to enable shareholders to retain maximum exposure should the Company be successful in its endeavours.

This prospectus contains detailed information about the Offer, the Company and the risks of participating in a speculative investment of this nature. Before you make your investment decision, I urge you to read this Prospectus in its entirety and recommend that you seek professional investment advice.

On behalf of the Directors, I am pleased to present this investment opportunity to you and look forward to welcoming you as a Shareholder.

Yours sincerely,



**Damien Kelly**  
**Non-Executive Chairman**

## 1. KEY INFORMATION

### 1.1 Indicative timetable\*

Event	Date
Lodgement of Prospectus with the ASIC	22 August 2018
Opening Date of the Offers	3 September 2018
Closing Date of the Offers	28 September 2018
Completion of the Offers and Cue Option	5 October 2018
Admission to Official List and quotation of Shares on the ASX	12 October 2018

\* The above dates are indicative only and may change without notice. The Company reserves the right to extend the closing dates of the Offers, accept late applications or open or close the Offers early without notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Securities to Applicants.

### 1.2 Key Statistics of the Offers

Item	Minimum Subscription \$4.5m	Maximum Oversubscriptions \$5.5m
Number of Shares currently on issue	9,001,200	9,001,200
Issue price per Share under the Offer <sup>1</sup>	\$0.20	\$0.20
Total number of Shares offered under the Offer	22,500,000	27,500,000
Number of Shares to be issued to Cue Option Vendor prior to listing on ASX	2,750,000	2,750,000
Total number of Shares on issue at ASX Listing <sup>2</sup>	34,251,200	39,251,200
Market Capitalisation at listing	\$6,850,240	\$7,850,240
Cash proceeds to be received under the Offer (before costs)	\$4,500,000	\$5,500,000
Ownership by investors under Offer at ASX Listing	~65.7%	~70.1%
Lead Manager Options offered under Lead Manager Offer	1,712,560	1,962,560
Total Options on issue at ASX Listing <sup>3</sup>	8,212,560	8,462,560
Total number of Shares on issue at ASX listing fully diluted	42,463,760	47,713,760

## Notes

1. Shares may not trade at this price upon listing.
2. Assumes no Options are exercised or other Shares issued.
3. Comprising 550,000 Options (\$0.20 exercise price, expiring earlier of 31 August 2020 and 2 years from the date of the Company's admission to the ASX Official List (**ASX Listing**), 4,950,000 Options (\$0.25 exercise price, expiring earlier of 31 December 2021 and 3 years from ASX Listing and 1,000,000 Options (\$0.35 exercise price, expiring earlier of 31 December 2021 and 3 years from ASX Listing) together with 1,712,560 Lead Manager Options (\$0.25 exercise price, expiring 4 years from issue) (if the Minimum Subscription is raised) and 1,962,560 Lead Manager Options if the Maximum Subscription is raised.

## 1.3 Location of Projects



Figure 1: Location Map of GSM Group's Exploration Projects

## 2. INVESTMENT OVERVIEW

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

Item	Summary	Further information
<b>A. Company</b>		
<b>Who is the issuer of this Prospectus?</b>	Golden State Mining Limited (ACN 621 105 995) ( <b>GSM</b> or the <b>Company</b> ) (Proposed ASX Code: GSM)	
<b>Who is GSM?</b>	<p>The Company was incorporated in Western Australia on 15 August 2017 and has two wholly owned subsidiaries:</p> <ul style="list-style-type: none"> <li>• Cue Consolidated Mining Pty Ltd (ACN 621 059 630) (<b>CCM</b>), incorporated on 14 August 2017; and</li> <li>• Crown Mining Pty Ltd (ACN 622 431 887) (<b>Crown Mining</b>) incorporated on 24 October 2017.</li> </ul> <p>The Company, via CCM and Crown Mining, has acquired rights to three Western Australian gold projects:</p> <ul style="list-style-type: none"> <li>• an option to acquire 100% of a gold project near Cue, Western Australia comprising a total of 31 granted tenements (mining leases, prospecting licenses, and miscellaneous licenses) and 2 applications (1 mining lease and 1 prospecting licence), together with small-scale gravity plant, infrastructure and equipment on site (<b>Cue Option Assets</b>);</li> <li>• three exploration licences considered prospective for gold and lithium near Yule, Western Australia (<b>Yule Project</b>); and</li> <li>• one exploration licence near Laverton considered prospective for gold (<b>Four Mile Well Project</b>).</li> </ul> <p>The Company, via CCM, has also applied for 27 prospecting licences in the vicinity of the Cue Option Assets (the Cue Option Assets and the prospecting license applications made by CCM together comprising the <b>Cue Project</b>) to the extent (if any) that they become granted prospecting licenses.</p>	Section 4.1
<b>How will the Company acquire the</b>	On 21 September 2017, CCM entered into an option agreement ( <b>Cue Option Agreement</b> ) to acquire 100% of the Cue Project from Western	Section 11.1

<b>Cue Option Assets?</b>	<p>Mining Pty Ltd (ACN 142 351 899) ATF Western Mining Trust (<b>Western Mining</b> or the <b>Cue Option Vendor</b>). The Company paid a \$20,000 option fee by way of reimbursement of expenditure by the Cue Option Vendor.</p> <p>Immediately prior to listing on the ASX, the Company intends to procure CCM to exercise the option (<b>Cue Option</b>) and acquire the Cue Option Assets.</p> <p>On or before completion of the Cue Option, the Company must appoint a nominee of the Cue Option Vendor to the Board (it is proposed that Mrs Janet Wicks becomes the nominee Director) and must issue the Cue Option Vendor with:</p> <ul style="list-style-type: none"> <li>• \$150,000 in cash in reimbursement of expenditure;</li> <li>• 2,750,000 Shares with a deemed value of \$550,000, being a shareholding of up to ~8.0% of the Company assuming only the Minimum Subscription is raised; and</li> <li>• a staged royalty of \$50 per ounce for the first 40,000 ounces of refined gold produced after completion of the Cue Option, then \$15 per ounce up to and including 250,000 ounces of gold produced, and \$5 per ounce of gold produced thereafter, payable quarterly in arrears (<b>Royalty</b>). The Royalty is payable in respect of the Cue Option tenements and any tenement granted from CCM's prospecting licence application 20/2349. The Company may, at its election, subject to necessary shareholder and regulatory approval, satisfy some or all of any Royalty payment through the issue of Shares at a deemed issue price equal to the 20 business day VWAP of Shares immediately prior to the end of the quarter to which the royalty payment relates.</li> </ul>	
<b>B. Business Model</b>		
<b>What is the Company's business model?</b>	<p>Following completion of the Offer, the Company's proposed business model will be to further explore and develop deposits as per Company's intended exploration programs, details of which are contained in Section 4 of the Prospectus and in the Independent Technical Assessment Report in Section 5 of this Prospectus.</p> <p>The Company proposes to fund its exploration activities over the first two years, as outlined in the table at Section 4.7.</p>	Sections 4 and 5
<b>What are the key business</b>	The Company's main objectives on completion of	Section 4.6

<b>objectives of GSM?</b>	<p>the Offer are:</p> <ul style="list-style-type: none"> <li>• systematically explore the Company's key project, being the Cue Project, and other current and future projects;</li> <li>• focus on mineral exploration of resource opportunities that have the potential to deliver growth for Shareholders;</li> <li>• continue to pursue other acquisitions that have a strategic fit for the Company; and</li> <li>• implement a growth strategy to seek out further exploration and acquisition opportunities in Australia..</li> </ul>	
<b>What are the key dependencies of the Company's business model?</b>	<p>The key dependencies of the Company's business model include:</p> <ul style="list-style-type: none"> <li>• completing the acquisition of the Cue Option Assets;</li> <li>• the ability of the Company to identify and develop mineral deposits on its projects that can be mined profitably, which is ultimately dependent on the underlying merits of the projects themselves as well as the expertise deployed by the Company;</li> <li>• access to capital so that the Company can pursue its current and future objectives;</li> <li>• retaining and recruiting key personnel skilled in the mining and resources sector;</li> <li>• sufficient worldwide demand for gold and lithium; and</li> <li>• the market price of gold and lithium (which will likely affect both the Company's access to capital and the economic viability of any mineral deposits identified).</li> </ul>	Section 8
<b>C. Key Advantages and Key Risks</b>		
<b>What are the key advantages of an investment in the Company?</b>	<p>The Directors are of the view that an investment in the Company provides the following non-exclusive list of advantages:</p> <ul style="list-style-type: none"> <li>• a portfolio of quality assets in Western Australia considered by the Board to be prospective for gold and lithium; and</li> <li>• the Company has a credible and experienced team to progress exploration and accelerate potential development of its Western Australian gold projects.</li> </ul>	Section 8
<b>What are the key risks of an</b>	The business, assets and operations of the Company are subject to certain risk factors that	Section 8



<p><b>investment in GSM?</b></p>	<p>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> <ul style="list-style-type: none"> <li>• the Company has limited operating history. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or any potential development of its Projects. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses;</li> <li>• while the funds to be raised under the Offer are considered sufficient to meet the immediate objectives of the Company, the Company will likely require substantial further financing in the future for its business activities. The Company may seek to raise further funds through equity or debt financing or other means. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to Shareholders;</li> <li>• the Company is substantially reliant on the expertise and abilities of its key personnel in overseeing the day-to-day operations of its projects. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees cease their relationship with the Company;</li> <li>• subject to the Company being admitted to the Official List, certain Shares 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. 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;</li> <li>• The High Court decision in <i>Forrest &amp; Forrest Pty Ltd vs Wilson</i> (2017) 346 ALR 1 (<b>Forrest Decision</b>), in relation to the validity of grants of Western Australian mining leases and other tenements, could bring the validity of mining leases and other tenements into question, as any mining lease or other tenement granted</li> </ul>	
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	<p>other than in strict compliance with the relevant legislative regime may result in the grant of that mining lease or other tenement being deemed invalid by a court. The Company is not currently aware of any Project tenements that are at risk of being invalidated by the Forrest Decision but cannot give an assurance that title to such tenements could not be challenged or impugned as a result. It is expected that legislation will be presented and passed by the Western Australian Parliament to address these issues and validate any titles that might otherwise be invalid as a result of the Forrest Decision. It is also not clear how long it will take for such legislation to be passed. If the Company were to apply for anew tenement over the same ground as an existing tenement, this would trigger additional negotiation or compensation requirements under the <i>Native Title Act 1993</i> (Cth));</p> <ul style="list-style-type: none"> <li>• previous explorers have reported challenging ground conditions associated with the highly fractured nature of the weathered granite at certain areas within the Cue Project (primarily “The Patch”). This, combined with historical mine voids (some of which are not recorded), can create a challenging environment for exploration drilling which could limit drill sites to less optimal locations. The Company believes it has access to sufficient data and expertise to adequately mitigate and manage these risks;</li> <li>• the Cue Project includes a number of tenement applications which could be rejected or granted on unfavourable terms. Some are, or may be, subject to objections which could reduce the areas granted. The Cue Project also includes a number of soon-to-expire prospecting licenses which will require applications to convert into mining leases to continue. The Company may allow one or more of these prospecting licenses (none of which are currently considered material to the Company’s prospects) to lapse;</li> <li>• the Cue Project tenements are, or may become, subject to a range of native title agreements which may restrict mining and exploration activities or result in additional costs. The Company intends to work constructively with native title parties with a view to avoiding any undue restrictions or costs; and</li> </ul>	
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	<ul style="list-style-type: none"> <li>the Company is subject to risks associated with a Western Australian mineral exploration company, such as the inherent uncertainty of minerals exploration and the fact that exploration may not lead to discovery or delineation of economically exploitable minerals, the volatility of gold and other minerals, the volatility of exchange rates, exploration costs and risks with respect to the holding of exploration tenure and the rights of native title holders.</li> </ul> <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 the Board can effectively manage them is limited. Additional risk factors which will affect the Company are (non-exhaustively) disclosed at Section 8 of this Prospectus.</p>	
<b>D. Directors, Key Management Personnel, Related Parties and Substantial Holders</b>		
<b>Who are the Directors and Proposed Director?</b>	<p>The Company's Board currently comprises Non-Executive Chairman Damien Kelly, Managing Director Michael Moore and Non-Executive Directors Brenton Siggs and Gregory Hancock.</p> <p>On completion of the Cue Option, it is proposed that Mrs Janet Wicks will join the GSM Board as a Non-Executive Director.</p>	Section 9
<b>What experience do the Directors and Proposed Director have?</b>	<p><b>Damien Kelly – Non-Executive Chairman</b></p> <p>Mr Kelly is the founder and principal of Western Tiger Corporate Advisers. He has broad corporate and commercial experience spanning over 18 years. He provides professional services to ASX and AIM listed companies predominately in the mining and energy sector (including the initial listing of Sandfire Resources NL). He is also a Non-executive director of Marine Produce Australia Limited (unlisted public company).</p> <p><b>Michael Moore – Managing Director</b></p> <p>Mr Moore is a Qualified Mining Engineer from the Camborne School of Mines with over 15 years of industry leadership experience including a recent CEO role with Montezuma Mining (ASX:MZM). Mr Moore coordinated the startup of a new mineral sands mining operation in West Africa and has operations &amp; project management experience from concept to full operational status. He is a Non-executive director of Variscan Mines Limited (ASX:VAR).</p>	Section 9

	<p><b>Brenton Siggs – Non-Executive Director</b></p> <p>Mr Siggs is a geologist with over 27 years' experience in the Australian mineral exploration and mining industry and has worked on a range of gold, nickel, petroleum, mineral sands, potash brine, coal and phosphate projects throughout Australia.</p> <p>Mr Siggs has extensive experience in all stages of regional and near-mine exploration project management, particularly in Western Australia, from conceptual targeting and ground acquisition through to resource definition drilling programs and open cut mining geology. He has held exploration and project management and roles with a variety of Australian and major international companies including Newcrest Mining Ltd., Inco Australia, VALE, Sons of Gwalia Ltd, Goldphyre Resources Ltd (now Australian Potash Ltd (for which he was also a non-executive director, resigning in May 2017), Central Norseman Gold Corporation Ltd and Belvedere Coal Management Pty Ltd.</p> <p><b>Greg Hancock – Non-Executive Director</b></p> <p>Mr Hancock has over 25 years' experience in capital markets practicing in the area of Corporate Finance. He has extensive experience in both Australia and the United Kingdom through his close links to the stockbroking and investment banking community. In this time he has specialised in mining and natural resources and has had a background in the finance and management of small companies. He is Chairman of Ausquest Ltd, BMG Resources Ltd and Non-Executive director of Zeta Petroleum Plc, Strata-X Energy Ltd and Cobra Resources Plc. Mr Hancock continues his close association with the capital markets in Australia and the United Kingdom through his private company Hancock Corporate Investments Pty Ltd.</p> <p><b>Janet Wicks – Proposed Non-Executive Director</b></p> <p>Ms Wicks is a HR Professional who grew up in the West Australian Goldfields and has worked in the mining industry for over 10 years. After completing a Bachelor of Psychology at Murdoch University, Janet worked as a generalist practitioner across mining, construction and manufacturing industries providing operational advice on a range of issues including recruitment, employee relations, remuneration strategy, training, organisational development, implementation of IT systems across the business and leadership development. For the last five years, Ms Wicks has been a director,</p>	
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	shareholder and beneficiary of Western Mining, actively managing mining operations at its Cue project.																									
<b>Who are the Senior Management Personnel?</b>	<p>Apart from the Directors and Proposed Director noted above, the other senior management positions within the Company are:</p> <p><b>Geoff Willetts - Exploration Manager</b></p> <p>Mr Willetts has over 18 years' experience in commodities including gold, base metals and mineral sands. He has previously worked as a project geologist at Blackham Resources Ltd (ASX:BLK) and Horseshoe Metals Ltd (ASX: HOR) and Barrick Gold Corporation. He has an honours degree in Applied Geology from Kingston University, UK and a master's degree in Mining Geology from the Camborne School of Mines. Geoff is a Member of the Australian Institute of Geoscientists. Mr Willetts, who is currently a consultant Exploration Manager to the Company, will be employed in this role from the Company's ASX Listing.</p>	Section 9.3																								
<b>What are the Directors' and Proposed Director's current interest in the Company</b>	<table border="1"> <thead> <tr> <th>Director</th><th>Shares*</th><th>Options**</th></tr> </thead> <tbody> <tr> <td>Damien Kelly</td><td>1,250,100</td><td>1,500,000</td></tr> <tr> <td>Michael Moore</td><td>1,000,100</td><td>1,500,000</td></tr> <tr> <td>Brenton Siggs</td><td>500,000</td><td>750,000</td></tr> <tr> <td>Gregory Hancock</td><td>-</td><td>500,000</td></tr> <tr> <th>Proposed Director</th><th>Shares</th><th>Options</th></tr> <tr> <td>Janet Wicks</td><td>-***</td><td>200,000</td></tr> <tr> <td><b>Total</b></td><td><b>2,750,200</b></td><td><b>4,450,000</b></td></tr> </tbody> </table> <p>* Assumes no Director or Proposed Director or their Associates subscribe for Shares pursuant to the Offer.</p> <p>** \$0.25 exercise price, expiring earlier of 31 December 2021 and three years after ASX Listing.</p> <p>***On completion of the Cue Option Agreement, Western Mining, an entity jointly controlled by Janet Wicks, will be issued 2,750,000 Shares in part consideration for CCM's acquisition of the Cue Option Assets.</p>	Director	Shares*	Options**	Damien Kelly	1,250,100	1,500,000	Michael Moore	1,000,100	1,500,000	Brenton Siggs	500,000	750,000	Gregory Hancock	-	500,000	Proposed Director	Shares	Options	Janet Wicks	-***	200,000	<b>Total</b>	<b>2,750,200</b>	<b>4,450,000</b>	Section 4.8
Director	Shares*	Options**																								
Damien Kelly	1,250,100	1,500,000																								
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<b>Total</b>	<b>2,750,200</b>	<b>4,450,000</b>																								

<b>What benefits are being paid to the Directors and Proposed Director?</b>	<table><tr><th><b>Director</b></th><th><b>Current FY Remuneration*</b></th></tr><tr><td>Damien Kelly</td><td>\$50,000</td></tr><tr><td>Michael Moore</td><td>\$180,000</td></tr><tr><td>Brenton Siggs</td><td>\$30,000</td></tr><tr><td>Gregory Hancock</td><td>\$30,000</td></tr><tr><td><b>Proposed Director</b></td><td></td></tr><tr><td>Janet Wicks</td><td>\$30,000</td></tr></table> <p>*Commencing from the date the Company becomes listed. Compulsory superannuation (currently 9.5% per annum) will be payable in addition to these amounts</p> <p>On listing, the Company has also agreed to make one off payments of \$20,000 to each of Messrs Kelly and Moore and \$15,000 to Mr Siggs or their related parties for services provided prior to listing.</p>	<b>Director</b>	<b>Current FY Remuneration*</b>	Damien Kelly	\$50,000	Michael Moore	\$180,000	Brenton Siggs	\$30,000	Gregory Hancock	\$30,000	<b>Proposed Director</b>		Janet Wicks	\$30,000	Section 9.5
<b>Director</b>	<b>Current FY Remuneration*</b>															
Damien Kelly	\$50,000															
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Brenton Siggs	\$30,000															
Gregory Hancock	\$30,000															
<b>Proposed Director</b>																
Janet Wicks	\$30,000															
<b>What related party agreements is the Company a party to?</b>	<p><b>Cue Option Agreement</b></p> <p>The Cue Option Vendor will become a related party once the Proposed Director (Janet Wicks) is appointed as a Director of the Company as it is jointly controlled by her. As such, the Cue Option Agreement, which amongst other things grants a staged royalty to the Cue Option Vendor, will become a related party agreement at that time. The Cue Option Agreement was negotiated on arms' length terms.</p> <p><b>Yule Project Royalty</b></p> <p>The Company's subsidiary, Crown Mining, acquired the Yule Project from Director Damien Kelly and his controlled entity (<b>Yule Vendors</b>) on 18 December 2017 in accordance with a sale agreement dated 30 November 2017 (<b>Yule Sale Agreement</b>).</p> <p>Under the Yule Sale Agreement, Crown Mining has agreed to pay a 2% gross value royalty in respect of mineral production from the Yule Project (<b>Yule Project Royalty</b>). The Yule Sale Agreement is considered to be on arms' length terms.</p> <p><b>Other related party agreements</b></p> <p>The Company has entered into the following agreements with related parties on arms' length</p>	Section 9.6														

	<p>terms:</p> <ul style="list-style-type: none"> <li>• an executive services agreement with Managing Director Mr Moore;</li> <li>• Non-executive Director appointment letters with Messrs Kelly and Siggs and Hancock (the Company intends to enter into an equivalent letter with Ms Wicks on her appointment);</li> <li>• deeds of indemnity, insurance and access with the Directors on standard terms (the Company intends to enter into an equivalent deed with Ms Wicks on her appointment); and</li> <li>• Pre-IPO service agreements with Director Michael Moore and an entity controlled by Director Damien Kelly.</li> </ul>	
<b>Substantial Holders</b>	The only person who is currently expected to hold 5% or more of the total number of Shares on issue on completion of the Cue Option and Offer is the Cue Option Vendor, Western Mining.	Section 4.9
<b>Cue Option Vendor and Associates Voting Power</b>	<p>The Cue Option Vendor and its Associates currently have no Voting Power in the Company.</p> <p>On completion of the Cue Option, the Cue Option Vendor and its Associates are expected have Voting Power of up to approximately ~8.0% in the Company assuming only the Minimum Subscription is raised under the Offer and no other Shares are.</p>	Section 4.9
<b>E. Financial Information</b>		
<b>What is the key financial information?</b>	<p>The audited statement of consolidated financial position of the GSM Group as at 31 December 2017 is set out in the Investigating Accountant's Report (<b>IAR</b>) in Section 7. The IAR includes:</p> <ul style="list-style-type: none"> <li>• historical audited statement of profit and loss and other comprehensive income of the GSM Group from incorporation until 31 December 2017;</li> <li>• historical audited statement of consolidated financial position of the GSM Group as at 31 December 2017; and</li> <li>• historical audited statement of consolidated cash flows of the GSM Group from incorporation until 31 December 2017.</li> </ul>	Section 7
<b>What is the financial outlook for GSM?</b>	<p>The reviewed pro-forma statement of consolidated financial position for the GSM Group as at 31 December 2017 (which assumes that the Cue Option has been completed) is set out in the IAR.</p> <p>Post listing, the Company's financial performance</p>	Section 7



	will be largely dependent on expenditures incurred on, and returns received from, its interests in its projects, which (particularly in the case of returns) are inherently uncertain. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection. The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe they do not have a reasonable basis to forecast future earnings.	
<b>What is the Company's dividend policy?</b>	Post listing, the Company currently does not expect to pay a dividend and funds raised will be allocated to the growth and development of the Company's business. The Board will review the dividend policy on a regular basis.	Section 4.11
<b>F. Offers</b>		
<b>What are the Offers?</b>	<p>The Company will be offering 22,500,000 Shares at an issue price of \$0.20 per Share to raise approximately \$4,500,000 before costs under the Offer, with the ability to accept oversubscriptions for up to 5,000,000 Shares to raise up to an additional \$1,000,000.</p> <p>The Lead Manager Offer is an offer of up to 1,962,560 Lead Manager Options, exercisable at \$0.25 each and expiring 4 years from the date of issue, to the Lead Manager (or its nominees).</p>	Section 3.1
<b>Who is eligible to participate in the Offers?</b>	<p>The Offer is open to all investors in Australia. It is also open to certain types of institutional and professional investors in New Zealand, Singapore, Hong Kong and the United Kingdom pursuant to exemptions from local prospectus and registration requirements.</p> <p>The Lead Manager Offer is open to the Lead Manager (or its nominees).</p> <p>This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.</p>	Section 3
<b>How do I apply for Securities under the</b>	Applications for Securities under the Offers must be made by completing the relevant Application Form provided with this Prospectus in accordance with the instructions set out in the Application	Section 3.3

<b>Offers?</b>	Form. Applications for Shares under the Offer must be accompanied by a cheque in Australian dollars or confirmation of electronic funds transfer for the full amount of the Application.	
<b>What are the conditions to the Offers?</b>	<p>The Offers remain conditional upon the following events occurring:</p> <ul style="list-style-type: none"> <li>the Company raising the Minimum Subscription, being \$4,500,000, under the Offer; and</li> <li>ASX granting in-principle approval to admit the Company to the Official List on conditions which the Directors are confident can be satisfied.</li> </ul> <p>If these conditions are not satisfied then the Offer will not proceed and the Company will repay all Application Monies received under the Offer in accordance with the Corporations Act.</p>	Section 3.4
<b>Are the Offers underwritten?</b>	The Offer is not underwritten.	Section 3.1(b)
<b>Will there be a lead manager to the Offer?</b>	Hartleys will be the Lead Manager to the Offer. Refer to Section 11.4 for details of the fees payable to the Lead Manager for its services. DJ Carmichael will be the Co-Manager to the Offer.	Section 11.4
<b>What will GSM's capital structure look like on listing?</b>	Refer to Section 4.8 for a pro forma capital structure on listing.	Section 4.8
<b>Will I be guaranteed a minimum allocation under the Offer?</b>	No, the Company is not in a position to guarantee a minimum allocation of Shares under the Offer.	Section 3.4
<b>What are the terms of the Securities offered under the Offers?</b>	A summary of the material rights and liabilities attaching to the Shares offered under the Offer, and Lead Manager Options offered under the Lead Manager Offer, is set out in Sections 12.2 and 12.6 of this Prospectus respectively.	Sections 12.2 and 12.6
<b>Will any Shares be subject to escrow?</b>	<p>Share issued under the Offer will not be subject to escrow.</p> <p>6,178,690 Shares on issue at the date of this Prospectus, plus the 2,750,000 Shares to be issued to the Cue Option Vendor on completion of the Cue Option, are expected to be classified by ASX as restricted securities and required to be held in escrow for up to 24 months from the date of Official Quotation.</p>	Sections 3.1 and 3.6

	<p>Up to a further 2,697,500 Shares on issue at the date of this Prospectus, to the extent not subject to ASX imposed escrow, may be subject, at the Company's discretion, to between 3 and 6 months' voluntary escrow from the date of Official Quotation.</p> <p>The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in ASX imposed and voluntary escrow prior to the date of Official Quotation.</p> <p>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 66%, being the Shares issued pursuant to the Offer and assuming the Minimum Subscription is raised.</p>	
<b>Will the Shares offered be quoted?</b>	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 3.5
<b>What are the key dates of the Offers?</b>	The key dates of the Offers are set out in the indicative timetable in Section 1.1.	Section 1.1
<b>What is the minimum investment size under the Offer?</b>	Applications under the Offer must be for a minimum of 10,000 Shares (\$2,000 worth) and thereafter, in multiples of 2,500 Shares (\$500 worth) and payment for the Shares must be made in full at the issue price of \$0.20 per Share.	Section 3.1
<b>H. Use of proceeds</b>		
<b>How will the proceeds of the Offer be used?</b>	<p>The Company intends to apply funds raised from the Offer over the first two years following instatement of the Company to quotation on the Official List of ASX in the manner set out in Section 4.7.</p> <p>As with any budget, intervening events, changing strategies and priorities, and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.</p>	Section 4.7
<b>G. Additional information</b>		
<b>Is there any brokerage, commission or duty payable by Applicants to the Offer?</b>	No brokerage, commission or duty is payable by Applicants on issue of Shares under the Offer.	Section 3.12
<b>What are the</b>	Holders of Shares may be subject to Australian tax	Section 3.12

<b>tax implications of investing in Shares?</b>	<p>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 depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Securities offered under this Prospectus.</p>	
<b>Where can I find more information?</b>	<ul style="list-style-type: none"> <li>• By speaking to your sharebroker, solicitor, accountant or other independent professional adviser.</li> <li>• By contacting the Share Registry on 1300 992 916.</li> </ul>	

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### 3. DETAILS OF THE OFFER

#### 3.1 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 approximately \$4,500,000, with the Company having the ability to accept oversubscriptions for up to 5,000,000 Shares to raise up to an additional \$1,000,000.

The Shares offered under the Offer will rank equally with the existing Shares on issue. Refer to Section 12.2 for a summary of the terms of the Shares.

(a) **Minimum subscription**

The minimum subscription for the Offer is \$4,500,000.

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.

(b) **Not underwritten**

The Offer is not underwritten.

(c) **Minimum application amount**

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).

(d) **Quotation and trading**

Application for quotation of the Shares issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 3.5 for further details.

It is not expected that Shares issued pursuant to the Offer will be subject to any escrow requirements by the ASX.

#### 3.2 Lead Manager Offer

The Company has agreed, under its mandate with the Lead Manager, to offer the Lead Manager (or its nominees), in consideration for capital raising services, that number of Lead Manager Options equal to the 5% of the Shares on issue when the Company is admitted to the Official List.

As such, this Prospectus includes a separate offer of up to 1,962,560 Lead Manager Options to the Lead Manager (or its nominees). The terms of the Lead Manager Options are summarised in Section 12.6.

Only the Lead Manager (or its nominees) may apply under the Lead Manager Offer. An Application Form in relation to the Lead Manager Offer will be provided to the Lead Manager and its nominees together with a copy of this Prospectus.

The Company does not currently intend to apply for quotation of the Lead Manager Options.

### 3.3 Applications

Applications for Securities under the Offers must only be made by investors using the relevant Application Form.

The Offer is open to all investors in Australia. It is also open to certain types of institutional and professional investors in New Zealand, Singapore, Hong Kong and the United Kingdom pursuant to exemptions from local prospectus and registration requirements.

By completing an Application Form, you 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 under the Offer must be accompanied by payment in full in Australian currency in accordance with the instructions set out in the Application Form.

Applicants wishing to provide Application Monies via electronic funds transfer should follow the instructions on the Application Form or contact the Company. Cheques must be made payable to **“Golden State Mining Limited – Share Application Account”** and should be crossed **“Not Negotiable”**. All Application Monies will be paid into a trust account.

Completed Application Forms and accompanying Application Monies must be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Closing Date**.

An original, completed and lodged Application Form together with a cheque or confirmation of electronic funds transfer for any Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid.

Participation in the Lead Manager Offer is personal to the Lead Manager and its nominees and Application Forms in relation to the Lead Manager Offer will be issued to the relevant participants together with a copy of this Prospectus.

The Company reserves the right to close the Offers early and to accept late applications.

If you require assistance in completing an Application Form, please contact the Share Registry, on 1300 992 916.

### 3.4 Issue of Shares and Allocation Policy

#### (a) General

Subject to the Minimum Subscription to the Offer being reached and ASX granting conditional approval for the Company to be admitted to the Official List, issue of Shares under the Offer will take place as soon as practicable after the Closing Date.

#### (b) Allocation

The allocation of Shares under the Offer will be determined by the Board in its absolute discretion.

There is no guaranteed allocation of Shares under the Offer.

The Board reserves the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded (without interest) to the Applicant as soon as practicable after the Closing Date.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

(c) Defects in applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

(d) Interest

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held in trust for 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.

### **3.5 ASX Official Quotation of Shares**

The Company will apply for Official Quotation of all Shares issued under this Prospectus 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 this Prospectus, or such period as varied by the ASIC, or if ASX otherwise rejects the Company's application for admission to the Official List, the Company 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.

### **3.6 Restricted Securities**

Subject to the Company being admitted to the Official List, 6,178,690 Shares on issue as at the date of this Prospectus, plus the 2,750,000 Shares to be issued to the Cue Option Vendor on completion of the Cue Option, are expected to be classified by ASX as restricted securities and 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.

Up to a further 2,697,500 Shares on issue at the date of this Prospectus, to the extent not subject to ASX imposed escrow, may be subject, at the discretion of the Company, to between 3 and 6 months voluntary escrow from the date of Official Quotation.



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 Shares commencing trading on ASX.

### **3.7 Commissions payable**

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed dealers (of Australian financial services licensees) or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee.

Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee. The Lead Manager will be responsible for paying all commissions that the Lead Manager and the Company agree with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

### **3.8 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 admission of the Company to the Official List.

### **3.9 Clearing House Electronic Sub-Register System and Issuer Sponsorship**

The Company will apply to participate in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. Investors who do not wish to participate through CHESS 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 holding statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of Shares 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. Shareholders may request a holding statement at any other time, however a charge may be made for such additional statements.

### **3.10 Applicants outside Australia**

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

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction

outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in order to accept the Offers.

If you are outside Australia, it is your responsibility to ensure compliance with all laws of any country relevant to, and obtain all necessary approvals for, the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form by a person outside Australia will be taken by the Company to constitute a representation and warranty by you (for the Company's benefit and for the benefit of the Company's officers, employees, agents and advisers) that there has been no breach of any such laws and all relevant approvals have been obtained (and, to the maximum extent permitted by law, you agree to indemnify the Company and its officers, employees, agents and advisers for any loss or damage caused if such representation or warranty proves to be inaccurate). Such Applicants outside Australia must consult with their professional advisers as to whether any formalities need to be observed (either by themselves or the Company) to enable them to subscribe for the securities being offered pursuant to this prospectus.

The Offers do not and will not constitute an offer of Securities in the United States of America (US). Furthermore, no person ordinarily resident in the US is or will become permitted to submit an Application Form. If the Company believes that any Applicant is ordinarily resident in the US, or is acting on behalf of a person or entity that is ordinarily a resident of the US, the Company will reject that Applicant's application.

### **3.11 Foreign Offer Restrictions**

This document may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

#### **(a) New Zealand**

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act"). The Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

#### **(b) Singapore**

This Prospectus and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with

the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities, may not be issued, circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of the Company's Shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(c) **Hong Kong**

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

(d) **United Kingdom**

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United

Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Securities.

This Prospectus is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

### **3.12 Taxation**

The disposal of Securities may have tax consequences, which may 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 Securities 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/or responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

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

## 4. GSM GROUP AND PROJECTS OVERVIEW

### 4.1 The GSM Group

The Company was formed with the purpose of acquiring quality Western Australian exploration assets and listing on the Australian Securities Exchange (“ASX”).

The Company was registered on 15 August 2017 as a proprietary limited company. It converted to a public company on 6 April 2018.

The Company is a resources exploration company, which has brought together three prospective West Australian exploration projects with a major focus on gold and lithium as shown in Figure 2 below.



Figure 2: Location Map of GSM Group's Exploration Projects

The Company has two wholly owned subsidiaries:

- (a) Cue Consolidated Mining Pty Ltd (ACN 621 059 630) (**CCM**), incorporated on 14 August 2017; and

- (b) Crown Mining Pty Ltd (ACN 622 431 887) (**Crown Mining**) incorporated on 24 October 2017.

CCM has an option – which it intends to exercise and complete prior to listing on the ASX – to acquire the Cue Option Assets under the Cue Option Agreement and has also applied for 27 prospecting licences in the general vicinity of the Cue Option Assets. These prospecting licences, together with the Cue Option Assets, comprise the Cue Project. A summary of the Cue Option Agreement is set out in Sections 2 and 11 of this Prospectus.

The cornerstone Cue Project is located adjacent to the historical town of Cue in the Murchison district, approximately 659km by road northeast of Perth. Cue has a rich history of gold mining dating back to 1892, when gold was discovered there by Michael John Fitzgerald on New Year's Day at "Kintore Blow", which is located at what is now Austin Street in the modern town of Cue.

Crown Mining owns the Yule Project and Four Mile Well Project in Western Australia.

The Yule Project is located between 35km and 65km southwest of Port Hedland in the Pilbara region of Western Australia and comprises three granted exploration licences for a total of 434 km<sup>2</sup>. Potential for tin, tantalum and lithium mineralisation is present within the Yule South tenements covering the Portree Granitoid Complex as these metals occur in similar age granitoid rocks to the east and southeast of the project areas. Structural sites adjacent to this complex also have the potential to host gold mineralisation.

The Four Mile Well Project is located 9km to the north of Laverton in the Eastern Goldfields and consists of a single 38 block exploration licence, E38/3282. The region contains a significant mineral endowment with a number of major gold deposits within close proximity to the Four Mile Well Project area.

An overview of the GSM Group on listing, and its interests in the above projects is provided below.

Investors are also referred to the Independent Technical Assessment Report in Section 5 for further details about the geology, location and mineral potential of the Company's Projects and the Solicitor's Report on Tenements in Section 6 for further details in respect to the Company's interests in the tenements that comprise the Company's Projects.

## 4.2 Corporate Structure of the GSM Group

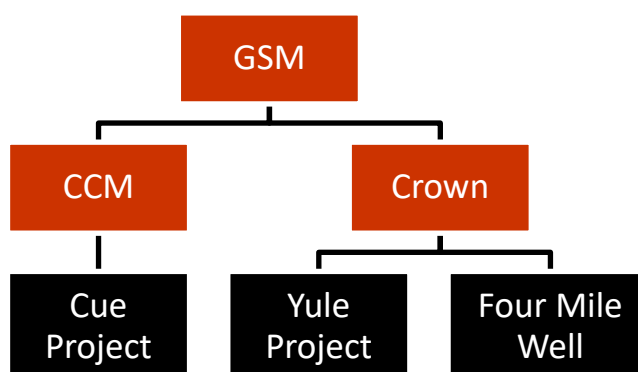


Figure 3: GSM Group Corporate Structure

### 4.3 Overview of the Cue Project

The Cue Project is located in a region that has produced over seven million ounces of gold over the past 126 years and covers an area of approximately 46km<sup>2</sup>. Several historical mine workings with limited previous drilling are considered high priority exploration targets that require systematic drilling and evaluation work along strike and down-dip and plunge of known mineralisation. Some of the larger workings include the Cue No.1, Salisbury, Light of Asia and Queen of the May mines which have been explored to some extent, however previous explorers appeared to be focussed on defining shallow high-grade ore shoots immediately below historic gold workings.

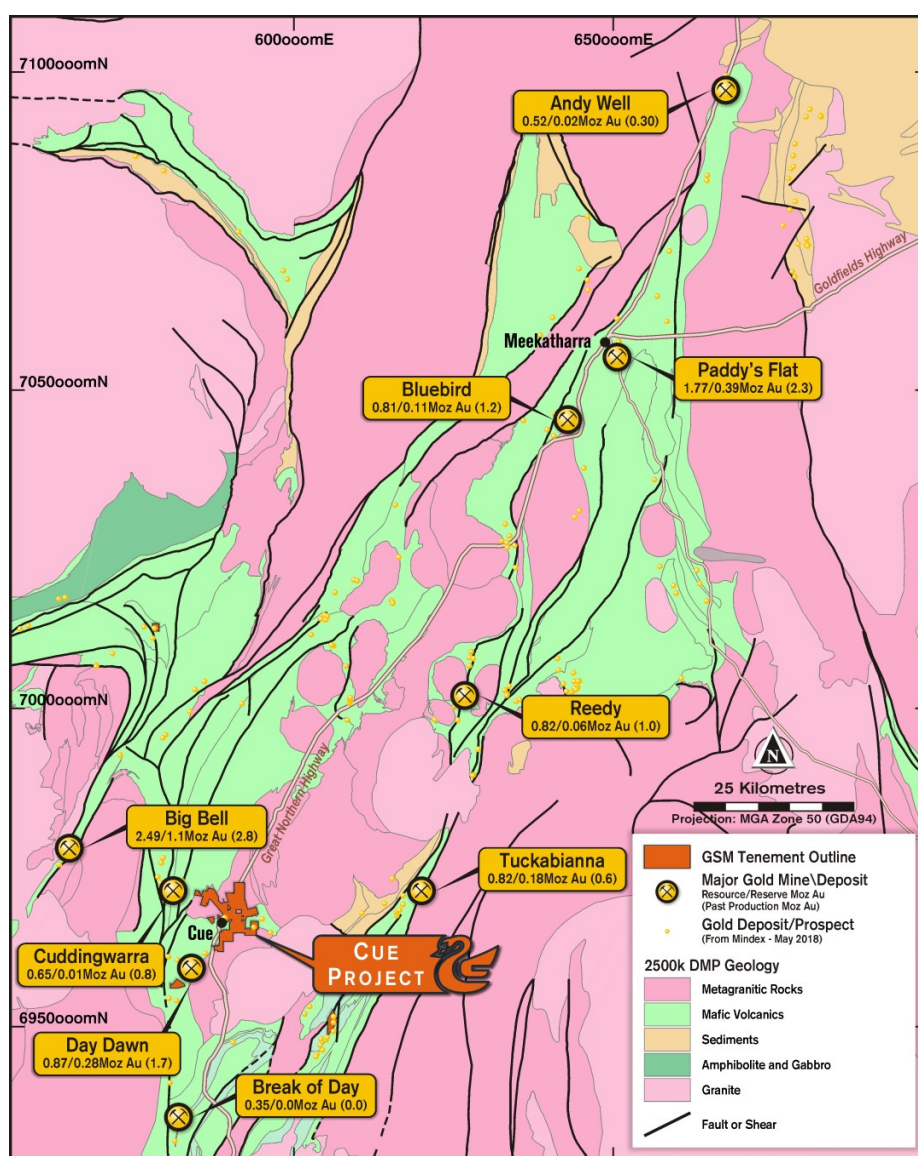
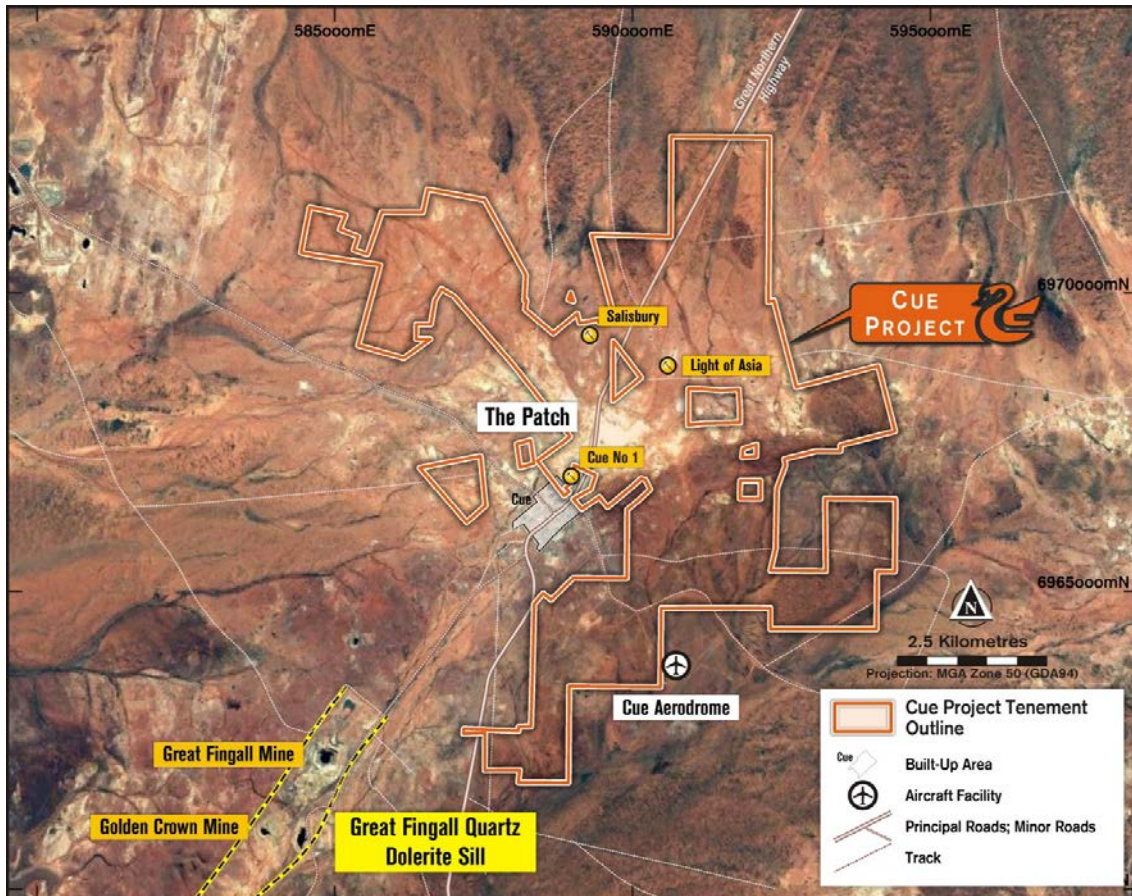


Figure 4: Cue Project Regional Geology Showing Gold Endowment

Another significant exploration target is the relatively unique geology at “The Patch” when compared to the remainder of gold deposits in the Cue Project. “The Patch” extends approximately 1km along strike (N – S) and 0.8km east to west and is an area of highly kaolinised granitoid which overlies the projected extension of both the Great Fingall Shear Zone (GFSZ) and the Great Fingall Dolerite. This target contains



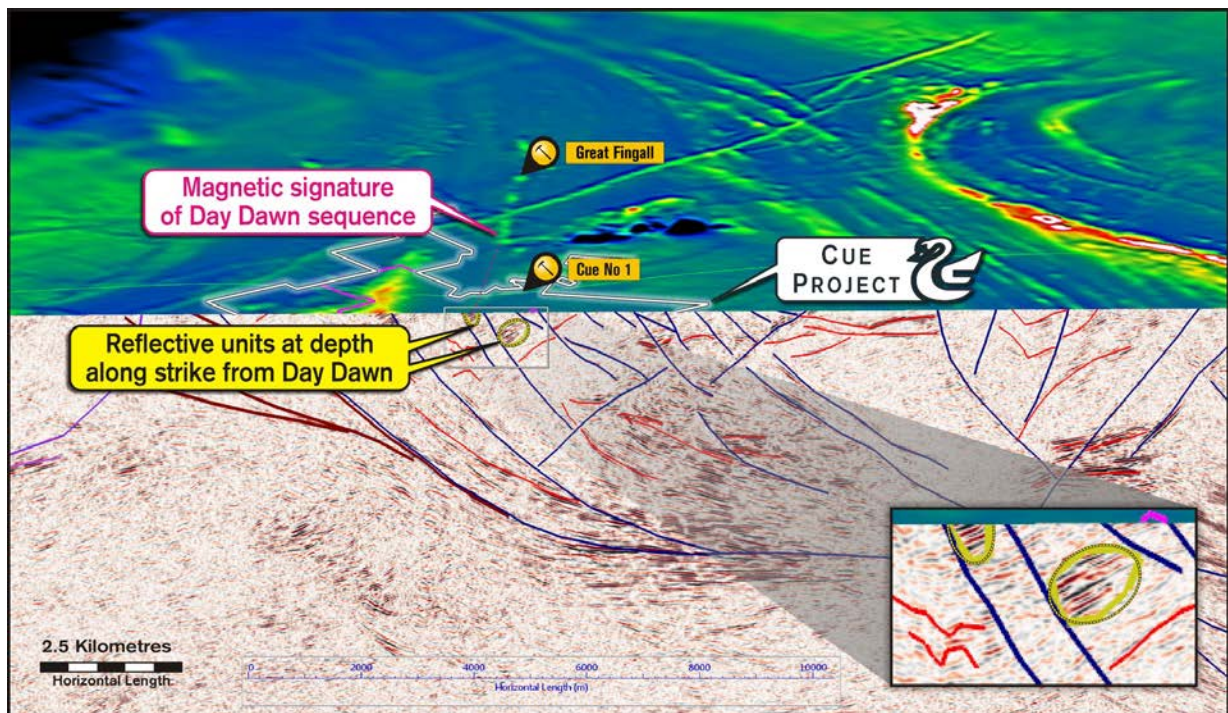
a series of stacked, shallow dipping quartz reefs and moderate to steeply dipping quartz ladder veins. These veins vary in width from a few centimetres up to 3 to 4 meters in width. The structural geometry of the vein system in this area is not currently understood, however the dominance of the interpreted shallow dipping vein sets suggests these veins formed in a compressive structural environment.



*Figure 5: Cue Project Area showing Exploration Potential*

Recent reprocessing and interpretation of open file high-resolution aeromagnetic and gravity survey data suggests that the greenstone sequence and major structures continue beneath the granite intrusive, especially on the western and south western flanks of the granite that hosts many of the high-grade deposits detailed above.

The Company has also successfully completed open file seismic profile reprocessing by Hi-SEIS (Perth). This reprocessed seismic profile (Figure 6), demonstrates that there are seismic reflectors occurring at a relatively shallow depth within the Cue Project that would not be expected if the granite intrusive were a large batholith type intrusive body of substantial depth extent.



*Figure 6: 2D seismic section looking south showing prospective structure under the Cue Project*

The seismic profile evidence in association with the magnetics and gravity interpretation all independently suggest that the greenstone sequence hosting the Great Fingall Dolerite and the Great Fingall Shear Zone extends northwards beneath the granite. From the available data, the greenstone sequence is interpreted to occur at an explorable depth, possibly less than 300m and provides a significant exploration target. Other deposits that occur below overthrust granite bodies include Granny Smith gold deposit near Laverton (Hall & Holyland, 1990) and the depth extensions of the Plutonic gold mine between Meekatharra and Newman (Vickery et.al., 1998).

#### **4.4 Overview of the Yule Project**

The Yule Project is located between 35km and 65km southwest of Port Hedland in the Northern Pilbara region of Western Australia. There are three granted exploration licences for a total of 434 km<sup>2</sup> comprising the Yule North tenement E47/3508 and the Yule South tenements E47/3503 and E47/3507.

Yule South includes ground previously selected for tantalum potential by highly successful prospecting geologist, the late Graeme Hutton (co-founder of Sandfire Resources, Metana Minerals and a pioneer of the Hamersley Iron Province). Yule South also includes conceptual lithium-tantalum and gold targets identified from airborne geophysics at Yule South.



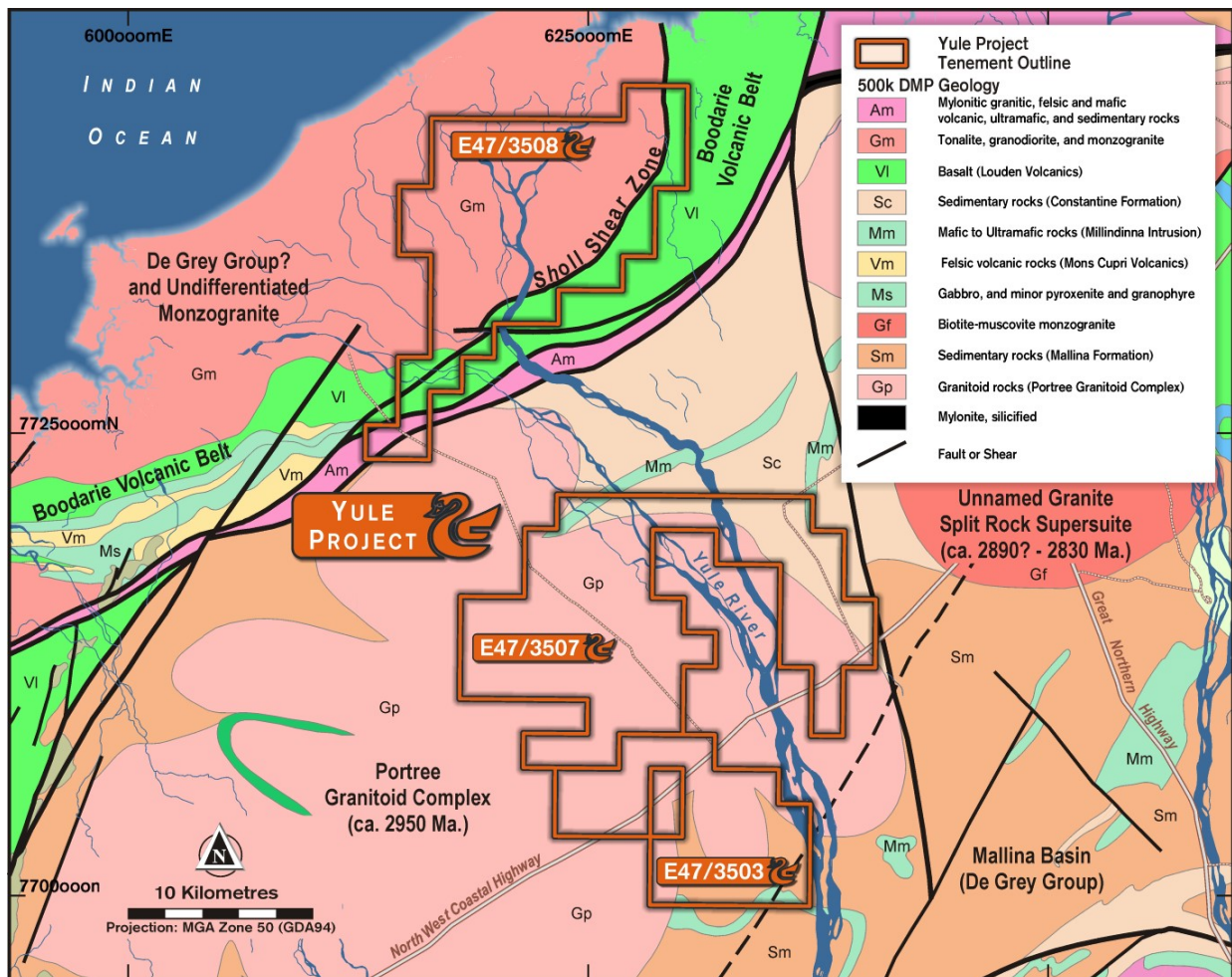


Figure 7: Local Geology of the Yule Project

There is the potential for tin, tantalum and lithium mineralisation to be located within Yule South tenements covering the Portree Granitoid Complex as these metals occur in similar age granitoid rocks to the east and southeast of the project areas. Structural sites adjacent to this complex also have the potential to host gold mineralisation. Palaeochannels associated with the Yule River also have the potential to host deposits of heavy minerals and gold.

Brumby Resources Limited completed a VTEM and aeromagnetic survey between 2006 and 2007 over prospective areas but did not drill test the interpreted VTEM anomalies or any of the conceptual targets identified from the aeromagnetic survey at Yule South.

The northern part of the project area (E47/5508), has been the subject of previous exploration for Cu-Ni, Cu-Pb-Zn and Au mineralisation since the early 1970s. This area contains the Boodarie Belt of volcanic rocks belonging to the Mons Cupri Volcanics and the Louden Volcanics. These are of particular interest, as they are known to host the Whim Creek, Mons Cupri and Salt Creek deposits located to the southwest.

Previous exploration for heavy minerals by Texasgulf and Aztec tested only a small part of the project area leaving numerous untested paleochannels, especially beneath the recent alluvial deposits of the Yule River. More recently, Brumby Resources completed another aeromagnetic survey in 2008 and drill tested an interpreted iron ore target.

## 4.5 Overview of the Four Mile Project

The Four Mile Well Project is located 9km to the north of the Laverton townsite in the Eastern Goldfields and consists of a single 38 block exploration licence, E38/3282 that is not subject to Native Title. The overall area of the tenement is 107km<sup>2</sup>.

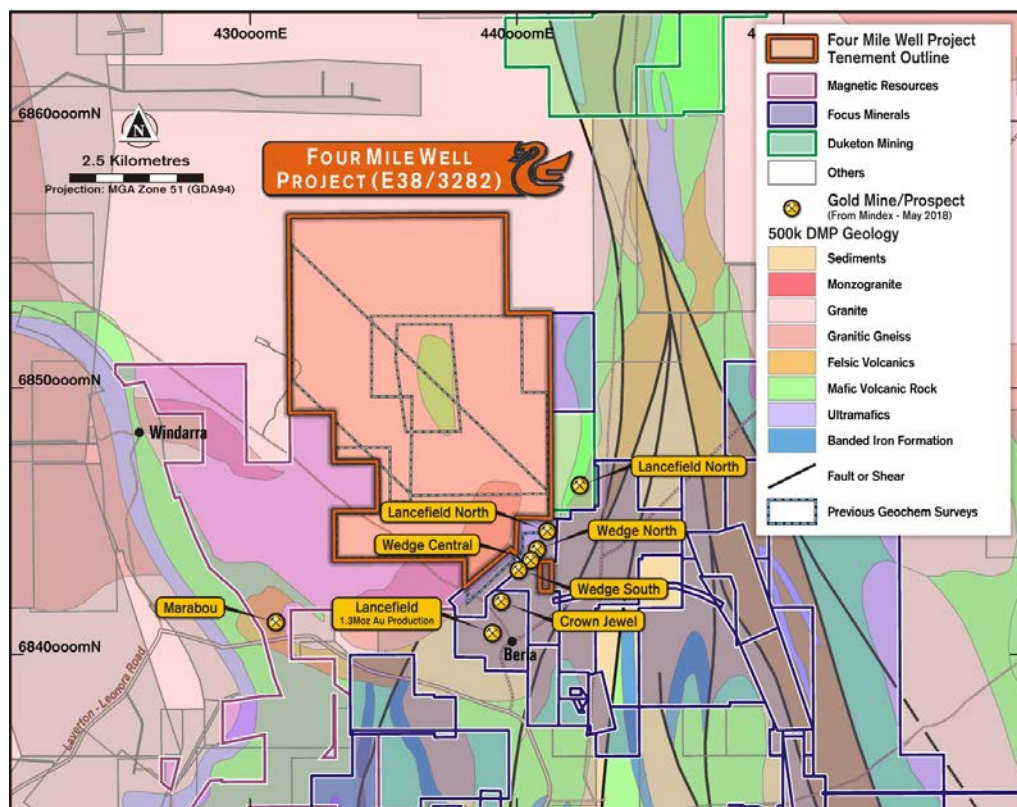


Figure 8: Local Geology of The Four Mile Well Project

The region is highly mineralised with a number of major gold and nickel deposits within close proximity to the Four Mile Well Project area. Two significant nickel sulphide deposits (Windarra and Mt Windarra) are located to the west of the project area and the 1.3Moz Lancefield gold deposit is located less than 1km to the south. The Crown Jewel, Wedge South, Wedge Central, Wedge North and Lancefield North pits are located immediately southeast of the project area and are held by Focus Minerals (Laverton) Pty Ltd.

Previous work has identified several untested geochemical gold anomalies which require follow up geochemical sampling and represent a potential early stage drilling opportunity.

## 4.6 Business Model

The primary objective of the Company has been to focus on mineral exploration of resource opportunities that have 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 Technical Assessment Report in Section 5 of this Prospectus.

In addition to its existing exploration activities, the Company will continue to consider and pursue other acquisitions that have a strategic fit for the Company.

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

- (a) to systematically explore the Company's Projects;
- (b) to implement a growth strategy to seek out further exploration and acquisition opportunities in Australia; and
- (c) for general working capital for the Company.

#### 4.7 Use of Funds

The Company intends to apply funds raised from the Offer following admission to the Official List of the ASX over the next two (2) years as follows:

	<b>Minimum Subscription</b>	<b>%</b>	<b>Maximum Oversubscriptions</b>	<b>%</b>
Offer raising amount	\$4,500,000	100%	\$5,500,000	100%
Expenses of the Offer <sup>(1)</sup>	\$485,000	10.8%	\$550,000	10.0%
Cue Option Payment	\$150,000	3.3%	\$150,000	2.7%
Cue Option acquisition costs	\$40,000	0.9%	\$40,000	0.7%
Exploration Program – Cue Project <sup>(2)</sup>	\$1,310,000	29.1%	\$1,415,000	25.7%
Exploration Program – Yule Project <sup>(2)</sup>	\$535,000	11.9%	\$850,000	15.5%
Exploration Program – Four Mile Well Project <sup>(2)</sup>	\$175,000	3.9%	\$245,000	4.5%
General working capital <sup>(3)</sup>	\$1,805,000	40.1%	\$2,250,000	40.9%
<b>Total</b>	<b>\$4,500,000</b>	<b>100%</b>	<b>\$5,500,000</b>	<b>100%</b>

Notes:

1. Refer to the Section 12.10 of this Prospectus for further details in respect of the Expenses of the Offer.
2. Refer to the Independent Technical Assessment Report in Section 5 for further details in respect of the proposed exploration programs.
3. General working capital will include payment of director fees, wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, other items of a general administrative nature (expected to be approximately \$0.8 million in each of the first and second years – approximately \$1.6 million total -

following the Company's admission to the Official List of ASX) and cash reserves which may be used in connection with any project, investment or acquisition, as determined by the Board at the relevant time.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 8).

The Board believes that the funds raised from the Offer, combined with existing funds, provide the Company with sufficient working capital to carry out its stated business objectives.

## 4.8 Capital Structure

The expected capital structure of the Company following completion of the Offer (assuming no Options are exercised) is tabled below:

### Shares

	<b>\$4,500,000 (Minimum Subscription)</b>	<b>\$5,500,000 (Maximum Oversubscriptions)</b>
Currently on issue	9,001,200	9,001,200
Shares to be issued to the Cue Project Vendor	2,750,000	2,750,000
Shares to be issued under the Offer	22,500,000	27,500,000
<b>Total</b>	<b>34,251,200</b>	<b>39,251,200</b>

### Options

	<b>\$4,500,000 (Minimum Subscription)</b>	<b>\$5,500,000 (Maximum Oversubscriptions)</b>
Currently on issue <sup>1</sup>	6,500,000	6,500,000
Lead Manager Options <sup>2</sup>	1,712,560	1,962,560
<b>Total</b>	<b>8,212,560</b>	<b>8,462,560</b>

1. Comprising 550,000 Options (\$0.20 exercise price, expiring earlier of 31 August 2020 and 2 years from ASX Listing), 4,950,000 Options (\$0.25 exercise price, expiring earlier of 31 December 2021 and 3 years from ASX Listing) and 1,000,000 Options (\$0.35 exercise price, expiring earlier of 31 December 2021 and 3 years from ASX Listing).

2. Exercise price of \$0.25, expiring 4 years from issue.

#### 4.9 Substantial Shareholders

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares on issue:

Shareholder	Shares	%
Advanced Capital Management Pty Ltd ATF South Point Trust ( <b>ACM</b> )	1,250,100	13.9%
David Morton	1,032,000	11.5%
Michael and Ruth Moore ATF Petherwin Trust	1,000,100	11.1%
Tarney Holdings Pty Ltd ATF DP & FL Waddell Family Trust	600,000	6.7%
Perth Select Seafoods Pty Ltd	500,000	5.6%
Brenton Siggs	500,000	5.6%

On completion of the Offer and the Cue Option (assuming the Minimum Subscription is raised, no Options are exercised and no other Shares are issued), the Company is aware that there will be the following Shareholders holding 5% or more of the total Shares on issue:

Shareholder	Shares	%
Western Mining	2,750,000	8.0%

#### 4.10 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. 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.

#### 4.11 Dividend Policy

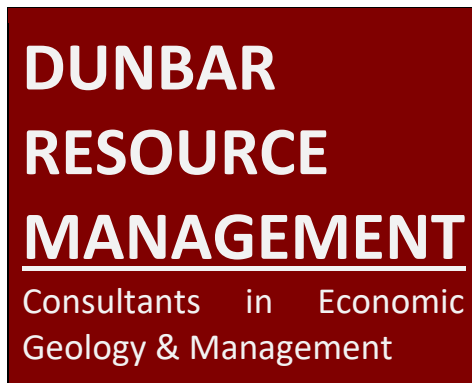
For the Company to progress its business model, significant funding is likely to be required and therefore the Company currently has no plans to declare any dividends.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board 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 Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

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5. INDEPENDENT TECHNICAL ASSESSMENT REPORT





# INDEPENDENT TECHNICAL ASSESSMENT REPORT

GOLDEN STATE MINING LIMITED


CUE, YULE AND FOUR MILE WELL PROJECTS

**FINAL**

August 2018

Report Date: 3<sup>rd</sup> August 2018  
Primary Author: Paul Dunbar

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Report Date	3 <sup>rd</sup> August 2018	

## Executive Summary

Golden State Mining Limited (GSM or the Company) commissioned Dunbar Resource Management (DRM), the trading name of Jewell Dunbar Pty Ltd, to prepare an Independent Technical Assessment Report (“the Report” or ITAR) of the mineral assets that GSM and its subsidiaries own or have an option to acquire.

The Report is intended to be part of a prospectus in support of an initial public offering (IPO) for shares in the Company. The shares will be offered and traded on the Australian Securities Exchange (ASX). At the time of completing this report, it is intended that GSM will issue a minimum of 22.5 million fully paid ordinary shares at an issue price of \$0.20 per share to raise a minimum of \$4.5 million. The report has been prepared as a public document, in the format of an independent specialists’ report and in accordance with the 2015 VALMIN and 2012 JORC Codes.

This report is a technical review of GSM’s mineral projects which consists of three separate projects being Cue, Yule and Four Mile Well. The Cue Project consists of 60 granted or pending mining leases and prospecting licences near the town of Cue in the central Murchison of Western Australia. The Yule Project is 45km to the southwest of Port Hedland and consists of three granted exploration licences while the Four Mile Well Project is a single exploration licence, located 9km to the north of Laverton in the Eastern Goldfields of Western Australia. The general location of these projects is shown in Figure 1 and Table 1 details the tenement schedule. The combined projects cover approximately 590km<sup>2</sup>.



Figure 1: Location of the Golden State Mining Projects (figure supplied by GSM)

Much of this report is based on information provided by the Company along with publicly available data including Australian Securities Exchange (ASX) releases and public data obtained from various companies, government geological surveys and published articles. DRM has made all reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this report. The opinions and statements in this report are given in good faith and under the belief that they are accurate and not false nor misleading.

### **Cue Gold Project**

The Cue Gold Project consists of four separate groups of tenements being Cue, Webb's Patch, Great Fingall South and Maguire's Reward. The project consists of a total of eight mining leases (seven granted and one application), forty-five prospecting licences (seventeen granted and twenty-eight applications) and seven granted miscellaneous licences, located in the central Murchison district of Western Australia. Cue is approximately 80km north of Mt Magnet and 116km south of the regional centre of Meekatharra. The tenements are held by either Cue Consolidated Mining Pty Ltd (CCM) or Western Mining Pty Ltd (Western Mining). Upon GSM's listing, Western Mining's tenements will be 100% beneficially held by CCM which is a 100% subsidiary of GSM.

The main mineralisation style and targets within the project are structurally controlled Archaean lode gold or orogenic gold mineralisation. There are numerous examples of this type of mineralisation globally, within Western Australia and in the greater Murchison region. These include the Big Bell, Hill 50, Day Dawn/Great Fingall, Tuckabianna, Cuddingwarra, Reedy, Bluebird and Paddy's Flat gold deposits. The Cue Project tenements cover several geological domains and as such have potential to host multiple deposits. Similar deposits include the historical Light of Asia, located within the Western Mining tenements, the Day Dawn / Great Fingall mine located 5km along strike of the project and shear-hosted disseminated gold systems like Cuddingwarra or Tuckabianna, both located in the same greenstone belt as the Cue Project.

Extensive research has been conducted into orogenic gold systems including their formation, controls on mineralisation, geochemical signatures and dispersion and geophysical features and processes. Some of these studies, conducted by organisations such as the CSIRO, CRC LEME and various government departments and research organisations have generated detailed deposit models which greatly assist in exploration targeting.

There has been extensive mining within the Cue Project over the years, with mines within the Cue Project mostly being very high-grade shallow workings that operated from the early 1890s to 1914. Due to the disjointed and small tenement holdings much of the Cue Project had minimal exploration activities in the 1980s and 1990s. It was not until the late 1990s to early 2000s that most of the tenement holdings were consolidated under a single holder. There are several immediate high priority targets that require drill testing. There is a conceptual target, being the strike extension of the Great Fingall Dolerite below the granitoids that host most of the historical mines within the Cue Project. In addition, there is the along strike and at depth potential below the historical high-grade mines including the Light of Asia, Salisbury, Duke of York, Queen of the May, Cue No. 1 and the unmined, more recently identified Cue North.

There are no JORC 2012 resource estimates on the Cue Project.

### **Yule Project**

The Yule Project, located in the northern Pilbara of Western Australia, is approximately 45km southwest of Port Hedland. The project, consisting of three granted exploration licences, is an early stage exploration project which differs from the Cue and Four Mile Well Projects as it is considered primarily prospective for lithium in pegmatites with additional gold and base metal potential. The project area has had limited historical exploration which includes previous gold exploration and historical alluvial workings (for gold and tantalum) within and adjacent to the Yule river.

**Four Mile Well Project**

The Four Mile Well Project is a single exploration licence located approximately 9km to the north of Laverton in the Eastern Goldfields of Western Australia. Minor historical gold exploration has occurred in the area which was predominately soil sampling. There are several gold in soil anomalies that require further investigation. The Four Mile Well Project is considered an early stage exploration project with no currently identified immediate drill targets.

**Exploration Budget**

Golden State Mining has proposed an exploration budget of \$2.02 million to test the targets identified in the three projects. This is the primary use of funds in the proposed capital raising. The exploration budget consists of \$1.145 million in the first year and \$0.875 million in the second year with a summary of the budget in Section 10 below. The proposed exploration budget exceeds the minimum exploration commitments on the tenements which is approximately \$450,000 assuming all tenements are granted. If the maximum subscriptions of \$5.5 million are raised under the terms of the IPO, then the Company intends to spend \$490,000 of the additional \$1 million in funds on drilling over the three projects in the first two years. This would comprise of an extra \$105,000 for drilling at Cue, \$315,000 for drilling at Yule and \$70,000 for drilling at Four Mile Well.

DRM has reviewed the proposed work program budget and concludes that targets require additional work, and the budget is reasonable, in line with the current costs. DRM considers it likely that ongoing, targeted and modern exploration activities would delineate additional mineralisation and further extensions to the known mineralisation. It is recommended that, subject to Golden State Mining obtaining sufficient funding, that it proceeds with the work programs.

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## 1. Introduction

Dunbar Resource Management (DRM), the trading name of Jewell Dunbar Pty Ltd, was engaged by Golden State Mining Limited (GSM or the Company) to undertake an Independent Technical Assessment Report (ITAR) on the mineral assets that GSM and its subsidiaries own or have an option to acquire. The mineral assets include three projects; the Cue, Yule and Four Mile Well Projects, all located in Western Australia. The Cue and Four Mile Well Projects are within the Yilgarn Craton while the Yule Project is within the Pilbara Craton. The Cue Project is located immediately to the north of the historical town of Cue in the Murchison district. The Four Mile Well Project is approximately 9km north of Laverton in the North-Eastern Goldfields of the Yilgarn Craton. The Yule Project is approximately 45km southwest of Port Hedland in the Pilbara region of Western Australia.

DRM understands that this ITAR will be included in a prospectus associated with an initial public offering (IPO) for the Company listing on the Australian Securities Exchange (ASX).

### 1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The ITAR has been prepared in accordance with the 2012 JORC and the 2015 VALMIN Codes. Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. These codes are also requirements under Australian Securities and Investment Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX).

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by GSM to the Competent Persons listed as signatories to this ITAR and additional publicly available information.

### 1.2. Scope of Work

DRM was engaged to undertake an ITAR on the mineral assets that GSM and its subsidiaries own or have an option to acquire.

DRM's primary obligation in preparing mineral asset reports is to independently describe mineral projects in compliance with the 2012 JORC and 2015 VALMIN Codes. In addition to these industry codes the work also complies with ASIC Regulatory Guideline 111 – Content of Expert Reports (RG111) and ASIC Regulatory Guidelines 112 Independence of Experts (RG112). These require that the Public Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the project.

DRM has compiled the ITAR based upon the principle of reviewing and interrogating both the work of GSM, previous tenement holders and joint venture partners and independent specialists who have contributed to the technical information available for the projects. This report is a summary of the work conducted to 1<sup>st</sup> August 2018 and is based on information supplied to DRM by GSM, its advisors and information that is in the public domain.

DRM understands that its review and report will be included in a prospectus for an IPO of Golden State Mining Limited, as such, it is understood that DRM's review will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the VALMIN Code, 2015).

### 1.3. Statement of Independence

Mr Dunbar of DRM has not had any direct association with GSM, its individual employees, or any shares, which could be regarded as affecting the ability to give an independent, objective and unbiased opinion. Additionally, Jewell Dunbar Pty Ltd has written confirmation from both Mr A.J. Moyle and Dr J.M. Chisholm who have both contributed to this report as specialists confirming that both Mr Moyle and Dr Chisholm are also independent of GSM. DRM will be paid a fee for this work on standard commercial rates for professional services. The total fee associated with this report is not contingent on the results of this review and is estimated at approximately \$25,000.

#### 1.4. Competent Persons Declaration and Qualifications

This report was prepared by Mr Paul Dunbar as the primary author with specialist input from Mr A.J. Moyle and Dr J Chisholm.

The primary author of the report and information that relates to geology and exploration results is based on and fairly represents information and supporting documentation that has been compiled by Mr Paul Dunbar, BSc (Hons), MSc (Minex), a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Dunbar is employed by DRM, a Geology and Exploration Management consultancy, which has been engaged by GSM. Mr Dunbar has a Master of Science in Mineral Exploration and Mineral Economics and has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code) and a specialist under the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the 2015 VALMIN Code). Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in relation to geology and exploration results in Section 4.1.3 is based on, and fairly represents, information and supporting documentation that has been compiled and reported by Mr Alexander (Sandy) Moyle, BSc (Geol.), a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Moyle is employed by A.J. Moyle and Associates, a Geological consultancy, which was engaged by DRM to compile the exploration history of the Cue Project of GSM. Mr Moyle has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code). Mr Moyle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in relation to geology and exploration results in Section 5 and Section 6 is based on, and fairly represents, information and supporting documentation that has been compiled and reported by Dr John Chisholm, BSc Hons Geol, PhD (Geol.), a Competent Person who is a fellow of the Australasian Institute of Mining and Metallurgy. Dr Chisholm is employed by Continental Resource Management Pty Ltd, a Geological consultancy, which was engaged by GSM to compile the geology, exploration history and potential of the Yule and Four Mile Well Projects of GSM. Dr Chisholm has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code). Dr Chisholm consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

#### 1.5. Principal Sources of Information and Reliance on Experts

All information and conclusions within this report are based on information made available to DRM to assist with this report by GSM and other relevant publicly available data to 1st August 2018. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and Joint Venturers to the areas, where it has been considered necessary. DRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this report and to ensure that it had access to all relevant technical information. DRM has relied on the information contained within the reports, articles and databases provided by GSM as detailed in the reference list. A draft of this report was provided to GSM to identify and address any factual errors or omissions prior to finalisation of the report.

For GSM projects DRM has relied upon;

- Information and Reports obtained from GSM including but not limited to;
  - Presentation material including several diagrams, cross sections and plans
  - Annual Technical Reports for the tenements
  - GSM internal reports and geological reports including site visit reports
- Various ASX releases from the tenement holders (Cougar Metals, St Barbara, Metana, Castle Hill Resources) including from Joint Venture companies and other companies
- Publicly available information including several publications on the Cue district
- Regional WA datasets including GSWA mapping, prospect and mineral deposit databases, and various geological reports including Bulletin 137.

The authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the Western Australian Mining Acts. DRM has interrogated the websites of the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) to confirm the validity of the tenements and aspects relating to the compliance with the various Government Acts and Regulations. This search has confirmed that the tenements are reported as being in good standing and that all tenement matters including annual reports and rents. As DRM and the authors of this report are not experts in the Mining Acts, no warranty or guarantee, be it express or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

## 1.6. Site Visit

No site visits have been conducted as a part of this report.

The principal author of this report, Mr Paul Dunbar, has previously worked in the Cue district, including parts of the tenements that constitute the Cue Project. In addition to the work in the area, Mr Dunbar during previous employment, evaluated the exploration potential within the Cue tenements however at that time no field work was conducted. Mr Dunbar has also worked in the field undertaking a data compilation and evaluation of the historical exploration activities at the Lancefield gold project, adjacent to the Four Mile Well Project. No site visit was conducted within the Yule Project however Mr Dunbar has recently undertaken lithium exploration and evaluation in the northern Pilbara craton area including projects to the south of the Yule Project. Several years ago, Dr Chisholm visited the Yule Project for a previous tenement holder.

## 2. Mineral Assets

The mineral assets that are included in this report are the Cue, Yule and Four Mile Well Projects in Western Australia.

The Cue Project is located near the historical town of Cue in the Murchison district, the Four Mile Well Project is located 9km north of Laverton in the Eastern Goldfields while the Yule Project is 45km SW of Port Hedland in the northern Pilbara Craton (Figure 1).

As all the projects are located in Western Australia the tenure details are all documented in a single section with individual tenement plans included in the individual project descriptions.

Details of each of these projects, including access, infrastructure, climatic conditions, topography, regional geology, local geology, exploration history and exploration targets and prospects are detailed separately below.

There are no Mineral Resource Estimates that comply with the 2012 JORC Code. Within the Cue Project there are several pre-JORC 2012 mineralisation estimates within the project which would require additional work and disclosure prior to reporting in accordance with the 2012 JORC code. It is important to note that these pre- JORC 2012 estimates while publicly available are unable to be reported in this report and it is unclear if after additional work that these would be able to be classified as 2012 JORC mineral resource estimates.

### 3. Tenure

Details of the GSM tenements are included in Table 1 and the project locations are shown in Figure 1. The tenements have been validated via checking with the Department of Mines, Industry Regulation and Safety (DMIRS) Mineral Titles Online database. A tenement plan for each of the projects is included in the project descriptions below.

The Cue Project, covering a total of 46.21km<sup>2</sup> consists of eight mining leases (seven granted and one pending) and 45 prospecting licences (seventeen granted and twenty-eight pending) in a semi contiguous group of tenements. Two prospecting licence applications (P21/765 and P21/766) are located approximately 22km to the SE of Cue at the Webb's Patch prospect and one granted prospecting licence (P21/756) located approximately 12km SW of Cue at the Great Fingall South Prospect. Another prospecting licence application (P20/2374) is located approximately 60km by road NNW of Cue at Maguire's Reward.

Fifty-one of the Cue Project tenements are immediately to the north of the townsite. In addition to the fifty-three mining and prospecting tenements there are a total of seven miscellaneous licences associated with infrastructure and road construction within the project.

The Yule Project (Figure 17) consists of three granted exploration licences, totalling approximately 434km<sup>2</sup> or 135 blocks approximately 45km to the south west of Port Hedland in the northern Pilbara Craton of Western Australia.

The Four Mile Well Project (Figure 1) is located 9km to the north of Laverton consists of one exploration licence of 107.6km<sup>2</sup> or 38 blocks.

DRM has made all reasonable enquiries regarding the status of these tenements and confirms that to be best of DRM's knowledge these tenements remain in good standing with all statutory filings, reports and documentation, including renewals have been supplied to the various government departments. As DRM and the authors of this report are not experts in the mining acts for Western Australia, no warranty or guarantee, be it express or implied, is made by DRM with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure. DRM relies on the various government databases and websites which confirm GSM tenements are, at the time of this report, in good standing.

**Table 1: Golden State Mining Limited Tenement Schedule as at 31<sup>st</sup> July 2018**

Tenement	Owner	Project	Status	Application	Granted	Expiry	Area	Rent (\$)	Exploration Commitment (\$)
E 38/3282	CM	Four Mile Well	Live	26/10/2017	2/07/2018	1/07/2023	38.00 B	\$5,168	\$38,000
E 47/3503	ACM	Yule	Live	25/05/2016	4/12/2017	3/12/2022	26.00 B	\$3,536	\$26,000
E 47/3507	ACM	Yule	Live	3/06/2016	4/12/2017	3/12/2022	58.00 B	\$7,888	\$58,000
E 47/3508	D Kelly	Yule	Live	3/06/2016	4/12/2017	3/12/2022	51.00 B	\$6,936	\$51,000
L 20/60	WM	Cue	Live	3/08/2012	4/10/2013	3/10/2034	0.90 Ha	\$16	\$0
L 20/61	WM	Cue	Live	3/08/2012	4/10/2013	3/10/2034	1.38 Ha	\$31	\$0
L 20/62	WM	Cue	Live	15/01/2013	7/01/2014	6/01/2035	0.27 Ha	\$16	\$0
L 20/66	WM	Cue	Live	3/01/2014	11/07/2014	10/07/2035	0.50 Ha	\$16	\$0
L 20/68	WM	Cue	Live	13/08/2014	26/10/2015	25/10/2036	0.37 Ha	\$16	\$0
L 20/69	WM	Cue	Live	8/09/2014	1/09/2015	31/08/2036	1.57 Ha	\$31	\$0
L 20/70	WM	Cue	Live	8/09/2014	1/09/2015	31/08/2036	0.03 Ha	\$16	\$0
M 20/61	WM	Cue	Live	18/03/1987	19/02/1988	18/02/2030	7.24 Ha	\$141	\$10,000
M 20/519	WM	Cue	Live	10/11/2010	2/02/2012	1/02/2033	79.93 Ha	\$1,408	\$10,000
M 20/520	WM	Cue	Live	10/11/2010	5/09/2012	4/09/2033	22.50 Ha	\$405	\$10,000
M 20/522	WM	Cue	Live	25/01/2011	29/08/2012	28/08/2033	30.19 Ha	\$546	\$10,000
M 20/523	WM	Cue	Live	10/04/2012	1/09/2014	31/08/2035	35.00 Ha	\$616	\$10,000
M 20/524	WM	Cue	Live	10/04/2012	1/09/2014	31/08/2035	13.00 Ha	\$229	\$10,000
M 20/525	WM	Cue	Live	10/04/2012	1/09/2014	31/08/2035	118.00 Ha	\$2,077	\$11,800
M 20/547	WM	Cue	Pending	23/06/2018			27.00 Ha	\$475	\$10,000
P 20/2026	WM	Cue	Live	27/08/2007	25/11/2011	24/11/2019	7.30 Ha	\$26	\$2,000
P 20/2027	WM	Cue	Live	27/08/2007	25/11/2011	24/11/2019	9.50 Ha	\$26	\$2,000
P 20/2067	WM	Cue	Live	25/02/2008	29/09/2010	28/09/2018	20.00 Ha	\$52	\$2,000
P 20/2118	WM	Cue	Live	20/05/2009	28/06/2010	27/06/2018	27.00 Ha	\$70	\$2,000
P 20/2134	WM	Cue	Live	24/12/2009	13/04/2011	12/04/2019	100.00 Ha	\$260	\$4,000
P 20/2135	WM	Cue	Live	24/12/2009	13/04/2011	12/04/2019	200.00 Ha	\$520	\$8,000
P 20/2136	WM	Cue	Live	24/12/2009	10/05/2011	9/05/2019	72.00 Ha	\$188	\$2,880
P 20/2160	WM	Cue	Live	23/06/2010	22/11/2011	21/11/2019	185.00 Ha	\$481	\$7,400
P 20/2162	WM	Cue	Live	23/06/2010	22/11/2011	21/11/2019	200.00 Ha	\$520	\$8,000
P 20/2174	WM	Cue	Live	25/01/2011	27/04/2012	26/04/2020	197.00 Ha	\$512	\$7,880
P 20/2177	WM	Cue	Live	28/03/2011	19/12/2011	18/12/2019	2.87 Ha	\$26	\$2,000
P 20/2213	WM	Cue	Live	22/04/2013	20/10/2014	19/10/2018	12.30 Ha	\$34	\$2,000
P20/2214	WM	Cue	Live	21/04/2013	21/10/2014	20/10/2018	0.60 Ha	\$26	\$2,000
P 20/2223	WM	Cue	Live	29/07/2013	9/06/2014	8/06/2018	1.70 Ha	\$26	\$2,000
P 20/2232	WM	Cue	Live	14/04/2014	24/04/2015	23/04/2019	1.14 Ha	\$26	\$2,000
P 20/2276	WM	Cue	Live	11/12/2015	12/08/2016	11/08/2020	6.86 Ha	\$26	\$2,000
P 20/2330	WM	Cue	Pending	18/10/2017			5.00 Ha	\$26	\$2,000
P 21/756	WM	Cue	Live	20/03/2017	24/11/2017	23/11/2021	195.02 Ha	\$490	\$7,840
P 20/2319	CCM	Cue	Pending	18/08/2017			153.00 Ha	\$398	\$6,120
P 20/2320	CCM	Cue	Pending	18/08/2017			82.00 Ha	\$213	\$3,280
P 20/2321	CCM	Cue	Pending	18/08/2017			22.00 Ha	\$57	\$2,000
P 20/2322	CCM	Cue	Pending	18/08/2017			102.00 Ha	\$265	\$4,080
P 20/2323	CCM	Cue	Pending	18/08/2017			170.00 Ha	\$442	\$6,800
P 20/2324	CCM	Cue	Pending	18/08/2017			184.00 Ha	\$478	\$7,360
P 20/2325	CCM	Cue	Pending	18/08/2017			172.00 Ha	\$448	\$6,880

Tenement	Owner	Project	Status	Application	Granted	Expiry	Area	Rent (\$)	Exploration Commitment (\$)
P 20/2335	CCM	Cue	Pending	15/02/2018			69.00 Ha	\$179	\$2,760
P 20/2336	CCM	Cue	Pending	15/02/2018			13.00 Ha	\$34	\$2,000
P 20/2340	CCM	Cue	Pending	5/03/2018			183.50 Ha	\$478	\$7,340
P 20/2341	CCM	Cue	Pending	5/03/2018			161.40 Ha	\$421	\$6,456
P 20/2342	CCM	Cue	Pending	7/03/2018			19.34 Ha	\$52	\$2,000
P 20/2343	CCM	Cue	Pending	3/04/2018			99.98 Ha	\$260	\$3,999
P 20/2344	CCM	Cue	Pending	3/04/2018			8.94 Ha	\$26	\$2,000
P 20/2345	CCM	Cue	Pending	3/04/2018			77.97 Ha	\$203	\$3,119
P 20/2346	CCM	Cue	Pending	3/04/2018			144.74 Ha	\$377	\$5,790
P 20/2349	CCM	Cue	Pending	21/05/2018			180.90 Ha	\$471	\$6,774
P 20/2368	CCM	Cue	Pending	11/07/2018			152.36 Ha	\$421	\$6,094
P 20/2369	CCM	Cue	Pending	11/07/2018			187.22 Ha	\$517	\$7,489
P 20/2370	CCM	Cue	Pending	12/07/2018			53.40 Ha	\$149	\$2,136
P 20/2371	CCM	Cue	Pending	12/07/2018			36.02 Ha	\$102	\$1,441
P 20/2372	CCM	Cue	Pending	12/07/2018			13.64 Ha	\$39	\$546
P 20/2373	CCM	Cue	Pending	12/07/2018			142.97 Ha	\$393	\$5,719
P 20/2374	CCM	Cue	Pending	12/07/2018			116.49 Ha	\$322	\$4,660
P 21/764	CCM	Cue	Pending	5/03/2018			161.76 Ha	\$414	\$6,369
P 21/765	CCM	Cue	Pending	28/03/2018			159.23 Ha	\$414	\$6,369
P 21/766	CCM	Cue	Pending	28/03/2018			173.40 Ha	\$451	\$6,936
<b>Total</b>							<b>4794.42 Ha</b>	<b>\$40,923</b>	<b>\$449,316</b>

#### Notes

- Ownership Acronyms  
CCM – Cue Consolidated Mining Pty Ltd  
WM – Western Mining Pty Ltd ATF Western Mining Trust  
CM – Crown Mining Pty Ltd  
ACM - Advanced Capital Management Pty Ltd ATF the South Point Trust
- L20/60 – L20/62 are associated with the Cue Victory Project Mining Proposal, L20/66 is associated with Western Mining Salisbury Open Cut Project Mining Proposal - Version 2.0 and L20/68 – L20/70 are for road construction. None of these miscellaneous licences allow for exploration or exploitation of the underlying minerals.
- Pending tenement rents and expenditure commitments are shown however until these are granted there is no exploration commitment or rent payable. The rents and expenditure commitments are subject to change when the tenements are granted.
- The total Rent and Expenditure commitment is not the sum of each column as there are overlapping tenement applications. The total assumes the mining leases that replace several of the Prospecting licences are granted.
- Shire Rates are estimated to total \$25,000/year.
- Currently, all of the WM tenements are 100% owned by WM however DRM understands that, upon listing, an option agreement between WM and CCM, as detailed elsewhere in the prospectus will be completed and CCM will be the 100% beneficial holder of all the WM tenements.
- Some tenements have expired however these tenements remain live until the grant of overlying and replacing mining lease applications are granted. If the overlying mining leases are refused, then the underlying prospecting licence will expire.



## 4. Cue Project

The Cue Project consists of a total of 60 tenements with 53 of these allowing for exploration and exploitation. Figure 2 shows the project tenements that constitute the Cue Project with the tenement details listed in Table 1 above.

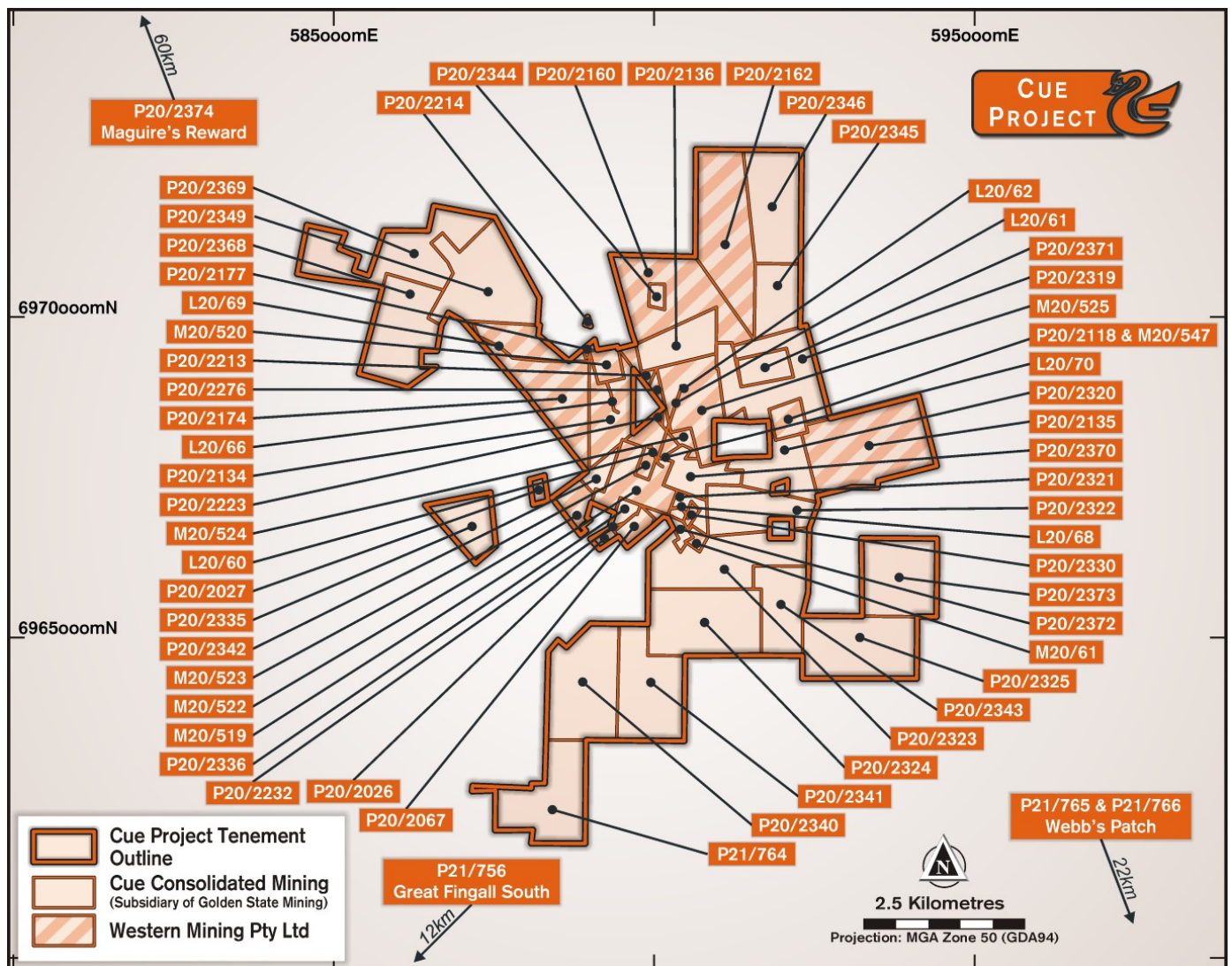


Figure 2: Cue Project Tenement Plan

### 4.1. Location and Access

The Cue Project, located adjacent to the historical town of Cue in the Murchison district, is approximately 659km by road northeast of Perth. The regional centre of Meekatharra is approximately 116km to the north and Mt Magnet approximately 80km to the south. Figure 1 shows the regional location of the project while Figure 2 shows the project tenement outlines. Figure 3 shows the infrastructure and access to the project.

Access from Perth is via the sealed Great Northern highway via Mt Magnet while access within the project is via gazetted shire-maintained gravel roads and various exploration and mining tracks. Access to the two tenements to the south east of Cue is via the gazetted unsealed Cue – Sandstone road to the Tuckabianna or Comet mine access roads then via station tracks, fences and exploration tracks.

Sealed all weather airports, serviced by regular small sized commercial flights are located at both Meekatharra and Mt Magnet. The unsealed Cue airstrip is located immediately to the east of the project. There are several smaller unsealed airstrips within the general area, these are generally suitable for emergency use only.

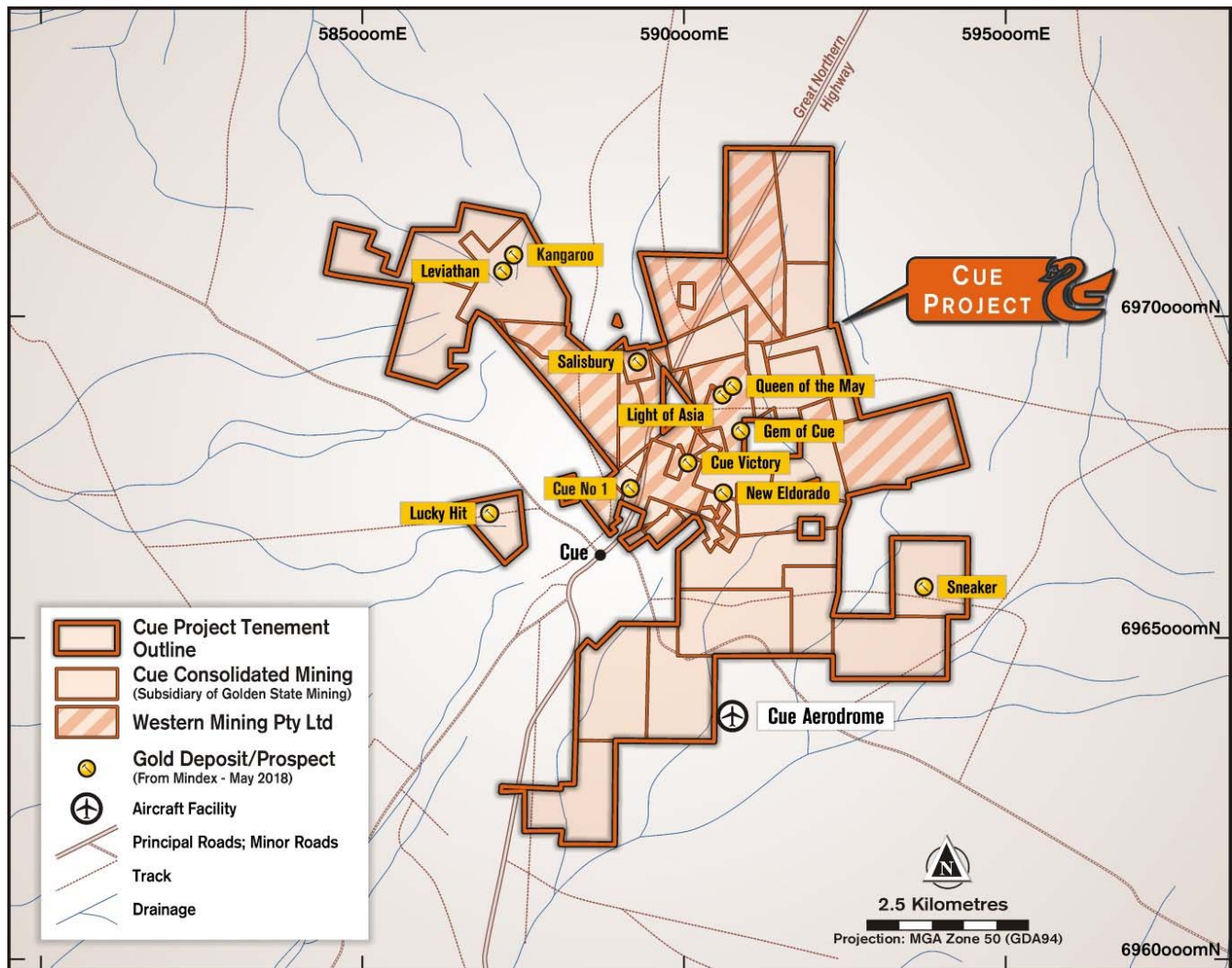


Figure 3: Cue Project Access and Infrastructure

#### 4.2. Climate

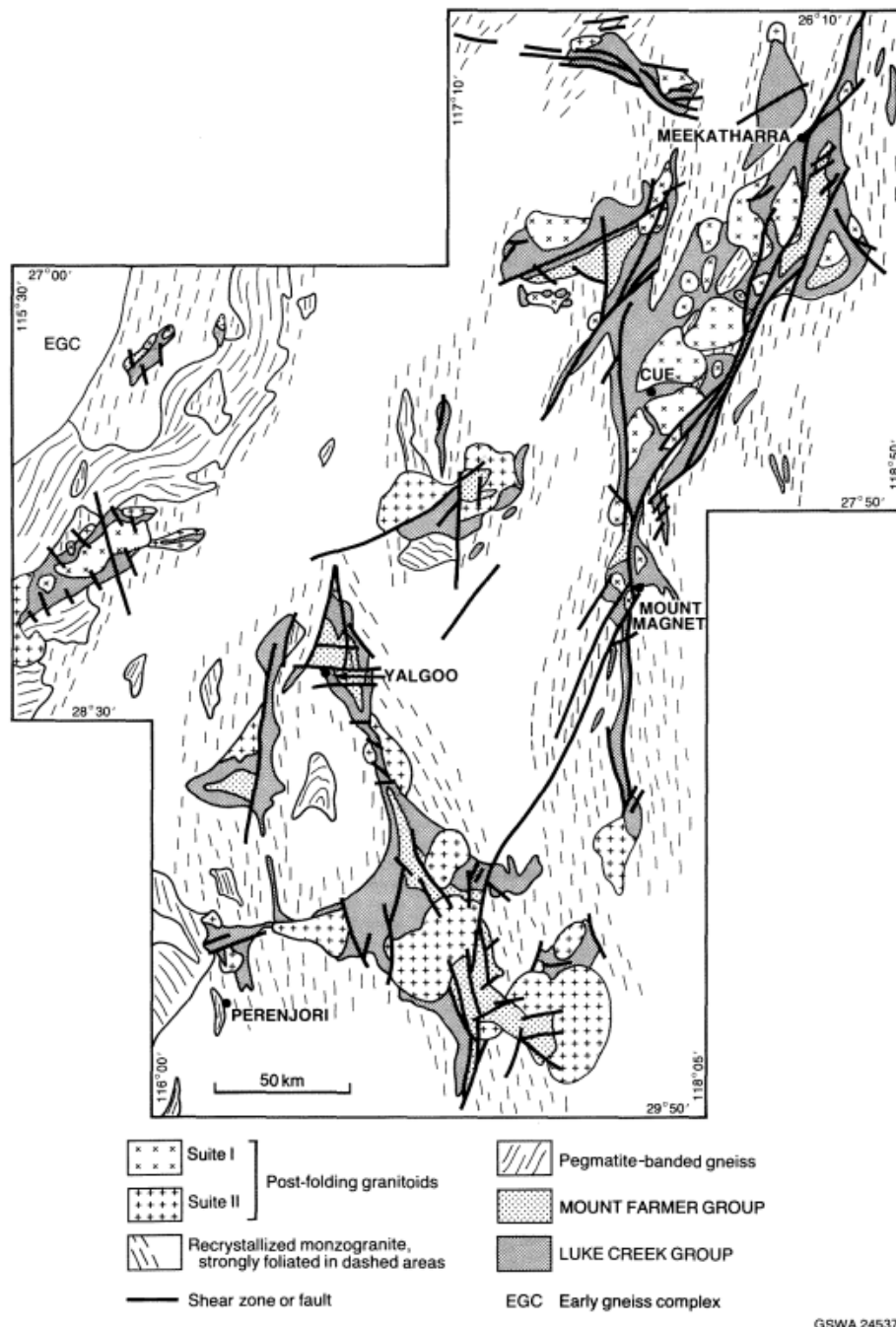
Climatically, Cue is a semi-arid with hot summers and mild winters. The climatic information, sourced from the Bureau of Meteorology, is for the Cue weather station. During January the mean maximum temperatures is 37.8°C with, on average, more than 10 days over 40°C. The coldest period is during July where the average maximum is 18.4°C and mean low is 6.9°C. It is extremely rare for the minimum to fall below zero. The majority of rainfall, which averages 233.9mm per year, occurs in the January to July period with rainfall usually recorded on between 3 - 5 days of rain per month. Data from the Meekatharra and Mt Magnet weather stations are similar to the Cue observations.

Rainfall during the summer period is dominated by scattered thunder storms and from tropical rain bearing depressions (ex-tropical cyclones) that commonly impact the Pilbara region of Western Australia with these systems often impacting the North-Eastern Goldfields and Murchison region several days after crossing the Pilbara coast.

Generally, in DRM's opinion and based on experience working in the area, the climatic conditions do not have a significant impact on the ability to undertake exploration throughout the year.

#### 4.3. Regional Geology

The Cue Project is within the Murchison Province which is divided into the greenstone belts termed the Murchison Supergroup (Figure 4). These include the laterally continuous Mt Magnet to Meekatharra greenstone belt. The project is entirely within the Cue 1:250,000 map sheet (SG50-15) and is mostly on the Cue (2443) 1:100,000 map sheet with the outlying tenements south east of Cue on the Wynyangoo (2542) map sheet and the tenement to the southwest of Cue on the Austin (2442) map sheet.



**Figure 4: Distribution of Major Crustal Components in the Murchison Province (Watkins & Hickman 1990)**

The area is dominated by a typical Archaean greenstone sequence which usually consists of a basal mafic to ultramafic unit, overlain by mafic volcanics then felsic rocks and finally a series of sedimentary – volcanoclastic sediments. This general stratigraphic sequence is observed in multiple greenstone belts within the Yilgarn Craton and other Archaean granite – greenstone terrains globally. Watkins and Hickman (1990) in the Geological Evolution and mineralisation of the Murchison Province Western Australia, Bulletin 137, provides a detailed description of the regional geology, mineralisation and structural evolution of the region (Figure 4). The Murchison Supergroup consists of two groups, the Luke Creek Group and the overlying younger Mount Farmer Group. For the Cue Project the most significant is the Luke Creek Group.

The Luke Creek Group is divided into four units initially termed Unit 1 – 4 by Watkins et.al. (1987) with these later termed the Murrouli Basalt and the Golconda, Gabanintha, and Windaning Formations. The basal unit consists of mafic volcanics and minor mafic to ultramafic intrusions (Unit 1 or Murrouli Basalt). This is overlaid by Unit 2 Golconda formation which is a mixed mafic and ultramafic package, including a high proportion of gabbro and dolerite sills interlayered with thin (1-5 m) quartz-hematite BIF units. The Gabanintha Formation or Unit 3 overlies Unit 2 and



consists of mafic and ultramafic rocks with ultramafic and mafic sills. Felsic volcanics and volcanogenic sedimentary rocks are abundant in the upper part of this unit. The upper part of the Luke Creek Group is the Windaning Formation or Unit 4 and is a series of clastic and volcanogenic sedimentary rocks, felsic volcanics and jaspilitic BIF. These BIF units in the Golconda and Windaning formations are important marker horizons in stratigraphic correlations.

Four suites of granitic rocks have intruded the Murchison Supergroup. Two have been folded and metamorphosed and are now pegmatite-banded gneiss and voluminous recrystallized monzogranite. The other two, post-folding granitoids Suite I and Suite II, retain igneous mineralogy and textures. The post deformational granites only intrude the greenstone sequences.

#### 4.4. Local Geology

The Cue Project is dominated by a Suite I post folding granitoid (tonalite) body which intrudes the Luke Creek Group and Mount Farmer Group. These groups are also intruded by gabbroic/doleritic rock units like the Great Fingall Dolerite and are locally overlain by sandstone/shale. Various previous interpretations suggest that the granite (tonalite) body to the north of Cue truncates the greenstone stratigraphy and structures.

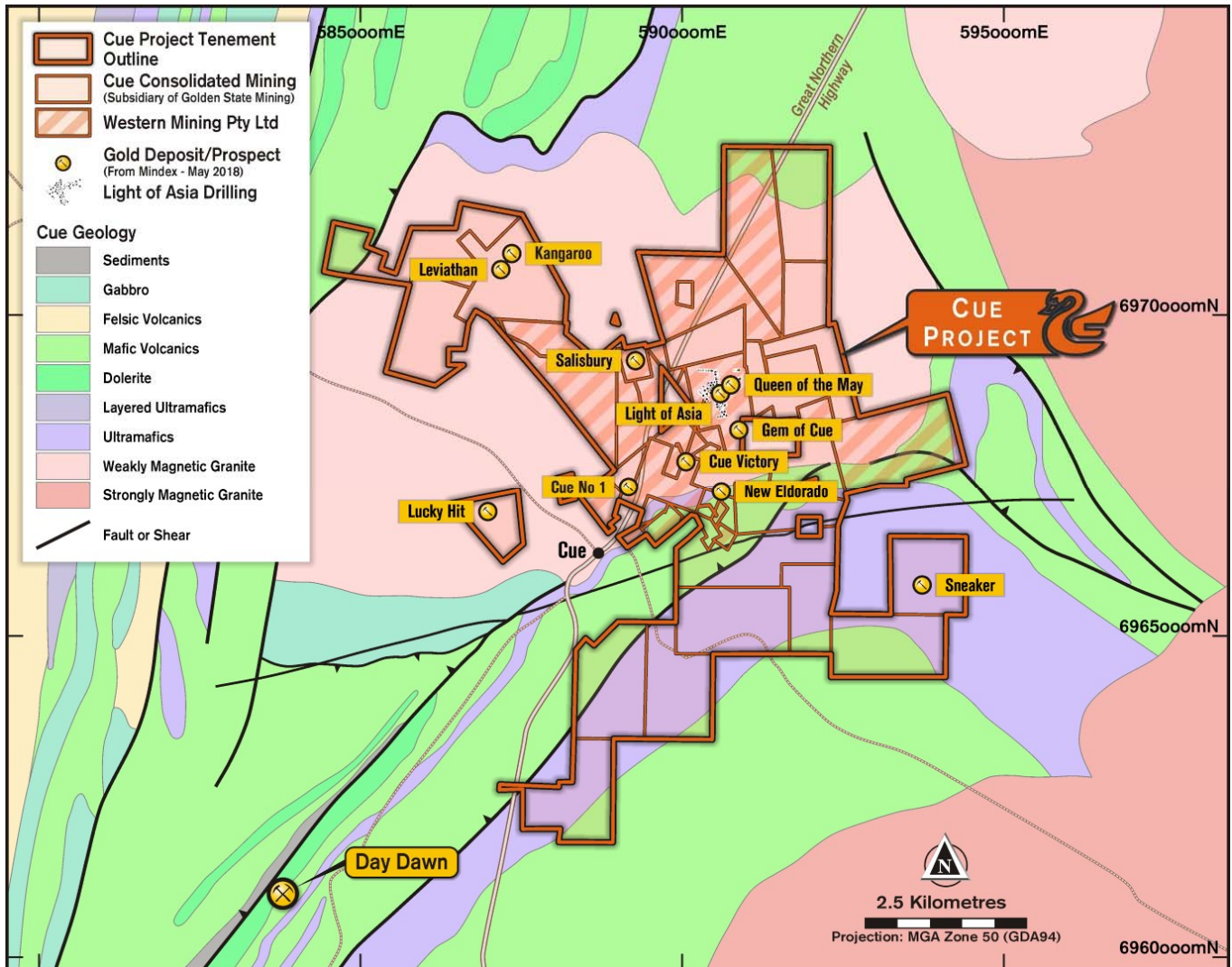
Gold mineralisation at Cue is hosted largely by quartz veins and sheets in granitoid. The mineralised zones often occur at faulted granitoid contacts with sheared greenstone enclaves. There are two main sets of mineralised faults/shear zones: one set runs parallel to regional cleavage and strikes NE to east, and dips NW to north at moderate angles; the other set strikes NW to north, and dips moderately to steeply to the west. The latter set represents tensional fractures within a NE-trending zone of sinistral movement known as the Great Fingall (or Day Dawn) Shear Zone.

#### 4.5. Mineralisation

Figure 6 below shows the major mineral deposits overlaid on the regional geology of the central Murchison District while Table 2 breaks down the previous production and current resources and reserves. Previous production and the total current resources and reserves are documented. Within the immediate Cue District, there are numerous significant historical gold mines including the very large and high-grade Great Fingall/Day Dawn gold mine, the Cuddingwarra open pit deposit, the Golden Crown open pit and Yellow Taxi deposits along with over 200 smaller deposits immediately north of Cue, the largest was the Light of Asia deposit which produced over 45,000oz of gold. A summary of the historical gold mining within the Cue Project is included in Section 4.6.1 below.

All gold deposits within the Cue region are classified as orogenic (structurally hosted) gold deposits with the gold distribution directly associated with the quartz vein density and associated alteration.

Overall, there is minimal difference between the quartz vein systems of the Day Dawn and Golden Crown deposits to that of the granite hosted deposits that occur within the GSM tenements. The main difference between the Day Dawn and Golden Crown deposits and the granite hosted deposits is the sulphide content with noticeably stronger sulphides in the Great Fingall Dolerite systems compared to the granite hosted mineralisation. The former usually contains greater than 2% and locally up to 30% pyrite with minor disseminated galena, sphalerite, chalcopyrite and arsenopyrite (Hicks 1990) while the granite hosted deposits are dominated by native gold and minor late stage pyrite with occasional galena. The deposits within the granite are all oxidised, dominantly due to the shallow development depths. There is a direct correlation between both a high late fracture density and strong discoloration from yellowish to dark brown. The native gold in the granite hosted deposits is generally coarse grained with a significant portion of gold, of this nature may be recoverable by gravity separation.



**Figure 5: Simplified Regional Geology of the Cue Area**

Wall rock alteration around the structurally controlled granite hosted vein systems is typical of orogenic gold mineralisation and consists of a sericite and kaolin alteration especially in the oxidised zones. Due to the low available iron in the granites, compared to the Great Fingall Dolerite or other greenstone host rocks the vein systems to the north of Cue show minimal wall rock alteration and hence no significant zone of low grade gold halo around the high-grade veins. In the Great Fingall and Golden Crown deposits the alteration halo consists mainly of chlorite, epidote, ankerite, biotite and pyrite that can extend between 10 and 30m from the vein systems.

Mineralisation within the granite hosted deposits is structurally controlled with individual mineral systems being shear controlled brittle vein arrays. Individual shear zones are between 5m and as much as 20m wide and show considerable strike persistence. The dilational sites and the orientation of individual ore shoots are commonly associated with intersections of multiple shears. Within these shear dilational fill quartz vein array systems, the gold grades are entirely confined to the quartz veins and hence grade is controlled by the overall vein density. In this structural setting it is expected that it is unlikely that there would be a low-grade alteration around the individual vein systems. However, there may be areas of lower vein abundance that would result in low grade drill intersections. These low-grade intersections, where there is a low vein abundance or vein density intervals may provide sufficient low-grade material to support a large tonnage comparatively low-grade mineral system.

**Table 2: Past Production, Resources and Reserves for the Major Deposits in the Cue Region.**

<b>Deposit</b>	<b>Past Production (Moz)</b>	<b>Resources (Moz)</b>	<b>Reserves (Moz)</b>
Big Bell <sup>1</sup>	2.8	2.491	1.096
Day Dawn/ Great Fingall / Golden Crown <sup>1</sup>	1.7	0.872	0.279
Cuddingwarra Group <sup>1</sup>	0.8	0.648	0.088
Tuckabianna <sup>1</sup>	0.6	0.819	0.178
Reedy <sup>1</sup>	1.0	0.816	0.058
Break of Day <sup>3</sup>		0.35	0
Bluebird <sup>1</sup>	1.2	0.813	0.105
Paddy's Flat <sup>1</sup>	2.3	1.770	0.393
Andy Well <sup>2</sup>	0.30	0.52	0.019

Notes: The production from the some of these projects includes ore from various deposits with material transported to the central milling facility. DRM has assigned what the author considers appropriate rounding to the published resources and reserves. <sup>1</sup> Westgold 2017 Resource and Reserve report, <sup>2</sup> Doray Minerals 2017 Resource and Reserve report <sup>3</sup> Musgrave Minerals Resource report.

## 4.6. Mining and Exploration History

### 4.6.1. Historical Mining

Uncertainty exists over who first discovered gold in the Cue District of the central Murchison Province but it's generally accepted that the initial find was made by prospector Michael John Fitzgerald on New Year's Day, 1892 while travelling with two Aborigines over what is now called Kintore Blow. During the same year, gold was discovered 6km to the southwest of Cue at the Day Dawn gold mining centre by Edward Heffernan. The town is named after Tom Cue who first registered their claim at Nannine, over 80km away, where the nearest mining warden was located. In 1893, several quartz reefs were developed and in the next few years, several properties were optioned or purchased to support flotation of companies on the London market. Many of the companies, however, were undercapitalised and together with excessive costs for machinery and cartage, inferior equipment, little development to provide ore feed, and a lack of water, the result was that many mines closed within a very short period (Woodward, 1907).

Records of production are incomplete, since only one or two major mines registered returns prior to 1896. Considerable profits were apparently made by treating the sands from these mines but since the results were not added to the original crushing returns, the total yields of gold are inexact. Despite the above incomplete data, the records show that up to 1906 the Cue Mining Centre yielded some 6,620kg (212,855oz.) of gold from 237,350 tonnes of ore at an average grade of 27.9g/t.

This excludes the unrecorded but reportedly substantial quantities of alluvial and eluvial gold won by dry blowers and miners from "The Patch" and the "Pearling Ground" immediately northeast of Cue, largely won between 1891 and 1894, and the early high-grade production from the first hard rock mines. Furthermore, this also excludes the gold production from the field between 1907 to 1914 when virtually all the hard rock mines had ceased production. Therefore, it is considered likely that the overall gold production from the field, to a maximum depth of ~ 50m below surface, exceeded 350,000oz.

Watkins et al (1987) state the following gold production prior to 1986, for the Cue Mining Centre totalling 247,400oz, Table 3. Gold production figures for selected Cue Mining Centre mines are listed in Table 4. The GSM Cue Project area and the main historical gold mines within the project area displayed in Figure 7.



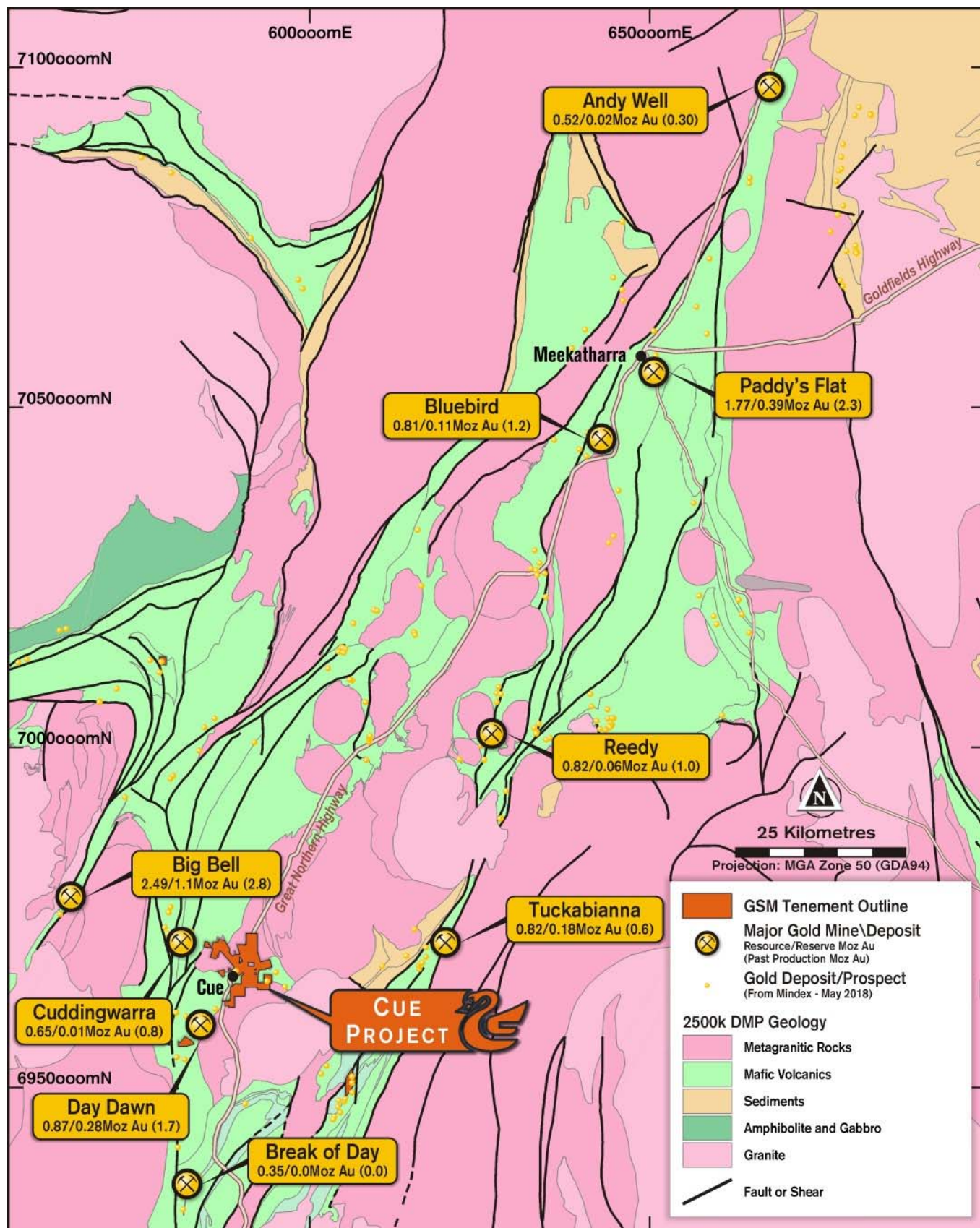


Figure 6: Regional Geology and Gold Endowment within the Murchison District

**Table 3: Cue Mining Centre Gold Production Prior to 1986.**

<b>CUE MINING CENTRE GOLD PRODUCTION PRIOR TO 1986</b>					
<b>Mining Centre</b>	<b>Alluvial</b>	<b>Dollied and specimens</b>	<b>Ore treated</b>	<b>Gold</b>	<b>Total Gold</b>
	<b>(kg)</b>	<b>(kg)</b>	<b>(t)</b>	<b>(kg)</b>	<b>(kg)</b>
<b>Cue</b>	<b>70.14</b>	<b>61.94</b>	<b>349,272.2</b>	<b>7,563.7</b>	<b>7,695.8</b>
					<b>247,400 oz</b>

**Table 4: Selected Cue Historical Gold Mines Production Records (Thompson 1987 - A21508).**

TENEMENT	MINE	ORE TREATED	GOLD PRODUCED		GRADE	PERIOD
		TONNES	OZ	KG	G/T	
M20/1	Salisbury	9,919	5,902	183.57	18.51	1897-1908, 1936-38
M20/2	Duke of York	7,437	11,620	361.42	48.60	1897-1906, 1908-12
	Normanby	1,439	1,187	36.92	25.66	1897-1903, 1909-10
M20/3	Light of Asia	49,091	35,250	1096.40	22.33	1897-1910
	Queen of the May	21,204	18,745	583.04	27.50	1897-1912, 1936
	Light of Asia & Queen of the May	34,983	29,855	928.59	26.54	1911-23
	Gem of Cue	16,534	5,153	160.28	9.69	1897-1900, 1903-16, 1926-27
M20/4	Agamemnon	14,433	8,457	263.04	18.22	1897-1900, 1904-09, 1912-15
	Trovato-di-Pietro	2,229	1,280	39.81	17.86	1933-41
	Hillview	1,112	1,119	34.81	31.30	1897 1942-47
M20/5	Cue Victory	8,760	6,517	202.70	23.14	1897-99, 1903-07, 1914-15
	Countess	5,449	2,534	78.82	14.47	1898-1911, 1914-15
	Arcadia	4,089	2,400	74.65	18.26	1897-1904 1908 1939-40
	TOTAL	176,679	130,019	4044.05	22.89	

The historical gold mines of the Cue Goldfield are ubiquitously hosted within the Cue Granite complex comprising rocks ranging from quartz diorites through granodiorite (tonalite) to monzogranites.

Mineralisation commonly occurs within quartz veins on the contacts of fracture-related mafic dykes and quartz porphyries hosted by granite, with individual mines having produced up to 50,000 ounces of gold. Veins strike either northeast or north-northwest, similar in geometry to the vein orientations at Day Dawn, and typically dip to the northwest or west. Many, but not all, veins are localised within granitoid zones containing enclaves of mafic greenstone.

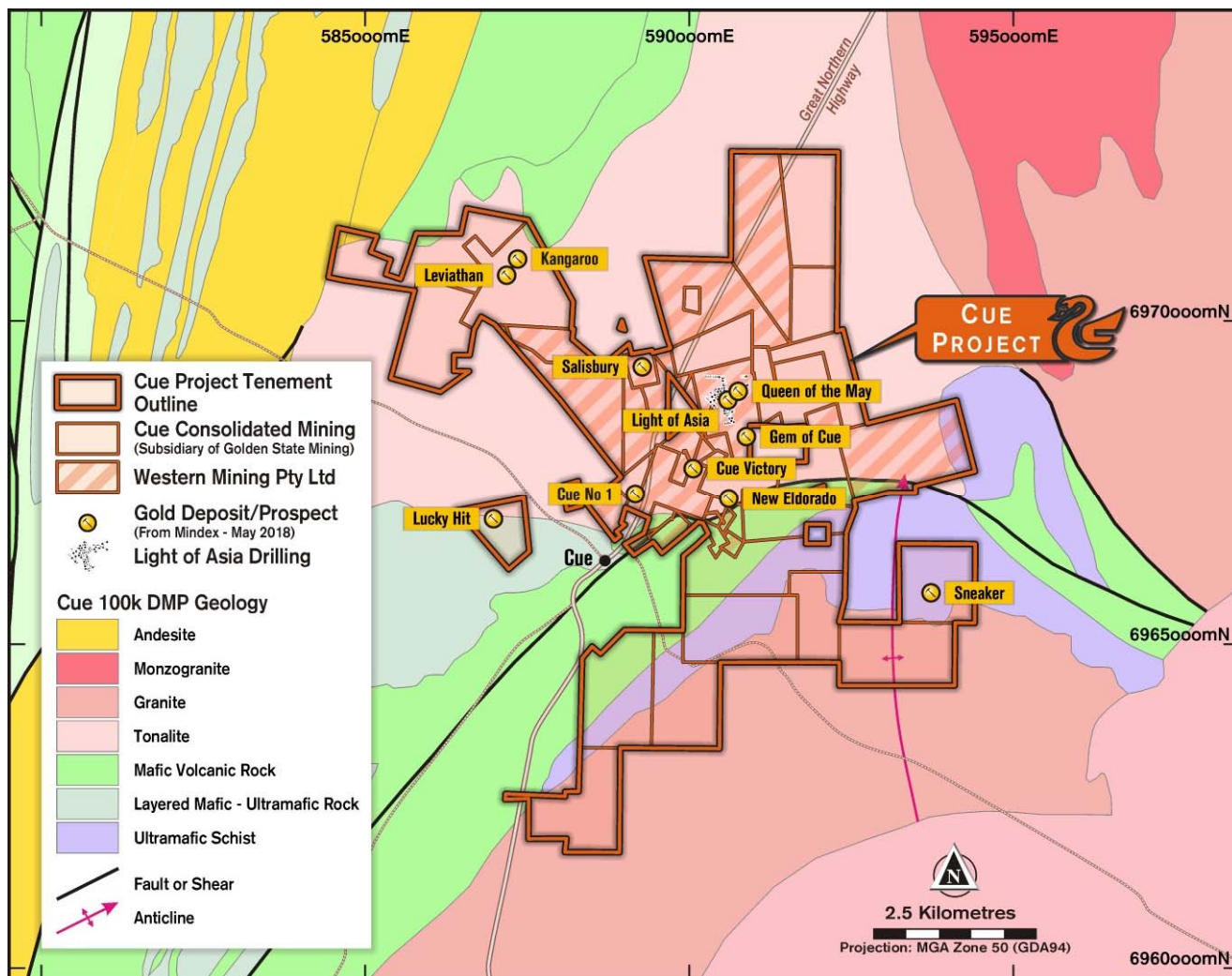
Typical mineralised quartz veins in granite range in length from 200m to 1,000m and up to two metres in width. Locally, the vein width may reach 10m at the intersections of cross cutting veins or at deflections in strike. The veins are known to persist to at least 200m depth, for example on the Cue No. 1 vein, however, limited drilling or mining is yet to fully test the depth extension of the granite hosted veins. Drilling on Cue No. 1 shows that the vein thickens and thins with changes in the steepness of dip.

The Cue Granite hosted quartz veins show a coarse gold distribution over distances as short as a few metres. Gold typically occurs as native gold, with minor accompanying sulphide or alteration minerals. Historical mining relied on



strike driving on the veins to explore for extensions, with stopes developed between drives in areas of continuous mineralisation.

In addition to the recorded hard-rock mining production, a substantial amount of gold was also won in the Cue region from eluvial and alluvial deposits.



**Figure 7: Cue Project Tenements and Selected Historical Gold Deposits Overlain on Geology (provided by GSM)**

#### 4.6.2. Exploration History

Geological Survey of Western Australian (GSWA) mapping and records show abundant gold occurrences located within the Cue Project (Figure 7). Considerable early prospecting and more recent company exploration activities have been conducted near Cue and has led to numerous gold discoveries resulting in extensive historical mining in the district.

Due to the extensive and prolonged exploration activities within the Cue Project, this report is only a summary of the recent exploration. Historical exploration and mining have been documented in previous government reports including the explanatory notes for the Cue 1:250,000 map sheet (Watkins et.al. 1987) and Bulletin 137 (Watkins and Hickman 1990).

Figure 8 shows the recent drill collars while Figure 9 shows the significant drill intersections from the Light of Asia deposit. The significant RC drill intersections are tabulated in Appendix D.

The Cue region has a history of fragmented small tenement holdings and received limited systematic exploration until the 1990's, when the granitoid and greenstone dominated areas were separately consolidated by single parties.

“Greenstone Areas” are located to the south and east of the Cue township as shown in Figure 7. Several exploration reports covering the more recent exploration relating to greenstone areas within the GSM Cue Project area boundaries are summarised below:

**Newcrest Mining Limited Joint Venture 1993 (WAMEX Report No a91679)**

The most substantial modern exploration of the eastern portion of the Cue Greenstone Belt was undertaken by Newcrest Mining Limited (Newcrest) in 1993 in joint venture with W. J. McLarty. Newcrest conducted geological mapping, RAB geochemical surveys, ground based magnetic geophysical surveying and limited RC drilling.

Regional RAB traverses were completed and a variety of positions in the regolith profile were sampled for a geochemical orientation program. Geochemical anomalies included Gumboot, Stiletto and Sneaker. Follow-up RAB and vacuum drilling at the Sneaker Prospect intersected up to 1m @ 2.41g/t Au (SNR508- 7) and established an anomaly of > 100ppb gold over 900m however, no bedrock drilling was reported.

**Castle Hill Resources NL Joint Venture 1994-97 (WAMEX Report No’s a43264, a46000, a 49367, a52860)**

Newcrest divested its interest in the project to Westgold Resources NL, which later operated as Castle Hill Resources NL (CHR), in 1994. Between 1994 and 1997 CHR completed a shallow RAB geochemical survey over the area surrounding Agamemnon, at the northeast limit of known Cue workings, on a 200m x 25m grid. Results included up to 1.7g/t Au (BOH7546) and defined a north-northwest trending anomaly up to 2.9km in length where samples analysed greater than 10ppb gold. RC drilling on 500m spaced lines did not intersect anomalous bedrock mineralisation. Isolated RAB drill traverses and RC drilling at Agamemnon, Klondyke and Pension intersected weakly anomalous bedrock mineralisation.

**Perilya Mines NL Joint Venture 1997 (WAMEX Report No a52860)**

Perilya Mines NL (Perilya) entered into joint venture with CHR in 1997. Perilya completed RAB drilling on widely spaced traverses over a northeast trending contact between gabbro and ultramafic units just east of Cue townsite. The drilling intersected limited evidence of shearing or alteration and only weakly anomalous results were reported. The tenements were acquired by Cue Consolidated Gold Mines (CCGM) during 1997, with the early focus on alluvial mining activities and potential east of the Cue townsite. Metallurgical testing of tailings and alluvial material was conducted along with limited trial processing. Rock chip sampling and RC drilling was completed at the Dunedin/Pension/Rose of England group and at Sneaker and Fleur de Mai. Drilling at these prospects typically established continuity of the structures to depth, including a best intersection of 5m averaging 2.42g/t Au at Sneaker, within an east-west trending structure, and 5m averaging 4.08g/t Au at Pension (CRC0121, 24-29m).

“Granitoid areas” refers to the areas west and north of the greenstone/granite contact which runs approximately through the Cue township continuing to the northeast and southwest as shown in Figure 7. Several exploration reports covering the more recent exploration relating to granitoid areas within the GSM Cue Project area boundaries are summarised below:

#### **GSWA (Noldart 1956)**

In 1956 the Geological Survey of Western Australia drilled six diamond drill holes from surface on crown reserve land to test for the down-plunge extensions of high grade shoots at the historic Cue No 1 and Light of Asia mines.

The first three holes, for a total of 852.5m were drilled at the Cue No. 1 Mine to test for any continuation of the “Cue No. 1” and “Lady Florence” ore bodies at depth. The first two holes were designed to test a northward plunge of the orebody whilst a third hole tested the plunge to the south. The drilling encountered mainly granitic rocks—designated as hybrid granite or granite/gneiss. Numerous greenstone remnants were also encountered throughout the granitic rocks, mainly of a meta-sedimentary nature but with some andesitic lavas also present. Many of the remnants had narrow quartz veins on either the foot or hanging walls and in some cases on both walls. All three holes intersected mineralised structures of various widths at the predicted positions, but the assay results were generally of low tenure. The highest assay was 0.2m @ 11.2 g/t Au.

The three remaining drill holes for a total of 724.2m were drilled at the Light of Asia mine testing down-plunge extensions of the high-grade shoots exploited by previous mining. Similarly, the drilling encountered mainly granitoid rocks with lesser intervals of greenstone, felsic porphyries and schists. All three holes intersected the mineralised structure, but the highest assay was only 0.2m @ 0.5 g/t Au. The program was abandoned due to staff shortages and downhole survey problems.

#### **Metana Minerals-Cooper Resources Joint Venture 1987 (WAMEX Report a21508)**

Metana completed a comprehensive literature review including researching underground mine plans and aerial photography interpretation. Field activities included gridding, vacuum bedrock drilling totalling 849 holes for 2,588m, geological mapping of mineralised zones and surface mine workings, limited sampling of near surface mine workings, and an initial reverse circulation drilling program. Thirteen reverse circulation (RC) drillholes for a total of 780m were drilled at the Salisbury, Light of Asia, Queen of the May, Duke of York, Agamemnon and Normanby deposits. The aim of this drilling was to assess the potential of low grade, moderate width mineralised zones peripheral to and enclosing the high-grade ore shoots.

Gold anomalies from the bedrock were restricted to the immediate vicinity of the known auriferous quartz indicating negligible secondary dispersion associated with extensive low-grade mineralisation peripheral to the high-grade quartz reefs. The RC results showed significant potential for low grade moderate width mineralisation in all deposits but especially at the Salisbury mine. Infill drilling and was recommended to define open-pittable resources with follow up deeper drilling of higher grade mineralisation at depth.

#### **Metana Minerals -Cooper Resources Joint Venture 1988 (WAMEX Report a26558)**

Metana completed an initial RC drilling program of 27 holes for a total of 1278m to assess the potential for an open-pittable resource at the Salisbury Mine. This program was followed up with an infill program of 44 RC holes for 2,120m and 9 diamond tails for 279.5m which downgraded the mining potential. Metana concluded that excessive ore to waste ratio would probably preclude open pit mining. Vacuum drilling of battery sands (66 holes for 256.5m) showed grades of 0.7 g/t Au and 0.65 g/t Au in sands at the Gem of Cue and Light of Asia mine sites.

#### **Australian Consolidated Minerals (ACM) Joint Venture 1988 (WAMEX Report a29286)**

ACM evaluated the area immediately north of the Cue townsite, including “The Patch” area for low cost shallow open pit mining to produce a concentrate for milling at the Golden Crown Mine. The report makes reference to previous drilling by Whim Creek in 1977 in this area and previous ACM drilling results. ACM drilled six RC holes for a total of 320m with mixed results. ACM concluded that the complex vein geometry and inconsistent gold grades would make resource estimation difficult. They also concluded that historical mining close to the surface would have significantly depleted any potential resource and recommended no further work in the area.

### **St Barbara 1993 -1995 (WAMEX Report a43682)**

The St Barbara project areas explored from 1993 to 1995 covered mainly granitoids to the north and southwest of the Cue town site with mineralisation associated with quartz veining and stockwork. Exploration included aerial photography and aeromagnetic surveys, mapping and rock chip sampling in the vicinity of Light of Asia, Agamemnon, Duke of York and Salisbury historical mines and the Vicinity Prospect. Rock chip samples collected returned encouraging gold results up to 130g/t Au in quartz veined granite at the Cue Victory Mine workings. Fences of angled RAB drill holes were completed across the gold mineralisation strike trends at the historic mines to test for possible extensions of historically mined quartz reef mineralisation. This program totalled 53 drill holes with various depths from 12m to 48m. All drill fences returned >1g/t gold in two or more 1m intercepts. Quartz vein intercepts at Light of Asia returned 1m at 4.6g/t Au from 40m depth in hole LSR1 and 2m at 2.1g/t Au from 37m in hole LSR2. St Barbara concluded that their tenement holdings were highly prospective and warranted further work. GSM now has many of these prospective areas within the Cue Project.

### **Swick Resources - St Barbara JV 2001 -2002 (WAMEX Report a64584)**

Swick Resources joint ventured into St Barbara's Cue Project areas in 1999. During 2001 Swick completed 3,671m of RC drilling in 121 holes on tenements M20/1, M20/2, M20/3, M20/4, M20/5, M2018, M20/201 and GML 20/2624 which are located to the northeast and north of Cue. This drilling was conducted at the historical Salisbury, Light of Asia, Queen of the May, Cue Victory, Golden Stream, Gem of Cue and Agamemnon mines. Drill lines were orientated along the mineralisation trends of the workings and drill holes dipped at 60° with an azimuth perpendicular to the respective northeast and northwest mineralisation trends.

The best intercept from this drilling was 6m @ 22.7g/t Au from 24m in hole CJRC 54 which is situated within M20/03. This tenement lies approximately 2km northeast of the Cue townsite and situated within the current GSM Cue Project tenements.

Swick determined that the main structural feature hosting the mineralisation is an east-northeast trending contact between granite and greenstone rock types that passes directly through the Cue townsite. The two most prominent gold mineralisation trends occurring in the Cue granite host rocks represent the result of hydrothermal quartz reefs forming along thrust faults, originating from the granite basement. Swick suggested that gold enrichment partly occurs in northwest plunging ore shoots formed because of intersecting reef systems and where regional vertical fold axial plane cleavage development intersects the reef systems. The cleavage planes and associated shearing can contain economic gold grades.

Swick concluded that the drilling on the JV tenements at Cue proved encouraging and the mineralisation of the Cue No. 1 orebody extends beyond the JV tenement boundary. Results of their first-pass coarsely-spaced drilling of historic mines in the area were encouraging with numerous intercepts of economic grades along strike from known historically productive mines. Swick considered that further drilling was warranted to infill these anomalous areas, as well as exploring other historically mined reefs within the JV tenement group.

Alluvial and eluvial sampling was undertaken by Swick using a dry-blower along interpreted alluvial channels at "Alluvial Paddock". The 100 tonne samples collected over 100m x 100m grid blocks were reported as returning recovered grades of 0.5g/t Au, with estimated head grades of 1.0 to 1.5g/t Au. Swick stated that sampling on the project area indicates potential for the alluvial/eluvial material to host economic quantities of gold and the systematic bulk sampling program generated a small non-JORC 2012 compliant resource.

### **Cougar Metals 2003 (WAMEX Report a68474)**

In 2003, Cougar Metals NL (Cougar) acquired Swick's interest (held by CCGM) in the JV with St Barbara. Exploration from 2003 to 2004 consisted of a review of previous exploration, RC drilling and satellite image acquisition. Cougar completed 14,155m of RC drilling in 313 holes predominantly on the known quartz veins within the Cue Granite prospects. The historical mines and prospects drilled included Agamemnon, Countess and Countess East, Cue No. 1, Cue Victory, Duke of York, Francis Amelia, Gem of Cue, Golden Stream, Hidden Treasure, Italian, Jubilee, Kangaroo, Leviathan, Light of Asia, Little Gem, Lombardy, Murchison Monarch Lucky Hit, New Eldorado Nth, Normanby, Queen of the May, Real McCoy and Star of Asia. In total, 23 of these prospects received at least one round of RC drilling. Those that returned the best results received second or third rounds of drilling.

Anomalous results were received from most of the targets. The best results were intersected within the Light of Asia Prospect, including many high-grade gold intervals over 400m in strike length and up to 150m down-dip from the surface. Best Light of Asia drill hole intercepts were 4m @ 15.6g/t Au (inc. 1m @ 48.4g/t) from 56m depth in CJRC359, 3m @ 12.6g/t Au from 61m in CJRC401, 15m @ 7.2/t Au from 64m in CJRC402. Cougar Metals believed the Light of Asia Prospect, which had not been fully delineated or closed off along strike or at depth at that time, had the potential to become an economic deposit and warranted further drilling.

Further drilling was planned to enable resource estimations, particularly for the Light of Asia Prospect.

#### **Cougar Metals 2004 (WAMEX Report a69751)**

Exploration from 2004 to 2005 consisted of an aerial magnetic survey and interpretation, and RAB, RC and diamond drilling.

Cougar completed 7,242m of RAB drilling in 203 holes at 6 prospects, 1,628m of RC drilling in 15 holes at Light of Asia and 88m of diamond drill core tails in three of these RC holes. Anomalous results were received for eight of the RC/diamond holes at Light of Asia. The gold mineralisation remains open down plunge within the central part of the lode but was closed off at depth along strike to the north and south. The best RC intersection was 10m @ 2.12 g/t Au from 120m depth in hole CJRC453. The best RAB intersection was 1m @ 31.6 g/t Au from 30m depth in hole CJRB090. Anomalous RAB drilling results were associated with narrow quartz veining within granite host rock.

Cougar considered follow-up RAB drilling was warranted to better determine the geometry of the newly discovered RAB anomalies in addition to further down-plunge RC drilling is warranted to test for extensions at depth for the high-grade gold at Light of Asia deposit.

A detailed aeromagnetic survey flown at 35m height and 40m line spacing over the project area. Interpretation of the survey defined many structural targets within the Cue granites that were subsequently RAB drill tested with gold anomalous results of >0.2 g/t Au revealed on many traverses.

### **Cougar Metals 2005-2006 (WAMEX Report a71271 & a73117)**

Exploration activities by Cougar in 2005 consisted of two RC holes at Light of Asia and 37 RAB holes with follow-up RAB drilling at some of the anomalous RAB intersections identified in the previous drilling. Some first pass RAB traverses were also drilled over interpreted structural targets that were delineated by interpretation of the aeromagnetic data in new tenements. A total of 139 RAB holes were completed for 7,199m in six tenements (37 RAB holes reported in WAMEX Report a71271 and 102 in a73117). The best intersections from this round of RAB drilling were in drill hole CRB363 with 5m @ 4.36g/t Au from surface located within P20/1896 and drill hole CRB328 with 5m @ 15.91g/t Au from surface located within M20/188. Both the CRB363 and CRB328 intersection were logged as hardpan so the elevated values may be a result of supergene enrichment.

At Cue No. 1, extensive RC drilling had defined the down-dip and northward extension of the Cue No. 1 quartz vein. The vein was interpreted to dip at approximately 45 degrees west, and to flatten at shallow depth. hanging-wall and foot-wall structures were identified. Previously CCGM interpreted quartz veining to be commonly developed over several metres and recognised the high variability in gold grade that characterises deposits of this style. Some of the thicker mineralised intervals, typically supported by high single point analyses, include up to 8m @ 16.6g/t Au from 54m depth in CRC0173 and 12m averaging 7.3g/t Au from 36m depth in CRC012. Additional drilling during 1998 contributed to the calculation of a resource estimate at Cue No. 1. The resource estimate was undertaken utilising the polygonal method and concentrated on the Cue No. 1 structure and the overlying Lady Florence structure located 120m west of the Cue No. 1. The estimate details are listed in the "Cougar Metals 2005-2006 report (a73117)" but are not tabled in this report as the estimate is not JORC 2012 compliant.

Further drilling, metallurgical testing and bulk density testing was conducted during 2001.

### **Canyon 2010 and 2011 (WAMEX Reports a88396 and a90679)**

Exploration in 2010 and 2011 was focussed on additional RC drilling within the Light of Asia deposit. This RC drilling was deeper than previous exploration however it is still much shallower than for other significant mineral systems. A total of 10 RC holes were drilled with the aim of delineating both depth extensions and the potential for lower grade disseminated mineralisation. Five holes returned significant mineralisation with those intersections included in Table 5 below.

**Table 5: Significant RC Drill Intersections from 2010 by Canyon Resources.**

Hole	Easting	Northing	Dip	Azimuth	From (m)	To (m)	Width (m)	Grade (g/t Au)
10LARC001	590597	6968709	-90	360	28	32	4	1.32
10LARC002	590575	6968709	-90	360	44	48	4	1.09
10LARC003	590548	6968813	-90	360	44	48	4	5.96
10LARC005	590450	6968837	-90	360	120	124	4	2.4
10LARC009	590595	6968902	-90	360	64	72	8	0.58



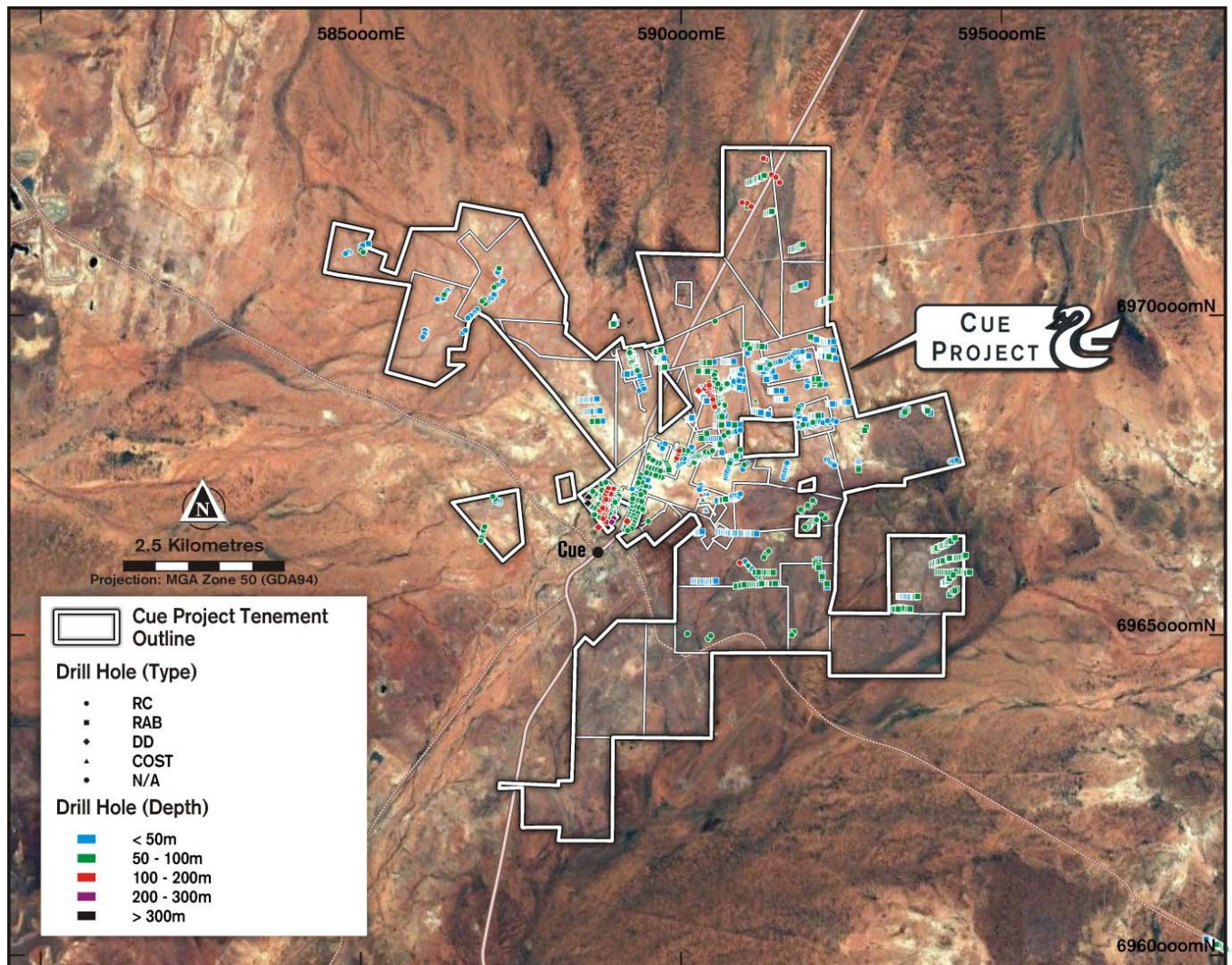
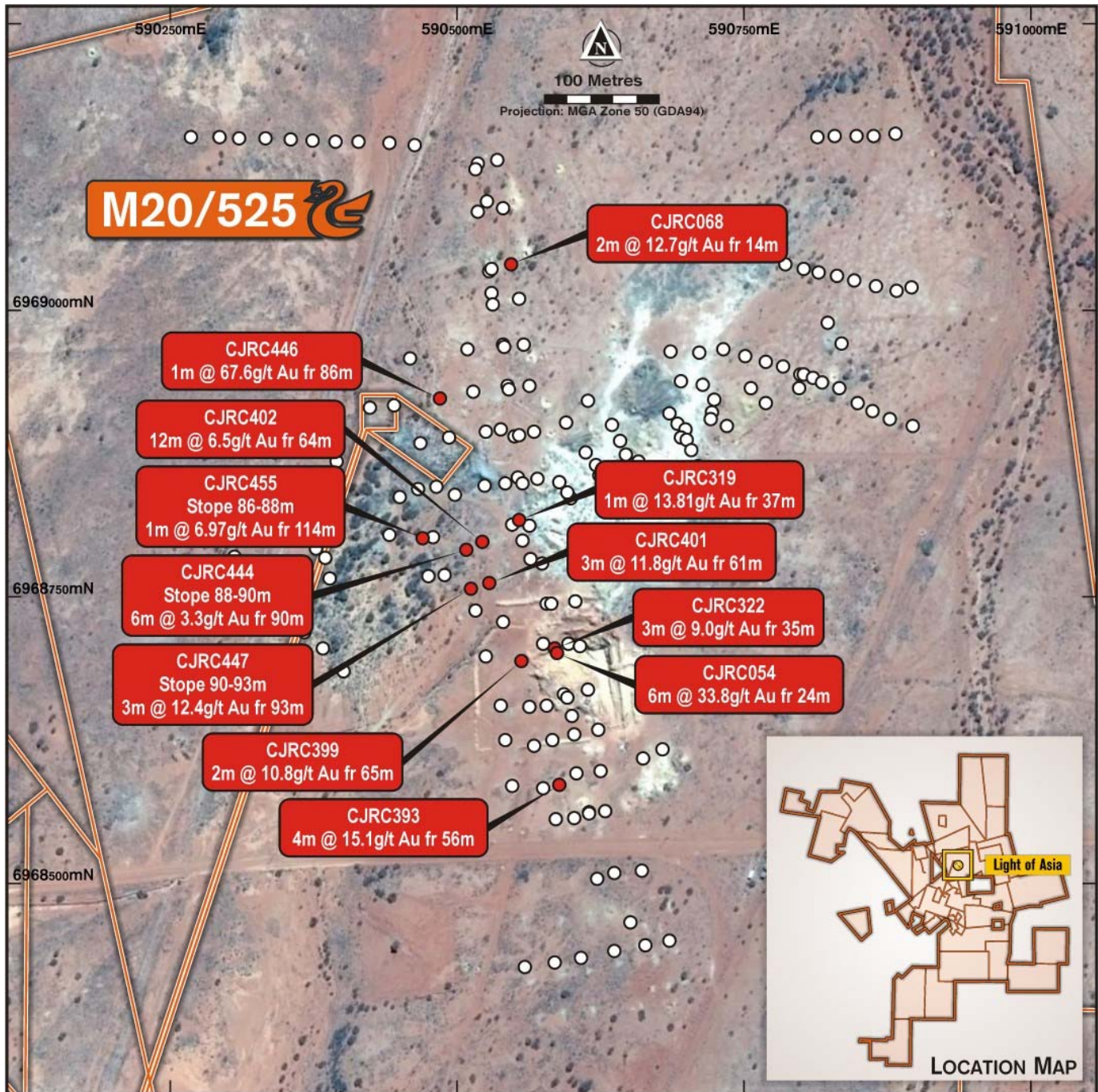


Figure 8: Cue Project Showing the Location of All Drill Collars





**Figure 9: Light of Asia Significant RC Drill Intersections**

#### 4.6.3. Mineral Resource Estimates

There are no JORC 2012 mineral resource estimates within the Cue Project.

Historical resources (both JORC 2004 and pre JORC 2004) at several prospects have been estimated including at Cue No. 1, Salisbury and Light of Asia. There has not been a detailed review of these resources estimates. DRM does caution that there is no certainty that additional work within the area of the historical resource estimates will result in the estimation of a JORC 2012 mineral resource estimate.

#### 4.6.4. Ore Reserves

No Ore Reserves have been estimated for any of the projects within the Cue Project



#### 4.7. Assessment of Previous Exploration

As detailed above most of the previous exploration and mining activities have been conducted at a shallow depth, especially within the granitic units in the northern portions of the Cue Project. Most of this previous exploration and drilling was targeting extensions to the historical high-grade deposits.

The drilling database that GSM has compiled was provided to DRM. DRM conducted random checks against the publicly available reports and drilling data compiled by the DMIRS and in general has found the GSM database is correct. There are a series of drill hole locations documented on an AMG84 grid, however these do not reconcile against the public data which is recorded on the GDA94 grid datum. Therefore, there are some minor corrections and additional validation of the drilling database required.

The drilling database has been interrogated with this information included in Table 6 below.

**Table 6: Cue Project Historical Drilling Details**

Hole Type	Number of Holes	Average Depth (m)	Total Meters	Maximum Depth (m)
RAB	1,019	33	33,996	87
Aircore	96	44	4,212	98
RC	981	53	51,664	294
Diamond	18	154	2,777	329
<b>Total</b>	<b>2,114</b>	<b>71</b>	<b>92,649</b>	<b>329</b>

Note trenches and bulk samples have been excluded from this analysis however these are included in the DMIRS open file drilling database.

In other projects and regions of Western Australia where there are significant high grade historical workings these have usually been extensively drilled to a much greater depth.

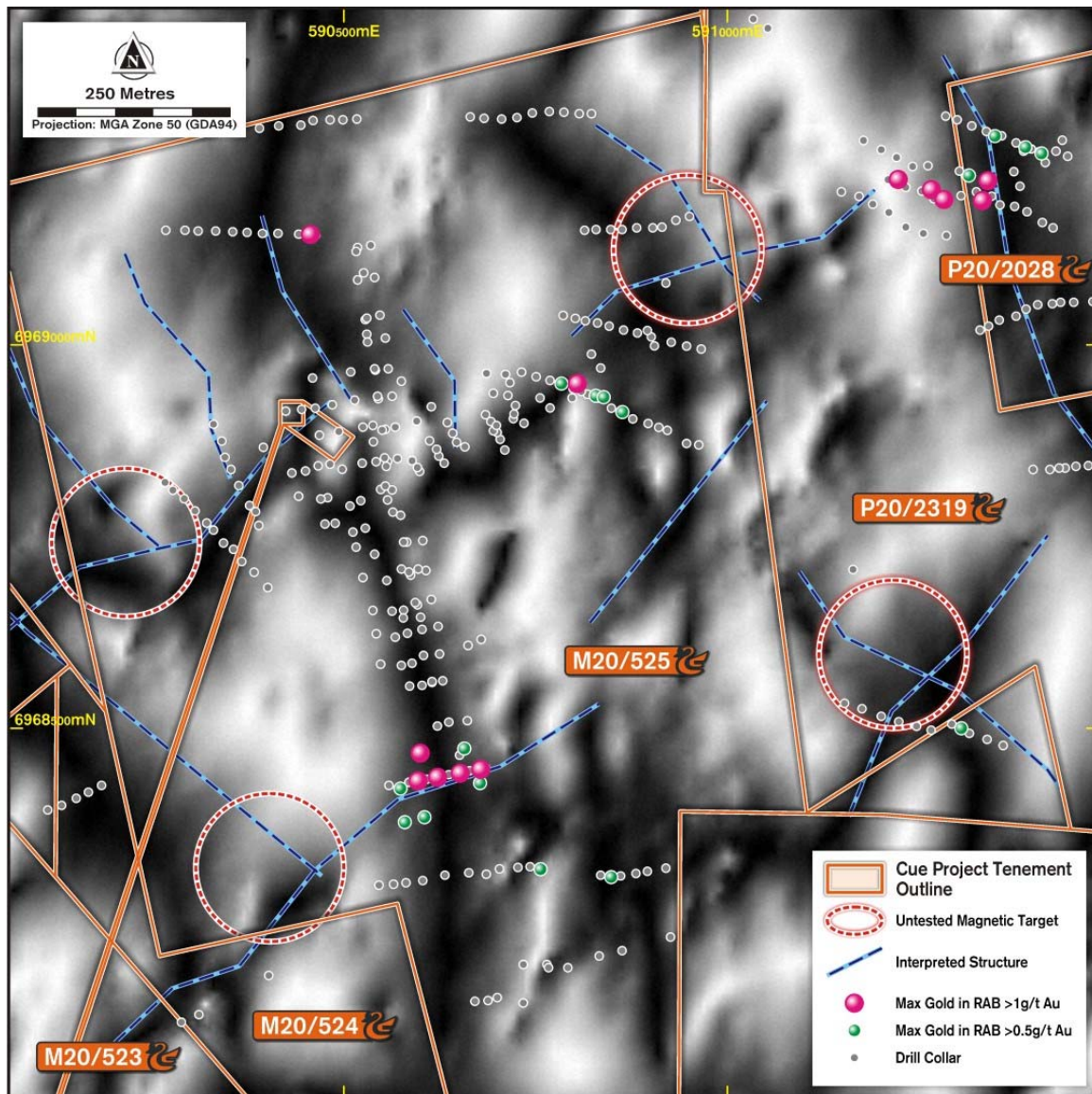
In addition to this historical exploration, the publicly available seismic data that has been captured in the Cue region has also been re processed by Hi-Seis (Perth). An interpretation of these data has been undertaken which suggests that the granite that hosts the high-grade deposits is a thin sheet-like intrusion with several seismic reflectors similar in nature to the greenstone sequences and structures occurring at a shallow depth below the granite. This provides a high priority conceptual target for the strike extensions of the Great Fingall Dolerite and gold bearing structures below the granite intrusion. This target is more fully discussed below.

##### 4.7.1. Exploration Potential and Targets

DRM's conclusion is that there are several high priority targets that require additional exploration. These targets include additional exploration drilling and evaluation work within the historical mine workings and immediately along strike and down dip and plunge of these workings. The workings that require additional evaluation include the Salisbury Mine, Cue No. 1, Cue North, Light of Asia and Queen of the May. These old mines have been explored as indicated above, however the previous explorers were focussed on defining shallow high-grade ore shoots below the existing workings.

Several of these deposits have a distinctive zone of magnetic destruction spatially associated with the mineralisation. The exact relationship between the magnetic destruction and the mineralisation is unknown however this spatial relationship will assist with ongoing targeting. Figure 10 below shows the magnetics from the Light of Asia region with the darker areas being the areas of magnetic destruction.

Given the high gold price and the ability to economically exploit low grade mineralisation, should the mineral system support a large processing facility then the low grade altered wall rock and low vein density rock surrounding the high grade historical mines may provide sufficient material to support a low cut-off, high volume open pit operation. Modern exploration appears to have focused on defining the thicker higher-grade quartz lodes or ore shoots immediately along strike from the old mine workings and / or explored immediately beneath the shallow mined shoots rather than the areas of lower vein abundance.



**Figure 10: Aeromagnetic Image of the Light of Asia Region Showing the Magnetic Destruction**

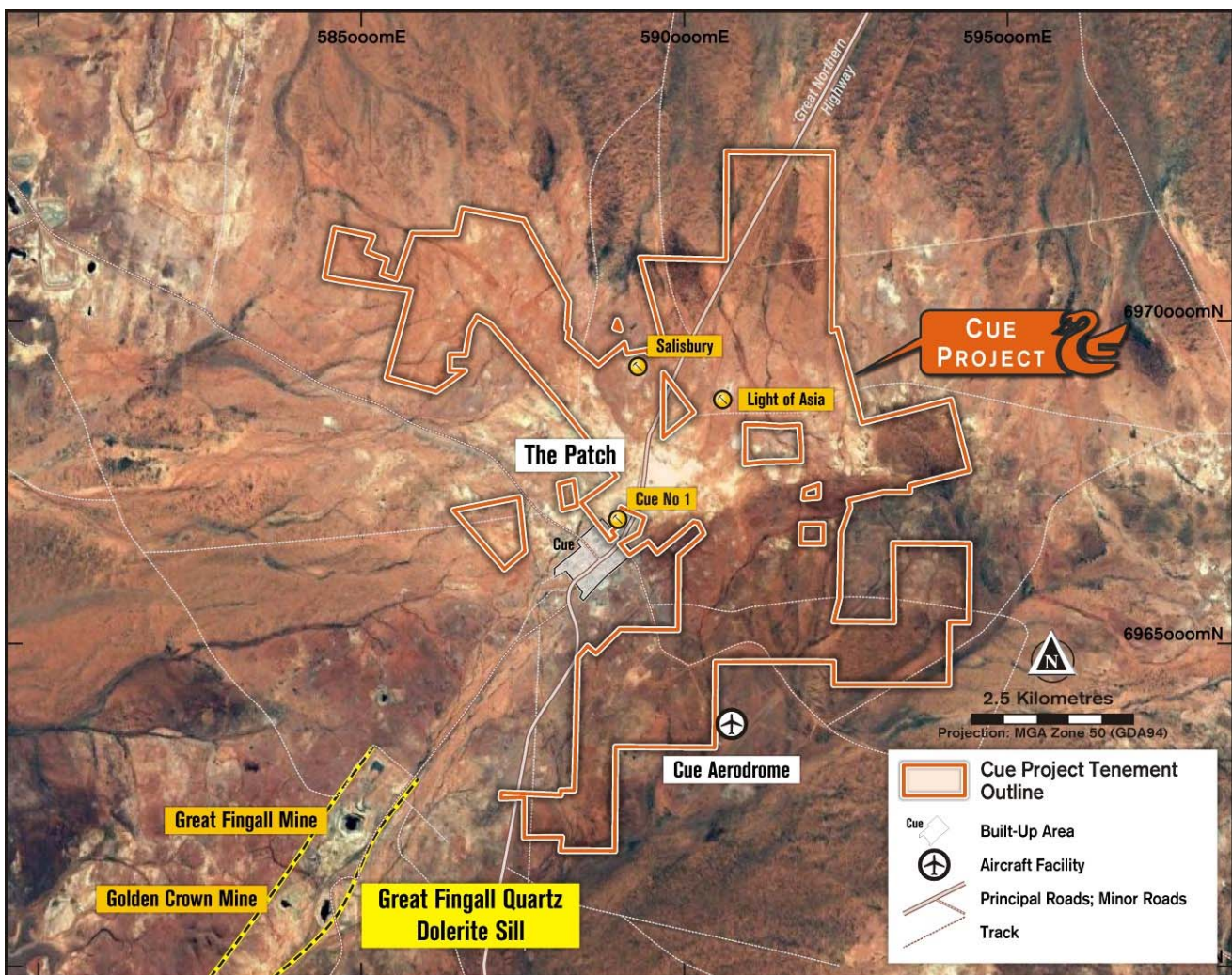
One aspect that provides an exploration challenge is the very high-grade mineralisation commonly associated with the historical quartz vein deposits. The high grades are frequently associated with coarse gold which creates sampling difficulties, especially with RC or RAB drilling. In DRM's opinion this can be overcome by a series of careful exploration activities. The most common issue in high grade, coarse gold systems is sample grade variability, while this can occur detailed geological logging and drilling with the objective of identifying the geological contact or structure is as important as the individual assay results. Additionally, where a structure is intersected in RC or RAB drilling, especially if it is at or near the target depth all samples that contain significant quartz vein material should be panned to determine if there is any visible gold in the sample.

Another way of undertaking essentially the same process is putting the bulk residue material through a mini Knelson concentrator or gravity table to evaluate if the sample does contain any coarse gold. If the exploration drilling has been primarily aimed at collecting a sample for geochemical analysis with a secondary objective being to determine the geological context then the highly variable assays from coarse gold deposits can cause uncertainty in the interpretation that potentially downgrade highly prospective systems as being of lower potential. Given the requirement of identifying the structural positions and structural setting DRM also recommends that a series of diamond drill holes are undertaken to allow a structural interpretation of the various vein arrays therefore enabling drilling to be targeted in the best orientation to intersect the structural targets rather than geochemical targets / anomalies. The diamond drilling will also allow an interpretation of the vein orientation prior to targeting below the granite into the covered strike extension of the Great Fingall greenstone sequence below the Cue granites as detailed below.



One of the other significant exploration targets is the relatively unique geology at “The Patch” when compared to the remainder of the other deposits in the Cue Project. “The Patch” extends approximately 1km along strike (N – S) and 0.8km east to west. It overlies the projected extension of both the Great Fingall Shear Zone (GFSZ) and the Great Fingall Dolerite. The significance of “The Patch” and the interpreted strike extension of the GFSZ and Great Fingall Dolerite are discussed below (Figure 11).

Aerial photography and field observations in the area of “The Patch” suggests an intense hydrothermal alteration of the granite to quartz – sericite – kaolinite accompanied by weak iron oxide staining with limonite and goethite. This alteration is more pronounced than anywhere else in the district. This target is a system of stacked, large ladder veins consisting of shallow dipping, grey – glassy quartz veins with rare moderate to steeply dipping quartz veins. These veins vary in width from a few centimetres up to 3 to 4m in width. The structural geometry of the vein system in this area is not currently understood, however the dominance of the shallow dipping vein sets suggests these veins formed in a compressive structural environment.



**Figure 11: Google Earth Image Showing “The Patch” Location in Relation to the Great Fingall Mine and Great Fingall Dolerite**

Recent reprocessing and interpretation of the open file high-resolution aeromagnetic survey data (Figure 12) along with recent gravity data (Figure 13) suggests that greenstone rocks continue beneath the granite intrusive, especially on the western and south western flanks of the granite that hosts many of the high-grade deposits detailed above. To the south of the Cue Project, a thin line of weak magnetic anomalies (labelled in Figure 12) show the position of the Great Fingall Dolerite which trends towards the GSM tenements while a Proterozoic dyke orientated approximately E-W cross – cuts the regional stratigraphy of the greenstone belt.

The magnetic high within the eastern portion of the Cue Project is the location of the outcropping Luke Creek Group greenstones. There is a subtle line of magnetic anomalies that may indicate the strike extent of the Great Fingall Dolerite below the Cue granites. The gravity image suggests that a sequence of more dense (higher gravity feature) extends below the granite however the gravity data and hence contouring are based on only a low number of gravity stations. Additional detailed gravity would assist with a more detailed interpretation prior to drilling.



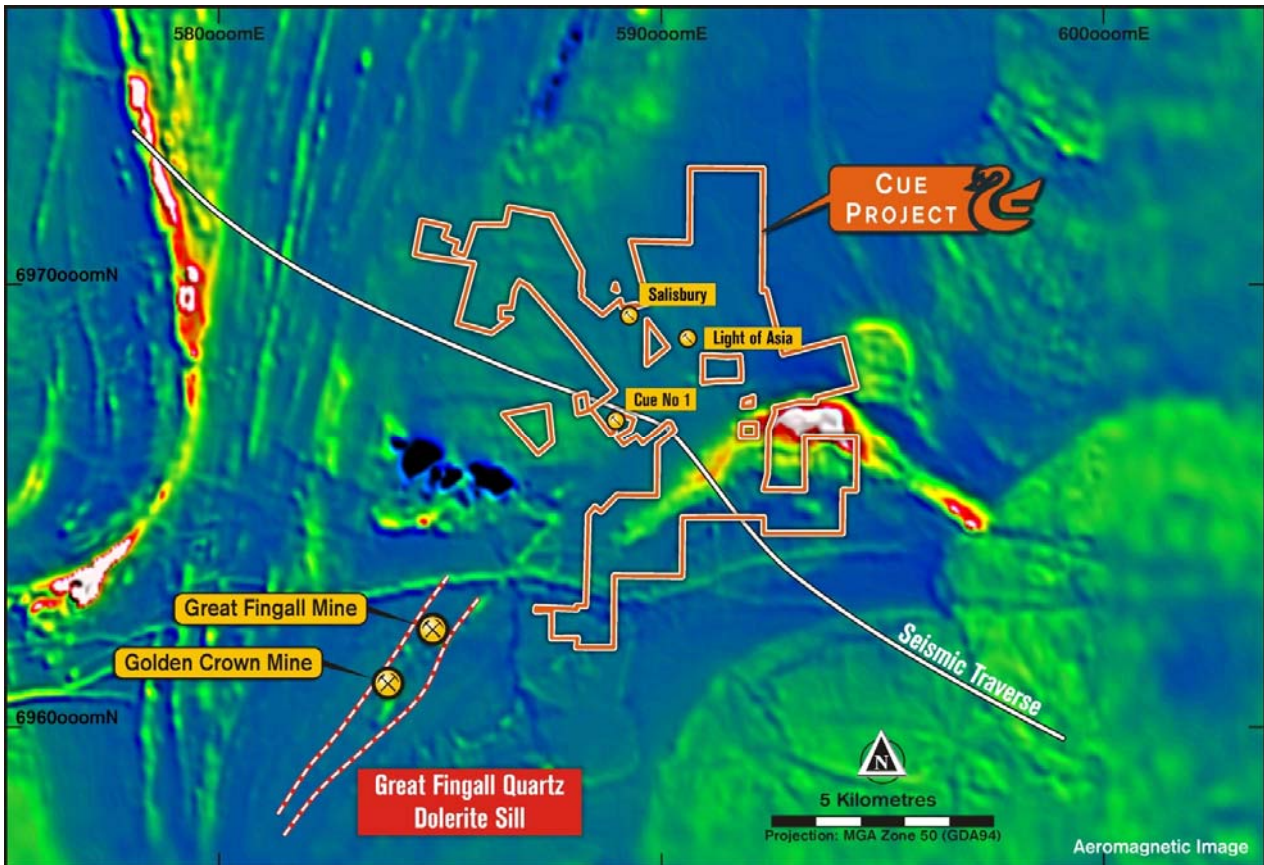


Figure 12: Aeromagnetic Image Map of the Cue District with the GSM Tenement Outline Shown in Orange

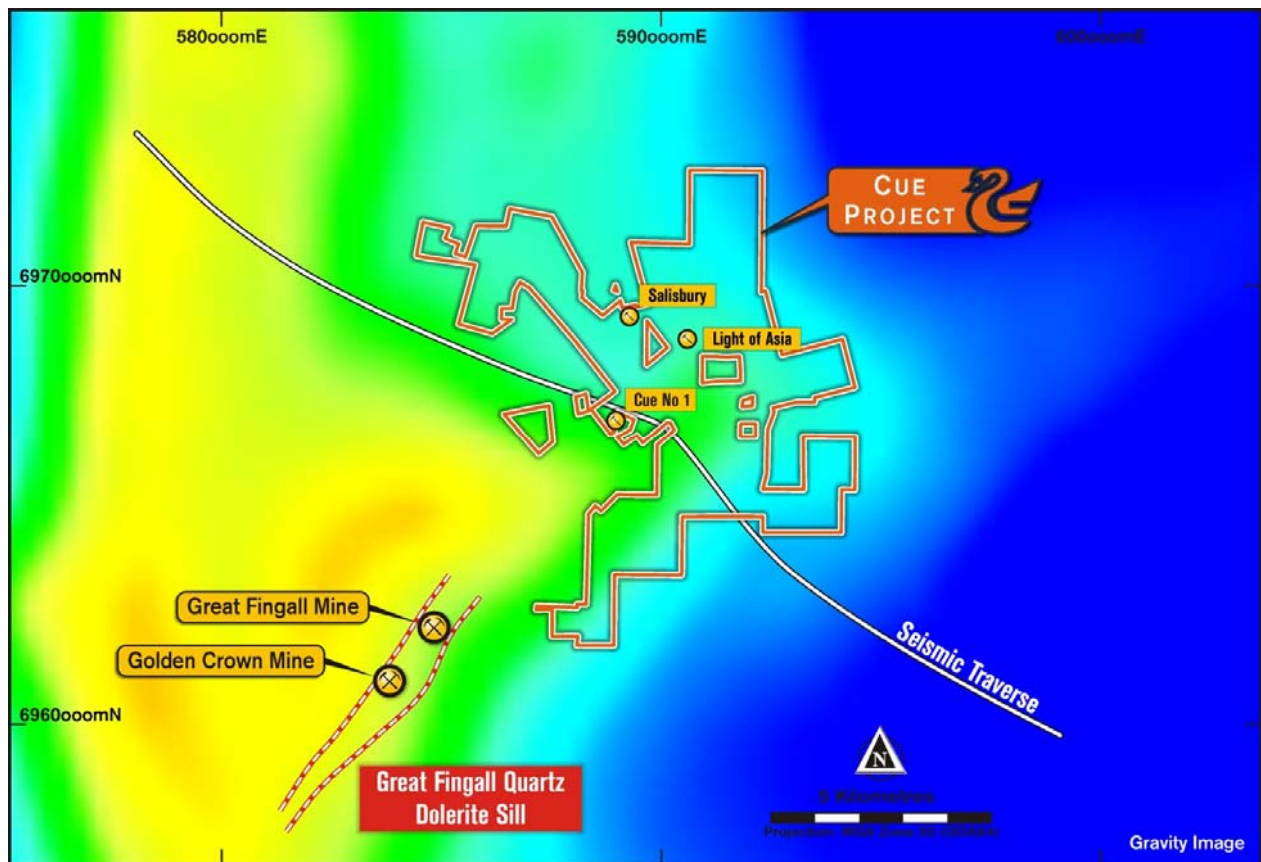
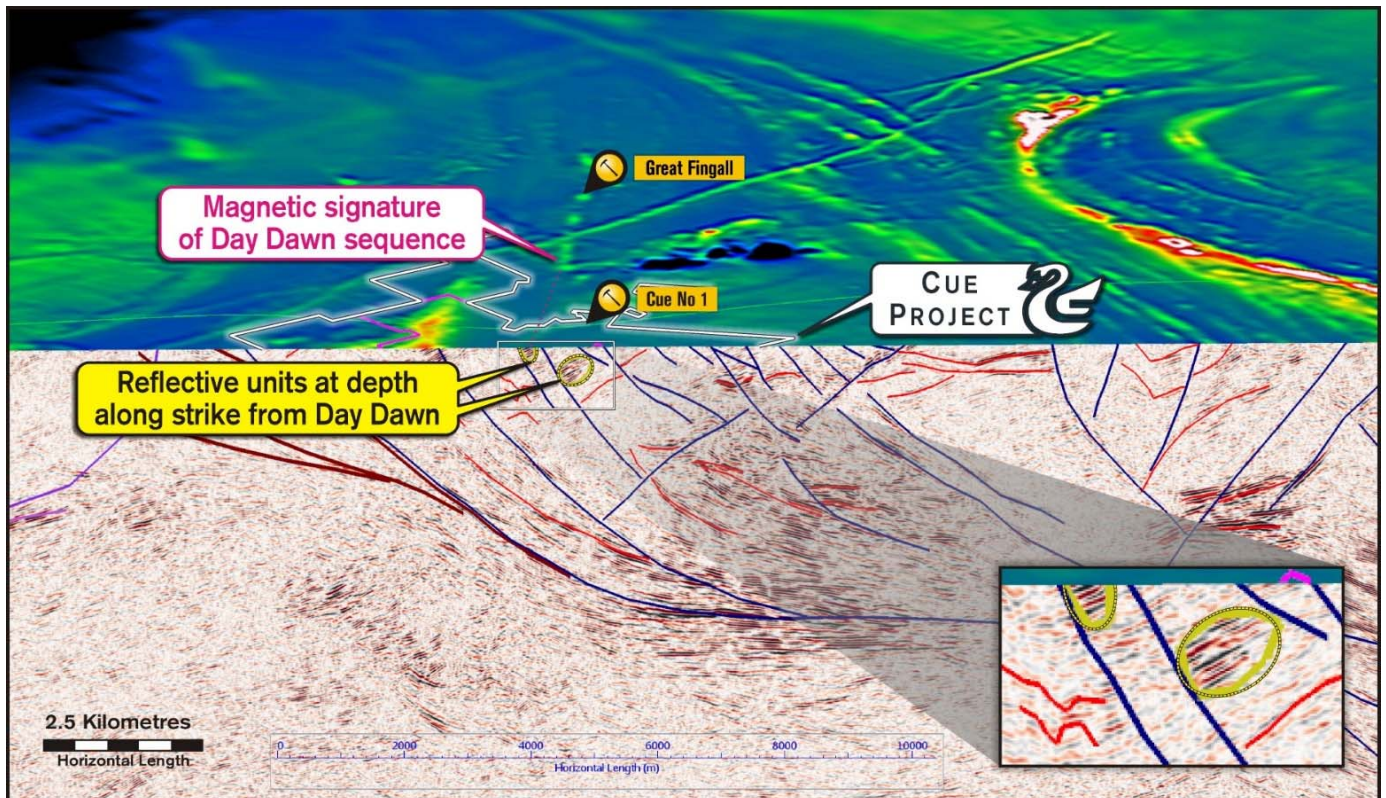


Figure 13: A Bouguer Gravity Image of the Same Area as Shown in Figure 12

Note the gravity high zone in yellow, fringed by pale green, disappearing at the margins of the CGC along an axis trending WNW and a tongue of pale green slightly higher gravity underlying GSM's tenements, supporting the contention that the greenstone sequence lies at modest depths beneath the south western margin of the CGC.



Additionally, the open file seismic profile has been re-processed by Hi-SEIS. This reprocessed seismic profile (Figure 14) shows that there are seismic reflectors occurring at a relatively shallow depth within the Cue Project that would not be expected if the granite intrusive were a large batholith type intrusive body. This is shown in Figure 14 as a composite image of the seismic profile and re-processed magnetics. Importantly, this figure is a 3D model with the view looking south from above the surface with the magnetics which has been draped over the surface DTM. The tenement outline is shown in white. A typical seismic response from a large granite intrusive occurs on the western edge of the profile where there is an area of no seismic reflectors below a mapped granite. No such feature occurs on the seismic profile under the Cue Project which suggests the granite that has been mapped and hosts the high-grade deposits is a thin intrusive sheet-like body rather than a large batholith with significant depth extent.



**Figure 14: Oblique View of the 2D Interpreted Hi-SEIS Seismic Cross Section (Looking South) with the Magnetics Image Above**

Therefore, the seismic profile in association with the magnetics and gravity all independently suggest that the greenstone sequence including the Great Fingall Dolerite and the Great Fingall Shear Zone both extend below the granite (Figure 15 & 16). From the available information the greenstone sequence including the strike extensions of the Great Fingall Dolerite and the Great Fingall Shear Zone is interpreted to occur at an explorable depth, possibly less than 300m depth and provides a significant exploration target. Other deposits that occur below overthrust granite bodies include Granny Smith gold deposit near Laverton (Hall & Holyland, 1990) and the depth extensions of the Plutonic gold mine between Meekatharra and Newman (Vickery et.al., 1998).



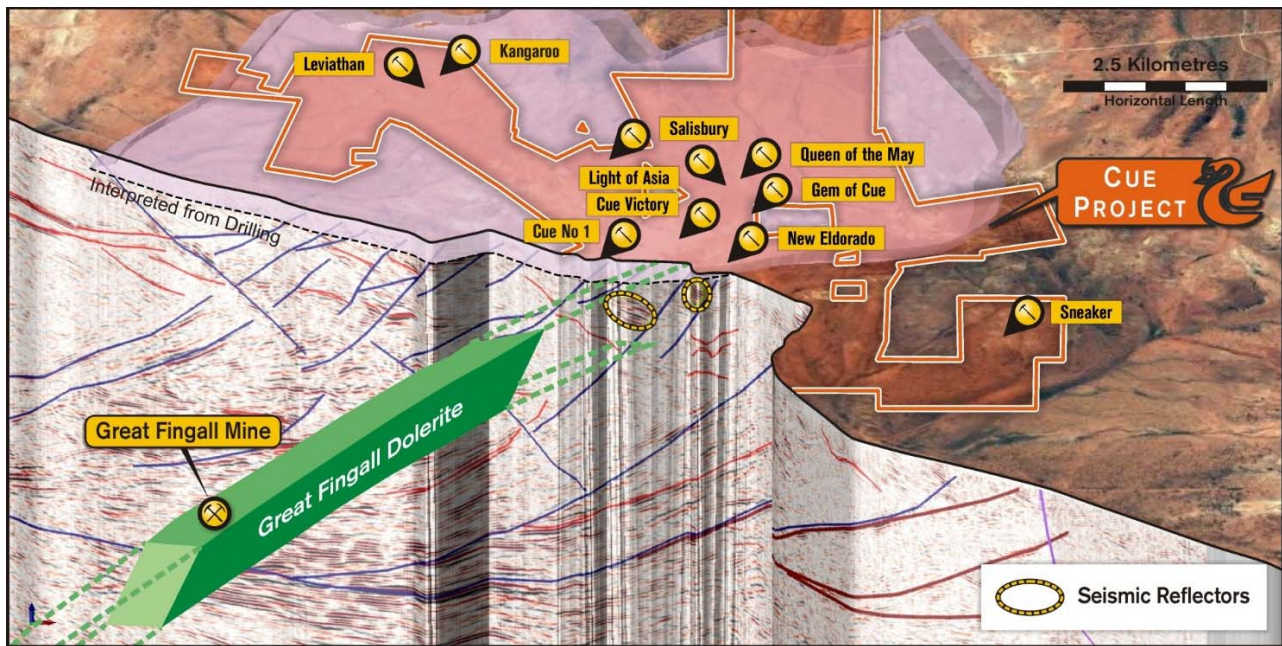


Figure 15: Oblique View of the 2D Interpreted Hi-SEIS Seismic Cross Section (Looking North) Showing Conceptual Extension of Great Fingall Dolerite onto Cue Project

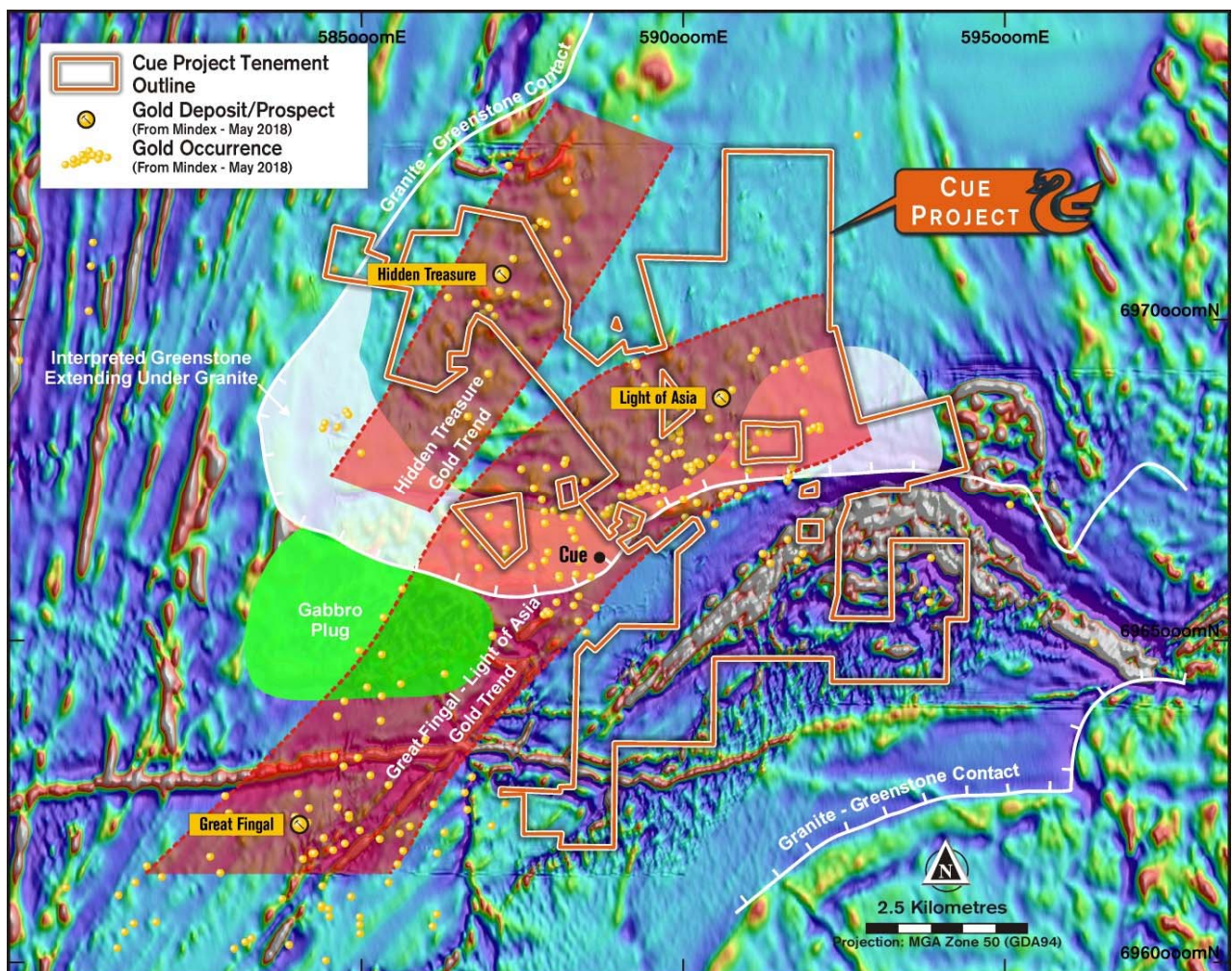
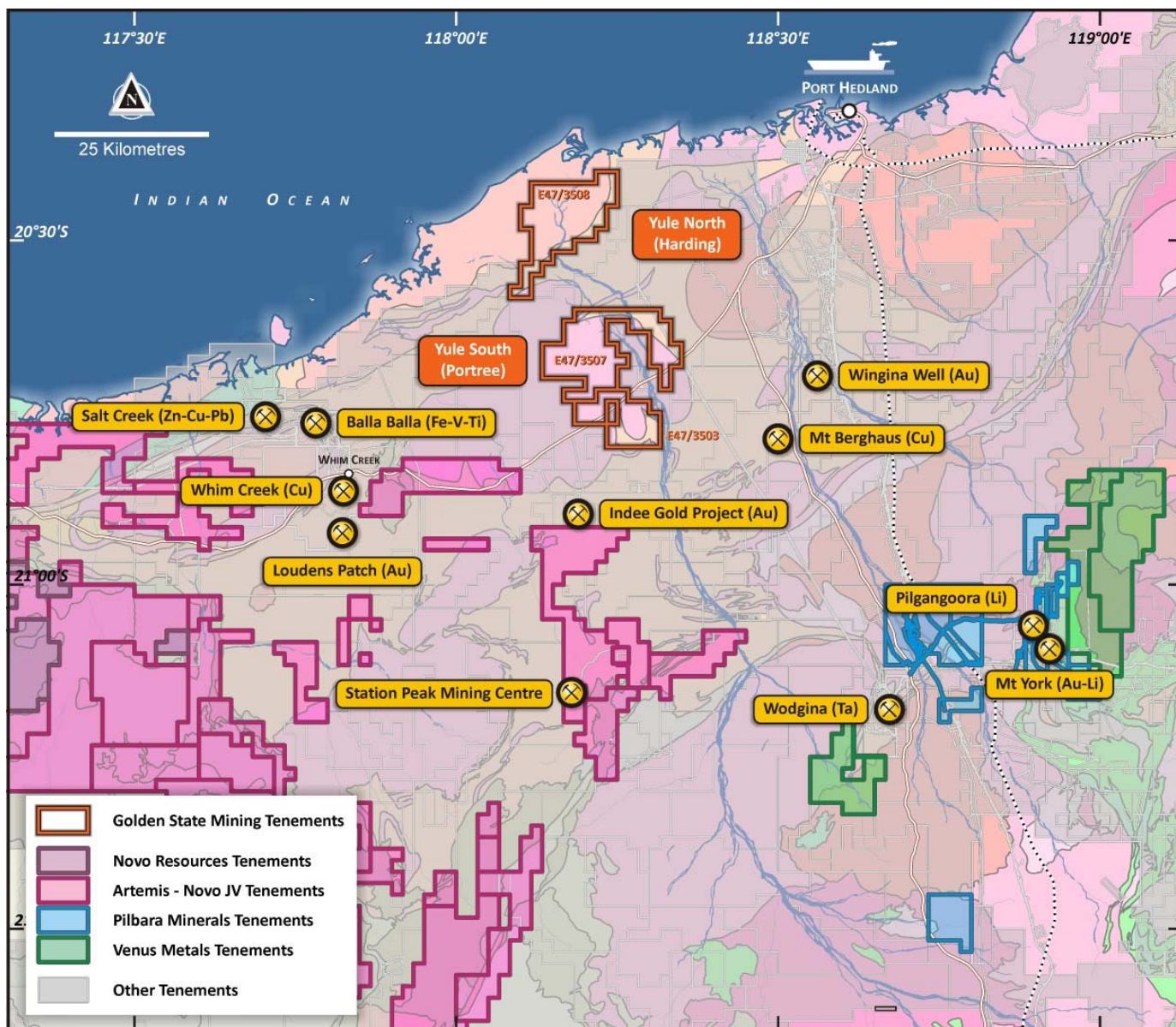


Figure 16: Conceptual Plan of Exploration Targets Areas Within the Cue Project



## 5. Yule Project

The Yule Project is located between 35km and 65km southwest of Port Hedland in the Northern Pilbara region of Western Australia. There are three granted exploration licences. Figure 17 is a plan of the project tenements and local mineral occurrences with the tenement details listed in Table 1 above.



**Figure 17: Plan of the Yule Project Tenements**

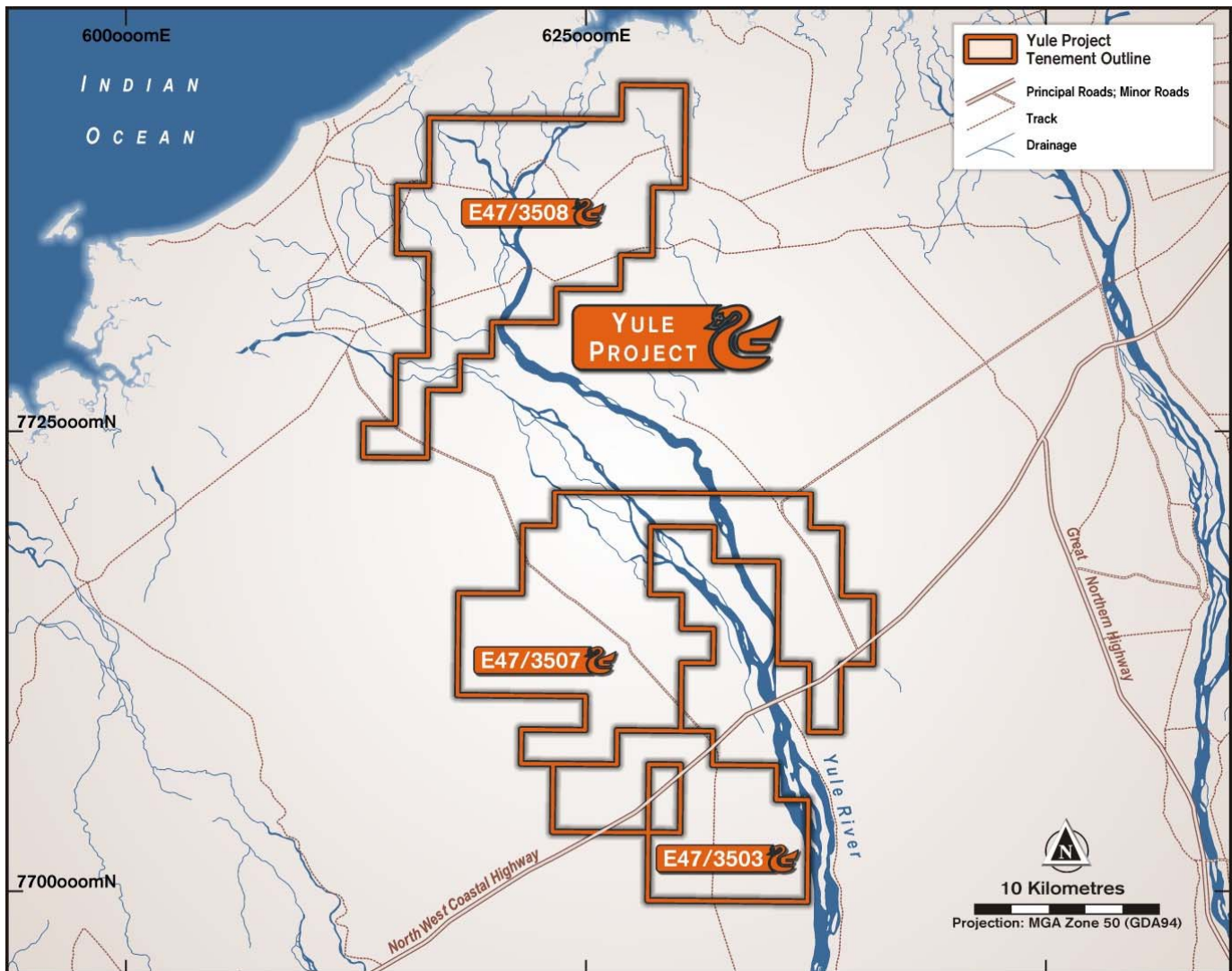
### 5.1. Location and Access

The Yule Project is located to the southwest of the major regional centre of Port Hedland in the northern Pilbara region of Western Australia. The project is approximately 1,300km north northeast of Perth or 1,700km by road. Figure 1 shows the regional location of the project while Figure 17 shows the project tenement outlines overlain on the regional geology. Figure 18 shows the infrastructure and access to the project.

Access from Perth to Port Hedland is via sealed national highways from the Coastal Highway via Geraldton – Carnarvon – Port Hedland or the Great Northern Highway via Meekatharra – Newman – Port Hedland. Access within the project is via the Coastal Highway which passes through the southern tenements and via gazetted shire-maintained gravel roads and various pastoral tracks and fence lines along with exploration tracks.



A sealed all-weather airport serviced by regular large commercial flights is located at Port Hedland. There are usually five flights between Perth and Port Hedland each day. Port Hedland provides a significant support base and infrastructure associated with mining and exploration along with associated support services.



**Figure 18: Yule Project Access and Infrastructure.**

## 5.2. Climate

The Pilbara region is arid with very hot summers and mild winters. The climatic information, sourced from the Bureau of Meteorology, is for the Port Hedland weather station. During the November to March period the maximum temperatures are between 36.3°C and 36.8°C with, on average, more than five days over 40°C. The coldest period is during July where the average maximum is 27.2°C and mean low is 12.4°C. The majority of the rainfall, which averages 319.2mm per year, occurs in the January to March period with rainfall usually recorded on between 5 - 7 days of rain per month.

Rainfall during the summer period is dominated by scattered thunder storms and from tropical cyclones or ex tropical cyclones that commonly impact the Pilbara region of Western Australia between January and April.

In DRM's opinion, based on experience working in the area, the climatic conditions can limit the ability to undertake exploration throughout the year, especially over the January to March period where the extreme temperatures and rainfall impact on the exploration activities.

## 5.3. Local Geology

The Yule Project tenements cover a significant portion of the Archaean Mallina Basin that contains sequences of siliciclastic rocks of the Constantine Sandstone, Mallina Formation and rocks of the Whim Creek Group. The basin has been intruded by multiple phases of granites which have formed granitoid complexes. The major geological

features within the tenement areas are the Boodarie Belt, the Portree Granitoid Complex and a large regional structure, the Sholl Shear Zone that passes through the northern part of the area (Figure 19).

The Boodarie Belt is comprised of a 5km wide greenstone belt consisting of andesitic and ultramafic rocks locally interbedded with banded iron formation, cherts and felsic volcanics belonging to the Bookingarra and Whim Creek Groups. These include basalts and andesites of the Loudon Volcanics and felsic volcanics of the Mons Cupri Volcanics. The Whim Creek Group hosts the Whim Creek copper deposits and the Cu-Pb-Zn-Ag deposits at Mons Cupri and Salt Creek.

The Portree Granitic Complex is comprised of post-tectonic granitoid stocks. The individual stocks have distinct magnetic signatures that can be clearly seen on the aeromagnetic images of the area (Figure 20 and Figure 21).

Small intrusive units of mafic to ultramafic composition belonging to the Millindinna Intrusive occur locally within the area.

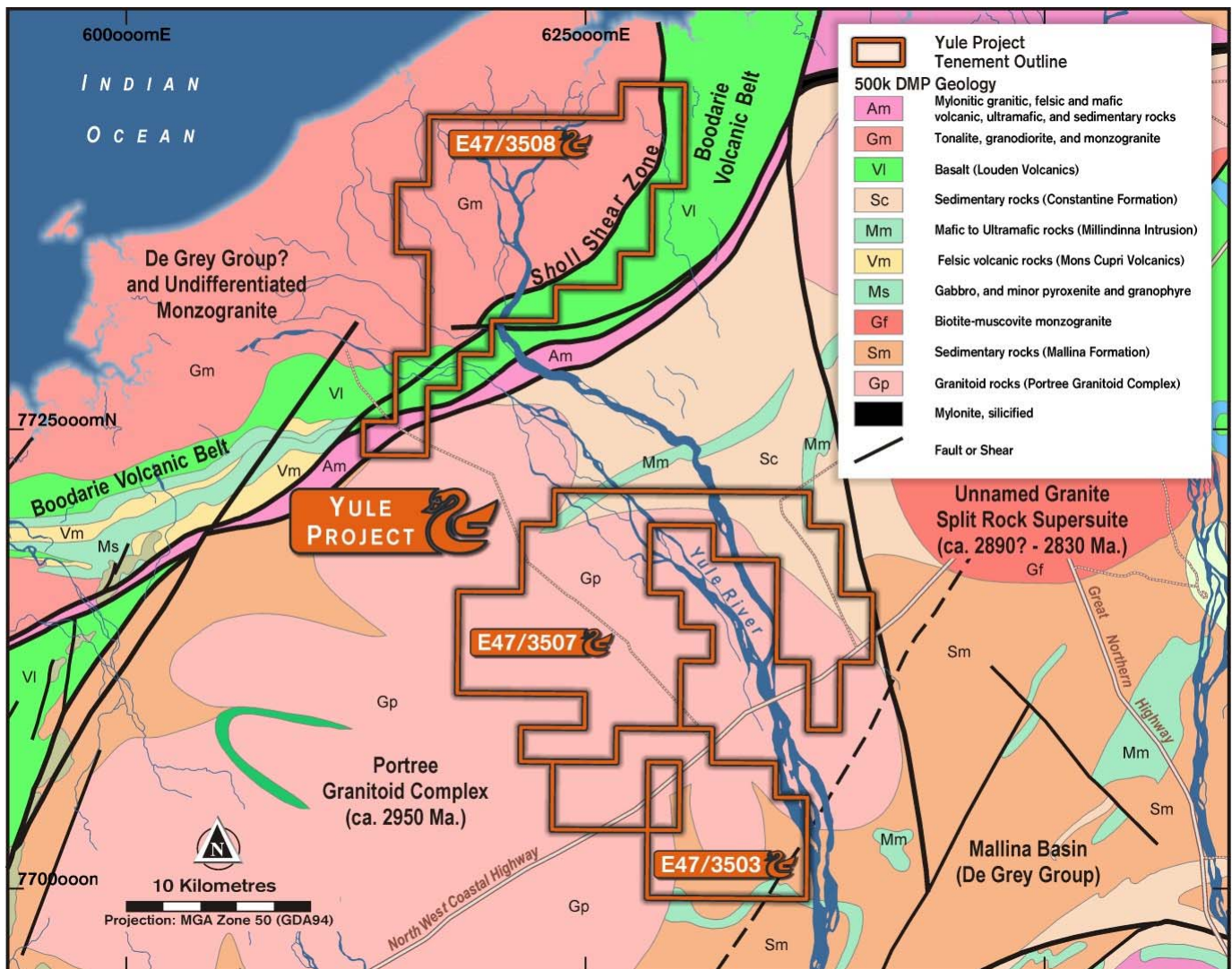


Figure 19: Yule Project – Regional Geology

## 5.4. Mining and Exploration History

### **Boodarie Belt and Scholl Shear Zone**

The northern part of the project area has been the subject of previous exploration for Cu-Ni, Cu-Pb-Zn and Au mineralisation since the early 1970s.

Australian Inland Exploration (AIE), a subsidiary of Texasgulf Inc, explored the area located to the southwest of E47/3508 around the Yule River and at Quarry Well for Cu-Ni mineralisation during the period 1972 to 1975. AIE identified multiple aeromagnetic anomalies on some wide-spaced (800m) aeromagnetic data flown in 1968 as part of a regional survey for massive sulphide deposits. The anomalies were selected for follow-up ground magnetic surveys. Several of the ground magnetic and Magnetic Induced Polarisation (MIP) anomalies were targeted for drilling. The drilling in most cases failed to reach bedrock at depths of between 11-63m. Samples were analysed for Fe, Al, Cr, Ti, Mn, Sn and P with no anomalous values obtained (AIE, 1975). The AIE exploration results are important in interpreting the more recent geophysical survey data located within E47/3508.

Esso Exploration and Production Australia Inc (Esso) explored the area between the Peawah and Yule Rivers for Cu-Pb-Zn mineralisation during the period 1980 to 1981. The Esso exploration included airborne electromagnetics (INPUT) and magnetics at 400m line spacing. Interpreted anomalies were followed-up with ground electromagnetics (SIROTEM) and four RAB drill profiles of 75 holes totalling 1,536m; no significant results were recorded (Esso, 1981).

Western Mining Corporation Ltd (WMC) explored the area for Au during the period 1990 to 1991. WMC completed a more detailed 200 m line spaced aeromagnetic survey supplemented with 37.6km of ground magnetics. Anomalies were followed-up with TEM surveys and later tested by 19 RC drill holes totalling 1,241m. The drilling penetrated up to 60 m of alluvial cover material above the bedrock. The best gold assay was 46 ppb (WMC, 1991).

The area was more recently explored as part of a series of joint ventures with Avax Pty Ltd, Connaught Mining, CRAE and Gascoyne Gold Mines during the period 1993 to 1997. The various joint venture parties re-interpreted the WMC aeromagnetic data, followed-up anomalies with ground magnetic surveys and drilling. Seven RC drill holes totalling 455m were completed, of which two failed to reach basement due to high water inflow through the alluvial cover. The best result reported was 12m at 142 ppm Cu in hole RC94MG3 between 42-54 m (Avax, 1996). The location of the holes has not been confirmed as they were drilled on a local grid.

In 2006 Brumby Resources Ltd (Brumby) completed an aeromagnetic survey on a 100m spacing that coincide with the current Project area and later in 2007 Brumby completed a VTEM survey over part of the Scholl Shear Zone and the Boodarie Belt (Brumby, 2008). In the area of the northern tenement (E47/3508) Brumby drilled three holes testing a vanadium-bearing magnetite target hosted within a layered gabbro complex similar to the Balla Balla deposit located approximately 55km to the southwest (Figure 19). The first hole was abandoned due to drilling problems with the following vertical holes (BYRC002 & 003) completed before the drilling program was abandoned in part because of the collapse of hole BYRC001 within the alluvial overburden. Hole BYRC002 returned geochemically anomalous Li values (>100 ppm) with a highest value of 332 ppm between 180 and 181m vertical depth (Brumby, 2010). Hole BYRC003 intersected 14m of 0.51% Ni and 0.02% Co from 38 to 52m vertical depth (Brumby 2010b).

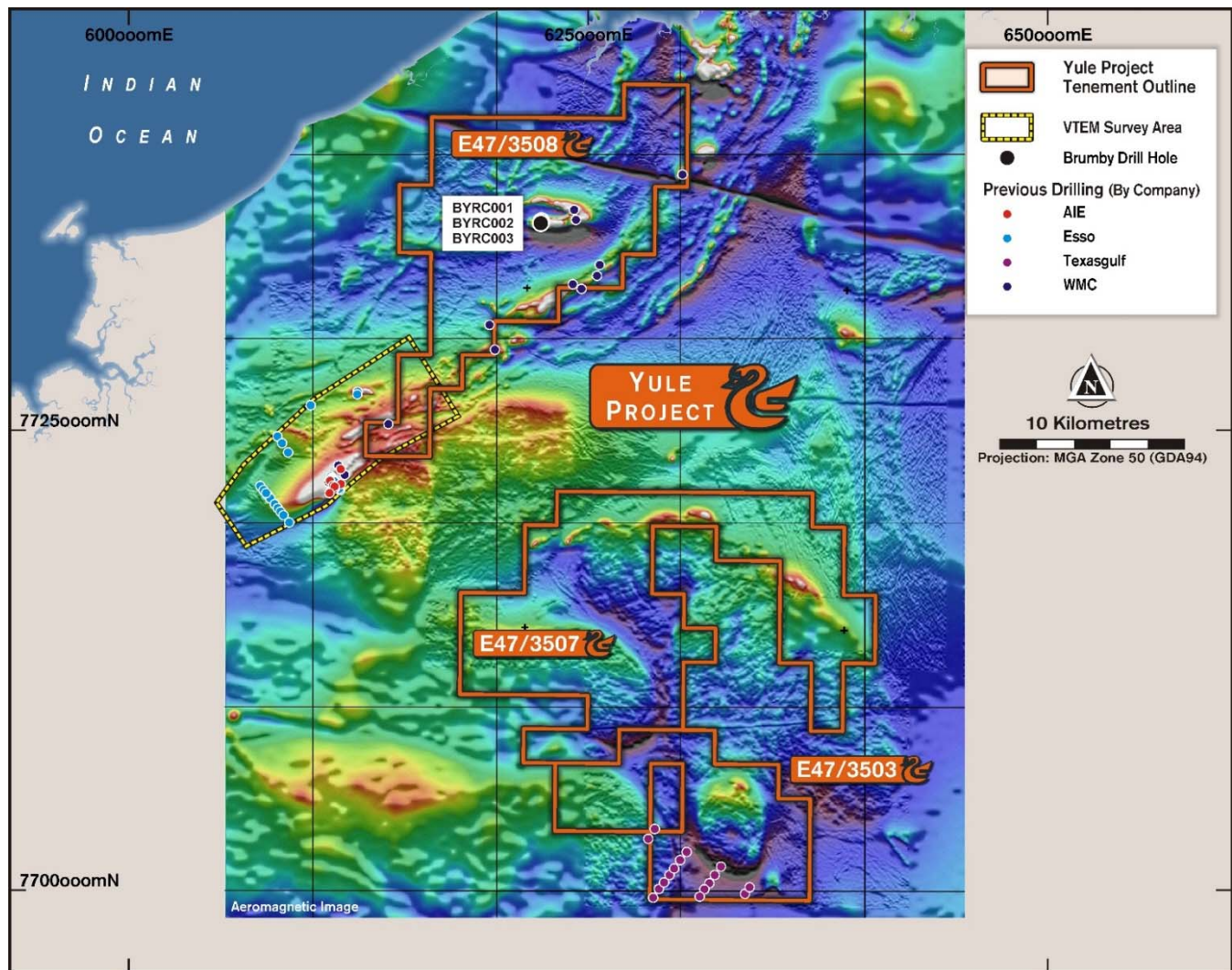
### **Alluvial Deposits**

The southern part of the Project area has been explored for alluvial gold and heavy minerals by Texasgulf and Aztec. Texasgulf completed a program of RAB drilling along profiles across a palaeo channel to the west of the present Yule River. The drilling method was not suitable for the unconsolidated sediments and produced poor quality samples but succeeded in confirming the presence of major paleochannels in the area (Texasgulf, 1984). Aztec completed 16.7km of transient electromagnetics (TEM) to identify the presence of palaeo channels and tested parts of the area by means of a Barber Dual Rotary Rig to obtain clean samples through the sediments. Trace levels of niobium (Nb), tin (Sn) and tantalum (Ta) were obtained with only one anomalous gold value of 35.8 ppm returned from a 29.29 g separate sieved fraction of a ~14kg composite sample of heavy mineral concentrate. This equates to ~0.075 ppm Au in the whole sample (Aztec, 1992). The Aztec holes were all located immediately to the south of E47/3503.



## Portree Granitoid Complex

The southern area covers a large area of the Portree Granitoid Complex where there is the potential for tin, tantalum, lithium and gold mineralisation. Brumby completed an airborne geophysical survey (100m spacing) that included aeromagnetics, radiometrics and a digital elevation model (DEM). Brumby commissioned an interpretation of the geophysical data that identified a large number of targets that were never followed-up and tested by drilling. The targets (Figure 21) included interpreted shear zones and dilational jogs which are considered to be prospective for gold mineralisation. Other targets were described as alteration or distinctly magnetic intrusive phases which can be considered to be prospective for lithium, tin, tantalum, and niobium mineralisation associated with coarse fractionated intrusive granite (Brumby, 2008).



**Figure 20: Location of Previous Exploration Work Superimposed Over a Total Magnetic Intensity Image**

### 5.4.1. Mineral Resource and Ore Reserve Estimates

There are no JORC 2012 mineral resource estimates within the Yule Project nor are there any historical resource estimates. Additionally, as there have been no feasibility studies completed for any mineralisation within the project and as such there have been no Ore Reserve Estimates undertaken within the project.

## 5.5. Exploration Targets and Potential

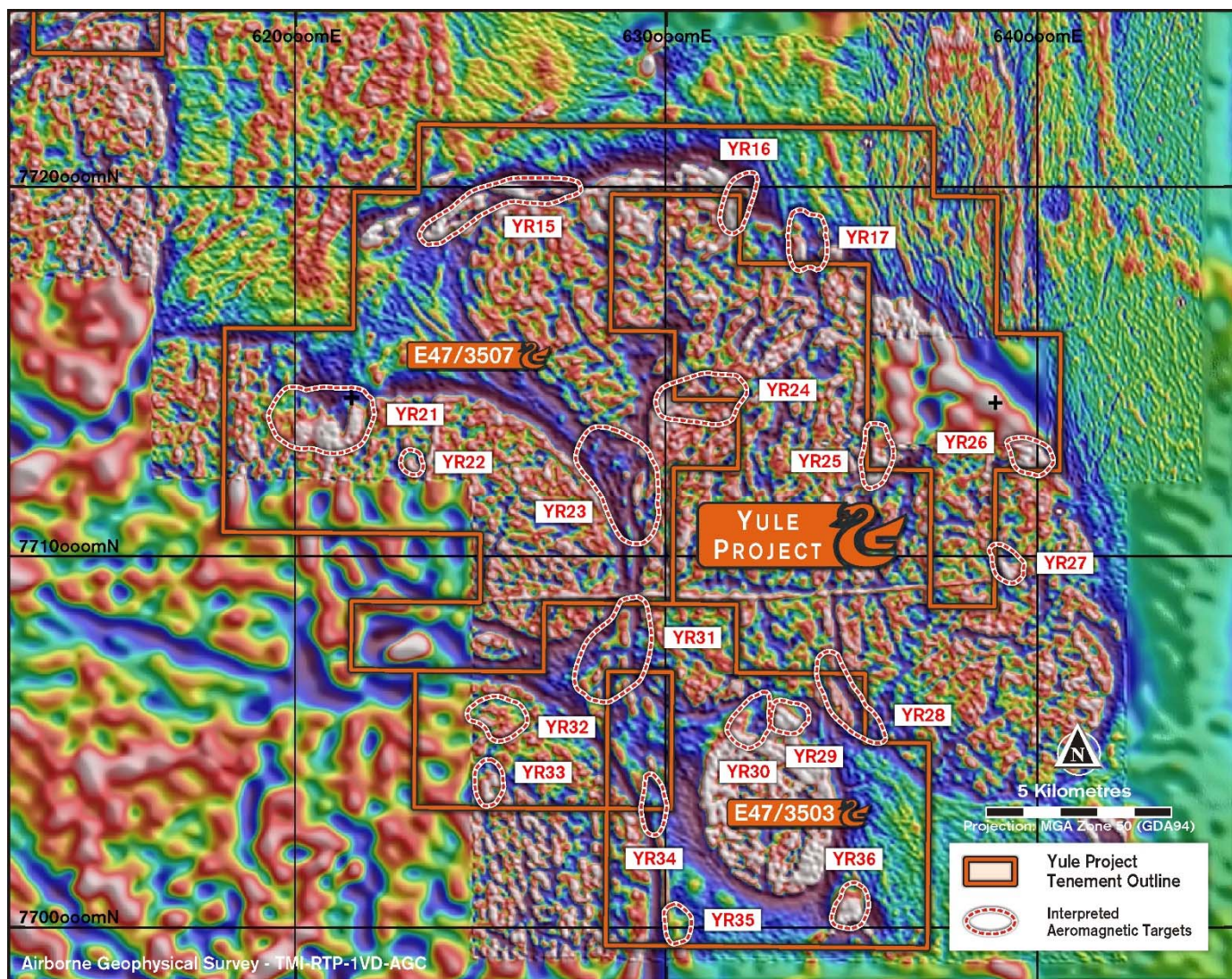
The northern part of the project area (E47/3508) contains a belt of volcanic rocks belonging to the Mons Cupri Volcanics and the Loudon Volcanics. These are of particular interest, as they are known to host the Whim Creek, Mons Cupri and Salt Creek deposits located to the southwest. Brumby completed a VTEM survey over the prospective area but did not test any of the interpreted anomalies for base metal mineralisation or follow-up most of the interpreted targets resulting from the aeromagnetic survey.



There is a widespread layer of alluvial material that covers most of the area of E47/3508, with a general thickness of 2-5m but may be up to or possibly deeper than 63m based on previous drilling. This cover has made geochemical exploration methods ineffective and consequently the previous exploration has consisted mainly of geophysical surveys that until recently were limited in depth penetration. VTEM has the potential to identify conductors at greater depths and has a greater chance of identifying undiscovered mineralisation.

Palaeochannels associated with the Yule River have the potential to host deposits of heavy minerals and gold. The previous exploration for such deposits by Texasgulf and Aztec tested only a small part of the project area and untested paleochannels are likely to be present elsewhere, especially beneath the recent alluvial deposits of the Yule River.

There is the potential for tin, tantalum and lithium mineralisation to be located within the Yule South tenements covering the Portree Granite Complex as these metals occur in similar granitoid rocks to the east and southeast of the project areas. There is no record of the area having been explored for tin and tantalum and the alluvial cover would have deterred the early prospectors. Gold is also likely to occur in structural sites adjacent to the complex



**Figure 21: Exploration Targets Interpreted from the Aeromagnetic Survey Located Within and Adjacent to the Portree Granitoid Complex (data sourced from Brumby, 2008)**



## 6. Four Mile Well Project

The Four Mile Well Project is located 9km to the north of the Laverton townsite in the Eastern Goldfields and consists of a single 38 block exploration licence covering an area of 107.6km<sup>2</sup>. Figure 22 is a plan of the project tenement and local mineral occurrences with the tenement details listed in Table 1 above.

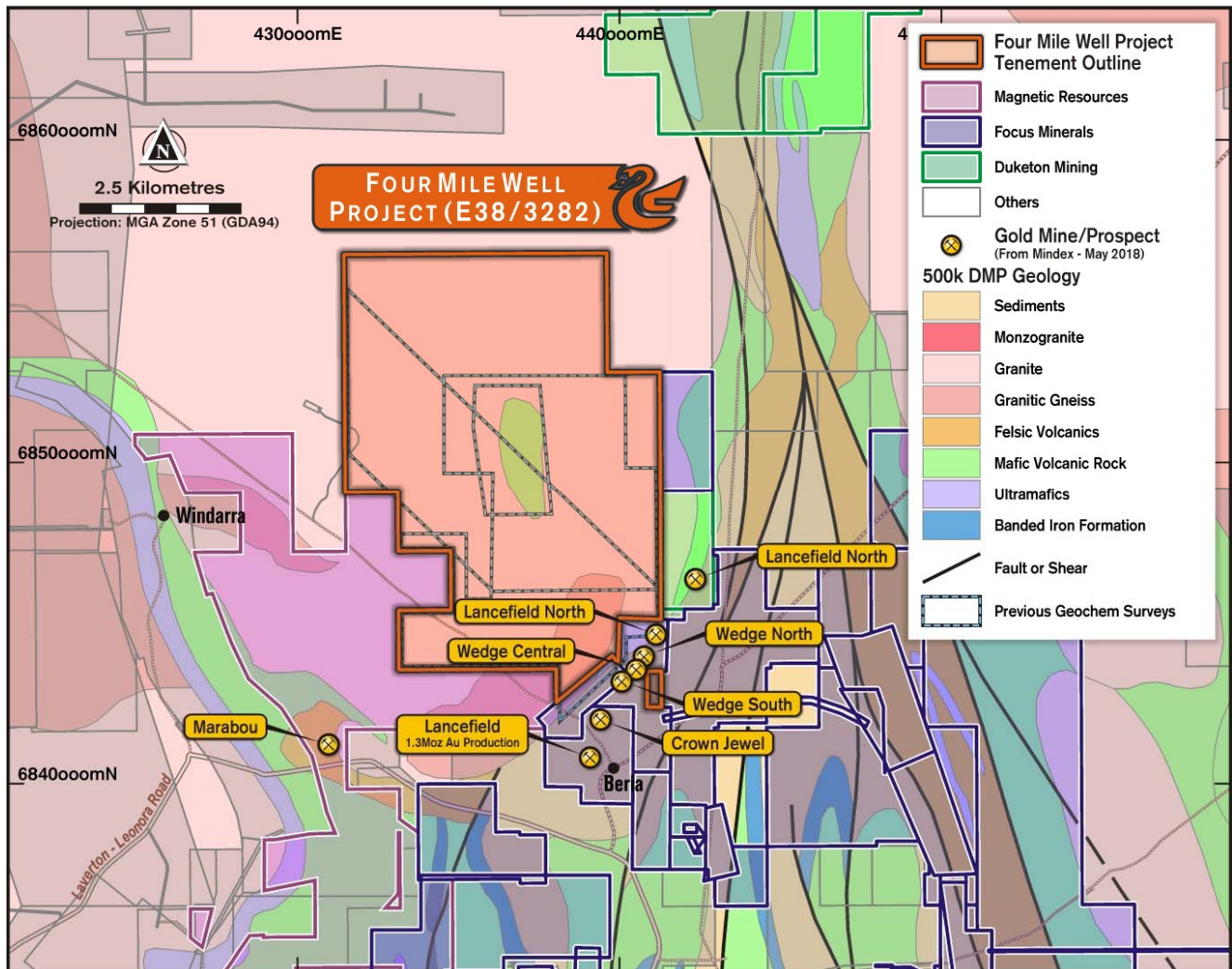
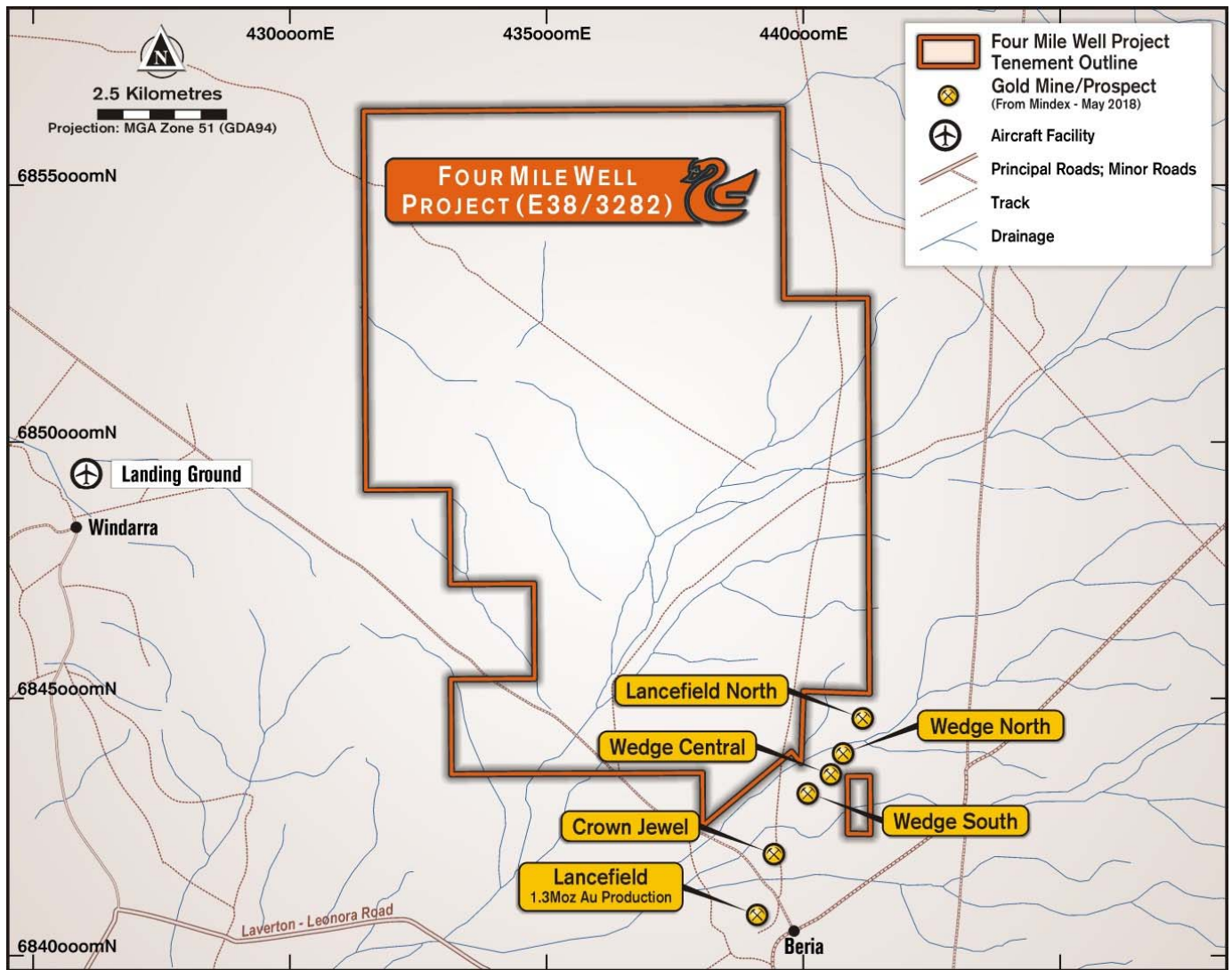


Figure 22: Plan of Four Mile Well Tenement over Regional Geology and Historical Exploration

### 6.1. Location and Access

The Four Mile Well Project is located 9km north of the North Eastern Goldfields township of Laverton in the Mt Margaret Mineral Field of Western Australia. Figure 1 shows the regional location of the project while Figure 17 shows the project tenement outline overlain on the regional geology. Figure 23 shows the infrastructure and access to the project.

Access from Perth is via Kalgoorlie then to Leonora and Laverton via the sealed Goldfields Highway, while access within the project is via gazetted shire-maintained gravel roads and various station tracks. Laverton has a sealed all-weather airstrip serviced by regular small sized commercial flights.



**Figure 23: Four Mile Well Project Access and Infrastructure**

## 6.2. Climate

The Laverton area is semi-arid with hot summers and mild winters. The climatic information, sourced from the Bureau of Meteorology, is from the Laverton weather station. During January the mean maximum temperatures is 35.8°C with, on average, more than 7 days over 40°C. The coldest period is during July where the average maximum is 17.8°C and mean low is 5.2°C. On average there are two days when the minimum falls below zero. The majority of the rainfall, which averages 237mm per year, occurs in the January to June period with rainfall usually recorded between 3 - 5 days of rain per month.

Rainfall during the summer period is dominated by scattered thunder storms and from tropical rain bearing depressions (ex-tropical cyclones) that commonly impact the Pilbara region of Western Australia with these systems often impacting the North-Eastern Goldfields and Murchison region several days after crossing the Pilbara coast.

In DRM's opinion and based on experience working in the area, the climatic conditions do not have a significant impact on the ability to undertake exploration throughout the year.

## 6.3. Regional Geology

The project area is located in the Laverton and Murrin Domains within the Kurnalpi Terrane of the Eastern Goldfields Superterrane (Cassidy et al., 2006). The tenement covers part of a large composite granite-gneiss pluton (Windarra Batholith) occupying the core of the Margaret Anticline, a south plunging regional scale fold structure bounded on the west side by the Murrin Domain and Laverton Domain to the east.

The greenstone belts in the Lancefield area are comprised of early cycles of ultramafic to mafic volcanics separated by thin heterogeneous units of one or more of banded iron formation, chert and carbonaceous shale units. The upper levels of the sequence include siliciclastic basin sediments and conglomerates. The entire sequence was later intruded by suites of mafic to felsic intrusive rocks.

#### 6.4. Mineralisation

The region is highly mineralised with a number of major deposits within close proximity to the Four Mile Well Project area. Two significant nickel sulphide deposits (Windarra and Mt Windarra) are located to the west and the large 1.3Moz Lancefield gold deposit is located less than 1km to the south. The Crown Jewel, Wedge South, Wedge Central, Wedge North and Lancefield North pits are located within the tenement application area but are held under existing mining leases by Focus Minerals (Laverton) Pty Ltd.

#### 6.5. Local Geology

Outcrop within the project area is generally poor with much of the geology interpreted from airborne geophysical surveys. Minor outcrops of partly calcrete capped granitoid lithologies with minor greenstones can be found mainly in the southern part of the area with most of the northern part obscured with Aeolian sands.

On the western portion of the tenement and proximal to the Mt Windarra mine sites, the lithology consists mainly of monzogranite with small areas of foliated granitoids. These lithologies, while unlikely to host nickel sulphide mineralisation may be suitable hosts for disseminated gold in quartz veining type mineralisation. Some very thin banded iron formations occur within the north-east area of the tenement (Unimin, 1979). Minor ultramafics have also been identified in the same north-east area.

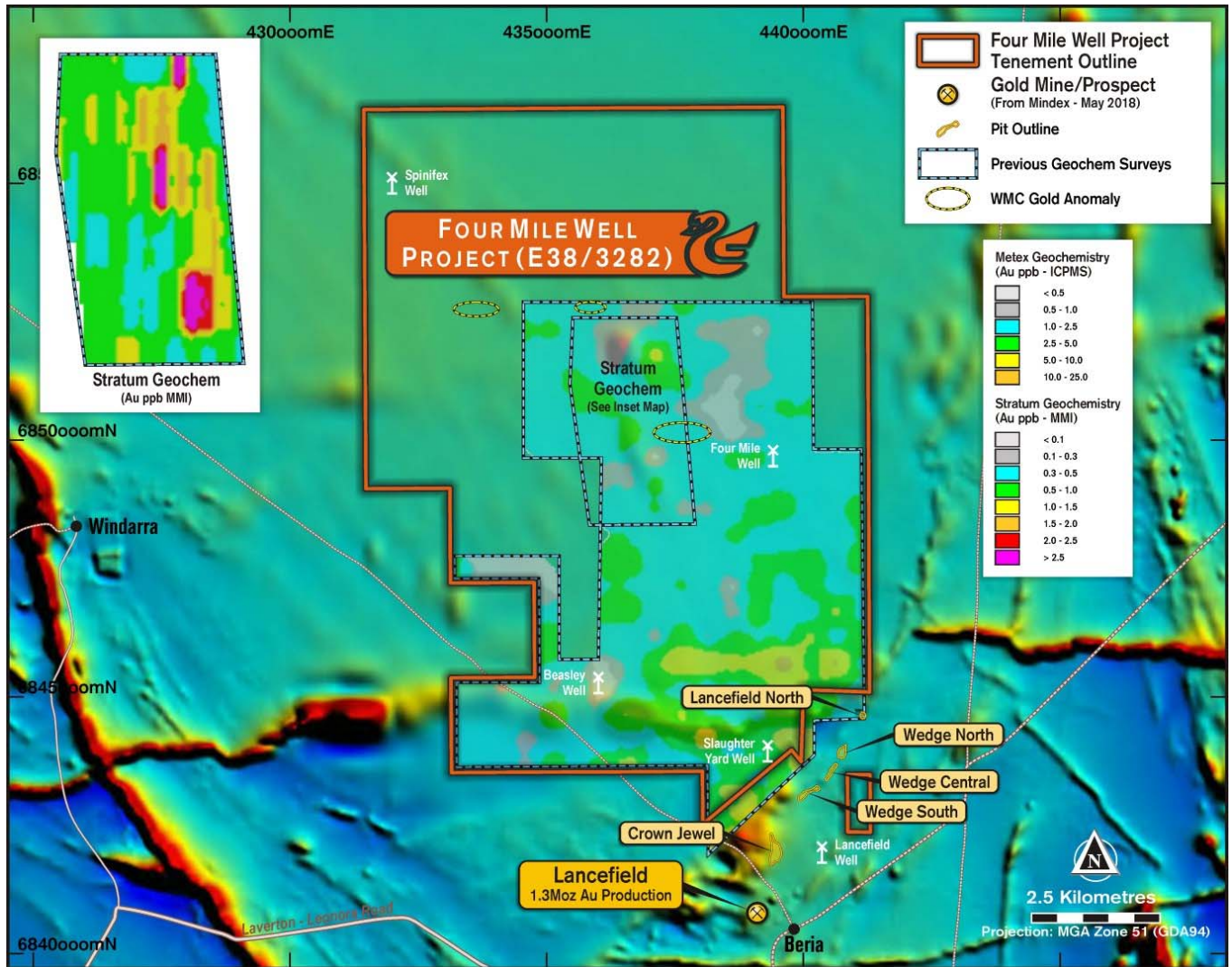
#### 6.6. Mining and Exploration History

Although the Four Mile Well Project area is located within a richly mineralised area there has been very little systematic exploration within the Four Mile Well tenement. The lack of previous exploration is in part due to the perception that the majority of the tenement area being underlain by a granite-gneissic body which is a rock type that is often regarded as having low prospectivity for mineral deposits. Another factor is that the adjacent greenstone belts have such a high degree of prospectivity as evidenced by the number of significant mineral deposits present in the region.

The first recorded exploration activity within the tenement area was in 1970 by Union Miniere Development & Mining Corporation Limited, (Unimin) following the discovery of the Poseidon nickel deposit in late 1969. Unimin pegged six mineral claims (MC38/798 – MC38/800) and compiled a geological map of the claims identifying an inlier of greenstones consisting of banded iron formations, mafic volcanics and undifferentiated ultramafic rocks within the Windarra Batholith (Unimin, 1970). Kennecott Exploration Australia Pty Ltd included the area in a regional aeromagnetic survey in the 1970s but there are no records of any ground exploration having been completed.

There was renewed interest in the area during the 1980s due to the rapid increase in the price of gold. Western Mining Corporation Limited (WMC) in 1988 - 1989 explored a large area (E38/196) for gold, the southern part of which is now covered by the Four Mile Well tenement. WMC collected soil/lag samples on a 400m by 100m grid and analysed a variety of soil size fractions for gold, nickel, copper, bismuth and arsenic. Three areas of anomalous gold (>20 ppb) were delineated within the GSM tenement (Figure 24). Follow-up sampling by WMC on a 100m by 40m grid did not reproduce the original anomalies and the original results were considered to be due to laboratory contamination during the analytical process (WMC, 1989). The WMC report includes reference to minor, old gold workings being present in the vicinity of the Four Mile Well but the location of these workings has not been confirmed in recent reports. KKR Resources NL explored the area (E38/625) during the 1990s but did not complete any substantial work.





**Figure 24: Four Mile Well Project: Summary of Previous Exploration Work Over Aeromagnetic Image**

Metex Resources Ltd in joint venture with Anvil mining Ltd collected soil samples over a large part of the tenement on a 500m by 500m grid (Figure 24) analysing the samples for a range of elements using ICP-MS. The sampling defined a number of isolated, low order gold anomalies of greater than 5 ppb with a peak value of 26 ppb Au (Metex, 2001).

The Poseidon Nickel Ltd. & Triton Gold Ltd. joint venture conducted only cursory exploration over ground covered by the Four Mile Well tenement during the period 2007 to 2011 with only nine surface samples collected, none of which yielded significant gold values (Poseidon, 2011).

Ishine explored the area during 2013 completing a Versatile Time Domain Electromagnetic (VTEM) survey covering 33km<sup>2</sup>. Some low order anomalies were detected which were not followed-up (Ishine, 2014).

The most recent recorded exploration includes a MMI survey by Stratum Metals in the northern part of the tenement (Stratum, 2013). The sampling was on a large 800m by 50m spacing and identified a coherent low order gold anomaly of >2.5 ppb and a peak value of 8.5 ppb Au (Stratum, 2013).

There is no record of any drilling having been completed within the GSM tenement area.

#### 6.6.1. Mineral Resource and Ore Reserve Estimates

There are no JORC 2012 mineral resource estimates within the Four Mile Well Project nor are there any historical resource estimates. Additionally, as there have been no feasibility studies completed for any mineralisation within the project and as such there have been no Ore Reserve Estimates undertaken within the project.

#### 6.7. Exploration Potential

The Four Mile Well Project is located in a highly mineralised region containing major gold and nickel deposits. Previous exploration has not been extensive but has identified a number of geochemical anomalies based on very widely spaced sampling with negligible follow-up work completed. Unless there has been very widespread lateral dispersion of metals within the regolith it is unlikely that soil sampling on a 500m by 500m spaced grid will detect many gold deposits unless a sample site is serendipitously located close to the centre of the deposit. The general rule of thumb when setting up a sampling grid is that at least three of the proposed sample sites should fall within the target area.

The previous work has identified a number of geochemical gold anomalies and these should all be followed-up with closed space sampling. The results of the Metex and Stratum geochemical sampling cannot be amalgamated into a single survey as they represent different sampling methods using different analytical techniques. The Metex survey used ICPMS for the analytical technique whereas Stratum used MMI. Notwithstanding this difference the anomalies delineated by each survey can be used to focus a more detailed sampling programme. While the anomalies are low order they do form coherent patterns and are definitely worthy of further exploration.

### 7. Exploration Strategy

Golden State Mining's short-term exploration strategy is to undertake additional exploration drilling along strike and below the historical mines in the Cue Project including at the Light of Asia, the Cue No. 1, Cue No. 1 North and Salisbury deposits with the aim of delineation of mineral resources that would allow near-term production. GSM are expected to investigate the potential for mineralisation that is amenable to open pit development, broadly shallower than 50m and mineralisation that would be exploited by underground mining methods at greater depths. The primary objective proposed by GSM is to delineate a large high-grade mineral system similar to that at the Day Dawn / Great Fingall deposit, a >3 million-ounce mineral system which is hosted in the Great Fingall Dolerite. The re-processed magnetic and gravity data along with the seismic profile all indicate that the greenstone sequence that hosts the Great Fingall system extends below the Cue granite intrusion.

The medium to longer term objectives for GSM are to drill below historical workings to test for continuation and repetitions of mineralisation at depth along with conceptual drilling targeting interpreted structural dilational sites close to surface. Given the lack of deep drilling and the high grade small footprint nature of most of the deposits in the area it is considered that there is significant exploration potential within the Cue Project.

The Yule Project is predominantly a lithium exploration project with minor potential for base metal and gold mineralisation while the Four Mile Well Project is an early stage gold project. Exploration at both these projects is at a much earlier stage with the majority of the proposed exploration being aimed toward confirming the results of previous sampling and field reconnaissance within the projects with the objective to further develop drill targets.

## 8. Risks

The data included in this report and the basis of the interpretations herein have been derived from a compilation of data included in annual technical reports sourced from the Western Australian Mineral Exploration reports (WAMEX reports) compiled by way of historical tenement database searches. There are two potential sources of uncertainty associated with this type of compilation, the first is that significant material information may not have been identified in the data compilation while the second potential risk is associated with the timely release of the exploration reports.

Under the current regulations associated with annual technical reporting any report, linked to a current tenement that is less than five years old remains confidential and the company can also make submissions to ensure the reports remain confidential for longer periods. Finally, the historical reports are not all digitally available, therefore to obtain the historical reports often requires extremely time consuming and costly searches in the DMIRS library. There is also duplication and compilation errors associated with several of the publicly available data compilations, this is commonly associated with multiple reporting of the exploration activities by different tenement managers using different grid references for the exploration activities. As such, this data may not be available, may have material errors that could have a material impact on future exploration decisions.

In most cases the historical exploration reports do not include or discuss the use of quality assurance and quality control (QAQC) procedures as part of the sampling programs, this data frequently not reported. Therefore, it is difficult to determine the validity of much of the historical samples, even where original assays are reported. It is common for different grid systems to be reported in exploration reports including local grids. A review of drill hole locations against large scale satellite images and historical exploration plans has identified that some holes may be mis-located, either as result of incorrect grid reference, or due to errors in original location. The inability to properly validate all the exploration data reported herein which impacts on the proposed exploration increases the exploration risk. Previous explorers have reported challenging ground conditions associated with the highly fractured nature of the weathered granite at certain areas within the Cue Project (primarily “The Patch”). This combined with the historical mine voids, some of which are not recorded create a challenging environment for exploration drilling. In addition to the ground conditions previous mining can limit potential drill pad locations or limit the drill sites to less optimal locations. The Company believes it has access to sufficient data and expertise to adequately mitigate and manage these risks.

There are environmental, safety and regulatory risks associated with exploration within an area where there has been historical mining including the potential rehabilitation liabilities associated with the historical mining including making the historical shafts safe for the company’s employees and the general public. This is especially the case with the Cue Project given the proximity of the project to the Cue townsite.

There are no JORC 2012 compliant Mineral Resources Estimated within the projects. Mineral exploration, by its very nature has significant risks, especially for early stage projects and additional challenges occur in areas of historical mining. Based on the industry wide exploration success rates it is likely that no significant mineralisation will be located within the Projects. Even in the event significant mineralisation does exist within the Projects, factors both in and out of the control of the GSM may prevent the location and extraction of such mineralisation. This may include, but is not limited to, factors such as community consultation and agreements, metallurgical, mining and environmental considerations, availability and suitability of processing facilities or capital to build appropriate facilities, regulatory guidelines and restrictions, ability to develop infrastructure appropriately, and mine closure processes. In addition, variations in commodity prices, saleability of commodities and other factors outside the control of the Company may have either negative or positive impacts on the Projects that may be defined.

## 9. Proposed Exploration

To achieve the exploration strategy, it is expected that GSM will undertake distinctly different exploration activities within each of the projects.

### 9.1. Cue Project

Within the Cue Project the following activities are either proposed or recommended by DRM:

- Validation of the existing exploration data including drilling, geology and geochemical samples
- Field mapping and digital capture of all historical exploration and mining activities including geological mapping, any mining plans and historical production records
- Geochemical sampling including surface samples and multi-element analysis of mineralisation to assist with geochemical and alteration mapping
- Geophysical surveys and petrophysical sampling to determine the optimal geophysical methods to detect mineralisation and aid structural interpretation
- Drilling including shallow RAB or AC drilling along with bedrock drilling using both RC and diamond drilling methods. DRM recommends that diamond drilling, obtaining oriented core, should occur early in the exploration activities to ensure a structural analysis of any veins/mineralised structures along with ensuring the drilling is undertaken at an optimal orientation

Assuming exploration success this drilling would result in a resource delineation drilling program, the estimation of a mineral resource and ultimately evaluation of potential mining options

### 9.2. Yule Project

The main focus on exploration should be directed to testing the area for lithium-caesium-tantalum (LCT) pegmatite bodies as interpretation of previous aeromagnetic data has identified structures that are considered to be prospective. In addition to the LCT Pegmatite targets several structural dilational zones have been identified as being prospective for gold and base metals.

It is recommended that exploration initially be directed to determine the potential for the granitic intrusions to host LCT pegmatites. LCT Pegmatite intrusions have a characteristic geochemical signature which can be used to determine if the intrusion is “fertile” and worthy of further exploration. On a more local scale, deposits of this type are generally zoned in a concentric manner with characteristic minerals present in each zone enabling the target to be more clearly defined. The previous geophysical interpretation provides a large number of targets for additional work.

Exploration would typically include geological mapping of all outcrops of granitic and pegmatitic rocks with samples analysed for specific suites of multi-elements. Once the granitic rocks have been determined to be fertile then drilling would be required to collect samples on a systematic basis.

The northern tenement (E47/3508) area can be tested by extending the VTEM survey to include the parts of the Boodardie Group rocks located within the tenement.

### 9.3. Four Mile Well Project

It is recommended that future work will include, remote sensing data compilation, digital capture of all available previous exploration data and re-interpretation of the previous VTEM survey results. This should be followed by a geochemical orientation survey to determine the optimum method for infill and additional geochemistry sampling and follow-up drilling (RAB/AC) of priority targets.

## 10. Proposed Exploration Budget

The exploration strategy and targets are discussed in more detail in the various project sections above with Table 7 providing a summary of expenditure, by activity and project. All the costs are shown as an all in inclusive cost, which includes the cost of drilling, sampling, assaying, personnel and all other on costs. All costs included in Australian dollars (A\$).

**Table 7: Summary of Exploration Expenditure**

	Year 1 (A\$1000's)	Year 2 (A\$1000's)	Total (A\$1000's)
<b>Cue Project</b>			
Data Compilation	15		15
Geophysical Review & Surveys	20		20
Access (heritage / agreements)	20	20	40
Exploration Drilling	400	220	620
Resource Drilling	320	220	540
Downhole Geophysics	25	20	45
Resource Modelling		30	30
<b>Sub-Total</b>	<b>800</b>	<b>510</b>	<b>1310</b>
<b>Yule Project</b>			
Data Compilation	15		15
Geophysical Review & Surveys	25	20	45
Geological Mapping	45		45
Access (heritage / agreements)	20		20
Drilling	160	250	410
<b>Sub-Total</b>	<b>265</b>	<b>270</b>	<b>535</b>
<b>Four Mile Well Project</b>			
Data Compilation	5		5
Geophysical Review & Surveys	5	20	25
Geological Mapping	10		10
Geochemical Survey	20		20
Drilling	40	75	115
<b>Sub-Total</b>	<b>80</b>	<b>95</b>	<b>175</b>
<b>Total</b>	<b>1,145</b>	<b>875</b>	<b>2,020</b>

If the maximum subscriptions of \$5.5 million are raised under the terms of the IPO, then the Company intends to spend \$490,000 of the additional \$1 million in funds on drilling over the three projects in the first two years. This would comprise of an extra \$105,000 for drilling at Cue, \$315,000 for drilling at Yule and \$70,000 for drilling at Four Mile Well.

In DRM's opinion the proposed exploration budget and work programs are valid, consistent with the exploration potential within GSM's projects and broadly in-line with the current exploration costs in Western Australia. The proposed exploration budget is sufficient to meet the statutory minimum exploration expenditure on the tenements.



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The reference list below is dominated by unpublished company reports obtained either directly from the company or ASX releases of previous Joint Venture holders or previous holders of the tenements along with Annual Technical Reports lodged and subsequently made public when the tenement was surrendered. Where they are published the publication is noted.

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## 12. Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral [www.webmineral.com](http://www.webmineral.com), Wikipedia [www.wikipedia.org](http://www.wikipedia.org),

*The following terms are taken from the 2015 VALMIN Code*

**Annual Report** means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Australasian** means Australia, New Zealand, Papua New Guinea and their off-shore territories.

**Code of Ethics** means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

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

**Experts** are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

**Exploration Results** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Feasibility Study** means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

**Financial Reporting Standards** means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

**Independent Expert Report** means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

**Information Memoranda** means documents used in financing of projects detailing the project and financing arrangements.

**Investment Value** means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

**Life-of-Mine Plan** means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

**Market Value** means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

**Materiality** or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

**Member** means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

**Mineable** means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

**Mineral Asset** means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study;

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

**Mine Design** means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power and other technical requirements spanning commissioning, operation and closure so that mine planning can be undertaken.

**Mine Planning** includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation and closure.

**Mineral** means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

**Mineralisation** means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.

**Mineral Project** means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

**Mineral Securities** means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

**Mineral Resources** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Mining** means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging etc).

**Mining Industry** means the business of exploring for, extracting, processing and marketing Minerals.

**Modifying Factors** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Ore Reserves** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Petroleum** means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

**Petroleum Resource** and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

**Practitioner** is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

**Preliminary Feasibility Study (Pre-Feasibility Study)** means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

**Professional Organisation** means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience;
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

**Public Presentation** means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade or build good will.

**Public Report** means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

**Quarterly Report** means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Reasonableness** implies that an assessment which is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

**Royalty or Royalty Interest** means the amount of benefit accruing to the royalty owner from the royalty share of production.

**Securities** has the meaning as defined in the Corporations Act.

**Securities Expert** are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

**Scoping Study** means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other

relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

**Specialist** are persons whose profession, reputation or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

**Status** in relation to Tenure means an assessment of the security of title to the Tenure.

**Technical Assessment** is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset.

Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

**Technical Assessment Report** involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

**Technical Value** is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

**Tenure** is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

**Transparency** or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

**Valuation** is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

**Valuation Approach** means a grouping of valuation methods for which there is a common underlying rationale or basis.

**Valuation Date** means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

**Valuation Methods** means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

**Valuation Report** expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

**Value** means the Market Value of a Mineral Asset.

## 13. JORC Reporting and Exploration Results – All Projects

The Company has compiled a preliminary summary of past exploration activities including drilling over each of the projects. Previous exploration reports have collated and (where available) digital data has been consolidated into a project database.

The Company has not acquired any new exploration data, all project selection and target identification has been based on open file historical data sourced from WAMEX reports and re interpretation of existing regional open file or open source information.

The primary objective in compiling this data was to collect evidence that supported the underlying exploration rationale for the Projects. It is considered most important to for the Cue Project to identify the presence of gold in the drilling, the presence of historical stopes (assumed to be a highly mineralised zone) or confirmation that the prospective structure has been intersected than the exact assay result from the individual samples. Therefore, most of the data is presented as drill hole plans that highlight the mineralised structures and possible strike extensions to these structures.

In DRM's opinion the exploration activities have been undertaken according to usual industry practice for the time they were collected and analysed at commercial laboratories who serviced the mineral exploration industry. However, most of the historical reports do not contain all the information usually included in Table 1.

DRM considers that Golden State Mining has done sufficient verification of the data, to provide sufficient confidence that sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for further investigation. During the compilation of this ITAR the authors have either relied on the original information from the historical exploration reports or completed checks of the original reports and found the GSM compilation to be accurate compared to the original data.

Given the large number of individual reports the following Table 1 sections provide summary of the most pertinent reports. For details of specific exploration programs, the reader is encouraged to check the publicly available reports for specific details. In the opinion of DRM, it is impractical and unnecessary to compile a detailed Table 1 for all the historical exploration activities in this ITAR which in the Cue area consists of over 120 years of exploration information. The objective of the Report is to provide a relevant summary of the key features and historical exploration within the projects and to comment on the use of funds being contemplated. The discussion and illustrations provided in the ITAR address Clause 13, 14 and 19 of the JORC Code, while the following Table 1 provides a summary of the historical exploration activities for the exploration results discussed in this report.



## 14. Appendix A JORC Table 1 – Cue Project

Table 1 Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>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..</li> </ul>	<ul style="list-style-type: none"> <li>All data presented herein are from past exploration activities prior to GSM involvement and have been obtained from open file public records.</li> <li>GSM Gold Limited (GSM) is undertaking a full validation of the nature and quality of the sampling undertaken.</li> <li>Samples are all from early stage exploration work comprising surface soil and rock samples, auger soil samples, RAB and aircore geochemical sampling, as well as limited RC percussion drilling.</li> <li>Open file geophysical data was also acquired.</li> </ul>
	<ul style="list-style-type: none"> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> </ul>	<ul style="list-style-type: none"> <li>All data presented herein are previous and GSM is undertaking a full validation of the nature and quality of the sampling undertaken.</li> <li>GSM has however done sufficient verification of the sampling techniques, in the Competent Person's opinion to provide sufficient confidence that sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for investigation.</li> <li>For early stage exploration projects, the quality of past data is considered fit for purpose.</li> </ul>
	<ul style="list-style-type: none"> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> </ul>	<ul style="list-style-type: none"> <li>All references to mineralisation are taken from reports and documents prepared by previous explorers and have been reviewed by GSM and considered to be fit for purpose.</li> <li>The authors of the ITAR concluded that the results highlighted by GSM are anomalous and warrant further investigation based on their experience in the areas of the Company projects</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>All data presented herein are historical to varying degrees and GSM is undertaking a full validation of the nature and quality of the sampling completed.</li> <li>GSM has however done sufficient verification of the sampling techniques, in the Competent Person's opinion to provide sufficient confidence that sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for investigation.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Various drill types have been used previously including aircore (AC), rotary air blast (RAB), reverse circulation percussion (RC) and diamond coring (DD).</li> <li>At this time, hole diameters and detailed information regarding drilling has not been compiled and are not considered material to supporting the assessment of prospectivity underpinning the tenement selection.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> </ul>	<ul style="list-style-type: none"> <li>GSM is undertaking validation of the data to determine whether this information has been historically collected. Only limited data is available in the open file reports addressing these criteria. However, for early stage, exploration projects the absence of this information is not considered material.</li> </ul>
	<ul style="list-style-type: none"> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> </ul>	
	<ul style="list-style-type: none"> <li>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.</li> </ul>	

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> </ul>	<ul style="list-style-type: none"> <li>All holes were geologically logged to various degrees of detail.</li> <li>GSM is undertaking verification of the quality and level of detail of the geological logging data. GSM has done sufficient verification of the data, in the Competent Person's opinion to provide sufficient confidence that the logging was performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for investigation.</li> </ul>
	<ul style="list-style-type: none"> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> </ul>	
	<ul style="list-style-type: none"> <li>The total length and percentage of the relevant intersections logged</li> </ul>	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> </ul>	<ul style="list-style-type: none"> <li>It is believed that modern core drilling has been sawn and sampled according to industry standard (half core). Historical core may have been sampled as whole core or half core (split not cut) or chip sampled.</li> <li>Various sampling methods have been employed previously for non-core drilling, as discussed above the absence of detailed information on these criteria in not considered material to an assessment of early stage exploration potential.</li> </ul>
	<ul style="list-style-type: none"> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> </ul>	
	<ul style="list-style-type: none"> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> </ul>	<ul style="list-style-type: none"> <li>GSM has done sufficient verification of the data, in the Competent Person's opinion to provide sufficient confidence that past sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for investigation.</li> </ul>
	<ul style="list-style-type: none"> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> </ul>	
	<ul style="list-style-type: none"> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> </ul>	
	<ul style="list-style-type: none"> <li>Whether sample sizes are appropriate to the grain size of the material being sampled</li> </ul>	
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> </ul>	<ul style="list-style-type: none"> <li>GSM has done sufficient verification of the assay data, in the Competent Person's opinion to provide sufficient confidence that the assaying was appropriate for the mineralisation present and is fit for the purpose of planning exploration programmes and generating targets for investigation.</li> </ul>
	<ul style="list-style-type: none"> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> </ul>	<ul style="list-style-type: none"> <li>GSM has compiled all past geophysical data for the project areas. In consolidating and reprocessing the geophysical data, GSM applied checks on the quality of the data and concluded that the data were appropriate for regional targeting exercises.</li> <li>None of the previous reports that have been reviewed by GSM to date specified the use of any spectrometers or handheld XRF tools.</li> </ul>
	<ul style="list-style-type: none"> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established</li> </ul>	<ul style="list-style-type: none"> <li>GSM has done sufficient verification of the data, in the Competent Person's opinion to provide sufficient confidence that the quality control procedures were performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for investigation.</li> <li>As discussed above, the absence of detailed information on this criteria in not considered material to an assessment of early stage exploration potential and planning exploration activities</li> </ul>
	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> </ul>	<ul style="list-style-type: none"> <li>Significant intersections have been taken from previous databases. The CPs completed a number of spot checks of the source data and did not identify any issues with the</li> </ul>

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying		reported intersections.
	<ul style="list-style-type: none"> <li>The use of twinned holes.</li> </ul>	<ul style="list-style-type: none"> <li>No validation or check assaying has yet been carried out by GSM.</li> <li>GSM is yet to twin any holes from the previous work.</li> </ul>
	<ul style="list-style-type: none"> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> </ul>	<ul style="list-style-type: none"> <li>GSM has done sufficient verification of the data, in the Competent Person's opinion to provide sufficient confidence that sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for investigation.</li> </ul>
	<ul style="list-style-type: none"> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>No adjustments have been made to any of the assay data.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> </ul>	<ul style="list-style-type: none"> <li>GSM has done sufficient verification of the data, in the Competent Person's opinion to provide sufficient confidence in the accuracy and quality of survey data and that it is fit for the purpose of planning exploration programmes and generating targets for investigation.</li> <li>There have been no JORC 2012 Mineral Resource or Ore Reserve estimates.</li> </ul>
	<ul style="list-style-type: none"> <li>Specification of the grid system used.</li> </ul>	<ul style="list-style-type: none"> <li>Several grid systems have been used previously, including AGD 1966 AMG Zone 50, AGD 1984 AMG Zone 50 and GDA 1994 MGA Zone 50.</li> <li>GSM currently uses the grid system GDA 1994 MGA Zone 50.</li> <li>Previous data in grid systems AGD 1966 AMG Zone 50 and AGD 1984 AMG Zone 50 have been converted to MGA 94 Zone 50.</li> </ul>
	<ul style="list-style-type: none"> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>The local topography in the area is flat and nominal RLs or RLs taken from handheld GPS are assumed to have been used previously.</li> <li>GSM continues to verify the data and has not found any material issues to date.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Various data spacing has been used at various prospects by previous explorers. Examples of data spacing are provided in the Independent Technical Assessment Report.</li> <li>The maps showing sample and collar locations illustrate the data density at the various projects.</li> </ul>
	<ul style="list-style-type: none"> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable as there are no Mineral Resource or Ore Reserve estimates</li> </ul>
	<ul style="list-style-type: none"> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable as there are no Mineral Resource or Ore Reserve estimates</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> </ul>	<ul style="list-style-type: none"> <li>The orientation of controlling structures has not been fully determined and a variety of drill orientations have been used previously.</li> <li>GSM's review so far has indicated no material issues exist to date.</li> <li>GSM recognises the importance of understanding the structural controls on mineralisation. DRM recommends GSM prioritise the collection of oriented drill core early in their exploration to determine the structural controls.</li> </ul>
	<ul style="list-style-type: none"> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Unable to be address due to insufficient data at this stage.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Sample security</i>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Due to the historical nature of the data, this has not and may not be determinable. GSM believes that none of the historical samples have been preserved.</li> <li>There are no concerns about sample security or possible tampering with historical samples.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>GSM has not performed any audits at this time.</li> <li>The authors of the ITAR completed spot checks on data compiled by GSM to check the accuracy of the compilation and did not identify any issues in these checks.</li> </ul>

Table 1 Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> </ul>	<ul style="list-style-type: none"> <li>Table 1 in the ITAR above includes all the tenement details</li> <li>DRM understands that WM has signed agreements, for which GSM will assume rights and obligations with the various traditional owner groups that have either granted native title or native title claims that overlap the projects.</li> <li>DRM understands that there are sale and purchase agreements between the various tenement holders and GSM whereby the tenements will ultimately be 100% owned by GSM. Some of the applications are under company names that are understood to be 100% subsidiaries of GSM. DRM has not reviewed the sale and purchase agreements.</li> </ul>
	<ul style="list-style-type: none"> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>All the exploration reported in this ITAR has been completed by a variety of companies, as noted in the text of the report and described more fully in the open file WAMEX reports referenced throughout the text.</li> <li>Please refer to the ITAR for details and references to the previous work.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>GSM's Cue Project is located in the Youanmi Terrain of the Archaean Yilgarn Craton. Project-scale geology consists of granite-greenstone lithologies that were metamorphosed to greenschist facies. The Archaean lithologies are cut by Proterozoic dolerite dykes. More detailed information is provided in the ITAR.</li> <li>Mineralisation observed to date is similar to the mineralisation historically mined in several workings within the Cue region and within the GSM tenements. All of these deposits are orogenic lode deposits and are characterized by multiple stacked lodes of quartz veins within both the early granitic gneiss or the greenstone sequences of the Luke Creek Group.</li> <li>Gold within the quartz veins is commonly associated with pyrite with minor base metal sulphides also occurring in some of the historical deposits. Please refer to the ITAR for more detail.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Summaries of significant previous drill intersections that have been validated and incorporated into the GSM drillhole database are included in the ITAR and in Appendix D</li> </ul>
	<ul style="list-style-type: none"> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>The Cue Project has been subject to exploration and mining for over 120 years, therefore only drill assay results that have been compiled as at the date of this report have been included in the analysis. It is expected that there have been a significant number of both barren and mineralised drill holes that have as yet not been validated or included in the drill hole database.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> </ul>	<ul style="list-style-type: none"> <li>All assays are based on historical data in open file reports, and upon review have been treated at face value. Since these are exploration results, there has been no top cutting, and all data are presented, either graphically or in tables in Appendix 2</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> </ul>	<ul style="list-style-type: none"> <li>Average reporting intervals are based on reported results derived from applying cut-off grades, as listed in the summary tables, for a minimum thickness of 1 m.</li> <li>Significant drill intersections have previously been reported by Cougar Metals and other ASX listed companies and are also included in the various WAMEX reports.</li> </ul>
	<ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Previous drilling has been undertaken on various drill orientations, and thus does not represent true width intersections.</li> <li>Future work by GSM will involve validation and reinterpretation of previous results and the drilling of additional holes to determine the orientation of mineralisation and thus true widths.</li> </ul>
	<ul style="list-style-type: none"> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable, as the geometry of the mineralisation with respect to the drill angles has yet to be verified.</li> </ul>
	<ul style="list-style-type: none"> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>downhole length, true width not known" is included in the notes below all significant intersections tables.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Please refer to the ITAR for details</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>All previous drill holes are reported that have results equal to or greater than 1m at the gold grades noted on the summary tables (as considered appropriate for early stage exploration data).</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>All data presented herein are previous and GSM is yet to complete a full validation of the nature and quality of the previous work undertaken within its tenements. All material data encountered by GSM to date has been reported herein.</li> <li>GSM has completed re-processing and interpretation of geophysical data (gravity and magnetics) to assist in selecting tenements. This work is discussed throughout the ITAR.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> </ul>	<ul style="list-style-type: none"> <li>GSM will undertake extensive validation and field confirmation of previous drill and sampling data at the various prospects. Once the previous data review is completed, it is planned that GSM will undertake drilling programs to test the highest priority targets.</li> </ul>
	<ul style="list-style-type: none"> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Please refer to the Independent Technical Assessment Report.</li> </ul>

## 15. Appendix B JORC Table 1 – Yule Project

Table 1 Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li><b>RAB (RAB) Drilling</b> Historic wide spaced RAB drilling (122 holes, 1714m) 500m centres, selective drill lines over part of Yule Project tenement E47/3503 (WAMEX Report A11827). Composite samples collected refer to Sub-sampling techniques and sample preparation below.</li> <li><b>Reverse Circulation (RC) drilling</b> Previous Explorers' RC drilling located on current Yule Project tenure includes three RC holes located on Yule Project tenement E47/3508: BYRC001-003 (375m) on selective targets (WAMEX Report A88780). One metre RC samples were collected from the cyclone and laid out in rows of 20 on the ground. Composite 4m samples were then collected by spear or scoop sampling and sent to the laboratory.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li><b>RAB drilling</b>-refer to WAMEX report A11827 with limited drill technique data recorded.</li> <li><b>RC drilling</b>-refer to WAMEX report A88780 RC drilling completed by Schramm 660 (Profile Drilling, Perth)</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li><b>RAB Drilling –WAMEX A11827</b></li> <li>Sample recovery insufficiently recorded in previous explorer's reports.</li> <li><b>RC Drilling – WAMEX A88780</b></li> <li>Sample recovery insufficiently recorded in previous explorer's reports</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li><b>RAB Drilling- WAMEX A11827</b></li> <li>Drill hole logging included 1m hardcopy logging in the field.</li> <li><b>RC Drilling – WAMEX A88780</b></li> <li>Drill hole logging methodology insufficiently recorded in previous explorer's reports, but summary LITHOLOGY logs reviewed from WAMEX A88780 digital data txt files.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> </ul>	<ul style="list-style-type: none"> <li><b>RAB Drilling</b> WAMEXA11827 Samples collected with weight range 5-35 kg. 438 samples representing 47 holes was concentrated using a Rojex Jig plant and riffle matting. Sampling and sample preparation techniques insufficiently recorded in WAMEX report.</li> <li><b>RC Drilling – WAMEX A88780</b></li> <li>4m composite samples collected with 1m re-split samples collected for selected samples with</li> </ul>

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	anomalous Ni values.
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li><b>RAB Drilling</b></li> <li>Previous explorers RAB drill samples completed by Analabs (Perth), March 1982. Drill samples analysed for Sn, Ta, Au, Nb using lab methods 303,402 and 404. Detection Limit Au – 0.008 ppm.</li> <li>No geophysical tools, spectrometers or hand held XRF instruments recorded in WAMEX A11827 report.</li> <li>Previous explorers did not document detailed QAQC procedures.</li> <li><b>RC Drilling – WAMEX A88780</b></li> <li>Previous explorers RC samples sent to Genalysis (Perth), 2010. Multielement analysis on drill samples included: Au, Al, As, Ag, Ba, Bi, Ca, Cd, Co, Cr, Cs, Cu, Fe, K, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Pd, Pt, Rb, S, Sb, Sc, Se, Sn, Sr, Te, Th, Ti, U, V, W, Y, Zn, Zr, Tl, La, Ce, Pt, Nd, Sm, Eu, Gd, Tb, Py, Ho, Er, Tm, Yb, Lu, Li, Be, Hf, Ta, Re, Ga, In, Ge, Ir, Os, Rh, Ru. Analysis methods and codes included: 4A/OE (4-Acid digestion; ICP-OES), AR01/OE (Aqua Regia digestion; ICP-OES), FP1/OE (Sodium peroxide fusion Zr crucible) and NS25/MS (Nickel sulphide collection Fire Assay).</li> <li>Magnetic Susceptibility meter readings on 1 metre RC samples using a KT-10 handheld instrument (Units SI x 10<sup>-3</sup>) recorded in WAMEX A88780 report.</li> <li>Previous explorers did not document detailed QAQC procedures.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Not documented in the historical WAMEX reports.</li> <li>No twin holes recorded.</li> <li>Any adjustment to assay data not recorded in WAMEX reports.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li><b>RAB Drilling</b></li> <li>WAMEX Report A11827 reported grid for drill collars installed by compass and vehicle odometer. Others located on local grid which was georeferenced and digitised.</li> <li><b>RC Drilling</b></li> <li>WAMEX Report A88780 Survey method for historic drill hole collar was GPS unit.</li> <li>Previous Explorers used local, GDA94 and/or AMG84 grid depending on year of activities. Any AMG84 collars converted to GDA94 by transformation.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the</li> </ul>	<ul style="list-style-type: none"> <li><b>RAB drilling</b></li> <li>Line spacing at 2 km spacing with nominal hole centres at 500m on reconnaissance 4-9 km long lines.</li> <li>Composite sampling with 438 samples representing 47 holes was concentrated using a Rojex Jig plant and riffle</li> </ul>

Criteria	JORC Code Explanation	Commentary
	<p><i>Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<p>matting.</p> <ul style="list-style-type: none"> <li>• <b>RC Drilling</b></li> <li>• Selective geophysical targeting no drill traverses. 4m composite samples with selective 1m resplit samples.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <b>RAB Drilling</b></li> <li>• RAB drilling recorded in WAMEX Report A11827 was first pass, shallow reconnaissance in nature; being wide spaced and orientation of potential mineralised structures intersected yet to be confirmed.</li> <li>• There is insufficient information to determine if the reconnaissance RAB holes were orientated perpendicular to the mineralised structures.</li> <li>• <b>RC Drilling</b></li> <li>• RC drilling recorded in WAMEX Report A88780 included selective geophysical targeting with only 3 holes completed and orientation of potential mineralised structures intersected yet to be confirmed.</li> <li>• There is insufficient information to determine if the RC holes were orientated perpendicular to the interpreted mineralised structures</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not documented in historic reports</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not documented in historic reports.</li> </ul>

Table 1 Section 2 Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li><b>Table 1</b> (in the body of the ITAR) documents the tenement details</li> <li>The Yule Project is located approximately 45km south west of Port Hedland, Western Australia and consists of three exploration licences covering 135 Blocks or approximately 434 square kilometres.</li> <li>The Yule Project consists of the tenement group: E47/3503, E47/3507 and E47/3508. The tenements are live and in good standing with the Department of Mines, Industry Regulation and Safety (DMIRS) of Western Australia.</li> <li>The tenements all have an expiry date of 3/12/2022.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>All of the exploration reported in this ITAR has been completed by a variety of companies, as noted in the text of the report and described more fully in the open file WAMEX reports referenced throughout the text.</li> <li>Please refer to the ITAR for details and references to the previous work.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>For further details of the geological settings at the Yule Project refer to the body of the ITAR and WAMEX reports noted in Table 1.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li><b>Drilling-</b> Previous explorers' drill information used for current targeting and no Golden State Resources Ltd drilling completed. Previous Explorers' drill data sourced from the following WAMEX reports: A11827 and A88780.</li> <li><b>RAB Drilling</b></li> <li>WAMEX A11827 Historic program of 122 holes (1714m) with 410 composite samples collected. Assay results recorded: <ul style="list-style-type: none"> <li>410 samples with detectable Sn (Range 0-600 ppm),</li> <li>233 samples with detectable Ta (Range 0-230 ppm),</li> <li>60 samples with detectable Au (Range 0-0.832 ppm)</li> </ul> </li> <li><b>RC Drilling</b></li> <li>WAMEX A88780 Historic program of 3holes (375m) with 103 composite and 1m split samples collected. Assay results recorded: <ul style="list-style-type: none"> <li>BYRC003 (7736350N, 622450E GDA94 Z50), -90°, 106m EOH - Intercept reported 14 metres at 0.51% Ni, 0.033% Co from 38 to 52 metres. This interval included a higher-grade section of 4 metres at 0.70% Ni, 0.048% Co. Intercept derived from 1 metre re-splits.</li> <li>BYRC002 (7736250N, 622428E, GDA94 Z50), -90° , 237m EOH - Assays reported 2 metres at 162 ppm Li from 160m 1 metre at 332 ppm Li from 180m 4 metres at 116 ppm Li from 190m. Intercepts derived from 1 metre re-splits.</li> </ul> </li> </ul>



Criteria	JORC Code Explanation	Commentary
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li><b>RAB Drilling</b></li> <li>Composite drill samples referenced from historic report A11827 with no weighting averaging, maximum and/or minimum grade truncations or cut off grades applied.</li> <li><b>RC Drilling</b></li> <li>Composite and re-split samples referenced from historic report A88780 with assay values averaged over intercept length (metres), no maximum and/or minimum grade truncations or cut off grades applied.</li> <li>Intercepts based on 4 metre and 1 metre samples</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li><b>RAB Drilling</b></li> <li>Drill sample results from composite sampling.</li> <li>Due to the wide spaced reconnaissance nature of drilling the geometry of mineralisation/ extent of elevated Au, Ta and Sn values is unknown.</li> <li><b>RC Drilling</b></li> <li>Drill intercepts from composite and 1 metre re-split sampling.</li> <li>Due to the limited reconnaissance nature of RC drilling, the geometry of mineralisation/ extent of elevated Co, Ni, Li values are unknown.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate summary diagrams are included in the prospectus and ITAR.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Previous explorer's geochemistry data summarised in the body of the report.</li> <li>Drill holes with no significant results are not reported but are shown on the relevant figures in the prospectus and/or ITAR</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Other relevant exploration data for the Yule Project has been included in the prospectus and ITAR.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Proposed exploration programs for the Yule Project are summarised in the relevant sections and figures of the prospectus and ITAR.</li> </ul>

## 16. Appendix C JORC Table 1 – Four Mile Well Project

Table 1 Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li><b>Geochemistry sampling</b> Soil sample grid patterns included: 500m x 500m (WAMEX Report A67631); 800m x 50m (WAMEX Report A98147)</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>No drill data located.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No drill data located.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>No drill data located</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> </ul>	<ul style="list-style-type: none"> <li><b>Geochemistry Sampling</b> WAMEX A67631: Soil samples: Soil samples sieved to -80# size fraction. WAMEX A98147: Soil samples: MMI samples sieved to -5mm.</li> <li>The sample preparation of the soil samples followed industry standard practice at the time.</li> </ul>

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Previous explorers' soil samples assaying completed by: WAMEX Report A67631:</li> <li>Ultratrace - Assay technique includes Aqua Regia Partial Digest followed by ICPMS.</li> <li>Laboratory Codes: DHCL-ICPMS AR-ICPMS Geochemistry multielement analysis including: Au,Ag,As,Cr,Cu,Ni,Pb,Sb and Zn.</li> </ul> <p>WAMEX Report A98147: SGS - Assay technique includes MMI for Job No WM149602 Aqua Regia Partial Digest followed by ICPMS. Laboratory Code: MMI ICPMS Geochemistry multielement analysis including: Al,As,Ba,Cd,Cs,Dy,Er,Eu,Ga,Gd,Hg,La,Li,Mg,Mo,Pd,Rb,Sr,Tb,Th,W,Y,Zr,Au,Ag,Ca,Cu,Fe,K,P,Mn and Ni.</p> <ul style="list-style-type: none"> <li>No geophysical tools, spectrometers or hand held XRF instruments used.</li> <li>QAQC procedures not located in previous explorers reports.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>No drill data located.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Survey method for historic drill hole collar and auger/soil sampling pickup recorded as GPS unit (WAMEX A67631, A98147).</li> <li>Previous Explorers used GDA94 Z51 and AMG84 Z51 grid depending on year of activities. AMG84 Z51 sample locations converted to GDA94Z51 by transformation.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li><b>Soil Geochemistry:</b> Regional soil surveys on 500m x 500m grid (WAMEX A67 631) and 800m x 50m (WAMEX A98147) on reconnaissance east west orientated lines.</li> <li>No composite sampling of soil samples.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have</li> </ul>	<ul style="list-style-type: none"> <li>The geochemistry sampling is reconnaissance in nature, being relatively wide spaced and the orientation of potential mineralised structures is yet to be confirmed.</li> <li>There is insufficient information to determine if the reconnaissance geochemistry sampling were orientated perpendicular to potential mineralised structures.</li> </ul>

Criteria	JORC Code Explanation	Commentary
	<i>introduced a sampling bias, this should be assessed and reported if material.</i>	
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Not documented in WAMEX reports</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>Not documented in WAMEX reports.</li> </ul>

Table 1 Section 2 Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Table 1 in the ITAR above includes all the tenement details</li> <li>The Four Mile Well Project is located approximately 9km north of Laverton, Western Australia and consists of a single exploration licence (E 38/3282) covering approximately 107.6 square kilometres.</li> <li>Tenement E38/3282 was granted on 2/7/2018. The tenement holder is Crown Mining Pty Ltd., a wholly owned subsidiary of Golden State Mining Ltd.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>All of the exploration reported in this ITAR has been completed by a variety of companies, as noted in the text of the report and described more fully in the open file WAMEX reports referenced throughout the text.</li> <li>Please refer to the ITAR for details and references to the previous work.</li> </ul>
<ul style="list-style-type: none"> <li><b>Geology</b></li> </ul>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>For details of the geological setting of the Four Mile Well Project refer to the body of the ITAR and WAMEX reports listed in Table 1</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>No drill data located.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Soil sample values extracted from previous explorers' WAMEX report assay files with no weighting averaging, maximum and/or minimum grade truncations or cut off grades applied.</li> <li>No historic drill intercepts reported.</li> <li>No historic drill intercepts reported so no assumptions used for any metal equivalent values.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>No drill data located.</li> </ul>



Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate summary diagrams are included in the prospectus.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Previous explorer's geochemistry data summarised in the prospectus. Soil assay values range from: (WAMEX A67631: 1-26 ppb Au) (WAMEX A98147: 0.3-8.5 ppb Au)</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Other exploration data considered relevant for the Four Mile Project has been included in this prospectus.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Proposed exploration program(s) and diagram(s) are summarised in the prospectus and Independent Geologist's Report.</li> </ul>

## 17. Appendix D Significant RC Drill Intersections >1g/t Gold– Cue Project

HOLEID	PROSPECT	Easting MGA	Northing MGA	FROM	TO	INTERVAL (m)	Au (ppm)
10LARC001	Light of Asia	590,597	6,968,709	28	32	4	1.32
10LARC002	Light of Asia	590,575	6,968,709	44	48	4	1.09
10LARC003	Light of Asia	590,548	6,968,813	44	48	4	5.96
10LARC009	Light of Asia	590,542	6,968,849	64	72	8	0.58
10LARC005	Light of Asia	590,450	6,968,837	120	124	4	2.40
CJRC0140	Cue No. 1	587,219	6,963,524	7	8	1	12.34
CJRC0143	Cue No. 1	587,344	6,963,385	17	21	4	1.87
CJRC0143	Cue No. 1			35	36	1	6.50
CJRC0144	Countess & Countess East	589,669	6,967,994	33	34	1	1.20
CJRC0144	Countess & Countess East			35	36	1	1.11
CJRC0144	Countess & Countess East			36	37	1	1.98
CJRC0146	Countess & Countess East	589,754	6,968,015	25	26	1	4.30
CJRC0147	Countess & Countess East	589,712	6,967,946	15	16	1	2.90
CJRC0147	Cue No. 1	590,051	6,967,786	47	48	1	3.41
CJRC0154	Cue Victory	590,051	6,967,786	22	23	1	1.07
CJRC0159	Golden Stream	590,329	6,967,827	29	30	1	6.66
CJRC0159	Golden Stream			34	35	1	1.38
CJRC0159	Golden Stream			37	38	1	4.09
CJRC0161	Golden Stream	590,424	6,967,848	14	15	1	1.23
CJRC0162	Golden Stream	590,414	6,967,859	26	27	1	3.76
CJRC0163	New Eldorado Nth	590,323	6,967,363	10	11	1	10.89
CJRC0168	New Eldorado Nth	590,287	6,967,288	22	23	1	1.23
CJRC0168	New Eldorado Nth			23	24	1	1.10
CJRC0168	New Eldorado Nth			25	26	1	2.09
CJRC0171	Gem of Cue	590,767	6,968,189	28	29	1	2.44
CJRC0176	Light of Asia	590,637	6,968,509	21	22	1	2.91
CJRC0185	Light of Asia	590,518	6,969,128	32	33	1	1.11
CJRC0188	Cue No. 1	587,250	6,963,559	28	29	1	1.04
CJRC0190	Hidden Treasure	586,917	6,970,269	35	36	1	1.11
CJRC0200	Leviathan	587,110	6,970,431	15	16	1	1.06
CJRC0201	Leviathan	587,096	6,970,445	31	32	1	2.62
CJRC0203	Leviathan	587,126	6,970,474	33	34	1	1.42
CJRC0203	Leviathan			34	35	1	1.67
CJRC0204	Leviathan	587,168	6,970,487	21	22	1	1.02
CJRC0205	Leviathan	587,170	6,970,516	32	33	1	2.77
CJRC0208	Kangaroo	587,160	6,970,705	9	10	1	1.78
CJRC0208	Kangaroo			10	11	1	22.37
CJRC0208	Kangaroo			11	12	1	6.62
CJRC0208	Kangaroo			12	13	1	1.30
CJRC0210	Kangaroo	587,172	6,970,742	0	4	4	1.02
CJRC0212	Lombardy	586,360	6,970,398	10	11	1	1.33
CJRC0212	Lombardy			13	14	1	1.39
CJRC0221	Jubilee	585,018	6,971,052	24	25	1	3.89
CJRC0221	Jubilee			25	26	1	4.96
CJRC0224	Jubilee	585,001	6,971,092	35	36	1	2.63

HOLEID	PROSPECT	Easting MGA	Northing MGA	FROM	TO	INTERVAL (m)	Au (ppm)
CJRC0235	Cue No. 1	587,283	6,963,465	29	30	1	2.83
CJRC0236	Cue No. 1	587,274	6,963,410	12	16	4	1.21
CJRC0251	Murchison Monarch	590,774	6,967,752	31	32	1	1.15
CJRC0253	Murchison Monarch	590,991	6,967,690	0	4	4	2.63
CJRC0259	Italian	591,831	6,968,548	33	34	1	3.85
CJRC0278	Normanby	591,848	6,969,451	25	26	1	1.88
CJRC0280	Real McCoy	587,790	6,967,207	16	17	1	3.07
CJRC0280	Real McCoy			17	18	1	1.35
CJRC0280	Real McCoy			22	23	1	1.78
CJRC0281	Real McCoy	587,780	6,967,206	28	29	1	2.24
CJRC0282	Real McCoy	587,807	6,967,173	6	7	1	1.68
CJRC0284	Real McCoy	587,826	6,967,123	4	8	4	1.23
CJRC0284	Real McCoy			18	19	1	6.42
CJRC0291	Hidden Treasure	586,782	6,970,055	16	17	1	8.54
CJRC0305	Francis Amelia	586,020	6,969,782	8	12	4	1.32
CJRC0316	Light of Asia	590,544	6,968,934	34	35	1	2.32
CJRC0317	Light of Asia	590,554	6,968,891	36	37	1	1.88
CJRC0319	Light of Asia	590,554	6,968,817	37	38	1	13.81
CJRC0321	Light of Asia	590,578	6,968,744	34	35	1	2.50
CJRC0321	Light of Asia			35	36	1	3.92
CJRC0322	Light of Asia	590,585	6,968,705	35	36	1	2.00
CJRC0322	Light of Asia			36	37	1	24.10
CJRC0322	Light of Asia			37	38	1	1.04
CJRC0323	Light of Asia	590,593	6,968,665	36	37	1	1.50
CJRC0324	Light of Asia	590,600	6,968,646	38	39	1	1.20
CJRC0324	Light of Asia			39	40	1	2.54
CJRC0325	Light of Asia	590,604	6,968,596	43	44	1	17.40
CJRC0326	Light of Asia	590,615	6,968,562	45	46	1	2.23
CJRC0329	Queen of the May	590,647	6,968,874	33	34	1	2.52
CJRC0329	Queen of the May			34	35	1	3.10
CJRC0329	Queen of the May			35	36	1	2.50
CJRC0330	Queen of the May	590,695	6,968,889	25	26	1	11.80
CJRC0332	Golden Stream	590,410	6,967,861	29	30	1	1.85
CJRC0332	Golden Stream			30	31	1	1.65
CJRC0334	Golden Stream	590,322	6,967,822	46	47	1	1.00
CJRC0335	Golden Stream	590,263	6,967,791	29	30	1	2.36
CJRC0335	Golden Stream			30	31	1	3.62
CJRC0335	Golden Stream			31	32	1	1.59
CJRC0336	Golden Stream	590,233	6,967,777	29	30	1	3.77
CJRC0338	Gem of Cue	590,765	6,968,193	39	40	1	7.71
CJRC0343	Normanby	591,407	6,969,253	15	16	1	1.07
CJRC0343	Normanby			18	19	1	1.87
CJRC0346	Normanby	591,520	6,969,291	25	26	1	3.53
CJRC0346	Normanby			26	27	1	2.15
CJRC0346	Normanby			27	28	1	4.69
CJRC0349	Italian	591,824	6,968,513	31	32	1	1.09
CJRC0352	Real McCoy	587,764	6,967,196	40	41	1	19.23
CJRC0355	Kangaroo	587,157	6,970,755	49	50	1	1.04

HOLEID	PROSPECT	Easting MGA	Northing MGA	FROM	TO	INTERVAL (m)	Au (ppm)
CJRC0356	Kangaroo	587,139	6,970,713	33	34	1	1.31
CJRC0357	Kangaroo	587,153	6,970,732	25	26	1	9.88
CJRC0364	Light of Asia	590,686	6,968,964	51	52	1	5.20
CJRC0365	Light of Asia	590,695	6,968,938	54	55	1	3.16
CJRC0365	Light of Asia			55	56	1	1.37
CJRC0366	Light of Asia	590,699	6,968,896	50	51	1	5.11
CJRC0367	Light of Asia	590,710	6,968,864	52	53	1	2.65
CJRC0367	Light of Asia			53	54	1	1.24
CJRC0369	Lucky Hit	587,173	6,967,101	35	36	1	1.74
CJRC0370	Lucky Hit	587,136	6,967,099	24	25	1	1.26
CJRC0373	Lucky Hit	587,100	6,967,140	49	50	1	1.07
CJRC0378	Cue Victory	590,089	6,967,878	21	22	1	7.09
CJRC0379	Cue Victory	590,104	6,967,866	17	18	1	1.51
CJRC0379	Cue Victory			18	19	1	1.17
CJRC0383	Cue Victory	590,171	6,967,898	16	17	1	8.47
CJRC0384	Cue Victory	590,177	6,967,951	29	30	1	2.69
CJRC0391	Light of Asia	590,602	6,968,557	56	57	1	2.36
CJRC0393	Light of Asia	590,589	6,968,586	56	57	1	48.34
CJRC0393	Light of Asia			57	58	1	4.23
CJRC0393	Light of Asia			58	59	1	6.00
CJRC0393	Light of Asia			59	60	1	3.67
CJRC0393	Light of Asia			60	61	1	1.53
CJRC0394	Light of Asia	590,575	6,968,583	54	55	1	1.83
CJRC0395	Light of Asia	590,583	6,968,625	53	54	1	6.18
CJRC0396	Light of Asia	590,567	6,968,620	64	65	1	7.14
CJRC0397	Light of Asia	590,578	6,968,655	49	50	1	1.45
CJRC0398	Light of Asia	590,563	6,968,654	61	62	1	3.84
CJRC0398	Light of Asia			62	63	1	4.07
CJRC0399	Light of Asia	590,556	6,968,694	65	66	1	1.25
CJRC0399	Light of Asia			66	67	1	20.30
CJRC0400	Light of Asia	590,540	6,968,728	62	63	1	3.17
CJRC0401	Light of Asia	590,528	6,968,762	61	62	1	34.98
CJRC0401	Light of Asia			62	63	1	1.53
CJRC0401	Light of Asia			63	64	1	1.15
CJRC0402	Light of Asia	590,522	6,968,798	64	65	1	6.13
CJRC0402	Light of Asia			65	66	1	6.01
CJRC0402	Light of Asia			66	67	1	14.40
CJRC0402	Light of Asia			67	68	1	2.15
CJRC0402	Light of Asia			68	69	1	4.89
CJRC0402	Light of Asia			69	70	1	5.31
CJRC0402	Light of Asia			70	71	1	9.78
CJRC0402	Light of Asia			71	72	1	8.37
CJRC0402	Light of Asia			72	73	1	3.40
CJRC0402	Light of Asia			73	74	1	8.46
CJRC0402	Light of Asia			74	75	1	9.39
CJRC0402	Light of Asia			75	76	1	1.01
CJRC0402	Light of Asia			76	77	1	2.29
CJRC0402	Light of Asia			77	78	1	17.23

HOLEID	PROSPECT	Easting MGA	Northing MGA	FROM	TO	INTERVAL (m)	Au (ppm)
CJRC0402	Light of Asia			78	79	1	8.59
CJRC0402	Light of Asia			80	81	1	3.12
CJRC0402	Light of Asia			82	83	1	2.16
CJRC0402	Light of Asia			84	85	1	1.53
CJRC0402	Light of Asia			85	86	1	4.28
CJRC0402	Light of Asia			86	87	1	1.67
CJRC0402	Light of Asia			90	91	1	3.90
CJRC0402	Light of Asia			91	92	1	4.42
CJRC0402	Light of Asia			92	93	1	1.83
CJRC0402	Light of Asia			96	97	1	1.32
CJRC0402	Light of Asia			97	98	1	1.25
CJRC0402	Light of Asia			98	99	1	2.24
CJRC0405	Light of Asia	590,525	6,968,894	58	59	1	2.10
CJRC0405	Light of Asia			59	60	1	1.43
CJRC0405	Light of Asia			60	61	1	4.27
CJRC0405	Light of Asia			81	82	1	2.91
CJRC0406	Light of Asia	590,533	6,969,932	60	61	1	1.04
CJRC0410	Queen of the May	590,621	6,968,865	38	39	1	2.26
CJRC0410	Queen of the May			40	41	1	3.58
CJRC0410	Queen of the May			41	42	1	2.23
CJRC0410	Queen of the May			42	43	1	1.45
CJRC0412	Queen of the May	590,642	6,968,886	42	43	1	1.08
CJRC0412	Queen of the May			43	44	1	1.52
CJRC0413	Queen of the May	590,635	6,968,900	55	56	1	1.54
CJRC0416	Queen of the May	590,724	6,968,922	39	40	1	1.22
CJRC0416	Queen of the May			40	41	1	2.59
CJRC0419	Cue Victory	589,987	6,967,793	33	34	1	1.45
CJRC0420	Cue Victory	589,955	6,967,782	24	25	1	1.55
CJRC0421	Cue Victory	590,080	6,967,873	54	55	1	2.41
CJRC0421	Cue Victory			55	56	1	5.88
CJRC0423	Cue Victory	589,988	6,967,856	62	63	1	1.44
CJRC0423	Cue Victory			63	64	1	1.06
CJRC0428	Cue Victory	589,956	6,967,823	50	51	1	1.04
CJRC0431	Golden Stream	590,229	6,967,801	39	40	1	6.03
CJRC0431	Golden Stream			40	41	1	10.23
CJRC0431	Golden Stream			41	42	1	1.29
CJRC0432	Golden Stream	590,225	6,967,820	56	57	1	5.42
CJRC0432	Golden Stream			58	59	1	1.04
CJRC0434	Golden Stream	590,253	6,967,826	52	53	1	2.36
CJRC0435	Golden Stream	590,283	6,967,832	51	52	1	2.39
CJRC0436	Golden Stream	590,319	6,967,845	52	53	1	1.32
CJRC0436	Golden Stream			54	55	1	2.76
CJRC0437	Golden Stream	590,359	6,967,824	27	28	1	1.70
CJRC0437	Golden Stream			33	34	1	3.07
CJRC0437	Golden Stream			34	35	1	1.38
CJRC0439	Golden Stream	590,373	6,967,856	49	50	1	1.62
CJRC0442	Golden Stream	590,443	6,967,885	27	28	1	4.21
CJRC0444	Light of Asia	590,508	6,968,791	90	91	1	5.17



HOLEID	PROSPECT	Easting MGA	Northing MGA	FROM	TO	INTERVAL (m)	Au (ppm)
CJRC0444	Light of Asia			91	92	1	4.55
CJRC0444	Light of Asia			92	93	1	1.73
CJRC0444	Light of Asia			93	94	1	2.23
CJRC0444	Light of Asia			94	95	1	2.87
CJRC0444	Light of Asia			95	96	1	2.48
CJRC0444	Light of Asia			96	100	4	1.25
CJRC0444	Light of Asia			100	104	4	1.81
CJRC0444	Light of Asia			104	108	4	1.19
CJRC0445	Light of Asia	590,498	6,968,839	88	89	1	1.58
CJRC0445	Light of Asia			90	91	1	1.03
CJRC0446	Light of Asia	590,485	6,968,923	86	87	1	67.62
CJRC0446	Light of Asia	590,512	6,968,757	88	89	1	4.91
CJRC0447	Light of Asia	590,512	6,968,757	93	94	1	31.80
CJRC0447	Light of Asia			94	95	1	1.99
CJRC0447	Light of Asia			95	96	1	3.29
CJRC0301	Lombardy			13	14	1	1.73
CRC0203	Leviathan			35	36	1	1.10
CRC122	Cue No. 1 North	589,281	6,969,315	37	38	1	9.40
CRC122	Cue No. 1 North			43	48	5	11.00
CRC172	Cue No. 1 North	590,835	6,968,971	46	47	1	6.40
CRC172	Cue No. 1 North			49	52	3	8.90
CRC173	Cue No. 1 North	590,823	6,968,989	53	61	8	13.70
CRC271	Cue No. 1 North	589,022	6,967,258	44	45	1	5.50
CRC271	Cue No. 1 North			49	52	3	19.20
CRC271	Cue No. 1 North			49	50	1	52.90
CRC271	Cue No. 1 North			67	68	1	18.70
CRC275	Cue No. 1 North	589,002	6,967,272	59	64	5	7.00
CRC322	Cue No. 1 North	589,009	6,967,246	49	52	3	17.30
CRC326	Cue No. 1 North	589,031	6,967,264	37	38	1	16.50
CRC326	Cue No. 1 North			46	47	1	20.00

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6. SOLICITORS REPORT ON TENEMENTS

17 August 2018

The Directors  
Golden State Mining Limited  
Suite 14, Level 2  
19-21 Outram Street  
West Perth WA 6005

Dear Sirs

## Re: Solicitor's Report on Tenements

### 1. Introduction

This tenement report (**Report**) is prepared for inclusion in a prospectus (**Prospectus**) to be issued by Golden State Mining Limited ACN 621 105 995 (**Company**) for an offer of 22.5 million shares at an issue price of \$0.20 per share to raise approximately \$4,500,000 with the ability to accept oversubscriptions for up to 5,000,000 additional Shares to raise up to an additional \$1,000,000.

This Report relates to Western Australian mining tenements (**Tenements**) and Western Australian mining tenement applications (**Applications**) held by a number of third parties as well as subsidiaries of the Company.

Schedule 1 of this Report contains an overview of the Tenements and Applications (**Tenement Schedule**).

The Tenement Schedule forms part of this Report.

The registered Tenement holders are as follows:

- (a) Western Mining Pty Ltd (ACN 142 351 899) (**Western Mining**)

Western Mining is an unrelated party to the Company. Western Mining as Trustee of the Western Mining Unit Trust has granted Cue Consolidated Mining Pty Ltd (ACN 621 059 630) (**CCM**) an Option to acquire certain granted Tenements and prospective Tenements the subject of Applications (**Cue Option Agreement**). CCM is a wholly owned subsidiary of the Company. Refer to Part 1 of the Tenement Schedule for an overview of the relevant Cue Tenements and Applications.

- (b) Cue Consolidated Mining Pty Ltd (ACN 621 059 630) (**CCM**)

CCM is a wholly owned subsidiary of the Company. CCM has made a number of Applications for Prospecting Licences. Refer to Part

2 of the Tenement Schedule for an overview of the relevant Applications.

- (c) Advanced Capital Management Pty Ltd (ACN 095 764 499) (**ACM**) and Director Damien Kelly

ACM is a company controlled by Director Mr Damien Kelly. ACM and Mr Damien Kelly, each as trustees of the South Point Trust have sold 3 Exploration Licences to the Company's wholly owned subsidiary Crown Mining Pty Ltd (ACN 622 431 887) under a tenement sale agreement (**Yule Project Sale Agreement**). We are instructed that the Yule Project Sale Agreement was settled in December 2017 and lodgement for registration of the transfers for the relevant Tenements is proposed following payment of duty under the *Duties Act 2008* (WA) in relation to the Yule Project Sale Agreement. Refer to Part 3 of the Tenement Schedule for an overview of the relevant Tenements.

- (d) Crown Mining (ACN 622 431 887) (**Crown Mining**)

Crown Mining is a wholly owned subsidiary of the Company and has applied for and been granted Exploration Licence E38/3282. Refer to Part 4 of the Tenement Schedule for an overview of that Tenement.

The Cue Option Agreement and the Yule Project Sale Agreement are summarised in Sections 11.1 and 11.2 of the Prospectus, respectively. Certain the other material agreements relating to the Tenements and Applications are summarised in Part 8 of the Tenement Schedule (**Material Agreements Sections**).

## 2. Scope of the Report

The scope of the Report, as it relates to the Tenements and Applications, is limited to outlining the results of searches and enquiries conducted in respect of the specified publicly available records listed below and material agreements provided by the Company. We have relied solely on the results of those searches and enquiries (and the material agreements provided by the Company) and have not been requested by the Company to investigate or report as to any other matters. Except as expressly referred to in this Report, we have not conducted any enquires into, or reported on or advised in this Report as to any legal matters which may impact on the Tenements, the Applications or their validity.

The summaries in the Material Agreements Sections are based solely on a review of copies of the various agreements as provided to us by the Company.

## 3. Report

Based on the searches and enquiries listed in Section 4 we confirm that at the date of our searches that:

- (a) the details of the Tenements and Applications contained in the Tenement Schedule are accurate;
- (b) the granted Tenements are in good standing in relation to obligations to pay applicable rents and satisfy applicable minimum expenditure conditions;

- (c) none of the Tenements are subject to any unusual material dealings, endorsements or conditions other than as disclosed in this Report;
- (d) this Report lists all third-party interests (including encumbrances) affecting the Tenements ascertainable from our searches of the Register and the NNTT Registers (it is noted that the documentation referred to the Material Agreements Sections discloses some other third-party rights under material agreements affecting the Tenements not ascertainable from our searches of the Register); and
- (e) other than as disclosed in this Report we did not identify any material issues in respect of the Tenements or Applications.

The above confirmation is made subject to the limitations as to the scope of this Report referred to in Section 2 and the qualifications and assumptions in Section 20 of this Report.

#### 4. Searches and Enquiries

For the purposes of this Report we have conducted, and exclusively relied upon, the following searches and enquiries:

- (a) searches of the Tenements and Applications in the mining tenement register (**Register**) maintained by the Department of Mines, Industry, Regulation and Safety of Western Australia (**DMIRS**) pursuant to the *Mining Act 1978* (WA) (**Mining Act**) and *Mining Regulations 1981* (WA) (**Mining Regulations**) conducted on 1 August 2018 (**Tenement Searches**);
- (b) quick appraisal searches of the Tenements and Applications provided by DMIRS summarising information obtained on-line from the 'TENGRAPH' system (**Quick Appraisal**) maintained by the DMIRS conducted on 1 August 2018;
- (c) searches of the Register of Native Title Claims and the National Native Title Register maintained by the National Native Title Tribunal (**NNTT**) (**NNTT Registers**) for any Native Title claims (registered or unregistered) or Native Title determinations that overlap or apply to the Tenements and Applications on 2 August 2018; and
- (d) a request to the Company for copies of all material agreements relating to the Tenements and Applications.

#### 5. Activities on Mining Tenements

The Tenements and the tenements to be granted in respect of Applications are granted under the Mining Act and are regulated by the provisions of the Mining Act and Mining Regulations.

Although the Tenements (including tenements to be granted in respect of Applications) represent the foundation form of tenure for conducting exploration and mining activities, the conduct of such activities will be affected by other regulatory requirements arising from relevant legislation and regulations. Typically, a range of other consents, permits or other authorisations may be required to conduct activities depending on the nature of the activities and other factors.



Where the Tenements or Applications cover any land falling into particular categories, additional consents or approvals may be necessary in order for exploration or mining activities to be conducted. Some of these requirements are reflected in the conditions imposed in relation to the Tenements or Applications. Other requirements arise from the Mining Act and Mining Regulations or other applicable legislation.

### Reserves

Land reserved under Part 4 of the *Land Administration Act 1997* (WA) is generally subject to a requirement that under section 24(5A) of the Mining Act that 'mining' (which term includes exploration and prospecting) on that land may be carried out with the written consent of the Minister who may refuse his consent or give consent subject to terms and conditions. This does not apply to:

- (a) certain national parks and certain Class A nature reserves in relation to which more stringent controls may apply;
- (b) land reserved for mining or commons;
- (c) land reserved and designated for public utility for any purpose pursuant to that part; or
- (d) land that is a townsite within the meaning of the Land Administration Act.

The notes in the tables in the Tenement Schedule disclose that a number of the Tenements and Applications are subject to reserves of different types. The category of reserve which affects the largest proportion of the land covered by the Tenements and the Applications is a "C class reserve common" which is excluded from the requirement for Ministerial consent to mining activities under section 24(5A) of the Mining Act.

However, as disclosed in the Tenement Schedule, there are numerous other categories of reserves affecting some of the Tenements and tenements the subject of Applications. We have not been instructed to undertake the necessary research and enquiries to ascertain, or express an opinion as to, whether any of these other categories of reserve would attract a requirement for Ministerial consent to mining activities (but we have noted in the Tenement Schedule any conditions attaching to relevant Tenements that require Ministerial approval for certain activities as relevant). It is noted, therefore, that it is possible that some of the other categories of reserve applicable to some of the Tenements and tenements the subject of Applications may attract a requirement for ministerial approval should the holder wish to conduct mining activities on the relevant reserve area.

### The Different Types of Tenements

The Tenements and Applications include Prospecting Licences, Exploration Licences, Mining Leases and miscellaneous licences. The primary rights granted by each type of Tenement are as summarised as follows:

#### **(a) Prospecting Licences**

A Prospecting Licence authorises the holder to enter upon land for the purpose of prospecting for minerals with employees, contractors and

such vehicles, machinery and equipment as may be necessary or expedient. The holder may take limited substances from the licence area.

No ground disturbing equipment can be used when prospecting unless a programme of work has been approved by the Minister or a prescribed official.

A Prospecting Licence remains in force for a period of four years from the date of grant. If satisfied that a 'prescribed ground' for extension exists, the Minister may extend its term by one period of four years.

Prescribed grounds for extension include where the land the subject of the licence has, for any reason the Minister considers sufficient, been unworkable for the whole or a considerable part of any year of the term or where the work already carried out under the licence justifies further prospecting.

A Prospecting Licence holder may apply to the Minister for retention status where a mineral resource has been identified and the mining of the resource is impracticable for any of the reasons specified in section 54(1) of the Mining Act. Permissible reasons include where the resource is uneconomic or subject to marketing problems but may reasonably be expected to become economic or marketable in the future. Where retention status is granted the Minister may extend the term by a further period or periods of four years.

The holder of a Prospecting Licence must comply with prescribed expenditure conditions unless an exemption is applied for and granted. Failure to comply with the expenditure conditions renders the Prospecting Licence vulnerable to forfeiture.

The Mining Act confers on the Prospecting Licence holder the right to apply for and have granted one or more Mining Leases or General Purpose Leases over any of the area. This right is granted 'subject to the Act' and any conditions which the Prospecting Licence is held.

Under section 49(2) of the Mining Act, where an application for a Mining Lease or a General Purpose Lease is made by the holder of a Prospecting Licence overlapping the same land and the term of the Prospecting Licence would otherwise terminate, that licence shall continue in force in respect to the land the subject of the application until the application for a lease is determined.

## **(b) Exploration Licences**

An Exploration Licence authorises the holder to enter land for the purposes of exploration for minerals with employees and contractors and such vehicles, machinery and equipment as may be necessary or expedient.

The Exploration Licence remains in force for a period of five years from its grant. If satisfied that a prescribed ground for extension exists, the Minister may extend the term (as to the whole or part of the land the subject of the Exploration Licence) for one further period of five years

and by a further period or periods of two years. The prescribed grounds for extension include if the land the subject of the Exploration Licence has been unworkable for any reason the Minister considers sufficient for the whole or a considerable part of any year of the term.

The holder of an Exploration Licence must comply with the prescribed expenditure conditions unless exemption has been obtained. Failure to comply can render the Exploration Licence liable to forfeiture.

The holder of an Exploration Licence may apply to the Minister for retention status on the grounds that a resource has been identified and mining is impracticable for certain reasons specified in the Mining Act including if the resource is uneconomic or subject to marketing problems but may reasonably be expected to become economic or marketable in the future.

The Mining Act confers on the holder of an Exploration Licence the right to apply for and be granted one or more Mining Leases or one or General Purpose Leases, or both, over any land within the area of the licence. This right is 'subject to the Act' and to any conditions on which the Exploration Licence is held.

The Mining Act imposes compulsory surrender obligations on an Exploration Licence holder on or before the expiration of the sixth year after the grant of an Exploration Licence comprising ten or more blocks. Where this applies at least 40% of the blocks must be surrendered. The surrender requirement does not apply to an Exploration Licence for which surrender status has been granted.

**(c) Mining Leases**

A Mining Lease authorises the holder to mine for and dispose of any minerals on the land in respect of which the Mining Lease is granted. A Mining Lease authorises the holder to do all acts and things necessary to effectively carry out mining operations and the lessee is entitled to use, occupy and enjoy the land for mining purposes and owns all minerals lawfully mined (subject to limited exceptions). The rights are exclusive for mining purposes.

A Mining Lease is subject to various prescribed covenants including a covenant not to use ground disturbing equipment unless a programme of works in that regard has been approved by the Minister or a prescribed official.

A Mining Lease remains in force for a period of 21 years. Under the Mining Act the holder has an option to renew 'as of right' for a further term of 21 years. Thereafter the Minister has a discretion to renew for successive periods of not more than 21 years.

A Mining Lease holder must comply with prescribed expenditure conditions unless an exemption is granted. Failure to comply with the expenditure conditions can render a Mining Lease liable to forfeiture.

**(d) Miscellaneous Licences**

A miscellaneous licence is granted under the Mining Act for purposes directly connected with mining. The purposes of which a miscellaneous licence may be granted are as prescribed in the Mining Act. A miscellaneous licence authorises the holder to do such matters and things as are specified in the licence.

A miscellaneous licence remains in force for a period of 21 years and the Minister must renew this term for a further 21 years on application. The Minister may further renew the term for successive periods of 21 years each on application by the holder.

**6. Rehabilitation Obligations**

A Tenement holder in Western Australia is subject to a range of environmental and rehabilitation obligations. These obligations can arise under a range of laws or documents including the Mining Act or the Mining Regulations, the *Environmental Protection Act 1986* (WA) and any works approvals or licences granted under it, the *Mining Rehabilitation Fund Act 2012* (WA), the *Contaminated Sites Act 2006* (WA) and the terms of any mine closure plan lodged with DMIRS in accordance with regulatory requirements and DMIRS guidelines.

M20/61 has generally been in existence for a number of decades and we are instructed has been the subject of historical mining activities. That Tenement may come with latent rehabilitation obligations as a result of past operations.

Tenement holders are required to pay levies under the *Mining Rehabilitation Fund Act 2012* (WA). These levies are in addition to a Tenement holder's environmental and rehabilitation obligations in relation to the Tenements in which they have an interest.

**7. Material Agreements**

It is noted that in the Material Agreements Sections, various disclosures are made in relation to deeds or agreements with third parties which are relevant to the Company's commercial interest in the Tenements, the Applications and associated obligations to third parties.

Refer to those sections for further details on material agreements relating to the Tenements. However, we note the following points below.

We note that the Deferred Productive Mining Agreement expressed to have been prepared in 2011 and made between Western Mining and Raymond Ashwin and others on behalf of the Wutha People (WC 99/10) (WAD 6064/98) requires that a further agreement be negotiated with the Native Title Party prior to any "Productive Mining" on Mining Lease M20/519. "Productive Mining" is defined as "the extraction of and/or obtaining of Minerals by way of Mining Operations from the Mining Lease and dealing with such Minerals in a commercial and/or saleable manner and in a way that the Grantee party incurs liability to pay royalties pursuant to section 109 of the Mining Act (or otherwise) and/or the Grantee party has issued a Mining Proposal over the Mining Lease." See the summary in Section 8 – Item 4 of the Tenement Schedule for further details on this deed.

We also note that we have been provided an Deferred Productive Mining Agreement dated 18 November 2013 and made between Western Mining and Geoffrey Ashwin and others on behalf of the Wutha People (WC 99/10) (WAD 6064/98), which requires that a further agreement be negotiated with the Native Title Party prior to any "Productive Mining" on Mining Leases M20/523, M20/254 and M20/525. "Productive Mining" is defined as "the extraction of and/or obtaining of Minerals by way of Mining Operations from the Mining Lease and dealing with such Minerals in a commercial and/or saleable manner and in a way that the Grantee party incurs liability to pay royalties pursuant to section 109 of the Mining Act (or otherwise) and/or the Grantee party has issued a Mining Proposal over the Mining Lease." See the summary in Section 8 – Item 5 of the Tenement Schedule for further details on this deed.

We also note that an undated deed expressed to have been prepared in 2009 and made between Western Mining and Evelyn Gilla and others on behalf of the Yungunga-Nya People native title claim WAD613/98, WC98/046 (Native Title Party), in relation to Mining Leases M20/519, M20/520 and M20/522, provides that Western Mining shall not undertake mining operations for the purpose of producing minerals other than gold on the relevant Tenements 'without first obtaining the agreement of the Native Title Party.' See the summary in Section 8 – Item 6 of the Tenement Schedule for further details on this deed.

We also note that an undated deed expressed to have been prepared in 2013 and made between Western Mining and Evelyn Gilla and others on behalf of the Yungunga-Nya People native title claim WAD613/98, WC98/046 (Native Title Party), in relation to Mining Leases M20/523, M20/524 and M20/525, provides that Western Mining shall not undertake mining operations for the purpose of producing minerals other than gold on the relevant Tenements 'without first obtaining the agreement of the Native Title Party.' See the summary in Section 8 – Item 7 of the Tenement Schedule for further details on this deed.

We also note that a deed dated 29 August 2012 and made between Western Mining and Ike Simpson and others on behalf of the Wajarri Yamatji People native title claim WAS6132/98, WC99/046, provides that Western Mining shall not undertake mining operations for the purpose of producing minerals other than gold on Mining Lease M20/520 'without first obtaining the agreement of the Native Title Party'. See the summary in Section 8 – Item 8 of the Tenement Schedule for further details on this deed.

Regarding the Cue Option Agreement, two Tenements are applications, namely Prospecting License Application PLA20/2330 and Mining Lease Application MLA20/547. Under the Mining Act generally applications cannot be transferred. We note that MLA20/547 is for the conversion of P20/2118. P20/2118 also is being sold under the Cue Option Agreement subject to exercise of the option. We note that under section 49(3) of the Mining Act where an application is made to convert a Prospecting Licence into a Mining Lease and the Prospecting Licence is transferred the application continues in the name of the transferee.

If upon settlement of the option the subject of the Cue Option Agreement PLA20/2330 is still an application the application cannot be transferred. The underlying Tenement will be transferred upon grant. Under the Cue Option Agreement Western Mining and CCM agreed to sign a deed of trust under which Western Mining will hold any relevant Tenements not capable of transfer at

settlement on trust for CCM until they can be registered in CCM's name. See the summary in Section 11.1 of the Prospectus for a summary of the Cue Option Agreement.

8. **Ministerial Consent – Exploration Licences in their first year of Term**

Section 64(1)(b) of the Mining Act provides that generally a legal or equitable interest in or affecting an Exploration Licence in the first year of its term cannot be transferred or otherwise dealt with except with the prior written consent of the Minister or an officer of the Department acting with Authority of the Minister (**Ministerial Consent**).

All Tenements the subject of the Yule Project Sale Agreement are Exploration Licences in the first year of their terms (which first year expires on 4 December 2018). The Company has provided us with a copy of a letter from DMIRS to Advanced Capital Management Pty Ltd dated 21 March 2018 advising that consent has been granted under section 64(1)(b) of the Mining Act in respect of the transfer of Exploration Licences 47/3503, 47/3507 and 47/3508 as provided for in the Yule Project Sale Agreement.

9. **Ministerial Consent – Miscellaneous Licences**

Section 41(c) of the Mining Regulations provides that a Miscellaneous Licence cannot be transferred without the prior written consent of the Minister or an officer of the Department acting with Authority of the Minister (**Ministerial Consent**).

A number of the Tenements the subject of the Cue Option Agreement are granted Miscellaneous Licences. Accordingly, these Miscellaneous Licences cannot be transferred until Ministerial Consent is obtained. The Company has provided us with a copy of a letter from DMIRS to Western Mining Pty Ltd dated 28 May 2018 advising that consent under section 41(c) of the Mining Regulations has been given in relation to the transfer of the Miscellaneous Licences as provided for in an agreement between Western Mining Pty Ltd and Cue Consolidated Mining Pty Ltd.

10. **Ministerial Consent – Mining Leases**

Section 82(1)(d) of the Mining Act provides that a Mining Lease is deemed to be granted subject to a condition that the holder will not transfer a legal interest in such land without the prior written consent of the Minister or an officer of the Department acting with Authority of the Minister (**Ministerial Consent**).

A number of the Tenements the subject of the Cue Option Agreement are granted Mining Leases. The Company has provided us with a copy of a letter from DMIRS to Western Mining Pty Ltd dated 13 November 2017 advising that consent under section 82(1)(c) of the Mining Act has been given in relation to the transfer of Mining Leases 20/61, 20/519, 20/520, 20/522, 20/523, 20/524 and 20/525 as provided for in an agreement between Western Mining Pty Ltd and Cue Consolidated Mining Pty Ltd.

There is one Mining Lease application MLA20/547, which is a conversion application for P20/2118. We note that under section 49(3) of the Mining Act where an application is made to convert a Prospecting Licence into a Mining Lease and the Prospecting Licence is transferred the application continues in the name of the transferee.



## 11. Private Royalty Obligations

It is noted that the Material Agreements Sections summarise a number of material agreements that include a number of obligations for the tenement holder to pay private royalties calculated by reference to mining on the Tenements or tenements the subject of the Applications. These royalties are as follows:

- (a) payment to Western Mining of a staged royalty of \$50 per ounce for the first 40,000 ounce of refined gold produced from the tenements the subject of the Cue Option Agreement (being the tenements listed in Part 1 of the Tenement Schedule) plus PLA20/2349, then \$15 per ounce on each subsequent ounce up to and including 250,000 ounces of gold produced, and \$5 per ounce on each ounce produced thereafter. See section 11.1 of the Prospectus for further details;
- (b) payment of a 2% gross revenue royalty on mineral production on E47/3503-I, E473503-I, E47/3507-I and E47/3508-I to Advance Capital Management Pty Ltd as trustee for the South Point Trust. See the summary of the Yule Project Sale Agreement in section 11.2 of the Prospectus for further details;
- (c) payment of a royalty to a trust nominated by Yugunga-Nya Claim Group in relation to minerals produced on M20/519, M20/520, M20/522, M20/523, M20/524 and M20/525 under two Mining Agreements. The royalty is equal to 0.5% of the Royalty Value (on the basis that 'Royalty Value' has the same meaning as is given by the Mining Act and will be calculated in the manner provided for by that Act as at the date of the Mining Agreement). See the summary of the two Mining Agreements with the Yugunga-Nya Claim Group in Part 8 – Items 6 and 7 of the Tenement Schedule for further details;
- (d) payment of \$1 per ounce after tax royalty on gold produced (over and above 750 ounces) from M20/519 to a bank account or replacement trust account nominated by Wutha Claim Group under the Deferred Productive Mining Agreement with the Wutha Claim Group. A royalty is also payable on other minerals extracted from M20/519 equal to 1/10<sup>th</sup> of the royalty value payable to the Crown. See the summary of the Deferred Productive Mining Agreement in Part 8 – Item 4 of the Tenement Schedule for further details;
- (e) payment of \$5 per ounce after tax royalty on gold produced from M20/523, M20/524 and M20/525 to a bank account or replacement trust account nominated by Wutha Claim Group under the Deferred Productive Mining Agreement with the Wutha Claim Group. A royalty is also payable on other minerals extracted from M20/523, M20/524 and M20/525 equal to 1/8<sup>th</sup> of the royalty value payable to the Crown. See the summary of the Deferred Productive Mining Agreement in Part 8 – Item 5 of the Tenement Schedule for further details;
- (f) payment of a \$15 per ounce gross gold production to Andrew Wiltshire under the Wiltshire Royalty Agreement on various tenements the subject of the Cue Option Agreement. See the summary of the Wiltshire Royalty Agreement in Part 8 – Item 3 of the Tenement

Schedule for further details on this royalty and the tenements it applies to; and

- (g) payment of a royalty on minerals produced from M20/520 under the Mining Agreement with the Wajarri Yamatji Claim Group. The royalty is for an amount of 0.5% of the Royalty Value (on the basis that 'Royalty Value' has the same meaning as is given by the Mining Act and will be calculated in the manner provided for by that Act as at the date of the Mining Agreement). See the summary of the Mining Agreement (Wajarri Yamatji Claim Group) in Part 8 – Item 8 of the Tenement Schedule for further details on this royalty.

## 12. Private Land

As set out in Part 1 and Part 6 of the Tenement Schedule, searches indicate that M20/522 and P20/2026 both encroach on land that is private land for the purposes of the Mining Act.

Under section 29(2) of the Mining Act, a mining tenement in respect of the natural surface to within a depth of 30 meters of the lowest art of the natural surface of the private land cannot be granted in respect of 'private land' which is:

- (a) in bona fide and regular use as a yard, stockyard, garden, orchard, vineyard, plant nursery or plantation or is land under cultivation;
- (b) the site of a cemetery or burial ground;
- (c) the site of a dam, bore, well or spring;
- (d) land on which there is erected a 'substantial improvement';
- (e) within 100 meters of any private land referred to above; or
- (f) a separate parcel of land having an area of 2,000 square meters or less,

except with the written consent of the owner and the occupier of the land.

Accordingly, a mining tenement may be granted over "private land", but such mining tenement cannot give the tenement holder rights to the surface, or to within a depth of 30 meters of the lowest part of the natural surface (**Surface Rights**), in relation to areas of the private land as described in section 29(2) unless the land owner and occupier's written consent is obtained.

If the holder of a mining tenement holds surface rights, the holder is not permitted to commence any mining on the natural surface or within a depth of 30 meters from the lowest part of the natural surface of any private land unless and until the tenement holder has:

- (a) paid or tendered to the owner and the occupier thereof the amount of compensation, if any, that is required to be paid under or ascertained in accordance with the Mining Act – Section 35(1) of the Mining Act; or

- (b) made an agreement with the owner and occupier as to the amount, times and mode of the compensation, if any – section 35(1) of the Mining Act.

The provisions of section 123 to 125 of the Mining Act apply in relation to the determination of any claims for compensation in respect of 'private land'.

As at the date of this Report, the directors of the Company have indicated that the Company does not have any plans at present to conduct exploration or mining activities on any areas of M20/522 and P20/2026 which encroach on private land. We have not been instructed to make any enquiries as to whether any of the 'private land' the subject of M20/522 and P20/2026 falls within any of the categories in section 29(2) of the Mining Act. However, we note that if such 'private land' does fall into any such categories, the rights conferred by those tenements in relation to those areas will be limited to below a depth of 30 meters of the lowest part of the natural surface of the private land.

If the written consent of the owners and occupiers of the 'private land' is obtained in the future, application can be made under the Mining Act to have the first 30 metres incorporated in the relevant Tenements.

### 13. Pastoral Leases

As set out in Parts 1 to 4 and 6 of the Tenement Schedule certain Applications and Tenements overlap with pastoral leases as follows:

- (a) E38/3282 (to 99.19%) encroaches Pastoral Lease PL N049699 (Laverton Downs)
- (b) E47/3503-I (to 79.07%), E47/3507-I (to 89.01%) and E47/3508-I (to 83.25%) encroach Pastoral Lease PLN049806 (Mundabullanganga);
- (c) E47/3503-I (to 19.53%) encroaches Pastoral Lease PLN050012 (Indee);
- (d) P20/2118 (to 37.16%), P20/2135 (to 99.92%), PLA20/2319 (to 21.97%), PLA20/2320 (to 35.09%), PLA20/2322 (to 15.97%), PLA20/2323 (to 9.58%), PLA20/2325 (to 100%), PLA20/2343 (to 31.52%), PLA20/2371 (to 0.13%), PLA20/2373 (to 100%), PLA21/765 (to 100%), PLA21/766 (to 100%) and MLA20/547 (to 37.16%) encroach Pastoral Lease PLN049496 (Yarraquin);
- (e) PLA20/2319 (to 12.99%), PLA20/2345 (15.25%) and PLA20/2346 (14.53%) encroach Pastoral Lease PLN050030 (Nallan);
- (f) L20/61 (to 18.61%), L20/62 (to 77.6%), L20/69 (to 53.86%), P20/2136 (to 72.17%), P20/2160 (to 70.94%), P20/2162 (to 82.47%), P20/2174 (to 31.46%), P20/2213 (to 23.76%), P20/2276 (to 45.4%), PLA20/2319 (to 37.04%), PLA20/2344 (to 100%), PLA20/2345 (to 84.75%), PLA20/2346 (to 76.62%), PLA20/2349 (to 94.21%), PLA20/2368 (to 98.62%), PLA20/2369 (to 100%), PLA20/2371 (to 97.95%), P21/756 (to 99.13) and M20/525 (to 33.18%) encroach Pastoral Lease PLN050063 (Austin Downs); and
- (g) PLA20/2374 (to 100%) encroaches Pastoral Lease N049894 (Beebyn).

The Mining Act:

- (a) generally prohibits the carrying out of mining activities on or near certain improvements and other features (such as livestock and crops) on Crown land (which includes a pastoral lease) without the consent of the lessee;
- (b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and
- (c) provides that a holder of a mining tenement must pay compensation to an occupier of Crown land (i.e. the pastoral lease holder) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the lessee as a result of, or arising from, any exploration or mining activities.

Compensation payable to a pastoral lease holder can be, and usually is, determined by agreement with the pastoral lease holder or by the Warden's court if no agreement can be reached.

#### 14. **Objections**

All mining Tenement applications in Western Australia are subject to a 35 day objection period (a longer objection period may apply where the application overlaps any 'private land') If there is no objection to a tenement application during the objection period then:

- (a) the Mining Registrar may grant the application in the case of an application for a Prospecting Licence or a miscellaneous licence; or
- (b) in the case of other applications for other types of tenements, the Mining Registrar makes a recommendation to the Minister responsible for the administration of the Mining Act (**Minister**), who makes a final decision whether or not to grant the application.

In most cases, applications are also subject to the future act provisions under the Native Title Act (see section 19 of this Report).

If an objection is lodged in respect of a tenement application, the matter will be referred to the Mining Warden for hearing. A Warden may decide to hear the objection, not to hear the objection or to limit the scope of the objection. The scope of a permissible objection will vary depending on the type of tenement applied for and the circumstances. At the conclusion of any hearing held by a Warden, the Warden:

- (a) in the case of an application for Prospecting Licence or a miscellaneous licence, determines whether the application should be granted; and
- (b) in the case of applications for other types of tenements, makes a recommendation to the Minister for the grant or refusal of the tenement.

A tenement applicant may seek to settle the conflict underlying the objection direct with the objector, such that the objector agrees to and withdraws their objection.

The timing for resolving objections varies on a case by case basis and will depend on a range of factor including the complexity of the hearing and whether the parties are able to settle the conflict giving rise to the objection by mutual agreement before the conclusion of the hearing.

In relation to applications for tenements other than Prospecting Licences or miscellaneous licences, the Minister will ultimately determine whether the application is granted after all other matters have been finalised, including compliance with any procedures or requirements under the Native Title Act. The Minister may grant or refuse the application irrespective of any Warden's recommendation.

As noted in the Tenement Schedule, the following Applications are subject to the following objections to the grant of the underlying tenements:

- (a) PLA20/2340 - Objection to tenement grant lodged by Mavia Pty Ltd with the DMIRS – Objection 527302;
- (b) PLA20/2341 - Objection to tenement grant lodged by Mavia Pty Ltd with the DMIRS – Objection 527303;
- (c) PLA20/2341 – Objection to tenement grant lodged by Jeffery Noye with the DMIRS – Objection 527304; and
- (d) PLA21/764 - Objection to tenement grant lodged by Jeffery Noye with the DMIRS – Objection 527305; and
- (e) PLA20/2349 - Objection to tenement grant lodged by Big Bell Gold Operations Pty Ltd with the DMIRS – Objection 532323.

PLA denotes a Prospecting Licence application.

Unless withdrawn by the objector, the above objections will need to be resolved by agreement with the objector or be determined by the Warden after a hearing prior to the relevant applications being determined.

If any objection is not able to be resolved by agreement with the objector, there is a risk that the application for relevant tenement will not be granted. If the objections are not resolved by agreement with the objector and are instead determined by the Warden then, the Warden would determine, after hearing the objections, whether the applications should be granted.

We have not been instructed to undertake any enquiries as to the merits, or otherwise, of the objections lodged or the likelihood of the objectors being successful if the objections are ultimately determined by the Warden. We, therefore, express no opinion as to the likelihood of the Warden upholding the objections.

#### 15. **Tenement past expiry date**

The term of the following Tenement as listed in Part 1 of the Tenement Schedule has passed its expiry date and an application has been made to replace the

relevant Tenement with a Mining Lease (still the subject of an application) as noted below:

Tenement	Holder	Expiry Date
P20/2118 (application lodged to convert tenement to M20/547)	Western Mining Pty Ltd	27/06/2018

Section 49(2) of the Mining Act provides that where an application for a mining lease is made by the holder of a prospecting licence and the expiry date for the licence passes, the prospecting licence shall continue in force in respect of the land the subject of the mining lease application under the application for a lease is determined.

#### 16. Tenements soon to expire

The Tenements listed below are subject to the Cue Option Agreement and will expire shortly after the date of the Prospectus.

Tenement	Holder	Expiry Date
P20/2067	Western Mining Pty Ltd	29/09/2018
P20/2213	Western Mining Pty Ltd	19/10/2018
P20/2214	Western Mining Pty Ltd	19/10/2018

All Tenements are Prospecting Licences.

Prospecting Licences are granted for a period of 4 years and can be extended for 1 further period of 4 years.

P20/2067 has been extended once as permitted by the Mining Act. Based on the Tenement Searches no applications have been made to convert this tenement to other tenements. If no application is made, then this Tenement will expire on 29/09/2018.

P20/2213 and P20/2114 are both coming to the end of their first term and can be extended for a further 4-year term. Based on the Tenement Searches no extension applications has been made in respect of these Tenements. If no application is made, these Tenements will expire on 19/10/2018.

#### 17. Encroachments

Where an Application is encroached upon by a live tenement, the application as granted will usually be reduced by that amount of land which falls under the live tenement. However, Miscellaneous Licences may be granted over any existing tenements, whether held by the applicant or another person. Conversely, another mining tenement may be granted over the land covered by a



Miscellaneous Licence (to the extent not covered by other tenements). Where this occurs, the Miscellaneous Licence and the mining tenement apply concurrently on the land. Based on the Quick Appraisal searches, the following Tenements and Applications are being encroached by other live or pending third party tenements (other than any Western Mining Tenements to be acquired under the Cue Option Agreement upon exercise and settlement of the option):

- (a) E38/3282 is encroached by L38/102 (to 0.02%) held by Christopher Flessner and L38/104 (to 0.01%) held by Rex Ryles;
- (b) E47/4507-I is encroached by L45/108 (to 1.04%) held by Wodgina Lithium Pty Ltd;
- (c) M20/525 is encroached by L20/44 (to 0.08%) and L20/56 (to 0.54%) both held by Northwestern Mining Co. Pty Ltd;
- (d) P20/2135 is encroached by application for L20/76 (to 1.05%) held by Big Bell Gold Operations Pty Ltd;
- (e) P20/2136 is encroached by application for L20/76 (to 26.43%) held by Big Bell Gold Operations Pty Ltd;
- (f) P20/2160 is encroached by application for L20/76 (to 6.28%) held by Big Bell Gold Operations Pty Ltd;
- (g) P20/2174 is encroached by application for L20/76 (to 0.01%) held by Big Bell Gold Operations Pty Ltd;
- (h) P20/2214 is encroached by application for L20/76 (to 90.09%) held by Big Bell Gold Operations Pty Ltd;
- (i) PLA20/2319 is encroached by application for L20/76 (to 14.94%) held by Big Bell Gold Operations Pty Ltd;
- (j) PLA20/2340 is encroached by P20/2090 (to 54.08%) and P20/2091 (to 45.92%) both held by Mavia Pty Ltd (who has lodged objection 527302 in relation to the grant of PLA20/2340);
- (k) PLA20/2341 is encroached by P20/2091 (to 52.25%) held by Mavia Pty Ltd (who has lodged objection 527303 in relation to the grant of PLA20/2341);
- (l) PLA20/2341 is encroached by application for P20/2339 (to 47.75%) held by Jeffrey Noye (who has lodged objection 527304 in relation to the grant of PLA20/2341);
- (m) PLA20/2349 is encroached by application for L20/76 (to 16.79%) held by Big Bell Gold Operations Pty Ltd (who has lodged objection 532323 in relation to the grant of PLA20/2349);
- (n) PLA20/2369 is encroached by application for L20/76 (to 16.88%) held by Big Bell Gold Operations Pty Ltd;
- (o) PLA20/2369 is encroached by application for L20/72 (to 16.88%) held by Klondyke Gold Pty Ltd;

- (p) PLA20/2370 is encroached by L20/56 (to 1.92%) held by Northwestern Mining Co Pty Ltd;
- (q) PLA20/2371 is encroached by application for L20/76 (to 12.09%) held by Big Bell Gold Operations Pty Ltd;
- (r) PLA21/764 is encroached by application for P21/671 (to 97.19%) held by Jeffrey Noye (who has lodged objection 527305 in relation to the grant of PLA21/764);
- (s) PLA21/764 is encroached by application for P21/673 (to 0.01%) held by Mavia Pty Ltd;
- (t) PLA21/765 is encroached by application for E20/908 (to 100%) held by POZ Minerals Limited;
- (u) PLA21/765 is encroached by application for E20/939 (to 100%) held by Accelerate Resources Limited;
- (v) PLA21/766 is encroached by application for E20/908 (to 100%) held by POZ Minerals Limited; and
- (w) PLA21/766 is encroached by application for E20/939 (to 100%) held for by Accelerate Resources Limited.

## 18. **Aboriginal Heritage**

The laws governing the protection of aboriginal heritage can impact on, and restrict, the activities which can be conducted on a Tenement.

### Western Australian Laws

The *Aboriginal Heritage Act 1972* (WA) (**Aboriginal Heritage Act**) prohibits a person from destroying or damaging sites of spiritual, cultural or heritage significance to Aboriginal people as defined in the Aboriginal Heritage Act (**Sites**). In order to comply with the Aboriginal Heritage Act, mining tenement holders will often arrange for Aboriginal heritage surveys and other research to be conducted to ensure that no Sites will be affected by the holders proposed activities.

There is a process whereby consent to impact on a Site can be sought under the Aboriginal Heritage Act.

Although there is a process whereby Sites can be registered under the Aboriginal Heritage Act, Sites are protected whether registered or not.

We have not conducted any searches or investigations as to whether there are any protected Sites on the Tenements.

### Commonwealth laws

Separate to the Aboriginal Heritage Act, the *Aboriginal and Torres Strait Island Heritage Protection Act 1994* (Cth) operates to protect areas and objects of significance to Aboriginal people. Under this Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects and such a declaration, if made, could

potentially limit the ability to conduct exploration or mining or other activities on the Tenements.

#### 19. **Native Title**

The common law recognises that indigenous persons may have a form of traditional rights or interests in land or water known as “native title.” Native title is regulated and protected by the provisions of the *Native Title Act 1993* (Cth) (**Native Title Act**).

The Tenements and Applications are located within registered native title claims and a native title determination as set out in Part 7 of the Tenement Schedule (as relevant) (**NT Claims**). The existence of a registered claim doesn't necessarily mean that native title exists within the claim area. Whether native title exists in the area will be determined by the Federal Court in due course. We have not undertaken any enquires as to the merits of any NT Claims and express no opinion as to the prospects of it being successful.

It also possible that additional native title claims may be made in the future.

If native title rights and interests are found to exist in relation to areas within any Tenements, then the native title holders will have a right to claim compensation from the State of Western Australia under the Native Title Act in relation to the effect the grant of the relevant Tenement had on their native title rights and interests. Section 125A of the Mining Act operates to shift this compensation liability to the holder of the mining tenement at the time the amount is required to be paid.

A native title holder may also have a right to claim compensation from a tenement holder under the Mining Act itself in the same way as a holder of ordinary freehold title, or other occupier or owner of land, can claim compensation in relation to the impact on activities under a mining tenement on their land.

#### Grant of the Applications and Conversions to Mining Leases

If any of the Prospecting Licences or the Exploration Licences listed in the Tenement Schedule are to be wholly or partially replaced with a Mining Lease in the future, it will be necessary to comply with the future act (including the right to negotiate) processes (**Future Act Processes**) in the Native Title Act in order to ensure that the resulting Mining Lease is not invalid as a consequence of its impact on any native title rights or interests that may exist in the area applied for. Further the grant of each of the Applications will also need to comply with the Future Act Processes to ensure that the resultant mining tenement is not invalid as a consequence of its impact on any native title rights or interests that may exist in the area applied for

In summary, in the context of an application for a Mining Lease, the Future Act Processes will entail:

- (a) a minimum of six months negotiations with any determined native title holders or registered claimants under any native title claims registered four months after the time the Western Australian Government issues a notice under section 29 of the Native Title act of its intention to grant the Mining Lease;

- (b) the negotiations would involve the Mining Lease applicant, the registered native title claimants or holders and the Western Australian government;
- (c) the purpose of the negotiation is to agree, if possible, the terms and conditions on which the registered native claimants or holders will agree to the grant of the Mining Lease (for example, in exchange for agreed compensation, royalties or other benefits); and
- (d) if agreement cannot be reached after the minimum six months negotiation period, then the applicant for the Mining Lease may make application to the National Native Title Tribunal for a determination that the Mining Lease should be granted in the absence of an agreement. There is no certainty that the National Native Title Tribunal will, in that instance, determine that the Mining Lease should be granted.

In the context of applications for Prospecting Licences or Exploration Licences, a simpler Future Act Process under the Native Title Act known as the 'expedited procedure' may apply. Where the 'expedited procedure' does not apply, the Future Act Process applicable to applications for Prospecting Licences or Exploration Licences is the same as for a Mining Lease (i.e. as outlined above). The grant of a tenement can occur under the expedited procedure if:

- (a) the grant will not interfere directly or indirectly with community or social activities by the native title holders;
- (b) the grant is not likely to interfere with areas or sites of particular significance in accordance with their traditions to native holders; and
- (c) the grant is not likely to involve any major disturbance to any land or waters concerned or create rights whose existence is likely to involve major disturbance to the land or waters.

If the State considers the expedited procedure is appropriate, notice of the proposed grant will be given in accordance with the Native Title Act. Registered native title claimants or holders may object to the application of the expedited procedure, in which case the National Native Title Tribunal must determine whether the expedited procedure is applicable.

As a practical matter, where an application for the grant of a mining tenement, particularly an application for a Mining Lease, needs comply with the Future Act Process to be valid, this is likely to involve additional expenditure and delays in securing the grant of the application by virtue of the need to undertake negotiations with the relevant native title parties and the State. Where an agreement is reached with the native title party for the grant of the mining tenement, such agreement is likely to include the provision of financial and other benefits to the native title parties and this is likely to add to the costs of operations on the resultant mining tenement. If no agreement can be reached, an application may be made to the National Native Title Tribunal for a determination that the mining tenement be granted without such an agreement. However, there is no certainty that the National Native Title Tribunal will make such a determination.

Valid grant of Applications

The grant of each of the Applications, being those applications for tenements listed below, will need to comply with the Future Act Process in order to be valid under the NTA if any of the land or waters contained within the application is subject to native title rights or interests:

<b>Lease or Licence Number</b>	<b>Registered Holder</b>
PLA20/2330	Western Mining Pty Ltd
MLA20/547	Western Mining Pty Ltd
PLA20/2319	Cue Consolidated Mining Pty Ltd
PLA20/2320	Cue Consolidated Mining Pty Ltd
PLA20/2321	Cue Consolidated Mining Pty Ltd
PLA20/2322	Cue Consolidated Mining Pty Ltd
PLA20/2323	Cue Consolidated Mining Pty Ltd
PLA20/2324	Cue Consolidated Mining Pty Ltd
PLA20/2325	Cue Consolidated Mining Pty Ltd
PLA20/2335	Cue Consolidated Mining Pty Ltd
PLA20/2336	Cue Consolidated Mining Pty Ltd
PLA20/2340	Cue Consolidated Mining Pty Ltd
PLA20/2341	Cue Consolidated Mining Pty Ltd
PLA20/2342	Cue Consolidated Mining Pty Ltd
PLA/20/2343	Cue Consolidated Mining Pty Ltd
PLA/20/2344	Cue Consolidated Mining Pty Ltd
PLA/20/2345	Cue Consolidated Mining Pty Ltd
PLA/20/2346	Cue Consolidated Mining Pty Ltd
PLA21/764	Cue Consolidated Mining Pty Ltd
PLA21/765	Cue Consolidated Mining Pty Ltd
PLA21/766	Cue Consolidated Mining Pty Ltd
PLA20/2349	Cue Consolidated Mining Pty Ltd

Lease or Licence Number	Registered Holder
PLA20/2368	Cue Consolidated Mining Pty Ltd
PLA20/2369	Cue Consolidated Mining Pty Ltd
PLA20/2370	Cue Consolidated Mining Pty Ltd
PLA20/2371	Cue Consolidated Mining Pty Ltd
PLA20/2372	Cue Consolidated Mining Pty Ltd
PLA20/2373	Cue Consolidated Mining Pty Ltd
PLA20/2374	Cue Consolidated Mining Pty Ltd

#### Validity of the Tenements under the Native Title Act

Mining tenements already granted over land on which native title rights and interests exist may be invalid in certain circumstances.

#### Tenements Granted Prior to 1 January 1994

Tenements that were granted prior to 1 January 1994 are either valid at the time of grant or subsequently validated by the Titles Validation Act 1995 (Western Australia) as 'past acts'. None of the Tenements were granted prior to 1 January 1994.

#### Tenements Granted After 1 January 1994

Any Tenement granted after 1 January 1994 which affects native title will generally only be valid if it was granted in compliance with the Future Act Processes in the Native Title Act. All of the Tenements were granted after 1 January 1994.

Between 1 January 1994 and March 1995, the Western Australian Government policy was not to comply with the Future Act Processes in the Native Title Act. None of the Tenements were granted in this period.

Between June 2000 and 10 February 2001, the Western Australian Government policy was that it would permit the grant of mining tenements on certain land without compliance with the Future Act Processes in reliance on a Federal Court decision which was later overturned on the relevant issue by High Court. None of the Tenements were granted during period.

Apart from during the periods mentioned above, it is understood that it has generally been the policy of the Western Australian government to comply with the Future Act Processes in granting mining tenements under the Native Title Act. On the assumption that the Western Australian Government did, in fact comply with the relevant requirements of the Native Title Act in this regard, none of the Tenements granted after 1 January 1994 will be invalid by reason of any part of the Tenements are subject to native title rights and interests.

We have not been asked to conduct any searches or enquiries for the purposes of seeking to verify that the Western Australian Government did in fact comply



with the Future Act Processes in relation to the Tenements granted after 1 January 1994 and we express no opinion as to whether the Western Australian Government did comply with such processes.

### Renewals

Renewals of mining tenements made after 1 January 1994 must comply with the Future Act Provisions in order to be valid under the Native Title Act.

A number of the Tenements have been renewed (or had their term extended) since the original grant.

To the extent that a Tenement affects land or waters subject to native title rights or interests, then any renewal or term extension will only be valid if the renewal or term extension complies with the Native Title Act including in particular compliance with the right to negotiate process in Subdivision P in Part 2 of Division 3 of the Native Title Act (**Subdivision P**), where it applies.

Section 26D of that Native Title Act provides that Subdivision P does not apply to the creation of a right to mine (which is defined to include a right to explore or prospect) if:

- (a) the creation is done by the renewal or extension of the term of an earlier right to mine and the earlier right was created by an act to which Subdivision P applied that was not invalid by virtue of section 28 (section 28 invalidates acts affecting native title where before the act was done certain specified requirements relating to the right to negotiate procedure had not been satisfied);
- (b) the area to which the earlier right related is not extended;
- (c) the term of the right is not longer than the term of the earlier right; and
- (d) no rights are created in connection with right that were not created in relation to the earlier right.

On the assumption that each of the renewed Tenements were originally granted by an act to which Subdivision P applied and assuming that such grant was not invalid by virtue of section 28 (i.e. because the stipulated requirements of Subdivision P were complied with prior to the grant of the renewed Tenements) then the renewals would be exempt from Subdivision P provided the area of the original Tenement grant is not extended, the term of the renewed right is not longer than the term of the original Tenement and no new rights are created in relation to the renewed Tenement that were not created in relation to the earlier right.

12 of the Tenements, namely M20/61, P20/2026, P20/2027, P20/2067, P20/2118, P20/2134, P20/2135, P20/2136, P20/2160, P20/2162, P20/2174 and P20/2177 (**Renewed Tenements**) were granted and renewed after 1 January 1994.

On the basis of the information apparent from the searches of the Register at the DMIRS there is no reason to believe that the renewal of the Renewed Tenements would be invalid if the renewal affected native title rights and interests.

Any future renewal of any Tenement would also need to comply with the Native Title Act in order to be valid to the extent that any of that Tenement affects native title rights and interests.

## 20. **Qualifications and Assumptions**

In providing the confirmation in section 3 of this Report:

- (a) we have assumed the accuracy and completeness of the results of the searches of the Register and other information obtained from DMIRS including the quick appraisals and the results of the searches of the registers maintained by the NNTT;
- (b) we have assumed that all expenditure in relation to a Tenement noted on the Register as reported by the holder in relation to that Tenement is accurate and was actually expended by the holder in the relevant categories of expenditure in the period to which the expenditure relates;
- (c) we have assumed that the holder of each Tenement or Application has complied with all applicable provisions of the Mining Act and all other legislation affecting the Tenement or activities on the Tenement;
- (d) we have assumed that the holder of each Tenement has complied with all conditions imposed in relation to that Tenement;
- (e) we have assumed that in relation to any Tenement which was granted or renewed after 1 January 1994, that such Tenement was granted or renewed by the Western Australian Government in conformity with the procedures and requirements under the *Native Title Act* (Cth) such that the grant or renewal would not be wholly or partially invalid to the extent that native title rights or interest may exist on any part of the land or waters contained within such the area of such Tenement;
- (f) we express no opinion as to whether the area of any Tenement or an Application may be subject to native title rights or interests;
- (g) we have assumed that the copies of the agreements or deeds summarised in the Material Contracts Sections as provided to us by the Company are true and complete copies (incorporating all amendments) and that those agreements and deeds have been duly executed, are subsisting and are binding on the named parties to those documents;
- (h) all material agreements relating to the Tenements and Applications has been provided to us by the Company or are registered with the DMIRS; and
- (i) we have not conducted any searches or enquiries for the purposes of ascertaining whether there are any registered or unregistered sites of significance to aboriginal people within the area of any Tenement or Application.

**21. Benefit and Reliance**

This Report is given solely for the benefit of the Company in connection with the issue of the Prospectus. This Report is not to be relied upon for any other purpose or quoted or referred to in any other public document. To the maximum extent permitted by law, EMK Lawyers disclaims any liability in respect of this Report to any person other than the Company.

**22. Consent**

EMK Lawyers has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included and have not withdrawn their consent before the lodgement of the Prospectus with ASIC.

**23. Disclosure of Interest**

EMK Lawyers 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

**EMK Lawyers**

## SCHEDULE 1- TENEMENT SCHEDULE

### PART 1 - WESTERN MINING PTY LTD'S CUE OPTION TENEMENTS

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
L20/60	Western Mining Pty Ltd	100/100	04/10/2013	03/10/2034	Cue	0.9 HA	Annual rent of \$15.60 reported as paid in full for the current TY Annual rent for next TY is \$16.50	No expenditure required	Granted for purposes of a pipeline, a water management facility and taking water Conditions 1 to 19 – Part 5 Tengraph Interests 1, 2, 3 and 6 – Part 6 Native Title Claims identified – Part 7
L20/61	Western Mining Pty Ltd	100/100	04/10/2013	03/10/2034	Cue	1.37 HA	Annual rent of \$31.20 reported as paid in full for the current TY Annual rent for next TY is \$33	No expenditure required	Granted for purposes of a bore, pipeline, a water management facility and taking water Conditions 1-19, 24 and 25 – Part 5 Tengraph Interests 1, 2, 3, 4 and 6 – Part 6 Native Title Claims identified – Part 7
L20/62	Western Mining Pty Ltd	1/1	07/01/2014	06/01/2035	Cue	0.27 HA	Annual rent of \$15.60 reported as paid in full for the current TY Annual rent for next TY is \$16.50	No expenditure required	Granted for purposes of a bore and taking water Conditions 1 – 4, 6, 8 -19, 24 and 25 – Part 5 Tengraph Interests 1, 2, 4 and 6 – Part 6 Native Title Claims identified – Part 7
L20/66	Western Mining Pty Ltd	100/100	11/07/2014	10/07/2035	Cue	0.5 HA	Annual rent of \$15.60 reported as paid in full for the current TY Annual rent for next TY is \$16.50	No expenditure required	Granted for purposes of a road Conditions 1, 2, 11-19 and 47-49 – Part 5 Tengraph Interests 1, 2, 4 and 7 – Part 6 Native Title Claims identified – Part 7
L20/68	Western Mining Pty Ltd	100/100	26/10/2015	25/10/2036	Cue	0.37 HA	Annual rent of \$15.60 reported as paid in full for the current TY Annual rent for next TY is \$16.50	No expenditure required	Granted for purposes of a road Conditions 1 and 2 – Part 5 Tengraph Interests 1, 2 and 6 – Part 6 Native Title Claims identified – Part 7
L20/69	Western Mining Pty Ltd	100/100	01/09/2015	31/08/2036	Cue	1.57 HA	Annual rent of \$31.20 reported as paid in full for the current TY Annual rent for next TY is \$33	No expenditure required	Granted for purposes of a road Conditions 1,2, 24, 25, 47, 50 and 51 – Part 5 Tengraph Interests 1, 2, 4 and 6 –Part 6 Native Title Determination identified – Part 7

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
L20/70	Western Mining Pty Ltd	100/100	01/09/2015	31/08/2036	Cue	0.03 HA	Annual rent of \$15.60 reported as paid in full for the current TY Annual rent for next TY is \$16.50	No expenditure required	Granted for purposes of a road Conditions 1, 2, 50 and 51 – Part 5 Tengraph Interests 1, 2 and 6 – Part 6 Native Title Claims identified – Part 7
M20/61	Western Mining Pty Ltd	96/96	19/02/1998	18/02/2030	Cue	7.2365 HA	Annual rent of \$140.80 reported as paid in full for the current TY Annual rent for next TY is \$149.60	Minimum annual expenditure for previous TY was \$10,000 with \$12,509.15 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$10,000	Conditions 52- 56 – Part 5 Tengraph Interests 1, 2 and 6 – Part 6 Native Title Claims identified – Part 7
M20/519	Western Mining Pty Ltd	100/100	02/12/2012	01/02/2033	Cue	79.93 HA	Annual rent of \$1,408 reported as paid in full for the current TY Annual rent for next TY is \$1.496	Minimum annual expenditure for previous TY was \$10,000 with \$127,904.23 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$10,000	Condition 11, 13, 14, 18, 19, 22, 23, 49 and 57 -70 – Part 5 Tengraph Interests 1-3 and 6 – Part 6 Native Title Claims identified – Part 7
M20/520	Western Mining Pty Ltd	100/100	05/09/2012	04/09/2033	Cue	22.5 HA	Annual rent of \$404.80 reported as paid in full for the current TY Annual rent for next TY is \$430.10	Minimum annual expenditure for previous TY was \$10,000 with \$14,390.90 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$10,000	Conditions 11-17,19, 20,22, 23, 49, 57-59, 67, 71-73 – Part 5 Tengraph Interests 1, 2 and 6 – Part 6 Native Title Claim identified – Part 7
M20/522	Western Mining Pty Ltd	100/100	29/08/2012	28/08/2033	Cue	3.185 HA	Annual rent of \$545.60 reported as paid in full for the current TY Annual rent for next TY is \$579.70	Minimum annual expenditure for previous TY was \$12,039.30 with 10,000 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$10,000	Conditions 11-19, 22-24, 27, 47, 57, 58, 67, 74 and 76 – Part 5 Tengraph Interests 1 - 3, 6, 7 and 8 – Part 6 Native Title Claim identified – Part 7
M20/523	Western Mining Pty Ltd	100/100	01/09/2014	31/08/2035	Cue	35 HA	Annual rent of \$616 reported as paid in full for the current TY Annual rent for next TY is \$654.50	Minimum annual expenditure for previous TY was \$10,000 with \$13,103.50 recorded as expended for that TY. Minimum annual expenditure for current	Conditions 11-19, 22, 23, 49, 57-59, 67, 74, 77-78 – Part 5 Tengraph Interests 1-3 and 6 – Part 6 Native Title Claims identified – Part 7

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
								TY end is \$10,000	
M20/524	Western Mining Pty Ltd	100/100	01/09/2014	31/08/2035	Cue	13 HA	Annual rent of \$228.80 reported as paid in full for the current TY Annual rent for next TY is \$243.10	Minimum annual expenditure for previous TY was \$10,000 with \$13,199.40 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$10,000	Conditions 11-19, 22, 23, 49, 57-59, 62, 67, 74, 79 – Part 5 Tengraph Interests 1-3 and 6 – Part 6 Native Title Claims identified – Part 7
M20/525	Western Mining Pty Ltd	100/100	01/09/2014	31/08/2035	Cue	118 HA	Annual rent of \$2,076.80 reported as paid in full for the current TY Annual rent for next TY is \$2,206.60	Minimum annual expenditure for previous TY was \$11,800 with \$22,132.99 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$11,800	Conditions 11-19, 22-25, 49, 57-59, 67, 78, – Part 5 Tengraph Interests 1-4 and 6 – Part 6 Native Title Claims identified – Part 7 M20/525 is encroached by L20/44 (to 0.08%) and L20/56 (to 0.54%) both held by Northwestern Mining Co. Pty Ltd.
MLA20/547 (application lodged to convert P20/2118)	Western Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	27 HA	First TY rent of \$397.80 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2, 4 and 6 – Part 6 Native Title Claims identified – Part 7
P20/2026	Western Mining Pty Ltd	100/100	25/11/2011	24/11/2019	Cue	7.3 HA	Annual rent of \$26 reported as paid in full for the current TY Annual rent for next TY is \$27.50	Minimum annual expenditure for previous TY was \$2,000 with \$2,580 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$2,000	Conditions 22, 23, 57, 58 and 81 – Part 5 Tengraph Interests 1-3, 6 and 8 – Part 6 Native Title Claim identified – Part 7 Excess tonnage granted for an additional 9,300 Tonnes
P20/2027	Western Mining Pty Ltd	100/100	25/11/2011	24/11/2019	Cue	9.5 HA	Annual rent of \$26 reported as paid in full for the current TY Annual rent for next TY is \$27.50	Minimum annual expenditure for previous TY was \$2,000 with \$2,196 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$2,000	Conditions 22, 23, 57, 58, 70 – Part 5 Tengraph Interests 1 -3, 6 and 7 – Part 6 Native Title Claim and Determination identified – Part 7 Excess tonnage granted for an additional 4,500 Tonnes
P20/2067	Western Mining Pty Ltd	100/100	29/09/2010	28/09/2018	Cue	20 HA	Annual rent of \$52 reported as paid in full for the current TY Annual rent for next TY is \$55	Minimum annual expenditure for previous TY was \$2,000 with \$2,485 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$2,000	Conditions 22, 23, 57, 62, 81, 85, 86, 81 – Part 5 Tengraph Interests 1-3 and 6 – Part 6 Native Title Claims identified – Part 7 Excess tonnage granted for an additional 8,481 Tonnes



Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
								TY end is \$2,000	
P20/2118	Western Mining Pty Ltd	100/100	28/06/2010	27/06/2018 (term extended under section 49(2) of the Mining Act due to application to convert to MLA 20/547)	Cue	27 HA	Annual rent of \$70.20 reported as paid in full for the current TY Annual rent for next TY is \$74.25	Minimum annual expenditure for previous TY was \$2,000 with \$6,917.55 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$2,000	Conditions 22 – 25, 57 and 58 – Part 5 Tengraph Interests 1, 2, 4 and 6 – Part 6 Native Title Claims identified – Part 7 Excess tonnage granted for an additional 8,650Tonnes
P20/2134	Western Mining Pty Ltd	100/100	13/04/2011	12/04/2019	Cue	100 HA	Annual rent of \$260 reported as paid in full for the current TY Annual rent for next TY is \$275	Minimum annual expenditure for previous TY was \$4,000 with \$6,747.75 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$4,000	Conditions 22, 23, 57, 58, 60, 72, 88 – Part 5 Tengraph Interests 1, 2, 6 and 7 – Part 6 Native Title Claim and Determination identified – Part 7
P20/2135	Western Mining Pty Ltd	100/100	13/04/2011	12/04/2019	Cue	200 HA	Annual rent of \$520 reported as paid in full for the current TY Annual rent for next TY is \$550	Minimum annual expenditure for previous TY was \$8,000 with \$36,722.75 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$8,000	Conditions 22-25, 57, 58, 84, 89 – Part 5 Tengraph Interests 1, 2, 4 and 6 – Part 6 Native Title Claims identified – Part 7 Excess tonnage granted for an additional 3,000 Tonnes P20/2135 is encroached by application for L20/76 (to 1.05%) held by Big Bell Gold Operations Pty Ltd
P20/2136	Western Mining Pty Ltd	100/100	10/05/2011	09/05/2019	Cue	72 HA	Annual rent of \$187.50 reported as paid in full for the current TY Annual rent for next TY is \$198	Minimum annual expenditure for previous TY was \$2880 with \$4,577.50 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$2,880	Conditions 22-25, 57, 58, 90 and 91 – Part 5 Tengraph Interests 1- 4 and 6 –Part 6 Native Title Claim identified – Part 7 P20/2136 is encroached by application for L20/76 (to 26.43%) held by Big Bell Gold Operations Pty Ltd
P20/2160	Western Mining Pty Ltd	100/100	22/11/2011	21/11/2019	Cue	185 HA	Annual rent of \$481 reported as paid in full for the current TY Annual rent for next TY is \$508.75	Minimum annual expenditure for previous TY was \$7,400 with \$11,297.25 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$7,400	Conditions 22-25, 30, 42, 57, 58, 60, 71, 72, 92 – Part 5 Tengraph Interests 1- 4 and 6 – Part 6 Native Title Claim and Determination identified – Part 7 P20/2160 is encroached by application for L20/76 (to 6.28%) held by Big Bell Gold Operations Pty Ltd

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
P20/2162	Western Mining Pty Ltd	100/100	22/11/2011	21/11/2019	Cue	200 HA	Annual rent of \$520 reported as paid in full for the current TY Annual rent for next TY is \$550	Minimum annual expenditure for previous TY was \$8,000 with \$10,794.69 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$8,000	Conditions 22-25, 30, 42, 57, 58, 60 – Part 5 Tengraph Interests 1- 4 and 6 – Part 6 Native Title Claim identified – Part 7
P20/2174	Western Mining Pty Ltd	100/100	27/04/2012	26/04/2020	Cue	197 HA	Annual rent of \$512.20 reported as paid in full for the current TY Annual rent for next TY is \$541.75	Minimum annual expenditure for previous TY was \$7,880 with \$8,780.19 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$7,880	Conditions 22-25, 57, 58, 71, 72 and 93 – Part 5 Tengraph Interests 1, 2, 4, 6 and 7 – Part 6 Native Title Claim and Determination identified – Part 7 Excess tonnage granted for an additional 9,500 Tonnes P20/2174 is encroached by application for L20/76 (to 0.01%) held by Big Bell Gold Operations Pty Ltd
P20/2177	Western Mining Pty Ltd	100/100	19/12/2011	18/12/2019	Cue	2.87 HA	Annual rent of \$26 reported as paid in full for the current TY Annual rent for next TY is \$27.50	Minimum annual expenditure for previous TY was \$2,000 with \$3,631 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$2,000	Conditions 22, 23, 57, 58, 71, 72, 90 – Part 5 Tengraph Interests 1, 2 and 6 – Part 6 Native Title Determination identified – Part 7
P20/2213	Western Mining Pty Ltd	1/1	20/10/2014	19/10/2018	Cue	12.3 HA	Annual rent of \$33.80 reported as paid in full for the current TY Annual rent for next TY is \$35.75	Minimum annual expenditure for previous TY was \$2,000 with \$2,817.55 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$2,000	Conditions 22-25, 47, 57, 58, 77, 94 – Part 5 Tengraph Interests 1, 2, 4 and 6 – Part 6 Native Title Claim identified – Part 7
P20/2214	Western Mining Pty Ltd	1/1	20/10/2014	19/10/2018	Cue	0.6 HA	Annual rent of \$26 reported as paid in full for the current TY Annual rent for next TY is \$27.50	Minimum annual expenditure for previous TY was \$2,000 with \$2,700 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$2,000	Conditions 22, 23, 57, 58, 72 – Part 5 Tengraph Interests 1, 2 and 6 – Part 6 Native Title Determination identified – Part 7 P20/2214 is encroached by application for L20/76 (to 90.09%) held by Big Bell Gold Operations Pty Ltd

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
P20/2223	Western Mining Pty Ltd	100/100	09/06/2014	08/06/2018 (an extension application has been made)	Cue	1.7 HA	Annual rent of \$26 reported as paid in full for the current TY Annual rent for next TY is \$27.50	Minimum annual expenditure for previous TY was \$2,000 with \$3,099 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$2,000	Conditions 22, 23, 57, 58, 82 – Part 5 Tengraph Interests 1, 2 and 6 – Part 6 Native Title Claim identified – Part 7
P20/2232	Western Mining Pty Ltd	100/100	24/04/2015	23/04/2019	Cue	1.14	Annual rent of \$26 reported as paid in full for the current TY Annual rent for next TY is \$27.50	Minimum annual expenditure for previous TY was \$2,000 with \$2,611.30 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$2,000	Conditions 22, 23, 57, 58, 95 – Part 5 Tengraph Interests 1- 3 and 6 –Part 6 Native Title Claim identified – Part 7
P20/2276	Western Mining Pty Ltd	100/100	12/08/2016	11/08/2020	Cue	6.86 HA	Annual rent of \$26 reported as paid in full for the current TY Annual rent for next TY is \$27.50	Minimum annual expenditure for previous TY was \$2,000 with \$2,049 recorded as expended for that TY. Minimum annual expenditure for current TY end is \$2,000	Conditions 22-25 – Part 5 Tengraph Interests 1, 2, 4 and 6 – Part 6 Native Title Claim identified – Part 7
PLA20/2330	Western Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	5 HA	First TY rent of \$26 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2 and 6 – Part 6 Native Title Claims identified – Part 7
P21/756	Western Mining Pty Ltd	100/100	24/11/2017	23/11/2021	Day Dawn	195 HA	Annual rent of \$490 reported as paid in full for the current TY Annual rent for next TY is \$539	No Minimum annual expenditure for previous TY as tenement is in its first year of term Minimum annual expenditure for current TY end is \$7,840	Conditions 22-25, 58 – Part 5 Tengraph Interests 1, 2, 4 and 6 – Part 6 Native Title Claim identified – Part 7

**Key to Tenement Schedule**

E	–	Exploration Licence
HA	–	Hectare
M	–	Mining Lease
MLA	–	Mining Lease Application
L	–	Miscellaneous Licence
P	–	Prospecting Licence
PLA	–	Prospecting Licence Application
TY	–	Tenement Year

See Part 5 for material Conditions  
See Part 6 for material Tengraph interests  
See Part 7 for Native Title Claims  
See Part 8 for material contract summaries

**PART 2 – CUE CONSOLIDATED MINING PTY LTD'S CUE TENEMENTS**

Lease Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
PLA20/2319	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	153 HA	First TY rent of \$397.80 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2, 4 and 6 – Part 6 Native Title Claims identified – Part 7 PLA20/2319 is encroached by application for L20/76 (to 14.94%) held by Big Bell Gold Operations Pty Ltd
PLA20/2320	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	82 HA	First TY rent of \$213.20 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2, 4 and 6 – Part 6 Native Title Claims identified – Part 7
PLA20/2321	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	22 HA	First TY rent of \$57.20 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2 and 6 – Part 6 Native Title Claims identified – Part 7
PLA20/2322	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	102 HA	First TY rent of \$265.20 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2, 4 and 6 – Part 6 Native Title Claims identified – Part 7
PLA20/2323	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	170 HA	First TY rent of \$442 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1 – 4 and 6 – Part 6 Native Title Claims identified – Part 7
PLA20/2324	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	184 HA	First TY rent of \$478.40 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2 and 6 – Part 6 Native Title Claims identified – Part 7
PLA20/2325	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	172 HA	First TY rent of \$894 reported as overdue and	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2, 4 to 6 – Part 6 Native Title Claims identified – Part 7

Lease Licence Number	or Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
							unpaid. <sup>1</sup>		
PLA20/2335	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	69 HA	First TY rent of \$179.40 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2, 3, 6 and 7 – Part 6 Native Title Claim and Determination identified – Part 7
PLA20/2336	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	13 HA	First TY rent of \$33.80 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1 - 3 and 6 – Part 6 Native Title Claim identified – Part 7
PLA20/2340	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	183.5 HA	First TY rent of \$478.40 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2 and 6 – Part 6 Native Title Claims identified – Part 7 Objection to tenement grant lodged by Mavia Pty Ltd with the DMIRS – Objection 527302 PLA20/2340 is encroached by P20/2090 (to 54.08%) and P20/2091 (to 45.92%) both held by Mavia Pty Ltd
PLA20/2341	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	161.37 HA	First TY rent of \$421.20 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2 and 6 – Part 6 Native Title Claims identified – Part 7 Objection to tenement grant lodged by Mavia Pty Ltd with the DMIRS – Objection 527303 Objection to tenement grant lodged by Jeffery Noye with the DMIRS – Objection 527304 PLA20/2341 is encroached by P20/2091 (to 52.25%) held by Mavia Pty Ltd PLA20/2341 is encroached by application for P20/2339 (to 47.75%) held by Jeffrey Noye
PLA20/2342	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	19.34 HA	First TY rent of \$52 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2 and 6 – Part 6

<sup>1</sup> EMK Lawyers understands that the rent has been paid and the recording on the tenement search for PLA20/2325 that rent is overdue is an error. We understand that the DMIRS has been requested to rectify the error.



Lease Licence Number	or Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
			application only						Native Title Claim identified – Part 7
PLA/20/2343	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	99.98 Ha	First TY rent of \$260 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2, 4 and 6 – Part 6 Native Title Claims identified – Part 7
PLA/20/2344	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	8.94 HA	First TY rent of \$26 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 4 and 6 – Part 6 Native Title Claim identified – Part 7
PLA/20/2345	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	77.97 HA	First TY rent of \$202.80 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 4 and 6 – Part 6 Native Title Claims identified – Part 7
PLA/20/2346	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	144.74 HA	First TY rent of \$377 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1- 4 and 6 – Part 6 Native Title Claim identified – Part 7
PLA20/2349	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	180.86 HA	First TY rent of \$470.60 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2, 4 and 6 - Part 6 Native Title Determination identified – Part 7 Objection to tenement grant lodged by Big Bell Gold Operations Pty Ltd with the DMIRS – Objection 532323  PLA20/2349 is encroached by application for L20/76 (to 16.79%) held by Big Bell Gold Operations Pty Ltd
PLA20/2368	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	152.36 HA	First TY rent of \$420.75 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2, 4 and 6 - Part 6 Native Title Determination identified – Part 7
PLA20/2369	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application	N/A tenement is an application only	Cue	187.22 HA	First TY rent of \$517 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2, 4 and 6 - Part 6 Native Title Determination identified –

Lease Licence Number	or Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
			only						Part 7 PLA20/2369 is encroached by application for L20/76 (to 16.88%) held by Big Bell Gold Operations Pty Ltd PLA20/2369 is encroached by application for L20/72 (to 16.88%) held by Klondyke Gold Pty Ltd
PLA20/2370	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	53.41 HA	First TY rent of \$148.50 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1,2 and 6 - Part 6 Native Title Claims identified – Part 7 PLA20/2370 is encroached by L20/56 (to 1.92%) held by Northwestern Mining Co Pty Ltd
PLA20/2371	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	36.02 HA	First TY rent of \$101.75 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2, 4 and 6 - Part 6 Native Title Claims identified – Part 7 PLA20/2371 is encroached by application for L20/76 (to 12.09%) held by Big Bell Gold Operations Pty Ltd
PLA20/2372	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	13.64 HA	First TY rent of \$38.50 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2, 3 and 6 - Part 6 Native Title Claims identified – Part 7
PLA20/2373	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	142.97 HA	First TY rent of \$393.25 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2, 4 and 6 - Part 6 Native Title Claims identified – Part 7
PLA20/2374	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Cue	116.49 HA	First TY rent of \$321.75 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 4 and 6 - Part 6 Native Title Determination identified – Part 7
PLA21/764	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Day Dawn	161.76 HA	First TY rent of \$421.20 reported as paid.	N/A tenement is an application only	Material Conditions - N/A tenement is an application only Tengraph Interests 1, 2 and 6 – Part 6 Native Title Claims identified – Part 7 Objection to tenement grant lodged by Jeffery Noye with the DMIRS – Objection 527305 PLA21/764 is encroached by application

Lease Licence Number or Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
								for P21/671 (to 97.19%) held by Jeffrey Noye PLA21/764 is encroached by application for P21/673 (to 0.01%) held by Mavia Pty Ltd
PLA21/765	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Day Dawn	159.23 HA	First TY rent of \$416 reported as paid.	N/A tenement is an application only Material Conditions - N/A tenement is an application only Tengraph Interests 1, 4 and 6 – Part 6 Native Title Claims identified – Part 7 PLA21/765 is encroached by application for E20/908 (to 100%) held by POZ Minerals Limited PLA21/765 is encroached by application for E20/939 (to 100%) held by Accelerate Resources Limited
PLA21/766	Cue Consolidated Mining Pty Ltd	100/100	N/A tenement is an application only	N/A tenement is an application only	Day Dawn	173.4 HA	First TY rent of \$452.40 reported as paid.	N/A tenement is an application only Material Conditions - N/A tenement is an application only Tengraph Interests 1, 4 and 6 – Part 6 Native Title Claims identified – Part 7 PLA21/766 is encroached by application for E20/908 (to 100%) held by POZ Minerals Limited PLA21/766 is encroached by application for E20/939 (to 100%) held for by Accelerate Resources Limited

**Key to Tenement Schedule**

HA – Hectare  
 PLA – Prospecting Licence Application  
 TY -- Tenement Year  
 See Part 5 for material Conditions  
 See Part 6 for material Tengraph interests  
 See Part 7 for Native Title Claims  
 See Part 8 for material contract summaries

**PART 3 – YULE PROJECT TENEMENTS**

Lease or Licence Number	Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
E47/3503-I	Advanced Capital Management Pty Ltd	100/100	04/12/2017	03/12/2022	West Pilbara M.F.	26 Blocks	Annual rent of \$3,256.50 reported as paid in full for the current TY Annual rent for next TY is \$3,526	Minimum annual expenditure for previous TY was Nil – N/A tenement in first year of term Minimum annual expenditure for current TY \$26,000	Iron Ore inclusion Material Conditions 21 to 28 - Part 5 Tengraph Interests 2, 4 and 6 – Part 6 Native Title Claim identified – Part 7
E47/3507-I	Advanced Capital Management Pty Ltd	100/100	04/12/2017	03/12/2022	West Pilbara M.F.	58 Blocks	Annual rent of \$7,264.50 reported as paid in full for the current TY Annual rent for next TY is \$7,888	Minimum annual expenditure for previous TY was Nil – N/A tenement in first year of term Minimum annual expenditure for current TY \$58,000	Iron Ore inclusion Material Conditions 21 to 25 and 27 to 42 - Part 5 Tengraph Interests 1 to 6 – Part 6 Native Title Claim identified – Part 7 E47/4507-I is encroached by L45/108 (to 1.04%) held by Wodgina Lithium Pty Ltd.
E47/3508-I	Damien Kelly	100/100	04/12/2017	03/12/2022	West Pilbara M.F.	51 Blocks	Annual rent of \$6,387.75 reported as paid in full for the current TY Annual rent for next TY is \$6,936	Minimum annual expenditure for previous TY was Nil – N/A tenement in first year of term Minimum annual expenditure for current TY \$51,000	Iron Ore inclusion Material Conditions 21- 25, 28, 41 to 46 - Part 5 Tengraph Interests 2, 3, 4 and 6 – Part 6 Native Title Claim identified – Part 7

**Key to Tenement Schedule**

Block – A 'block' when used to define the area of an Exploration Licence is defined in the Mining Act in section 56C(2) and will usually be subject to the exclusions including pre-existing mining tenements

E – Exploration Licence

TY – Tenement Year

See Part 5 for material Conditions

See Part 6 for material Tengraph interests

See Part 7 for Native Title Claims

See Part 8 for material contract summaries

**PART 4 – FOUR MILE WELL PROJECT TENEMENTS**

Lease Licence Number	or Registered Holder	Shares Held	Grant Date	Expiry Date	District	Area	Annual Rent	Minimum Annual Expenditure	Notes
E38/3282	Crown Mining Pty Ltd	100/100	02/07/2018	01/07/2023	Mt. Margaret	38 Blocks	Annual rent of \$5,092 reported as paid in full for the current TY Annual rent for next TY is \$5.168	Minimum annual expenditure for previous TY was Nil – N/A tenement in first year of term Minimum annual expenditure for current TY \$38,000	Tenement specific conditions – 2, 24, 25, 43, 58, 97 -101 Tengraph Interests 1, 2 and 4 to 6 – Part 6 E38/3282 is encroached by: L38/102 (to 0.02%) held by Christopher Flesser and L38/104 (to 0.01%) held by Rex Ryles.

**Key to Tenement Schedule**

Block – A 'block' when used to define the area of an Exploration Licence is defined in the Mining Act in section 56C(2) and will usually be subject to the exclusions including pre-existing \ mining tenements.

ELA – Exploration Licence Application

HA – Hectare

TY – Tenement Year

See Part 5 for material Conditions

See Part 6 for material Tengraph interests

See Part 7 for Native Title Claims

See Part 8 for material contract summaries

**PART 5 – CONDITIONS**

#	Condition
1	The Licensee submitting a plan of proposed operations and measures to safeguard the environment to the Executive Director, Environment Division, DMIRS for assessment and written approval prior to commencing any development or construction.
2	Where surface disturbance activities are proposed on the licence which are not associated with development or construction proposals, the prior written approval of the Environmental Officer, DMIRS must be obtained before the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for the proposed surface disturbance activities. Following approval, all topsoil being removed ahead of operations and separately stockpiled for replacement after backfilling and/or completion of operations.
3	To properly maintain the installations as directed by the Environmental Officer, Department of Mines and Petroleum.
4	All topsoil that may be removed ahead of pipelaying operations to be stockpiled for replacement in accordance with the directions of the Environmental Officer, Department of Mines and Petroleum.
5	Ingress and egress of pastoralists and tenement holders to be preserved by the construction of vehicular access crossings over any pipeline constructed pursuant to this licence.
6	On the completion of the life of mining operations in connection with this licence the holder shall: remove all installations constructed pursuant to this licence. and on such areas cleared of natural growth by the holder or any of its agents, the holder shall plant trees and/or shrubs and/or any other plant as shall conform to the general pattern and type of growth in the area and as directed by the Environmental Officer, Department of Mines and Petroleum and properly maintain same until the Environmental Officer advises regrowth is self supporting. unless the Minister responsible for the Mining Act 1978 orders or consents otherwise.
7	The area of the miscellaneous licence to be reduced as soon as practicable after construction, to a minimum for the safe maintenance and operation of the licence purposes.
8	To construct a fence around all wells, bores, storage tanks, pumping stations and any other installations as determined by the Environmental Officer, DMIRS having such dimensions and to be constructed of such materials and be of such standard as determined by the Environmental Officer, DMIRS.
9	On the completion of the life of mining operations in relation to this licence the holder shall: remove all installations constructed pursuant to this licence. cover over all wells and holes in the ground to such degree of safety as shall be determined by the Environmental Officer, Department of Mines and Petroleum. and on such areas cleared of natural growth by the holder or any of its agents, the holder shall plant trees and/or shrubs and/or any other plant as shall conform to the general pattern and type of growth in the area and as directed by the Environmental Officer, Department of Mines and Petroleum and properly maintain same until the Environmental Officer advises regrowth is self supporting. unless the Minister responsible for the Mining Act 1978 orders or consents otherwise.
10	The construction and operation of the project and measures to protect the environment to be carried out in accordance with the document titled: (Reg ID 43239) "Cue Victory Project Mining Proposal" dated 23 January 2014 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-43239. (Reg ID 43239) "Mine Closure and Rehabilitation Plan" dated 23 January 2014 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-43239 Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.
11	Any alteration or expansion of operations within the licence boundaries beyond that outlined in the above document(s) not commencing until a plan of operations and a programme to safeguard the environment are submitted to the Executive Director, Environment Division, DMIRS for his assessment and until his written approval to proceed has been obtained.
12	The development and operation of the project being carried out in such a manner so as to create the minimum practicable disturbance to the existing vegetation and natural landform.
13	All topsoil and vegetation being removed ahead of all mining operations and being stockpiled appropriately for later respreading or immediately respread as rehabilitation progresses.
14	At the completion of operations, all buildings and structures being removed from site or demolished and buried to the satisfaction of the Executive Director, Environment Division, DMIRS.
15	All rubbish and scrap is to be progressively disposed of in a suitable manner.
16	The holder taking all reasonable measures to prevent or minimise the generation of dust from all materials handling operations, stockpiles, open areas and transport activities.
17	Where saline water is used for dust suppression, all reasonable measures being taken to avoid any detrimental effects to surrounding vegetation and topsoil stockpiles.
18	The Licensee submitting to the Executive Director, Environment Division, DMIRS, a brief annual report outlining the project operations, minesite environmental management and rehabilitation work undertaken in the previous 12 months and the proposed operations, environmental management plans and rehabilitation programmes for the next 12 months. This report to be submitted each year in December.
19	A Mine Closure Plan is to be submitted in the Annual Environmental Reporting month specified in tenement conditions in the year specified below, unless otherwise directed by an Environmental Officer, DMIRS. The Mine Closure Plan is to be prepared in accordance with the "Guidelines for Preparing Mine Closure Plans, June 2011" available on DMIRS's website 2015
20	The licensee taking all reasonable measures to prevent or minimise the generation of dust from all materials handling operations, stockpiles, open areas and transport activities.
21	All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the



	Environmental Officer, DMIRS. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMIRS.
22	All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
23	Unless the written approval of the Environmental Officer, DMIRS is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
24	The tenement holder notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs. water carting equipment or other mechanised equipment.
25	The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:- the grant of the Licence. or registration of a transfer introducing a new Licensee. advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
26	No interference with Geodetic Survey Stations SSM-ROEBOURNE 112, SSM-ROEBOURNE 112T, SSM-ROEBOURNE 113 and SSM-ROEBOURNE 113T and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
27	No excavation, excepting shafts, approaching closer to the North West Coastal Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the North West Coastal Highway or Highway verge being confined to below a depth of 30 metres from the natural surface, and on any other road or road verge, to below a depth of 15 metres from the natural surface.
28	Consent to explore on Yule River Water Reserve granted.
29	No interference with Geodetic Survey Stations SSM-ROEBOURNE 110, SSM-ROEBOURNE 110T, SSM-ROEBOURNE 111, SSM-ROEBOURNE 111T and SSM-ROEBOURNE 57 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
30	No interference with the transmission line or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.
31	The rights of ingress to and egress from Miscellaneous Licence 45/108 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
32	No mining within 25 metres of either side of the Gas/Petroleum pipeline contained within Petroleum Pipeline Licence Nos. 22 and 46 as shown in TENGRAPH.
33	No surface excavation approaching closer to the boundary of the Safety Zone established by condition 10 hereof than a distance equal to three times the depth of the excavation without the prior written approval of the Director Petroleum DMIRS
34	No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition 10 hereof without the prior approval of the operators of the Gas/Petroleum pipeline.
35	The Licensee shall not excavate, drill, install, erect, deposit or permit to be excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition 10 hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of the Director Petroleum DMIRS
36	No explosives being used or stored within one hundred and fifty (150) metres of the Gas/Petroleum pipeline without the prior written consent of the Director Petroleum DMIRS.
37	Mining on the Safety Zone established in Condition 10 hereof being confined to below a depth of 50 metres from the natural surface unless otherwise approved by the Director Petroleum DMIRS.
38	The rights of ingress to and egress from the pipeline easement established in Condition 10 hereof being at all times preserved for employees, contractors and agents of the operators of the Gas/Petroleum pipeline.
39	Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 for the purpose of protecting the Gas/Petroleum pipeline.
40	No mining on Wellhead Protection Zones 171 to 173 located within the subject mining tenement boundaries without first obtaining the written consent of the Minister responsible for Mining Act 1978.
41	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water Reserve 33015.
42	Mining on a strip of land 20 metres wide with any water pipeline as the centreline being confined to below a depth of 31 metres from the natural surface and no mining material being deposited upon such strip and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.
43	No interference with Geodetic Survey Stations SSM-R 605 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
44	Mining within a radius of 150 metres of any Australian Telecommunications Commission microwave repeater station being confined to below a depth of 60 metres from the natural surface.
45	No interference with the Australian Telecommunications Commission microwave repeater station ray-line.
46	Consent to explore on De Grey Mullewa Stock Route Reserve granted subject to: no exploration activities being carried out on De Grey Mullewa Reserve 9701 which restrict the use of the reserve.
47	No activities in respect to licence purpose being carried out on Stock Route Reserve 10367 which restrict the use of the reserve.
48	The construction and operation of the project and measures to protect the environment to be carried out in accordance with the document titled: (MP Reg ID 47727) "Western Mining Salisbury Open Cut Project Mining Proposal - Version 2.0" dated 8 February 2015 signed by Janet Wicks and retained on Department of Mines and

	Petroleum File No. EARS-MPMCP-47727 as Doc ID 3446406 Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.
49	On the completion of operations or progressively when possible, all waste dumps, tailings storage facilities, stockpiles or other mining related landforms must be rehabilitated to form safe, stable, non-polluting structures which are integrated with the surrounding landscape and support self sustaining, functional ecosystems comprising suitable, local provenance species or alternative agreed outcome to the satisfaction of the Executive Director, Environment Division, DMIRS.
50	The road to be constructed using proper materials to suit the purpose for which it is being constructed, and further that it be constructed in a workman like manner and further that it be constructed to the satisfaction of the Environmental Officer, DMIRS.
51	The holder shall maintain the road from time to time as shall be required to ensure that it is safe for the purpose that it is constructed.
52	Compliance with the provisions of the Aboriginal Heritage Act, 1972 to ensure that no action is taken which is likely to interfere with or damage any Aboriginal site.
53	All surface holes drilled for the purpose of exploration and/or the determination of ore reserves are to be capped, filled or otherwise made safe after completion to the satisfaction of the Regional Mining Engineer or his nominees.
54	No developmental or productive mining or construction activity being commenced until the tenement holder has submitted a plan of the proposed operations and measures to safeguard the environment to the Director, Environment, DoIR for assessment, and until his written approval has been obtained.
55	All topsoil being removed ahead of mining operations and stockpiled for replacement in accordance with the directions of the District Mining Engineer.
56	The complete excision of any portion encroaching on Mining Lease 20/64.
57	All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.
58	All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines and Petroleum (DMIRS). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMIRS.
59	The lessee submitting a plan of proposed operations and measures to safeguard the environment to the Director, Environment, DMIRS for his assessment and written approval prior to commencing any developmental or productive mining or construction activity.
60	No excavation, excepting shafts, approaching closer to the Great Northern Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the Great Northern Highway or Highway verge being confined to below a depth of 30 metres from the natural surface, and on any other road or road verge, to below a depth of 15 metres from the natural surface.
61	No interference with Geodetic Survey Station Cue 42 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
62	Mining on a strip of land 20 metres wide with any pipeline as the centreline being confined to below a depth of 31 metres from the natural surface and no mining material being deposited upon such strip and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.
63	the construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled: "Programme of Work on P20/2054 for Western Mining Pty Ltd" (Reg. ID 28879) dated 15 November 2010 signed by Mark Hargreaves, and retained on Department of Mines and Petroleum file No. T8454/200701. "Additional Information - Clearing Assessment for Volunteer Flats PoW for Western Mining Pty Ltd" retained on Department of Mines and Petroleum file No. T8454/200701. "Additional Information - Project Development Strategy - Cue Project for Western Mining Pty Ltd" retained on Department of Mines and Petroleum file No. T8454/200701. "Additional Information - Volunteer Flats - Pilot Scale Gravity Plant for Western Mining Pty Ltd" retained on Department of Mines and Petroleum file No. T8454/200701. (Reg ID:31398) "Cue Victory Project Mining Proposal" dated 13 December 2012 signed by Janet Wicks, and retained on Department of Mines and Petroleum file no.EARS-MP-31398. (Reg ID 43239) "Cue Victory Project Mining Proposal" dated 23 January 2014 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-43239. (Reg ID 43239) "Mine Closure and Rehabilitation Plan" dated 23 January 2014 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-43239. (MP Reg ID 52488) "Light of Asia Stage 2 Open Cut V 3.0" dated 5 December 2014 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-52488 as Doc ID 3375718. (MP Reg ID 55719) "Cue Victory Project. Tenement Number M20/519" dated 10 July 2015, signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MP-55719 as Doc ID 3684280. (MP Reg ID 47727) "Western Mining Salisbury Open Cut Project Mining Proposal - Version 2.0" dated 8 February 2015 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-47727 as Doc ID 3446406 (MP Reg ID: 55341) "Revised Mining Proposal Light of Asia 5.0 Western Mining Pty Ltd Document Version 5.0" dated 12 August 2016 signed by Janet Wicks, and retained on Department of Mines and Petroleum file no. EARS-MP-55341 as Doc ID 4444668. Where a difference exists between the above documents and the following conditions, then the following conditions shall prevail.
64	The development and operation of the project being carried out in such a manner so as to create the minimum practicable disturbance to the existing vegetation and natural landform, to the satisfaction of an Environmental Officer, DMIRS.

65	All rubbish and scrap is to be progressively disposed of in a suitable manner, to the satisfaction of an Environmental Officer, DMIRS.
66	Where saline water is used for dust suppression, all reasonable measures being taken to avoid any detrimental effects to surrounding vegetation and topsoil stockpiles, to the satisfaction of an Environmental Officer, DMIRS.
67	Placement of waste material must be such that the final footprint after rehabilitation will not be impacted upon by pit wall subsidence or be within the zone of pit instability.
68	Upon discontinuation of use, or abandonment, the lessee to flush each vat, if necessary with a suitable oxidising agent, such that subsequent testing confirms the absence of free cyanide within the vat leach dam.
69	Consent to mine on Crown Reserve 4659 granted.
70	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any mining activities on Cue Townsite.
71	Consent to mine on Wandry Springs Cue Stock Route Reserve No. 10367 granted subject to the following condition.
72	No activities being carried out on Stock Route Reserve 10367 which restrict the use of the reserve.
73	The construction and operation of the project and measures to protect the environment to be carried out in accordance with the document titled: (Reg ID 43239) "Cue Victory Project Mining Proposal" dated 23 January 2014 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-43239. (Reg ID 43239) "Mine Closure and Rehabilitation Plan" dated 23 January 2014 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-43239. (MP Reg ID 47727) "Western Mining Salisbury Open Cut Project Mining Proposal - Version 2.0" dated 8 February 2015 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-47727 as Doc ID 3446406 Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.
74	Mining on any road, road verge or road reserve being confined to below a depth of 15 metres from the natural surface.
75	Consent to mine on Cue Townsite granted subject to: The terms and conditions as outlined in a letter dated 20 October 2011 , 23 May 2012 and 22 August 2012 from the Shire of Cue.
76	The construction and operation of the project and measures to protect the environment to be carried out in accordance with the document titled: (Reg ID:31398) "Cue Victory Project Mining Proposal" date 13 December 2012 signed by Janet Wicks, and retained on Department of Mines and Petroleum file no.EARS-MP-31398. (Reg ID 43239) "Cue Victory Project Mining Proposal" dated 23 January 2014 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-43239. (Reg ID 43239) "Mine Closure and Rehabilitation Plan" dated 23 January 2014 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-43239 Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.
77	No excavation, excepting shafts, approaching closer to the Great Northern Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the Great Northern Highway or Highway verge being confined to below a depth of 30 metres from the natural surface.
78	The construction and operation of the project and measures to protect the environment to be carried out in accordance with the document titled: (MP Reg ID 52488) "Light of Asia Stage 2 Open Cut V 3.0" dated 5 December 2014 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-52488 as Doc ID 3375718. (MP Reg ID 47727) "Western Mining Salisbury Open Cut Project Mining Proposal - Version 2.0" dated 8 February 2015 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-47727 as Doc ID 3446406 (MP Reg ID: 55341) "Revised Mining Proposal Light of Asia 5.0 Western Mining Pty Ltd Document Version 5.0" dated 12 August 2016 signed by Janet Wicks, and retained on Department of Mines and Petroleum file no. EARS-MP-55341 as Doc ID 4444668. Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.
79	The construction and operation of the project and measures to protect the environment to be carried out in accordance with the document titled: (MP Reg ID 52488) "Light of Asia Stage 2 Open Cut V 3.0" dated 5 December 2014 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-52488 as Doc ID 3375718. (MP Reg ID 47727) "Western Mining Salisbury Open Cut Project Mining Proposal - Version 2.0" dated 8 February 2015 signed by Janet Wicks and retained on Department of Mines and Petroleum File No. EARS-MPMCP-47727 as Doc ID 3446406 Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.
80	In respect of the area covered by the licence the Licensee, if so requested in writing by the Wajarri Yamatji People, the applicants in Federal Court application no. WAD 6033 of 1998 (WC04/10), such request sent by pre-paid post to reach the Licensee's address, c/- 61 Huxtable Terrace, Baldvis WA 6171, not more than ninety days after the grant of this licence, shall within thirty days of the request execute in favour of the Wajarri Yamtji people the Regional Standard Heritage Agreement endorsed by peak industry groups and Yamatji Marlpa Aboriginal Corporation.
81	Consent to conduct prospecting activities upon Cue Townsite given subject to: Access to the surface of land within Cue Townsite for mining purposes being subject to the approval of the local Authority or relevant reserve vestees, and mining activities within the first 100 metres below the surface of the land being limited to such exploration activities as may be approved by the Director, Environment DMIRS.
82	In respect of the area covered by the licence the Licensee, if so requested in writing by the Yugunga-Nya People, the applicants in Federal Court application no. WAD 6132 of 1998 (WC99/46),

	such request sent by pre-paid post to reach the Licensee's address, c/- Peter Andrew Wiltshire, 61 Huxtable Terrace, Baldvis WA 6171, not more than ninety days after the grant of this licence, shall within thirty days of the request execute in favour of the Wajarri Yamtji people the Regional Standard Heritage Agreement endorsed by peak industry groups and Yamatji Marlpa Aboriginal Corporation.
83	The rights of ingress to and egress from Miscellaneous Licence 20/45 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
84	<p>Consent to prospect on Water Reserve 5 granted subject to the following:</p> <p>Written notification, where practicable, of the time frame, type and extent of proposed ground disturbing activities being forwarded to the Department of Water Geraldton seven days prior to commencement of those activities.</p> <p>Any significant waterway (flowing or not), wetland or its fringing vegetation that may exist on site not being disturbed or removed without prior written approval from the Department of Water.</p> <p>The rights of ingress to and egress from the Licence being at all reasonable times preserved to officers of the Department of Water for inspection and investigation purposes.</p> <p>The storage and disposal of hydrocarbons, chemicals and potentially hazardous substances being in accordance with the Department of Water's Guidelines and Water Quality Protection Notes.</p> <p>All proposed exploration activities within Public Drinking Water Source Areas complying with the Department of Water's Water Quality Protection Note Land Use Compatibility in Public Drinking Water Source Areas.</p> <p>All Mining Act tenement activities within Public Drinking Water Source Areas being prohibited unless the prior written approval has been obtained from the Department of Water.</p> <p>All Mining Act tenement activities are prohibited within 2 kilometres of the maximum storage level of a reservoir including the reservoir itself, unless the prior written approval of the Department of Water is first obtained.</p> <p>Storage and use of hydrocarbons and potentially hazardous substances requiring the prior written approval or appropriate permits from the Department of Water.</p> <p>All hydrocarbon or other pollutant spillage being reported to the Department of Water. Remediation being carried out to the satisfaction of the Department of Water.</p> <p>All Mining Act tenement activities are prohibited within a 300-metre radius of any observation well in a Public Drinking Water Source Priority P1, P2 &amp; P3 Areas unless the written approval of the Department of Water is first obtained.</p> <p>All Mining Act tenement activities are prohibited within a 500-metre radius in a P1 area or a 300-metre radius in a P2 or P3 area of any Public Drinking Water Source production well or dam, unless the written approval of the Department of Water is first obtained.</p>
85	All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Industry and Resources (DoIR). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DoIR.
86	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any prospecting activities on Quarry CR 4659.
87	<p>Consent to conduct prospecting activities on Cue Townsite granted subject to the following conditions:</p> <p>The Licensee must rehabilitate the land surface after each hectare is disturbed.</p> <p>The Licensee will ensure strict means of dust suppression and the dust must not impinge of the Cue townsite</p>
88	No interference with Geodetic Survey Station SSM-CUE117 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
89	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any prospecting activities on Pistol Club Reserve 44325.
90	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any prospecting activities on Wandry Springs - Cue Stock Route Reserve 10367.
91	No interference with Geodetic Survey Station SSM -Cue 119 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
92	No interference with Geodetic Survey Station Cue 43 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
93	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any prospecting activities on RACECOURSE CR 4590.
94	No interference with Geodetic Survey Station SSM-CUE 118 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
95	Access to the surface of land within Cue Townsite for mining purposes being subject to the approval of the local Authority or relevant reserve vestees, and mining activities within the first 100 metres below the surface of the land being limited to such exploration activities as may be approved by the Director, Environment DMIRS.
96	All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
97	Unless the written approval of the Environmental Officer, DMIRS is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
98	<p>Consent to mine on Water Reserve (WR 3) granted by the Minister responsible for the Mining Act 1978. Subject to the following conditions:</p> <p>No mining on any Reservoir Protection Zone (RPZ 295) located within the subject mining tenement boundaries without first obtaining the written consent of the Minister responsible for Mining Act 1978.</p> <p>The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water CR 21571 &amp; CR 21570.</p>

	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Gravel CR 45176. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water Treatment Plant CR 50347.
99	The rights of ingress to and egress from Miscellaneous Licence 38/102 & 38/104 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence
100	No interference with Geodetic Survey Station SSM-LAVERTON 4, 26 & 41 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
101	No excavation, excepting shafts, approaching closer to the Eristoun Road , Road verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the Eristoun Road or Road verge being confined to below a depth of 30 metres from the natural surface.

**PART 6 – TENGRAPH INTERESTS**

#	Land Affected	Description
1	Aboriginal Heritage Survey	Aboriginal Heritage Survey Areas are areas in which an Aboriginal Heritage Survey has been undertaken and the results are described in an Aboriginal Heritage Survey Report. The Department of Aboriginal Affairs holds copies of these reports. A heritage survey conducted in a particular area does not necessarily mean that another heritage survey does not need to be undertaken. This will depend on a number of factors. Not all Aboriginal sites within a survey area are necessarily recorded. The type of survey undertaken, such as site identification or Site avoidance, is decided by the professional heritage consultant engaged by the proponent and depends upon the scope and nature of the project.
2	Reserves	<p>L20/60 (to 83.12%), L20/61 (to 79.76%), L20/62 (to 22.4%), L20/66 (to 74.42%), L20/68 (to 100%), L20/70 (to 100%), P20/2027 (to 94.1%), P20/2067 (to 15.97%), P20/2118 (to 58.79%), P20/2134 (to 62.59%), P20/2174 (to 12.1%), P20/2223 (to 100%), P20/2232 (to 28.22%), P20/2276 (to 49.23%), PLA20/2319 (to 25.07%), PLA20/2320 (to 64.91%), PLA20/2321 (to 100%), PLA20/2322 (to 84.03%), PLA20/2323 (to 89.01%), PLA20/2324 (to 97.81%), PLA20/2330 (to 100%), PLA20/2335 (to 91.15%), PLA20/2336 (to 82.63%), PLA20/2340 (to 73.46%), PLA20/2341 (to 88.16%), PLA20/2342 (to 58.8%), PLA20/2343 (to 51.62%), PLA20/2370 (to 100%), PLA20/2372 (to 98.4%), PLA21/764 (to 15.86%), M20/61 (to 100%), M20/519 (to 79.34%), M20/522 (to 4.23%), M20/523 (to 84.92%), M20/524 (to 92%), M20/525 (to 59.94%) and MLA20/547 (to 58.79%) encroach a "C" Class Reserve Common (various Reserves)</p> <p>E47/3507-I (to 10.45%) and E47/3508-I (to 1.54%) encroach "C" Class Reserve Water</p> <p>PLA20/2324 (to 0.01%) and PLA20/2343 (to 16.86%) encroach "C" Class Reserve Public Utility</p> <p>PLA20/2324 (to 2.06%) and PLA20/2341 (to 3.4%) encroaches "C" Class Reserve Aerial Landing Ground</p> <p>P20/2135 (to 54.59%), PLA20/2322 (to 0.39%), PLA20/2323 (to 8.48%), PLA20/2324 (to 8.22%), PLA20/2325 (to 100%), PLA20/2343 (to 86.87%) and PLA20/2373 (to 100%) encroach Cue Water Reserve</p> <p>E47/3503-I (to 49.87%), E47/3507-I (to 64.05%), and E47/3507-I (to 64.05%) encroach Yule River Water Reserve</p> <p>P20/2067 (to 0.12%) encroaches "C" Class Reserve Water Supply</p> <p>E38/3282 (to 63.45%) encroaches Laverton Water Reserve</p> <p>E38/3282 (to 0.74%) encroaches "C" Class Reserve Gravel</p> <p>E38/3282 (to 0.19%) encroaches "C" Class Reserve Water Treatment Plant</p> <p>M20/522 (to 0.07%) encroaches "C" Class Reserve Wardens Quarters</p> <p>E47/3508-I (to 12.86%) encroaches "C" Class Reserve De Grey Mullewa Stock Route</p> <p>P20/2067 (to 3.2%), PLA20/2336 (to 7.64%), PLA20/2372 (to 1.59%) and M20/519 (to 2.43%) encroaches "C" Class Reserve Quarry</p> <p>L20/66 (to 25.58%), L20/69 (to 43.87%), P20/2134 (to 19.46%), P20/2160 (to 14.35%), P20/2174 (to 16.15%), P20/2177 (to 100%), P20/2213 (to 39.21%), P20/2214 (100%), PLA20/2349 (to 2.97%) and M20/520 (to 100%) encroach "C" Class Reserve Wandry Springs Cue Stock Route</p> <p>P20/2135 (to 0.08%) encroaches "C" Class reserve Pistol Club</p> <p>P20/2174 (to 37.29%) encroaches "C" Class Reserve Racecourse</p> <p>PLA20/2340 (to 23.6%) and PLA21/764 (to 14.13%) encroach "C" Class Reserve Excepted from Sale</p> <p>PLA20/2340 (to 0.77%) and PLA20/2341 (to 1.89%) encroach "C" Class Reserve Rubbish Depot</p> <p>PLA20/2341 (to 1.5%) encroach "C" Class Reserve Municipal Purposes</p> <p>PLA20/2341 (to 1.4%) encroach "C" Class Reserve Sanitary Depot</p> <p>PLA20/2340 (to 1.27%) encroach "C" Class Reserve Rubbish Disposal Site</p> <p>E47/3507-I encroach Road Reserve – No 16161</p> <p>P20/2118, P20/2134, PLA20/2319, L20/61, M20/523, M20/524, M20/525 and MLA20/547 encroach Road Reserve – No 3416</p> <p>PLA20/2319, PLA20/2371 and M20/525 encroach Road Reserve – No 3487</p> <p>PLA21/764 encroaches Road Reserves – No 12179 and No 3204</p> <p>PLA20/2341 encroaches Road Reserves – No 3680 and No 3204</p> <p>PLA20/2335 encroaches Road Reserve – No 8099</p> <p>P20/2134, P20/2160 and P20/2213 encroach Road Reserve – No 4143</p> <p>L20/69 and P20/2174 encroach Road Reserve – No 4144</p> <p>P20/2027 and PLA20/2368 encroach Road Reserve – No 4145</p> <p>L20/69, P20/2174, PLA20/2349 and PLA20/2369 encroach Road Reserve – No 8484</p> <p>P20/2026 encroaches Road Reserve – Livingstone Street</p>



		<p>P20/2026 (to 8%) encroaches Road Reserve – Closed Road</p> <p>PLA20/2324 and PLA20/2341 encroaches Road Reserve – Cue Wondinong Road</p> <p>E47/3503-I and E47/3507-I encroach Road Reserve – North West Costal Highway</p> <p>E38/3282 encroach Road Reserve – Eristoun Road</p> <p>M20/519, M20/523, M20/525, P20/2134, P20/2136, P20/2160, P20/2162, P20/2213, P20/2276, PLA20/2340, PLA20/2342, PLA20/2346, PLA21/764 encroach Road Reserve – Great Northern Highway</p> <p>P21/756 encroaches Road Reserve – Lakeside Road</p> <p>E47/3508-I encroaches Road Reserves (an unnamed road and Whim Creek Road)</p>
3	Unallocated crown land	<p>L20/60 (to 16.88%), L20/61 (to 0.12%), E47/3507-I (to 0.01%), E47/3508-I (to 2.08%), P20/2026 (to 75.36%), P20/2027 (to 0.09%), P20/2067 (to 77.39%), P20/2136 (to 6.6%), P20/2160 (to 1.74%), P20/2162 (to 3.02%), P20/2232 (to 71.78%), PLA20/2323 (to 1.41%), PLA20/2335 (to 6.52%), PLA20/2336 (to 9.73%), PLA20/2346 (0.01%), PLA20/2372 (to 0.01%), M20/519 (to 4.38%), M20/522 (to 86.95%), M20/523 (to 12.78%), M20/524 (to 7.2%) and M20/525 (to 4.95%) encroach unallocated crown land</p>
4	Pastoral Leases	<p>E38/3282 (to 99.19%) encroaches Pastoral Lease PL N049699 (Laverton Downs)</p> <p>E47/3503-I (to 79.07%), E47/3507-I (to 89.01%) and E47/3508-I (to 83.25%) encroach Pastoral Lease PLN049806 (Mundabullanganga)</p> <p>E47/3503-I (to 19.53%) encroaches Pastoral Lease PLN050012 (Indee)</p> <p>P20/2118 (to 37.16%), P20/2135 (to 99.92%), PLA20/2319 (to 21.97%), PLA20/2320 (to 35.09%), PLA20/2322 (to 15.97%), PLA20/2323 (to 9.58%), PLA20/2325 (to 100%), PLA20/2343 (to 31.52%), PLA20/2371 (to 0.13%), PLA20/2373 (to 100%), PLA21/765 (to 100%), PLA21/766 (to 100%) and MLA20/547 (to 37.16%) encroach Pastoral Lease PLN049496 (Yarraquin)</p> <p>PLA20/2319 (to 12.99%), PLA20/2345 (15.25%) and PLA20/2346 (14.53%) encroach Pastoral Lease PLN050030 (Nallan)</p> <p>L20/61 (to 18.61%), L20/62 (to 77.6%), L20/69 (to 53.86%), P20/2136 (to 72.17%), P20/2160 (to 70.94%), P20/2162 (to 82.47%), P20/2174 (to 31.46%), P20/2213 (to 23.76%), P20/2276 (to 45.4%), PLA20/2319 (to 37.04%), PLA20/2344 (to 100%), PLA20/2345 (to 84.75%), PLA20/2346 (to 76.62%), PLA20/2349 (to 94.21%), PLA20/2368 (to 98.62%), PLA20/2369 (to 100%), PLA20/2371 (to 97.95%), P21/756 (to 99.13) and M20/525 (to 33.18%) encroach Pastoral Lease PLN050063 (Austin Downs)</p> <p>PLA20/2374 (to 100%) encroaches Pastoral Lease N049894 (Beebyn)</p>
5	Protection Zones	<p>E38/3282 (to 0.03%) encroaches Reservoir Protection Zone</p> <p>E47/3507-I (to &gt;1%) and PLA20/2325 (to 2.78%) encroach Wellhead Protection Zone</p>
6	Groundwater and Surface water Areas	<p>Areas in Western Australia can be proclaimed as Groundwater and Surface Water under the <i>Rights in Water and Irrigation Act 1914</i> (WA). The Department of Water is responsible for managing proclaimed Groundwater and Surface Waters areas under the Act. Licenses are required in order to do certain things in relation to such areas or to take water from such areas.</p> <p>E38/3282 (to 100%) encroaches Groundwater Area Goldfields</p> <p>E47/3503-I (to 100%), E47/3507-I (to 100%) and E47/3508-I (to 100%) encroach Groundwater Area Pilbara</p> <p>E47/3503-I (to 100%), E47/3507-I (to 100%) and E47/3508-I (to 100%) encroach Surface water Area Pilbara</p> <p>L20/60, L20/61, L20/62, L20/66, L20/68, L20/69, L20/70, P20/2026, P20/2027, P20/2067, P20/2118, P20/2134, P20/2135, P20/2136, P20/2160, P20/2162, P20/2174, P20/2177, P20/2213, P20/2214, P20/2223, P20/2232, P20/2276, PLA20/2319 to PLA20/2325, PLA20/2330, PLA20/2335, PLA20/2336, PLA20/2340 - PLA20/2346, PLA20/2349, PLA20/2368, PLA20/2369, PLA20/2370 - PLA20/2374, P21/756, PLA21/764 - PLA21/766, M20/61, M20/519, M20/520, M20/522- M20/525 and MLA20/547 encroach Groundwater Area East Murchison</p>
7	Special Land Category	<p>File Notation Areas are an indication of areas where the Government has proposed some change to the land tenure.</p> <p>PLA20/2335 (to 1.08%) encroaches File Notation Area proposed LNG Storage and Refuelling Facility Proportion Reserve 7273, Shire of Cue</p> <p>L20/66 (to 2.26%), P20/2027 (to 5.04%) P20/2134 (2.13%) and P20/2174 (to 0.23%) encroach File Notation Area proposed road dedication north east of Beringarra Road Share of Cue</p> <p>M20/522 (to 0.21%) encroaches File Notation Area easement for protection of underground cables Shire of Cue Section 16(3) Clearance</p> <p>M20/522 (to 0.17%) encroaches File Notation Area proposed amalgamation of closed road and row into lot 239 Cue Section 16(3) Clearance</p>
8	Private Land	<p>M20/522 (to 1.18% and to 2.44%) encroach private Freehold Land</p> <p>P20/2026 (to 2.76%) encroach private Freehold Land</p>

**PART 7 – REGISTERED NATIVE TITLE CLAIMS/ DETERMINATIONS**

Tenements or Applications Affected	Tribunal Number	Federal Court Number	Application Name	Registered
L20/60 – L20/62, L20/68, L20/70, P20/2067, P20/2118, P20/2135, PLA20/2319 – PLA20/2325, PLA20/2330, PLA20/2340, PLA20/2341, PLA20/2343, PLA20/2345, PLA20/2370 – PLA20/2373, PLA21/764 - PLA21/766, M20/61, M20/519, M20/523, M20/524, M20/525, MLA20/547	WC 1999/010	WAD6064/1998 (claim)	Raymond William Ashwin & Others on behalf of the Wutha People v the State of Western Australia & Others (Wutha)	15/06/1999
L20/60 – L20/62, L20/66, L20/68, L20/70, P20/2026, P20/2027, P20/2067, P20/2118, P20/2134 -P20/2136, P20/2160, P20/2162, P20/2174, P20/2213, P20/2223, P20/2232, P20/2276, PLA20/2319 – PLA20/2325, PLA20/2330, PLA20/2335, PLA20/2336, PLA20/2340 - PLA20/2346, PLA20/2370 – PLA20/2373, P21/756, PLA21/764 - PLA21/766, M20/61, M20/519, M20/520, M20/522, M20/523, M20/524, M20/525, MLA20/547	WC 1999/046	WAD 6132/1998 (claim)	Evelyn Gilla & Ors on behalf of the Yugunga-Nya People v the State of Western Australia (Yugunga-Nya People)	12/06/2000
E47/3503-I, E47/3507-I, E47/3508-I	WC1999/003	WAD 6169/1998 (claim)	Cyril Gordon and Ors v State of Western Australia and Ors (Kariyarra People)	22/04/1999
L20/69, P20/2027, P20/2134, P20/2160, P20/2174, P20/2177, P20/2214, PLA20/2335, PLA20/2349, PLA20/2368, PLA20/2369, PLA20/2374, M20/520	WC2004/010	WAD6033/1998 (determined)	Wajarri	05/12/2005

## PART 8 – MATERIAL CONTRACTS

### 1. Cue Option Agreement

Refer to section 11.1 of the Prospectus for a summary of this Agreement.

### 2. Sale Agreement for Yule Project

Refer to section 11.2 of the Prospectus for a summary of this Agreement.

### 3. Wiltshire Royalty Agreement

Pursuant to a Sale and Purchase Agreement for Mineral Tenements dated 30 November 2009 (**Royalty Agreement**) and made between Castlemaine Resources Pty Ltd (**Castlemaine**) and Peter Wiltshire, Mr Wiltshire sold certain mining tenements to Castlemaine in consideration of, amongst other things, Castlemaine's agreement to pay a royalty.

Certain of the tenements the subject of the Royalty Agreement are also the subject of the Cue Option Agreement and accordingly will be acquired by CCM upon exercise of the option the subject of that agreement.

The relevant tenements are Prospecting Licenses P20/2026, P20/2027 and P20/2067.

We note that the predecessor prospecting licenses to Mining Leases M20/523 M20/524 and M20/525 (which are subject the Cue Option Agreement), namely P20/2074, P20/2044 and P20/2035 respectively, are also subject the royalty under the Royalty Agreement.

The royalty is an amount of \$15 per ounce gross production of all gold produced from the tenements. The royalty is paid calendar quarterly.

Clause 5.1 provides that the right, title and interest of Castlemaine in the mining tenements is charged in favour of Mr Wiltshire and Mr Wiltshire is entitled to lodge a caveat against the title to the mining tenements. Mr Wiltshire's right to lodge a caveat is not restricted to a 'subject to claim' caveat.

A term of the royalty is that the holder may at any time assign or charge its interest in the relevant tenements provided that such assignment or charge shall not be valid unless and until the assignee or charge has first executed a deed in a form reasonable acceptable to the royalty holder covenanting to be bound by the obligations of the tenement holder to pay the royalty in accordance with the Royalty Agreement.

By a deed of assumption assignment and consent dated 2 April 2012 (**DAAC**) and made between Canyon Resources Ltd (formerly called Castlemaine Resources Pty Ltd) (**Canyon**), Western Mining Pty Ltd (**Western Mining**) and Mr Wiltshire, Western Mining agreed to assume the obligations and liabilities of Canyon under the Royalty Agreement upon completion occurring in relation to the purchase by Western Mining of tenements pursuant to a sale agreement between Canyon and Western Mining dated 23 February 2012.

#### 4. **Deferred Productive Mining Agreement (Wutha People) – M20/519**

By an undated deed prepared in 2011 and made between Western Mining and Raymond Ashwin and others on behalf of the Wutha People (WC 99/10) (WAD 6064/98) (**Native Title Party**), the Native Title Party agreed to the grant of Mining Lease M20/519 in exchange for various payments and other commitments by Western Mining. The principal obligations of Western Mining may be summarised as follows:

- (a) payment of a once off \$3,000 consultation fee.
- (b) once Western Mining commences Productive Mining over and above 750 ounces on any or all of the Mining Leases Western Mining must pay the Native Title Party an after tax royalty of \$1.00 per ounce of gold produced and an after tax royalty determined as 1/10th of the royalty value that is payable to the Crown (either State or Federal) of any other mineral or base metal in the form in which it is produced, sold and/or transported partially or wholly from or within the Mining Leases(s). "Productive Mining" is defined as mining operations in a commercial or saleable manner in a way in which Western Mining incurs liability to pay royalties pursuant to section 109 of the Mining Act or otherwise or Western Mining has issued an application to mine as required by the Mining Act replacing a previous notice of intent.
- (c) obligations to pay and provide to the Native Title Party those benefits as agreed between the parties as outlined in clause 8 upon the commencement of Productive Mining (see further comments below).
- (d) obligations to comply with legal obligations to protect, preserve and rehabilitate the Mining Leases as a result of its exploration or mining activities. and
- (e) obligations to comply with protect and preserve Aboriginal sites on the Mining Lease as mutually agreed or required by law including an obligation to enter into a Heritage Protection Survey in accordance with the procedures in Schedule 2 of the deed.

Clause 8 of the deed provides that if Western Mining intends to lodge a Mining Proposal it must negotiate with the Native Title Party and reach agreement on certain specified matters "before Productive Mining commences."

The listed items on which agreement must be reached include benefits and compensation including but without being limited to payments worked out by reference to the amount of profits made or income derived or anything produced.

The deed is unclear as to whether Western Mining is prohibited from conducting Productive Mining in advance of such an agreement being reached on the various matters but the deed is certainly open to such an interpretation. Recital D of the deed recites that Western Mining may undertake Exploration and the mining of the "Salisbury & Volunteer Flats Tailing Treatment Project" This project is not defined in the body of the deed and no reference is made to the mining activities being exempt from the requirement in clause 8 to reach agreement on the relevant matters before Productive Mining commences.

Clause 11 provides that the grantee party may assign its rights under the deed and the mining tenement to any third party subject to the assignee agreeing in writing to be bound by the deed and being obliged to perform all duties and obligations of the grantee party with respect to the native title party as set out in the deed.

5. **Deferred Productive Mining Agreement (Wutha People) – M20/523, M20/524 and M20/525**

We have been provided a deed executed on 18 November 2013 between Western Mining and Geoffrey Ashwin and others on behalf of the Wutha People (WC 99/10) (WAD 6064/98) (**Native Title Party**).

Under the deed the Native Title Party agreed to the grant of Mining Leases M20/523, M20/524 and M20/525 in exchange for various payments and other commitments by Western Mining. The principal obligations of Western Mining may be summarised as follows:

- (a) payment of a once off \$8,000 consultation fee.
- (b) once Western Mining commences Productive Mining on any or all of the Mining Leases Western Mining must pay the Native Title Party an after tax royalty of \$5.00 per ounce of gold produced and an after tax royalty determined as 1/8th of the royalty value that is payable to the Crown (either State or Federal) of any other mineral or base metal in the form in which it is produced, sold and/or transported partially or wholly from or within the Mining Leases. "Productive Mining" is defined as mining operations in a commercial or saleable manner in a way in which Western Mining incurs liability to pay royalties pursuant to section 109 of the Mining Act or otherwise or Western Mining has issued an application to mine as required by the Mining Act replacing a previous notice of intent.
- (c) obligations to pay and provide to the Native Title Party those benefits as agreed between the parties as outlined in clause 8 upon the commencement of Productive Mining (see further comments below).
- (d) obligations to comply with legal obligations to protect, preserve and rehabilitate the Mining Leases as a result of its exploration or mining activities. and
- (e) obligations to comply with protect and preserve Aboriginal sites on the Mining Lease(s) as mutually agreed or required by law including an obligation to enter into a Heritage Protection Survey in accordance with the procedures in Schedule 2 of the deed.

Clause 8 of the deed provides that if Western Mining intends to lodge a Mining Proposal it must negotiate with the Native Title Party and reach agreement on certain specified matters "before Productive Mining commences."

The listed items on which agreement must be reached include benefits and compensation including but without being limited to payments worked out by reference to the amount of profits made or income derived or anything produced.

The deed is unclear as to whether Western Mining is prohibited from conducting Productive Mining in advance of such an agreement being reached on the various matters but the deed is certainly open to such an interpretation. Recital D of the deed recites that Western Mining may undertake Exploration and the mining of the "Salisbury & Volunteer Flats Tailing Treatment Project" This project is not defined in the body of the deed and no reference is made to the mining activities being exempt from the requirement in clause 8 to reach agreement on the relevant matters before Productive Mining commences.

Clause 11 provides that the grantee party may assign its rights under the deed and the mining tenement to any third party subject to the assignee agreeing in writing to be bound

by the deed and being obliged to perform all duties and obligations of the grantee party with respect to the native title party as set out in the deed.

6. **Mining Agreement (Yugunga-Nya Claim Group) M20/519, M20/520 and M20/522**

By an undated deed (expressed to have been prepared in 2009) and made between Western Mining and Evelyn Gilla and others on behalf of the Yugunga-Nya People native title claim WAD613/98, WC98/046 (**Native Title Party**) the Native Title Party agreed to the grant of Mining Leases M20/519, M20/520 and M20/522 for the purposes of mining gold and gold based minerals.

The deed obliges Western Mining to make various payments to the Native Title Party (or a trust or other entity nominated by them), including:

- (a) a signing fee of \$2,000. and
- (b) a royalty in the amount of 0.5% of the Royalty Value (on the basis that 'Royalty Value' has the same meaning as is given by the Mining Act and will be calculated in the manner provided for by that Act as at the date of the Mining Agreement). The royalty is not payable on minerals mined outside the 'Claim Area'. 'Claim Area' is defined as the area of the native title claim from time to time including any additional areas and including any areas the subject of an approved determination of native title.

Clause 6.6.1 of the Mining Agreement provides that the Mining Agreement relates solely to the mining of 'Target Minerals' (defined in Recital C as gold) and provides that Western Mining shall not undertake mining operations for the purpose of producing other minerals 'without first obtaining the agreement of the Native Title Party.'

Clause 6.6.2 of the Mining Agreement provides that if minerals other than the 'Target Minerals' are extracted and sold incidental to the mining operations Western Mining will pay the native title party the equivalent of the royalty payable to the State of Western Australia on that mineral or any other amount agreed to by the Parties from time to time.

The Mining Agreement imposes a range of obligations on Western Mining to take steps to protect Aboriginal sites (including by complying with an Aboriginal Heritage Protocol).

Clause 9.3 obliges Western Mining to stop relevant work upon an Aboriginal site being identified in the course of mining operations.

Clause 32 permits the Native Title Party to lodge a caveat against the tenements to protect the Native Title Party's interests under the Mining Agreement. The Native Title Party is required to withdraw the caveat to permit the assignment of the Tenement where Western Mining has complied with clause 19. The reference to clause 19 appears to be an error and was probably intended to be a reference to clause 20 dealing with assignment. Clause 20 of the deed provides that Western Mining Pty Ltd shall not assign all or any part of its rights or obligations under the deed unless it obtains the consent of the native title party (which must not be unreasonably withheld) and it provides the native title party 30 days notice and it procures from the assignee the execution of a deed in favour of the claimants whereby the assignee agrees to be bound by the deed, which deed is delivered to the native title claimants.

Clause 5 provides that the Mining Agreement is to continue in force notwithstanding the subsequent determination of the native title claim. Clause 5.2 expressly states that the payments provided for in clause 6 are to continue notwithstanding that the Native Title Party is determined not to hold native title over the relevant tenements.



## 7. **Mining Agreement (Yugunga-Nya Claim Group) M20/523, M20/524 and M20/525**

By an undated deed (expressed to have been prepared in 2013) and made between Western Mining and Evelyn Gilla and others on behalf of the Yugunga-Nya People native title claim WAD613/98, WC98/046 (**Native Title Party**) the Native Title Party agreed to the grant of Mining Leases M20/523, M20/524 and M20/525 for the purposes of mining gold and gold based minerals.

The deed obliges Western Mining to make various payments to the Native Title Party (or a trust or other entity nominated by them), including:

- (a) a signing fee of \$8,000. and
- (b) a royalty in the amount of 0.5% of the Royalty Value (on the basis that 'Royalty Value' has the same meaning as is given by the Mining Act and will be calculated in the manner provided for by that Act as at the date of the Mining Agreement). The royalty is not payable on minerals mined outside the 'Claim Area'. 'Claim Area' is defined as the area of the native title claim from time to time including any additional areas and including any areas the subject of an approved determination of native title.

Clause 6.7 of the Mining Agreement provides that the Mining Agreement relates solely to the mining of 'Target Minerals' (defined in Recital C as gold) and provides that Western Mining shall not undertake mining operations for the purpose of producing other minerals 'without first obtaining the agreement of the Native Title Party.'

Clause 6.8 of the Mining Agreement provides that if minerals other than the 'Target Minerals' are extracted and sold incidental to the mining operations Western Mining will pay the native title party the equivalent of the royalty payable to the State of Western Australia on that mineral or any other amount agreed to by the Parties from time to time.

The Mining Agreement imposes a range of obligations on Western Mining to take steps to protect Aboriginal sites (including by complying with an Aboriginal Heritage Protocol).

Clause 9.3 obliges Western Mining to stop relevant work upon an Aboriginal site being identified in the course of mining operations.

Clause 31 permits the Native Title Party to lodge a caveat against the tenements to protect the Native Title Party's interests under the Mining Agreement. The Native Title Party is required to withdraw the caveat to permit the assignment of the Tenement where Western Mining has complied with clause 19. Clause 19 of the deed provides that Western Mining Pty Ltd shall not assign all or any part of its rights or obligations under the deed unless it obtains the consent of the native title party (which must not be unreasonably withheld) and it provides the native title party 30 days notice and it procures from the assignee the execution of a deed in favour of the claimants whereby the assignee agrees to be bound by the deed, which deed is delivered to the native title claimants.

Clause 5 provides that the Mining Agreement is to continue in force notwithstanding the subsequent determination of the native title claim. Clause 5.2 expressly states that the payments provided for in clause 6 are to continue notwithstanding that the Native Title Party is determined not to hold native title over the relevant tenements.

## 8. **Mining Agreement (Wajarri Yamatji Claim Group)**

By a deed entitled "Mining Agreement" and dated 29 August 2012 and made between Western Mining Pty Ltd and the registered native title claimants for the Wajarri Yamatji

Claim Group (**Native Title Party**) the Native Title Party agreed to the grant of Mining Lease M20/520.

The deed is expressed to continue notwithstanding the subsequent determination of native title in relation to the claim or claim area and the payments must be made to the Wajarri Yamatji People's Trust (or the native title party's nominee) if the Native Title Party is not determined to hold native title over the area of the Tenement.

The deed is limited to mining of gold and gold-based minerals on M20/520. If the grantee intends to mine other minerals on the Tenement then the grantee must negotiate in good faith to reach an agreement with the Native Title Party relating to operations include the payment of benefits and other matters referred to in the deed.

The deed provides for the provision of various payments and other benefits for the benefit of the Native Title Party, primarily a payment of \$2,500 and a royalty of 0.5% of the Royalty Value (on the basis that 'Royalty Value' has the same meaning as is given by the Mining Act and will be calculated in the manner provided for by that Act as at the date of the Mining Agreement). The royalty is not payable on minerals mined outside the 'Claim Area'. 'Claim Area' is defined as the area of the native title claim from time to time including any additional areas and including any areas the subject of an approved determination of native title.

The deed also provides that the grantee will use their best endeavours to maximise training and employment opportunities for the Wajarri Yamatji People.

Clause 6.6.1 of the Mining Agreement provides that the Mining Agreement relates solely to the mining of 'Target Minerals' (defined as gold) and provides that Western Mining shall not undertake mining operations for the purpose of producing other minerals 'without first obtaining the agreement of the Native Title Party.'

Clause 6.5.2 of the Mining Agreement provides that if minerals other than the 'Target Minerals' are extracted and sold incidental to the mining operations Western Mining will pay the native title party the equivalent of the royalty payable to the State of Western Australia on that mineral or any other amount agreed to by the Parties from time to time.

Provision is also made for aboriginal heritage surveys.

Clause 20 of the deed provides that Western Mining Pty Ltd shall not assign all or any part of its rights or obligations under the deed unless it obtains the consent of the Native Title Party (which must not be unreasonably withheld) and it provides the Native Title Party 30 days notice and it procures from the assignee the execution of a deed in favour of the Native Title Party whereby the assignee agrees to be bound by the deed, which deed is delivered to the Native Title Party.

## 9. **Aboriginal Heritage Agreement – Yugunga-Nya Claimant Group**

Western Mining and the Yamatji Marpla Aboriginal Corporation as agent for the Yugunga-Nya Claimant Group (**Native Title Party**) entered in a Heritage Agreement dated 20 March 2015 which was amended by the parties on 1 August 2016 and again on 6 July 2017.

Under this agreement, the Native Title Party agreed to the grant of Prospecting Licenses P20/2232, P20/2276 and P21/756 (as well as P20/2231, which is not subject to the Cue Option Agreement).

Provision is also made for aboriginal heritage surveys.

Western Mining and the Native Title Group must cooperate with each other in order to ensure the proper identification, management and preservation of aboriginal sites. Western Mining must conduct a heritage survey (the form of which depends on the level of intrusiveness of the proposed operations) whether it intends to conduct operations that involve more than minor ground disturbance and after considering the previous assessments of the relevant part of the tenements, the extent to which land has been disturbed by previous activity, the nature of the activities to be conducted on the land, and any other relevant factors raised by the parties.

Western Mining agrees to give the Native Title Party at least 30 days written notice prior to making an application under section 18 of the Aboriginal Heritage Act to conduct activities over an area containing an aboriginal site. The agreement provides that the Claimant Group is not prohibited from opposing the giving of consent under section 18 of the Heritage Act.

Clause 18 provides that Western Mining cannot assign any part of the tenements after first procuring a signed deed of assignment and/or assumption in favour of the Native Title Party, by which the assignee, to the extent of the assignment, agrees to be bound, alone or jointly with Western Mining, by the provisions of the agreement and to assume, observe and perform (alone or jointly with Western Mining, as the case may be) the obligations of Western Mining under the agreement.

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7. INVESTIGATING ACCOUNTANT'S REPORT

13 August 2018

The Directors  
Golden State Mining Limited  
Suite 14, 19-21 Outram Street  
WEST PERTH WA 6000

Dear Sirs

## **RE: INVESTIGATING ACCOUNTANT'S REPORT**

### **1. Introduction**

This report has been prepared at the request of the Directors of Golden State Mining Limited ("GSM" or "the Company") for inclusion in a Prospectus to be dated on or around 14 August 2018 ("the Prospectus") relating to the proposed offer and issue by GSM of 22,500,000 Shares at a price of 20 cents each to raise a gross amount of \$4,500,000, with the ability to accept oversubscriptions for up to 5,000,000 Shares to raise up to an additional \$1,000,000. The Minimum Subscription has been set at \$4,500,000 (22,500,000 Shares). The Prospectus also refers to the issue of up to 1,962,560 Lead Manager Options as noted below.

### **2. Basis of Preparation**

This report has been prepared to provide investors with information on historical results, the condensed consolidated statement of financial position (balance sheet) of GSM and the pro-forma consolidated statement of financial position of GSM as noted in Appendix 2. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports in accordance with the Corporation Act 2001.

This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Stantons International Securities Pty Ltd (trading as Stantons International Securities) has not been requested to consider the prospects for the Company and its subsidiaries ("GSM Group"), the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so.

Stantons International Securities Pty Ltd accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report and information in the Prospectus taken from or based on this report. Risk factors are set out in Sections 2 and 8 of the Prospectus and all investors should read the risks associated with investing in the Company.

### **3. Background**

GSM was incorporated on 15 August 2018 as Golden State Mining Pty Ltd with 200 shares on issue for a total of \$2 and following shareholders' approval converted to a public company and changed its name to Golden State Mining Limited. GSM became a public company on 6 April 2018.

The Company issued 3,500,000 shares to various Directors and founders prior to 31 December 2017 to raise a gross \$25,100 (1,000,000 shares at \$0.0001 each and 2,500,000 shares at 1 cent each). A further 250,000 shares were issued each with a 1 cent deemed issue price in December 2017 pursuant to the Yule sale agreement (see further below). On 9 March 2018, the Company issued 4,675,000 shares at 10 cents each to seed capitalists to raise a gross \$467,500. 550,000 of the seed capital shares also had free attaching share options attached so that 550,000 share options were issued, exercisable at 20 cents each within the earlier of 31 August 2020 and 2 years of GSM achieving an ASX listing.

In July 2018, the Company issued a further 576,000 shares at 12.5 cents each to seed capitalists to raise a gross \$72,000.

On 21 September 2017, Cue Consolidated Mining Pty Ltd (“CCM”), a 100% owned subsidiary of GSM, (GSM then controlled by two Directors of GSM), entered into an Option Agreement (“Cue Option”) with Western Mining Pty Ltd as trustee for the Western Mining Unit Trust (“WMPL”) that gave CCM the option to acquire 100% of various interests in tenements (granted and applications) in the Cue area of Western Australia (“Tenements”) along with plant and equipment (with an estimated market value by the Directors of around \$253,000) (all noted as the “Sale Assets”).

The consideration paid to WMPL to enter the Option Agreement was \$20,000 (\$10,000 paid prior to 31 December 2017 and the balance paid after that date). The Cue Option exercise consideration (“Option Consideration”) is the issue of \$550,000 of GSM shares (“Consideration Shares”) to be issued at the Initial Public Offer (“IPO”) price (being 2,750,000 Consideration Shares); the payment of \$150,000 as reimbursement of prior exploration expenditure and a royalty. The Option Consideration payable is subject to conditional approval of an ASX Listing. We have assumed that the Option will be exercised after the Company receives the IPO funds of up to \$5,500,000 (minimum \$4,500,000), and conditional approval for listing from the ASX, so that on the day of listing, the Sale Assets would have been acquired and GSM would have issued the 2,750,000 Consideration Shares.

#### Royalty payable

A staged royalty of \$50 per ounce for the first 40,000 ounces of refined gold produced after completion of the option, then \$15 per ounce on each subsequent ounce up to and including 250,000 ounces of gold produced, and \$5 per ounce on each ounce produced thereafter. The Company may, at its election, subject to necessary shareholder and regulatory approval, satisfy some or all of any royalty payment through the issue of Shares at a deemed issue price equal to the 20 business day volume weighted average share price (“VWAP”) of Shares immediately prior to the end of the quarter to which the royalty payment relates. The royalty applies to gold produced from the Cue Tenements being acquired from WMPL as well as to gold produced from any tenement granted from CCM’s prospecting licence application 20/2349.

On completion of the option, CCM must execute assumption deeds in respect of further royalties, to the extent they apply to the Cue Project Tenements (further details are provided in the Solicitor’s Report on Tenements in Section **Error! Reference source not found.** of this Prospectus).

The Cue Option Agreement is more fully described in the Material Contracts Section 11 of the Prospectus.

The current estimated maximum provision for rehabilitation on the Cue tenements being acquired from WMPL is estimated by the Directors of GSM at \$190,000.



By agreement dated 30 November 2017, as varied in July 2018, Advanced Capital Management Pty Ltd as trustee for the South Point Trust (“ACM”) and Damien Paul Kelly as bare trustee for the South Point Trust, a trust associated with Damien Kelly (“Kelly”) acting as Vendors entered into a Sale Agreement with Crown Mining Pty Ltd (a 100% owned subsidiary of GSM) (“Crown”) and GSM for Crown to acquire three applications for tenements (“Applications”) near the Yule River from the Vendors for the consideration of:

- \$5,000 (subsequently varied, after 31 December 2017, down to \$3,971.40) plus reimbursement of prepaid rents totalling \$16,909 relating to the three Applications;
- 250,000 shares in GSM at an agreed value of \$0.01 each (total share value \$2,500); and
- A royalty of 2% of gross value of minerals produced from the tenements.

All Applications became granted tenements on 4 December 2017. Settlement of the Sale Agreement (including payment of the cash and share consideration) was also completed in December 2017. The estimated (by GSM management) ancillary acquisition costs in relation to the Sale Agreement is \$1,000. Pursuant to the variation to the Sale Agreement in July 2018 the Vendors agreed to repay \$1,028.60 to GSM being the difference between the initial \$5,000 cash consideration and the varied cash consideration of \$3,971.40.

Crown also applied for a tenement (ELA38/3282) near Laverton prospective for gold - called the Four Mile Well Project – which was granted in July 2018 as E38/3282.

Two of the Directors (Mike Moore and Damien Kelly) or their related entities were entitled to management and advisory fees of \$5,000 per month each from 1 March until 30 June 2018 and on listing will be paid a bonus of \$20,000 each. One other director (Brenton Siggs) will be paid \$15,000 on listing. It is proposed that from ASX listing Mike Moore will receive an annual salary of \$180,000 plus statutory superannuation. Details on contracts or potential contracts involving directors are outlined in Section 9 of the Prospectus.

On 5 April 2018, the Company issued a total of 4,450,000 share options to directors and a proposed director, exercisable at 25 cents each within the earlier of 31 December 2021 and 3 years from achieving an ASX listing with a deemed fair value of \$207,880. A further 1,500,000 share options were issued to a consultant (and proposed employee) on 24 July 2018. Of these, 500,000 have the same exercise price and exercise expiry date as the director options, with a deemed fair value of \$22,826. The other 1,000,000 share options were issued with the same expiry date but an exercise price of 35 cents and a total deemed fair value of \$39,547. Of the 1,000,000 other options, 500,000 vest 1 year after listing and a further 500,000 vest 2 years after listing, subject to the holder remaining employed.

The Lead Manager to the issue is entitled to receive share options (Lead Manager Options) in GSM that represent 5% of the post IPO shares on issue (immediately on listing). The number of share options to be issued to the Lead Manager (or its nominees) may fall in the range of 1,712,560 to 1,962,560 dependent on the amount raised in the IPO exercised as part of the listing process. The exercise price will be 25 cents and will expire 4 years from date of issue.

Potential investors should read the Prospectus in full. We make no comments as to ownership or values of the current and proposed assets of the GSM Group. Further details on all significant material contracts entered into or proposed to be entered into by the GSM Group relevant to new and existing investors are referred to in Sections 9 and 11 in the Prospectus.

#### **4. Scope of Examination**

You have requested Stantons International Securities Pty Ltd to prepare an Independent Accountant's Report on:

- (a) The statement of profit and loss and other comprehensive income of GSM for the period from incorporation to 31 December 2017;
- (b) The statement of financial position of GSM as at 31 December 2017; and
- (c) The pro-forma statement of financial position of GSM at 31 December 2017 adjusted to include funds to be raised by the Prospectus and the completion of transactions referred to in note 2 of Appendix 3.

All of the historical financial information has been audited and the pro-forma financial information referred to above that has been subject to audit review in accordance with Auditing Standard on Review Engagements ASAE 2405 "*Review of Historical Financial Information other than a Financial Report*" rather than an audit and a review conducted in accordance with ASAE 3450 "*Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information*".

The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion. However, an audit on the financial information to 31 December 2017 was audited by Stantons International Audit and Consulting Pty Ltd, a company that owns all of the shares in Stantons International Securities Pty Ltd.

Our examination also included:

- (a) Discussions with Directors and other key management of GSM;
- (b) Review of contractual arrangements;
- (c) A review of publicly available information; and
- (d) A review of work papers, accounting records and other documents.

#### **5. Opinion**

In our opinion, the pro-forma consolidated statement of financial position as set out in Appendix 2 presents fairly, the pro-forma consolidated statement of financial position of GSM as at 31 December 2017 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 3. It is our view that the historic financial information set out in Appendices 1, 2 and 3 presents fairly and no adjustments on the historical results and statements of financial position, as shown in Appendices 1, 2 and 3 are required.

We state, that nothing has come to our attention which would require any further modification to the financial information relating to GSM in order for it to present fairly, the consolidated statements of other comprehensive income for GSM for the period from incorporation to 31 December 2017, the consolidated statement of financial position as at 31 December 2017 for GSM and the statement of cash flows for the period from incorporation to 31 December 2017.

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 31 December 2017 that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

## **6. Other Matters**

At the date of this report, Stanton International Securities Pty Ltd does not have any interests in GSM either directly or indirectly, or in the outcome of the Offer as described in the Prospectus. Stanton International Securities Pty Ltd were not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus except to the extent such information is, or is based on, the information in this report. The parent entity of Stanton International Securities Pty Ltd being Stanton International Audit and Consulting Pty Ltd, are the auditors of GSM and have issued an unqualified audit report in relation to GSM as noted above.

Stanton International Securities Pty Ltd consents to the inclusion of this report (including Appendices 1 to 3) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

**STANTON INTERNATIONAL SECURITIES PTY LTD**

A handwritten signature in dark ink, appearing to read 'J Van Dieren', followed by a long horizontal flourish.

**John Van Dieren - FCA**  
**Director**

## INVESTIGATING ACCOUNTANT'S REPORT

### APPENDIX 1 – CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME

	<b>GSM Group From incorporation to 31 December 2017 (Audited) \$</b>
Revenue- interest	-
Exploration and tenement costs	(30,151)
Corporate costs	(7,820)
Sundry costs	(6,996)
Net (loss) before tax	(44,967)
Income tax	-
Net (loss) after tax	(44,967)
Other Comprehensive Income	-
Total Comprehensive (Loss) for the year	(44,967)

**APPENDIX 2 - AUDIT AND AUDIT REVIEWED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	GSM 31 December 2017 (Audited)	GSM Pro-forma 31 December 2017 (Audit Reviewed)
		\$	\$
<b>Current Assets</b>			
Cash assets	3	42,779	3,990,814
<b>Total Current Assets</b>		<u>42,779</u>	<u>3,990,814</u>
<b>Non-Current Assets</b>			
Fixed assets, at cost	4	-	255,018
Security bond		-	2,640
Deferred acquisition expenditure	5	27,500	664,500
<b>Total Non-Current Assets</b>		<u>27,500</u>	<u>922,158</u>
<b>Total Assets</b>		<u>70,279</u>	<u>4,912,972</u>
<b>Current Liabilities</b>			
Trade payables	6	22,644	-
<b>Total Current Liabilities</b>		<u>22,644</u>	<u>-</u>
<b>Non-Current Liabilities</b>			
Provision for rehabilitation	7	-	190,000
<b>Total Non-Current Liabilities</b>		<u>-</u>	<u>190,000</u>
<b>Total Liabilities</b>		<u>22,644</u>	<u>190,000</u>
<b>Net Assets</b>		<u>47,635</u>	<u>4,722,972</u>
<b>Equity</b>			
Issued capital	8	27,602	4,936,794
Shares yet to be issued	8	65,000	-
Reserves	9	-	435,711
Accumulated losses	10	(44,967)	(649,533)
<b>Total Equity</b>		<u>47,635</u>	<u>4,722,972</u>

Condensed notes to and forming part of the above condensed consolidated statements of financial position are attached. The above Pro-Forma Statement of Financial Position is based on the raising of the minimum subscription of a gross \$4,500,000.

In the event that the maximum oversubscriptions are achieved to raise a gross \$5,500,000, and after allowing for an increase in capital raising costs estimated at \$65,000, cash at bank would increase by \$935,000 (net of cash costs) to \$4,925,814. The number of Lead Manager Options would increase by 250,000 and thus non-cash capital raising costs and reserves would increase by \$24,154. Issued capital would increase by \$910,846 (net of costs) to \$5,847,640, and the number of shares on issue would increase by 5,000,000 to 39,251,200.

## INVESTIGATING ACCOUNTANT'S REPORT

### APPENDIX 3

#### CONDENSED NOTES TO THE AUDIT AND AUDIT REVIEWED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND STATEMENTS OF FINANCIAL POSITION

##### 1. Statement of Significant Accounting Policies

###### (a) Basis of Accounting

The audited condensed consolidated Statement of Other Comprehensive Income and audited Statement of Financial Position and the audit reviewed condensed consolidated pro-forma Statement of Financial Position have been prepared in accordance with applicable accounting standards, the Corporations Act 2001 and mandatory professional reporting requirements in Australia (including the Australian equivalents of International Financial Reporting Standards) and we have made such disclosures as considered necessary. They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated. The financial statements have been prepared on a going concern basis that is dependent on the capital raising being successful.

###### (b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted as at balance date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxation profit or loss. Deferred income tax assets are recognised to the extent that it is probable that the future tax profits will be available against which deductible temporary differences will be utilised. The amount of the benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the economic unit will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by law.

###### (c) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses. The carrying amount of the plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and their subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

###### (d) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The asset's residual value and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than the estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.



**(e) Trade and other accounts payable**

Trade and other accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

**(f) Recoverable Amount of Non – Current Assets**

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have been or will be discounted to present values in determining recoverable amounts.

**(g) Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue has been satisfied.

**(h) Issued Capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration).

**(i) Employee benefits**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

**(j) Significant accounting judgements**

In the process of applying the Group's accounting policies, management can make judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

**Share Based Payments**

The Company measures the cost of equity settled transactions with directors, employees and consultants by reference to the fair value of the equity instruments as at the date at which they are granted. The assessed fair value of the share options at the grant date is allocated equally over the period from the grant date to the vesting date. The fair value at the grant date is determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the share price, the expected volatility of the underlying share, the expected dividend, and the risk-free interest rate for the term of the option.

**Impairment**

The Company assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative figures. Recoverable amounts of relevant assets are reassessed using value-in use calculations which incorporate various key assumptions.

**(k) Significant accounting estimates and assumptions**

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

**l) Accounting for business combinations**

The Company has adopted IFRS 3 *Business Combinations*. All business combinations are accounted for by applying the acquisition method.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Company measures goodwill as the fair value of the consideration transferred including the acquired amount of any non-controlling interest in the acquire, less the net acquired amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquire, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquire that are replaced mandatorily in the business combination (see below). If a business combination results in the termination of pre-existing relationships between the Company and the acquire, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognized in other expenses.

Transaction costs that the Company incurs in connection with a business combination, such as stamp duty, finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred. A contingent liability of the acquire is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then a part of the market-based measure of the replacement awards is included in the consideration transferred. If future services are required, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

**(m) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**(n) Exploration and evaluation expenditure**

Expenditure incurred during exploration and the early stages of evaluation of new areas of interest are expensed as incurred. Costs of acquisition are capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise, such expenditure is classified as part of the cost of production or written off where production has not commenced. To date, all exploration and evaluation costs have been written off to \$nil.

**(o) Principles of Consolidation**

The consolidated financial statements comprise the financial statements of GSM and its subsidiaries (“the Group”). Subsidiaries are all those entities over which the Company has control. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company’s financial statements.

In preparing the consolidated financial statements all intercompany balances and transactions, income, expenses and profit and loss resulting from intergroup transactions have been eliminated in full.

Minority interests held by the Company are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the statement of financial position, separately from parent shareholders’ equity.

**2. Actual and Proposed Transactions to Arrive at Pro-Forma Audit Reviewed Consolidated Statement of Financial Position**

Actual and proposed transactions adjusting the 31 December 2017 audited condensed Statement of Financial Position of GSM in the pro-forma audit reviewed consolidated Statement of Financial Position of GSM after allowing for a conversion to a limited company on 6 April 2018 are as follows:

- (a) The issue of 4,675,000 shares at 10 cents each as seed capital to raise a gross \$467,500 of which \$65,000 had been received prior to 31 December 2017 and disclosed under equity as shares to be issued, the incurring of seed capital raising costs of \$29,850 and the issue of 550,000 free attaching share options; and the issue of 576,000 shares at 12.5 cents each to seed capitalists in July 2018 to raise a gross \$72,000;

- (b) The issue of 5,950,000 share options to directors, employees and consultants at a deemed fair value for accounting purposes of \$270,253;
- (c) The exercise of the Option over the Sale Assets for \$700,000 (\$253,000 Plant and \$447,000 Tenements) by way of the issue of 2,750,000 Consideration Shares at a deemed value of \$550,000; the payment of \$150,000 as reimbursement of exploration expenditure and allowing for \$190,000 for rehabilitation;
- (d) The payment of indirect acquisition costs of approximately \$40,000 and expensed;
- (e) Receipt by GSM of \$1,028.60 from the Vendors of the Yule project pursuant to the deed of variation entered into in July 2018;
- (f) The issue of 22,500,000 New Shares raising the gross amount of \$4,500,000 from the capital raising at 20 cents each and the incurring of cash capital raising costs estimated at \$485,000;
- (g) The payment of accounts payable and accruals as at 31 December 2017 of \$22,644;
- (h) The payment of \$55,000 total to Messrs Moore, Kelly and Siggs (or their related entities) upon listing for services rendered;
- (i) The incurring of additional costs between 1 January 2018 and 31 July 2018 estimated at \$245,000, including the payment of a security bond of \$2,640 and the acquisition of plant at \$2,018; and
- (j) The issue of 1,712,560 share options (Lead Manager Options) to the Lead Manager to the issue (or its nominees) with a deemed fair value of approximately \$165,458 and the cost treated as a capital raising cost.

	<b>Note 2</b>	<b>Audited GSM Group 31 December 2017</b>	<b>Audit Reviewed GSM Group Pro-forma 31 December 2017</b>
		<b>\$</b>	<b>\$</b>
<b>3. Cash Assets</b>			
The movements in cash assets are as follows:			
Audited 31 December 2017		42,779	42,779
Seed capital raising (net)	(a)	-	444,650
Reimbursement of exploration expenditure on exercise of the Cue Option	(c)	-	(150,000)
Costs relating to the acquisitions of tenements (estimated)	(d)	-	(40,000)
Issue of New Shares under the Offer	(c)	-	4,500,000
Prospectus issue costs	(c)	-	(485,000)
Refund of monies	(f)	-	1,029
Payables	(g)	-	(22,644)
Services costs	(h)	-	(55,000)
Additional costs to 31 July 2018	(i)	-	(245,000)
		<u>42,779</u>	<u>3,990,814</u>
<b>4. Fixed assets</b>			
Acquisition on exercise of the Option over the Sale Assets	(c)	-	253,000
Acquired post 31 December 2017	(i)	-	2,018
		<u>-</u>	<u>255,018</u>

	Note 2	Audited GSM Group 31 December 2017  \$	Audit Reviewed GSM Group Pro-forma 31 December 2017  \$
<b>5. Deferred acquisition expenditure</b>			
At cost		27,500	27,500
Option exercised re Sale Assets	(c)	-	447,000
Rehabilitation estimate	(c)	-	190,000
		<u>27,500</u>	<u>664,500</u>
<b>6. Trade payables</b>			
Trade and other payables		22,644	22,644
Less: Payment of other payables	(g)	-	(22,644)
		<u>22,644</u>	<u>-</u>
<b>7. Provision for rehabilitation</b>			
On acquisition of Cue tenements	(c)	-	190,000
<b>8. Issued Capital</b>			
3,750,200 ordinary shares as at 31 December 2017		27,602	27,602
650,000 shares yet to be issued and subsequently issued in March 2018	(a)	-	65,000
4,601,000 shares to seed capitalists	(a)	-	474,500
Issue of 2,750,000 shares to exercise the Option over the Sale Assets	(c)	-	550,000
22,500,000 New Shares pursuant to the Prospectus	(e)	-	4,500,000
Pro-forma		<u>27,602</u>	<u>5,617,102</u>
Less: estimated new share issue costs	(a)(f)(j)	-	(680,308)
Total net issued capital		<u>27,602</u>	<u>4,936,794</u>

The number of GSM shares on issue after the \$4,500,000 capital raising is completed will be 34,251,200. In the event that the maximum oversubscriptions are achieved to raise a gross \$5,500,000, and after allowing for an increase in capital raising costs estimated at \$65,000, cash at bank would increase by \$935,000 (net of cash costs) to \$4,930,814. The number of Lead Manager Options would increase by 250,000 and thus non-cash capital raising costs and reserves would increase by \$24,154. Issued capital would increase by \$910,846 (net of costs) to \$5,847,640 and the number of shares on issue would increase by 5,000,000 to 39,251,200.

## 9. Reserves

Balance as at 31 December 2017		-	-
Option issue to Directors and others	(b)(j)	-	435,711
		<u>-</u>	<u>435,711</u>

The number of share options on issue after completion of the capital raising (assuming no options exercised before completion of the capital raising) will be:

- 550,000 share options exercisable at 20 cents each, at the earliest of 31 August 2020 or on or before 2 years from ASX listing date;
- 4,950,000 share options exercisable at 25 cents each, at the earliest of 31 December 2021 or on or before 3 years from ASX listing date;
- 1,000,000 share options exercisable at 35 cents each, at the earliest of 31 December 2021 or on or before 3 years from ASX listing date (500,000 vest 1 year after listing and 500,000 vest 2 years after listing);
- 1,712,560 share options issued to the Lead Manager to the IPO, exercisable at 25 cents each, on or before 4 years from issue date.

In the event that the maximum oversubscription occurs, the number of share options to the Lead Manager (or its nominees) would increase by 250,000 to 1,962,500 and the additional capital raising costs would increase by \$24,154.

	Note 2	Audited GSM 31 December 2017 \$	Audit Reviewed GSM Pro-forma 31 December 2017 \$
<b>10. Accumulated losses</b>			
Balance as at 31 December 2017		44,967	44,967
Issue of Options to the Directors and others (b)		-	270,253
Acquisition costs including stamp duty (d)		-	40,000
Refund (f)		-	(1,029)
Service costs (h)		-	55,000
Additional costs to 31 July 2018 (i)		-	240,342
		<u>44,967</u>	<u>649,533</u>

## 11. Contingent Assets, Liabilities and Commitments

The Company has the following contingent liabilities and commitments that have not been accounted for in the pro-forma consolidated statement of financial position as at 31 December 2017.

Various royalties may be payable on the Tenements and further details, along with other commitments and obligations, are outlined elsewhere in the Prospectus.

The Company has entered into new Indemnity Deeds with each existing Directors. Details on future employment contracts are outlined in the Prospectus.

Based on discussions with the Directors, to our knowledge, the GSM Group has no material commitments or contingent liabilities not otherwise disclosed in this Investigating Accountant's Report (refer Background Section 3) and in the Prospectus. Investors should read the Prospectus for further possible contingencies and commitments.

For details on proposed expenditure commitments pertaining to the expanded GSM, refer to the Prospectus, including Section 4.7.



**12. Summary of consolidated statement of cash flows for the period from incorporation to 31 December 2017- Audited**

	<b>Period to 31 December 2017 \$</b>
<b>Cash flows from operations</b>	
Exploration on mining interests	(29,606)
Payments to suppliers	(2,717)
Net cash inflow/(outflow) from operations	<u>(32,323)</u>
<b>Cash flow from investment activities</b>	
Acquisition, exploration and option costs	(15,000)
Net cash (outflow) from investment Activities	<u>(15,000)</u>
<b>Cash flow from financing activities</b>	
Share proceeds (including seed capital in advance)	90,102
Borrowings	50,000
Repayment of borrowings	(50,000)
Net cash (outflow) from finance Activities	<u>90,102</u>
Net increase in cash	42,779
Cash at beginning of period	<u>-</u>
<b>Cash at the end of the period</b>	<u><u>42,779</u></u>

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## 8. RISK FACTORS

The Securities 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, together with information contained elsewhere in this Prospectus, and to consult their professional advisers, before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. 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, 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.

### 8.1 Company Specific Risks

(a) Limited history and no profit for foreseeable future

The Company was only recently incorporated (15 August 2017) and has no operating history and limited historical financial performance. Exploration and small-scale production has previously been conducted on the area of land the subject of the Cue Project but the Company has only recently commenced its own review and assessment of the exploration activities of the Cue Project, Yule Project and Four Mile Well Project.

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

The Company does not currently generate any significant income from its business activities and, as the Company is engaged in mineral exploration, the Directors anticipate the Company making losses in the foreseeable future.

(b) Native title agreements

The Cue Option Vendor (Western Mining) is or may be a party to various agreements with various native title groups in respect of its granted tenements, including its mining leases M20/519, M20/520, M20/522, M20/523, M20/524 and M20/525. Western Mining has agreed to various obligations in respect of those agreements, some of which require the agreement of the relevant native title group to conduct certain types of mining activities or other restrictions and processes that need to be followed in respect of certain mining and exploration activities. CCM is or may be required to assume all such obligations of Western Mining, and there can be no assurance that further agreements will be reached on terms that are reasonable or acceptable to CCM or at all, or that such restrictions and processes result in outcomes which are reasonable or acceptable to CCM.

Please refer to the Solicitor's Report on Tenements in Section 6 of this Prospectus for further details, in particular Part 8 of the Schedule.

Please also refer to Section 8.1(c) below in respect of tenement applications to which the 'Future Act Process' under the *Native Title Act 1993 (Cth)* will apply and also Section 8.2(e) below.

(c) Tenement applications and objections

The Company's wholly owned subsidiary, CCM, has made 27 applications for prospecting licenses pertaining to the Cue Project and Western Mining has also made 2 applications (one for a mining lease and one for a prospecting license) which CCM has agreed to acquire (upon grant).

Many of the CCM applications are subject to objections by other parties, are in competition with other parties or may otherwise be at risk of rejection.

Please refer to the Solicitor's Report on Tenements in Section 6 of this Prospectus for further details, in particular Sections 14 (in relation to objection processes, objections received and objection periods), 17 (in relation to competing applications and other encroachments) and 19 (under the heading 'Valid grant of Applications' for a list of all applications) for further details.

There is a risk that some or all of the pending applications or parts thereof will be rejected (whether in response to objections or otherwise in accordance with the *Mining Act 1978 (WA)* or other legislation), or that they may be granted on terms which are substantially less favourable to the GSM Group than would typically prevail (possibly to the point of being unacceptable to the GSM Group).

Whilst the Company believes that such events would not be materially adverse from the point of view of an investor (in part because the Company has no immediate plans to conduct drilling or exploration activities on the pending application areas and the Company currently attributes little or no value to those areas), potential investors should not subscribe to the Offer if they consider that such events would be materially adverse from their point of view.

Potential investors should assume that all applications which are encroached by other applications or granted tenements will be objected to by the relevant encroaching tenement holder or applicant if they have not already done so.

Potential investors should also assume that all pending applications made by CCM, will be objected to and/or that further competing applications may also be made in respect of the same areas. It should be noted that objections made after expiry of the statutory objection period could still be upheld despite being lodged after expiry of the statutory objection period.

In respect of applications which are being or are expected to be objected to by miscellaneous license holders or applicants for miscellaneous licenses encroaching on the application area, the Company expects that these objections are likely to be resolved by access agreements with the miscellaneous license holder regarding access over the overlapping area for both parties and when a party may agree to move its infrastructure and at whose cost.

All objections already noted in section 14 of the Solicitor's Report on Tenements have been made by parties whose granted tenements or applications encroach into the areas covered by the relevant application as set out in section 17 of the Solicitor's Report. Potential investors should assume that any objections will be upheld (particularly those objections lodged in relation to applications P 20/2340, P 20/2341 and P21/764) and that the relevant CCM or Western Mining application will be rejected at least to the extent of any encroachment.

The holder of tenements the subject of applications, or for which conversion applications are made, which are overlapped by a registered native title claim or determination will need to comply with the 'Future Act Process' under the *Native Title Act 1993 (Cth)* in order for the tenement to be granted. See section 19 of the Solicitors Report on Tenements for further details. There can be no assurance that any negotiations under the 'Future Act Processes' will result in an outcome that is reasonable or acceptable to the tenement applicant or an agreement or determination that the applications be granted. Compliance with 'Future Act Processes' can also lead to significant delays in securing grant of tenement applications.

(d) Expired or soon-to-expire tenements

Some of the Cue Option Asset tenements have either expired or are due to expire soon after the date of this Prospectus. Please refer to the Solicitor's Report on Tenements in Section 6 of this Prospectus for further details, in particular sections 15 (tenements past expiry date) and 16 (tenements soon to expire) for further details.

This includes P20/2118 (application lodged to covert tenement to M20/547), which expired on 27 June 2018, but continues in force in respect of the land the subject of the mining lease application until the application for a lease is determined. There can be no guarantee that the M20/547 will be granted on terms acceptable to the GSM Group or at all.

It also includes P20/2067, which expires on 28 September 2018. For valid tenure to continue past this date, the prospecting license holder must apply to convert the prospecting license into a mining lease, in which case prospecting license will continue to be in force in respect of the land the subject of the mining lease application until the application for a lease is determined. There can be no guarantee that such a mining lease application (valid or otherwise) will be made or that, if made, it will be granted on terms acceptable to the GSM Group or at all.

If an overlying mining lease application is rejected, then the prospecting license holder will lose tenure over this ground and will be restricted from applying for the same ground for three months following the loss of tenure.

Whilst the Company believes that such events would not be materially adverse from the point of view of an investor (in part because the Company has no immediate plans to conduct drilling or exploration activities on the pending application areas and the Company is attributing little or no value to those areas), potential investors should not subscribe to the Offer if they consider that such events would be materially adverse from their point of view.

(e) Historical mining legacies and other Cue-specific challenges

Previous explorers have reported challenging ground conditions associated with the highly fractured nature of the weathered granite at certain areas within the Cue Project (primarily “The Patch”). This, combined with the historical mine voids, some of which are not recorded, create a challenging environment for exploration drilling. In addition to the ground conditions, previous mining can limit potential drill pad locations or limit the drill sites to less optimal locations. The Company believes it has access to sufficient data and expertise to adequately mitigate and manage these risks.

There are environmental, safety and regulatory risks associated with exploration within an area where there has been historical mining including the potential rehabilitation liabilities associated with the historical mining including making the historical shafts safe for the company’s employees and the general public. This is especially the case with the Cue Project given the proximity of the project to the Cue townsite.

Please refer to the Independent Technical Assessment Report in Section 5 of this Prospectus for further details in relation to these and other Project risks.

(f) Restricted securities reducing liquidity

Subject to the Company being admitted to the Official List, certain Shares 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. The Company may also impose up to 6 months of voluntary escrow on certain Shares issued prior to the Offer. 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. The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the date of Official Quotation.

(g) Currently no market for Shares

There is currently no public market for the Company’s Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company’s Shares will develop or continue after the Offer. The price at which the Company’s Shares trade on ASX after listing may be higher or lower than the Offer price and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Company’s Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

## 8.2 Industry Specific Risks

### (a) Exploration and operating

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that future exploration of the Company's tenements, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, 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 being able to maintain title to the tenements comprising its Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of tenements comprising the Projects.

### (b) Resource and reserves and exploration targets

The Company has identified a number of exploration targets at the Cue Project based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining a resource at the Cue Project, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.

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

### (c) Tenure and Title

The ability of the Company to carry out successful exploration and mining activities will depend on the ability to maintain or obtain tenure to mining titles. The maintenance or issue of any such titles must be in accordance with the laws of the relevant jurisdiction and in particular, the relevant mining legislation. Conditions imposed by such legislation must also be complied with. No guarantee can be given that tenures will be maintained or granted,



or if they are maintained or granted, that the Company will be in a position to comply with all conditions that are imposed or that they will not be planted by third parties.

Although the Company has investigated title to its tenements (as detailed in the Solicitor's Report on Tenements), the Company cannot give any assurance that title to such tenements will not be challenged or impugned. The Tenements may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects or native title claims.

The *Forrest & Forrest Pty Ltd vs Wilson* (2017) 346 ALR 1 recent High Court decision (**Forrest Decision**) in relation to the validity of grants of Western Australian mining leases and other tenements could bring the validity of mining leases and other tenements into question, as any mining lease or other tenement granted other than in strict compliance with the relevant legislative regime may result in the grant of that mining lease or other tenement being deemed invalid by a court.

The tenements comprising the Projects may be affected by the same procedural defect and/or may have been granted other than in strict compliance with the relevant legislative regime and therefore may be subject to challenge. It is expected that legislation will be presented and passed by the Western Australian Parliament to address these issues. It is also not clear how long it will take for such legislation to be passed and whether it will trigger additional negotiation or compensation requirements under the *Native Title Act 1993* (Cth).

(d) Tenure, access and grant of applications

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

Company-specific risks with respect to pending applications for mining tenements in respect of the Cue Project are explained further in Risk section 8.1(c) above. Tenements are subject to the applicable mining acts and regulations in Western Australia. 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 tenements comprising the Company's Projects. 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.

The consequence of forfeiture or involuntary surrender of a granted tenements could be significant. Please refer to the Solicitor's Report on Tenements in Section 6 for further details.

(e) Native title and Aboriginal heritage

In relation to the Tenements which the Company has an interest in, 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.

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

Please also refer to Section 8.1(c) above in respect of tenement applications to which the 'Future Act Process' under the *Native Title Act 1993 (Cth)* will apply and Section 8.1(b) above in respect of native title agreements.

(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 uncertainty, and accordingly, the actual costs may materially differ from the 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 impact the Company's viability.

(g) Operating and Development Risks

The Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured. The business of mining involves many risks and may be impacted by factors including ore tonnes, grade and metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents, occupational and health hazards, cave-ins and rock bursts. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible. In addition, the Company's profitability could be adversely affected if for any reason its production and processing of or mine development is unexpectedly interrupted or slowed. Examples of events which could have such an impact include unscheduled plant shutdowns or other processing problems, mechanical failures, the unavailability of materials and equipment, pit slope failures, unusual or unexpected rock formations, poor or unexpected geological or metallurgical conditions, poor or inadequate ventilation, failure of mine communications systems, poor water condition, interruptions to gas and electricity supplies, human error and adverse weather conditions.

(h) Gold Price Volatility

The financial performance of the Company may become sensitive to the gold price. Gold prices are affected by numerous factors and events that are beyond the control of the Company. These factors and events include general economic activity, world demand, forward selling activity, gold reserve movements at central banks, costs of production by other gold producers and other matters such as inflationary expectations, interest rates, currency exchange rates (particularly the strength of the US dollar) as well as general global economic conditions and political trends. If gold prices

should fall below or remain below the Company's costs of production for any sustained period due to these or other factors and events, the Company's exploration and production could be delayed or even abandoned. A delay in exploration or production or the abandonment of one or more of the Company's projects may have a material adverse effect on the Company's production, earnings and financial position.

(i) Failure to satisfy Expenditure Commitments

Interests in tenements in Western Australia are governed by the mining acts and regulations that are current in those States 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 its tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(j) Environmental risk

The Company's activities will be subject to the environmental laws inherent in the mining industry and in Australia. The Company intends to conduct its activities in an environmentally responsible manner and in compliance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

In addition, environmental approvals may be required from relevant government or regulatory authorities before activities may be undertaken which are likely to impact the environment. Failure or delay in obtaining such approvals will prevent the Company from undertaking its planned activities.

Further, the Company is unable to predict the impact of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

(k) Safety

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

Also refer to Section 8.1(e) above in relation to certain environmental, safety and regulatory risks associated with the Cue Project.

(l) Commercial and commodity price risk

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

Specifically, in relation to the proposed activities of the Company, any material adverse fall or fluctuation in the gold price may affect the financial returns and viability of its Projects.

### **8.3 General Risks**

#### **(a) Additional Requirements for Capital**

Any additional equity financing may be dilutive to Shareholders, may be undertaken at prices lower than the Share issue price under the Offer. There is no guarantee that any additional funding required will be available on favourable terms, or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations which may result in a material adverse effect on the Company's activities and its ability to continue as a going concern.

While the funds to be raised under the Offer are considered sufficient to meet the immediate objectives of the Company, the Company will likely require substantial further financing in the future for its business activities.

The Company's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for future acquisitions or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds.

The Company may seek to raise further funds through equity or debt financing or other means. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to Shareholders.

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

Loan agreements and other financing rearrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration.

#### **(b) Reliance on Key Personnel**

The Company is substantially reliant on the expertise and abilities of its key personnel in overseeing the day-to-day operations of its projects. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees or contractors cease their relationship with the Company.

#### **(c) Unforeseen Expenditure Risk**

Expenditure may need to be incurred that has not been taken into account. Although the Company is not aware of any such additional expenditure

requirements, if such expenditure is subsequently incurred, this may adversely affect the financial performance of the Company.

(d) Management of Growth

There is a risk that the Company's management may not be able to implement the Company's growth strategy. The capacity of the Company's management to properly implement the strategic direction of the Group may affect the Company's financial and operating performance.

(e) Litigation Risk

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

Also refer to Section 8.1(c) above regarding tenement applications in relation to which objections have been made.

(f) Market Conditions

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

(g) Force Majeure

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

(h) Share Market Risk

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

- (i) general economic and political 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 the Company's Shares may fluctuate significantly based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the gold and mineral exploration sector, changes in general economic conditions, the number of the Company's Shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Company's Shares is affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's Shares, and the attractiveness of alternative investments.

- (i) Competition

The Company intends to compete with other companies, including major gold companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business. There can be no assurance that the Company can compete effectively with these companies.

Also refer to Section 17 of the Solicitor's Report on Tenements (in Section 6 of this Prospectus) and Section 8.1(c) above and for further information in respect of competing applications and other encroachments on GSM Group's current and proposed granted tenements and applications.

- (j) Natural Disasters

Natural disasters or adverse conditions may occur in those geographical areas in which the Company operates including severe weather, tsunamis, cyclones, tropical storms, earthquakes, floods, excessive rainfall as well as power outages or other events beyond the control of the Company.

- (k) Insurance coverage

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



(l) Changes to laws and regulations

The Company may be affected by changes to laws and regulations (in Australia and other countries in which the Company may operate) concerning mining and exploration, property, the environment, superannuation, taxation trade practices and competition, government grants, incentive schemes, accounting standards and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.

**8.4 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 Company's Securities.

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

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## **9. BOARD AND MANAGEMENT**

### **9.1 Directors and key management personnel of the Company**

As at the date of this Prospectus, the Board is comprised of

- (a) Mr Damien Kelly (Non-Executive Chairman)
- (b) Mr Michael Moore (Managing Director)
- (c) Mr Brenton Siggs (Non-Executive Director) and
- (d) Mr Greg Hancock (Non-Executive Director).

Marc Boudames acts in the capacity of Company Secretary.

### **9.2 Proposed Director of the Company**

It is proposed that Ms Janet Wicks will be appointed a Non-Executive Director on completion of the Cue Option.

The Board may look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company.

### **9.3 Profiles of Directors and Other Personnel**

The profiles of the Directors and Proposed Director of the Company, together with other Senior Management, are set out in Section 2 of this Prospectus (under Part D next to the items 'What experience do the Directors and Proposed Director have?' and 'Who are the Senior Management Personnel?').

Information in respect of the Company Secretary, Mr Marc Boudames is also set out below.

#### **Marc Boudames - Company Secretary**

Mr Boudames is experienced in statutory financial reporting, taxation, ERP systems, business analytics, corporate transactions, due diligence, mergers & acquisitions, finance, joint ventures and divestments. He previously worked at RSM Bird Cameron (RSM), as Financial Controller/Co-Company Secretary for ASX listed Redport Limited and as General Manager – Finance & Administration for Australia of Mega Uranium Ltd, a Canadian TSX listed mining and equity investments company focused on global uranium properties and multi-mineral exploration. He has worked for multiple companies in various industries including listed and public companies associated with the mining and oil & gas sectors such as WesTrac, CB&I and Spotless Group.

### **9.4 Independence of Directors and Proposed Director**

The Board considers that:

- (a) Mr Kelly is not an independent Director due to his current equity interests in the Company and 2% gross royalty as a Yule Project Vendor.
- (b) Mr Moore is not an independent Director due to his role as Managing Director.
- (c) Mr Siggs is an independent Director.

- (d) Mr Hancock is an independent Director.
- (e) Ms Wicks will not be an independent Director due to her joint control of the Cue Option Vendor that will have a substantial shareholding in the Company on listing and royalty interest in the Cue Project.

## 9.5 Disclosure of Interests of Directors

For each of the Directors, the proposed annual remuneration for the financial year in which the Company is admitted to the Official List together with the Securities of the Company held directly or indirectly by the Directors as at the date of this Prospectus is set out in the table below.

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a Director.

Director	Remuneration for year ending 30 June 2019	Shares	Options*
Damien Kelly	\$50,000	1,250,100	1,500,000
Michael Moore	\$180,000	1,000,100	1,500,000
Brenton Siggs	\$30,000	500,000	750,000
Greg Hancock	\$30,000	-	500,000
Janet Wicks**	\$30,000	-	200,000

\* Exercise price of \$0.25 each, expiring the earlier of 31 December 2021 and 3 years from ASX Listing.

\*\* On completion of the Cue Option Agreement, Western Mining, an entity jointly controlled by Janet Wicks, will be issued 2,750,000 Shares in part consideration for CCM's acquisition of the Cue Option Assets.

The Company's Constitution provides that the remuneration of non-executive Directors will be not more than \$250,000 per annum, although this may be varied by ordinary resolution of the Shareholders in general meeting.

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

## 9.6 Agreements with Related Parties

- (a) Cue Option Agreement

The Cue Option Vendor will become a related party once Proposed Director, Janet Wicks, is appointed as a Director of the Company as it is jointly controlled by her. As such, the Cue Option Agreement, which amongst other things grants a staged royalty to the Cue Option Vendor, will become a related party agreement at that time. Refer to Section 11.1 for a summary of its terms.

(b) Yule Project Sale Agreement

The Company's subsidiary, Crown Mining, acquired the Yule Project from Director Damien Kelly and his controlled entity (**Yule Vendors**) in December 2017 in accordance with a sale agreement dated 30 November 2017 as varied on 17 July 2018 (**Yule Sale Agreement**).

Under the Yule Sale Agreement, Crown Mining has agreed to pay a 2% gross value royalty in respect of mineral production from the Yule Project (**Yule Project Royalty**) . Refer to Section 11.2 for a summary of its terms.

(c) Other related party agreements

The Company has entered into the following transactions with related parties, which are summarised in Section 11:

- (i) an executive services agreement with Managing Director, Mr Michael Moore;
- (ii) Non-executive director appointment letters with Messrs Kelly, Siggs and Hancock (the Company intends to enter into an equivalent letter with Ms Wicks on her appointment);
- (iii) deeds of indemnity, insurance and access with the Directors on standard terms (the Company intends to enter into an equivalent deed with Ms Wicks on her appointment) ;
- (iv) a corporate advisory mandate with an entity controlled by Director Greg Hancock, which has been agreed will terminate on the Company listing on the ASX; and
- (v) Pre-IPO service agreements with Director Michael Moore and Advanced Capital Management Pty Ltd, an entity controlled by Director Damien Kelly.

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## 10. CORPORATE GOVERNANCE

### 10.1 ASX Corporate Governance

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

To the extent applicable, commensurate with the Company's size and nature, GSM has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (**Recommendations**).

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the Recommendations.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and further details in the Company's Corporate Governance Plan available on the Company's website at [www.goldenstatemining.com.au](http://www.goldenstatemining.com.au).

### 10.2 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; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

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

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

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.

In light of the Company's size and nature, the Board considers that the proposed board is a cost effective and practical method of directing and managing the Company. If 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.

### **10.3 Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

Following completion of the Cue Option, the Board is proposed to consist of five (5) members, four of whom will be non-executive Directors and two of whom will be considered independent. The Company has not adopted a nominations committee or a remuneration committee. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of a nomination or remuneration committee. The responsibilities of a nomination and remuneration committee are currently carried out by the Board.

Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next annual general meeting and is then eligible for re-election by the Shareholders.

### **10.4 Identification and management of risk**

The Board does not have a risk management committee. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of a risk management committee.

### **10.5 Ethical standards**

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

### **10.6 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.

### **10.7 Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its Directors and senior managers. The policy generally provides that key management personnel are required to refrain from trading in the Company's Securities during a 'closed period' except for trading during exceptional circumstances.

#### **10.8 External audit**

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

#### **10.9 Audit committee**

The Company does not have an audit committee. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity as to justify the formation of an audit committee.

#### **10.10 Departures from Recommendations**

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



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## 11. MATERIAL CONTRACTS

### 11.1 Cue Option Agreement

On 21 September 2017 CCM, the Company's wholly owned subsidiary, has entered into a 12 month option agreement (**Cue Option Agreement**) to acquire 100% of Western Mining's gold project located near Cue, Western Australia. The agreement was subsequently varied by mutual agreement, the final, material terms of which are summarised below.

CCM can extend the option term by a further 3 months, at a cost of \$5,000 per month, subject to a prospectus having been lodged before the initial 12 month term expires.

The Cue Option Assets comprise 31 granted tenements (7 mining leases, 17 prospecting licenses, and 7 miscellaneous licenses) and 2 applications (1 ML and 1 PL), together with small-scale gravity plant, infrastructure and equipment on site. The Solicitor's Report on Tenements in Section 6 provides details of the tenements and applications that comprise the Cue Option Assets.

CCM has paid an option fee of \$20,000 to Western Mining in reimbursement of expenditure. Exercise of the Cue Option is conditional on the Company satisfying any conditions required by ASX for the Company to list (other than conditions that cannot be satisfied until after the option has been completed).

On completion of the Cue Option (which must occur on the date the option is exercised or such other date as agreed by the parties), CCM will acquire the Cue Option Assets in return for:

- (a) a \$150,000 cash payment to Western Mining in reimbursement of expenditure;
- (b) \$550,000 worth of Shares at a deemed issue price of \$0.20 each, being 2,750,000 Shares; and
- (c) a staged royalty of \$50 per ounce for the first 40,000 ounce of refined gold produced after completion of the option, then \$15 per ounce on each subsequent ounce up to and including 250,000 ounces of gold produced, and \$5 per ounce on each ounce produced thereafter. The Company may, at its election, subject to necessary shareholder and regulatory approval, satisfy some or all of any royalty payment through the issue of Shares at a deemed issue price equal to the 20 business day VWAP of Shares immediately prior to the end of the quarter to which the royalty payment relates.

The royalty applies to gold produced from the Cue Option Asset tenements as well as to gold produced from any tenement granted from CCM's prospecting licence application 20/2349.

The royalty is payable quarterly in arrears within 30 days of the end of the relevant calendar quarter save that any Shares to be issued in satisfaction of the royalty must be issued within 60 days of the end of the calendar quarter to allow time for CCM to obtain necessary shareholder approval. If shareholder approval is not obtained, or Shares are otherwise unable to be issued within the 60 days, CCM must pay the outstanding royalty payment in cash.

If Western Mining intends to accept a bona fide offer from a third party to purchase, take assignment or transfer of, or otherwise deal in any way, with any interest in the royalty, CCM has a 30 day first right to match and acquire the interest in the royalty.

CCM must not sell or transfer ownership of a tenement subject to the royalty unless the acquirer agrees to assume the obligations of CCM in relation to the royalty. CCM must not surrender any such tenement (other for the purposes of obtaining a replacement tenement) unless CCM first offers to transfer the tenement to Western Mining for \$1.00 "as is".

On or before completion of the option, Western Mining is entitled to appoint a director to the Board, with it being proposed that Mrs Janet Wicks (who jointly controls Western Mining) becomes a Director.

On completion of the option:

- (a) Western Mining must execute a deed of trust and agency under which it must hold the Cue Option Asset tenements and applications on trust until legal title can be transferred; and
- (b) CCM intends to execute assumption deeds in respect of the agreements described in Items 3-9 of Part 8 in the Schedule to the Solicitor's Report on Tenements (in Section 6 of this Prospectus), including the following private royalties, to the extent they apply to the Option Asset tenements:
  - (i) a \$15 per ounce gross production gold royalty payable to Peter Andrew Wiltshire in respect of certain tenements as described in Item 3 of Part 8 in the Schedule to the Solicitor's Report); and
  - (ii) a royalty equal to 0.5% of the Royalty Value (as defined in the Mining Act) for gold produced from M20/520 payable to the Wajarri Yamatji People;
  - (iii) a royalty equal to 0.5% of the Royalty Value (as defined in the Mining Act) for gold produced from M20/519, M20/520, M20/522, M20/523, M20/524 and M20/525 payable to the Yugunga Nya-People;
  - (iv) a \$5.00 per ounce after tax gold royalty and other minerals royalty equal to 1/8th of the royalty value payable to the Western Australian government, payable to the Wutha People in relation to mining lease M20/523, M20/524 and M20/525; and
  - (v) a \$1.00 per ounce after tax gold royalty (once 750 ounces produced) and other minerals royalty equal to 1/10th of the royalty value payable to the Western Australian government, payable to the Wutha People in relation to mining lease M20/519.

## 11.2 Yule Project Agreement

By an agreement dated 30 November 2017, as varied on 17 July 2018, between Advanced Capital Management Pty Ltd ATF the South Point Trust (**ACM**), Damien Paul Kelly as bare trustee for the South Point Trust (**DK**), Crown Mining Pty Ltd (**Crown**) and the Company, ACM and DK have sold certain assets (**Sale Assets**) to Crown (**Yule Project Sale Agreement**).

The Sale Assets comprise mining tenements E 47/5303-I, E 47/3507-I and E 47/3508-I (**Yule Tenements**) and any mining information relating to the Sale Assets. The Yule Project Sale Agreement was settled in December 2017 with registering of Yule Tenement transfers subject only to processing by the Department of Mines, Industry Regulation and Safety (stamp duty having now been paid). ACM and DK are holding the legal title to the Yule Tenements on trust until the transfers are registered under the terms of deeds of trust and agency dated 20 December 2018.

The consideration for the sale of the Sale Assets under the agreement was:

- (a) \$20,880.15 in reimbursement of expenditure;
- (b) 250,000 Shares at an issue price of \$0.01 per Share; and
- (c) the payment of a royalty (**Royalty**).

The 'Royalty' is a 2% gross value royalty in respect of any mineral production from the Yule Tenements, with 'gross value' meaning the gross value, revenue or proceeds from resources extraction operation, without deductions of any kind. The Royalty applies to the Yule Tenements and any renewed or substituted tenements and is payable quarterly in arrears.

The Yule Vendors have agreed that the Royalty will be payable to ACM.

Crown must not assign or charge its interest in a Yule Tenement unless the assignee or chargee signs a deed, in a form reasonably acceptable to the Yule Vendors, agreeing to be bound by the royalty.

Crown has a 30 day first right of refusal in relation to an assignment or charge over the royalty (other than an assignment or charge to a related party of the Yule Vendors).

DK and ACM have a right to lodge a consent caveat against the Yule Tenements in respect of the Royalty.

### **11.3 Other agreements concerning the Projects and Tenements**

Please refer to Part 8 of the Tenement Schedule to the Solicitor's Report on Tenements in section 6 of this Prospectus for further details of other material Agreements affecting the Tenements.

### **11.4 Hartleys Mandate**

The Company engaged Hartleys Ltd as Lead Manager to the Offer on a best endeavours basis under a mandate dated 21 August 2018. Hartleys is entitled to a fee of 6% plus GST of the gross amount subscribed and issued pursuant to the IPO, out of which it is responsible for paying DJ Carmichael (as Co-Manager) a 5% fee on the gross amount raised by DJ Carmichael under the Offer.

In addition, the Company will issue Hartleys (or its nominees) Lead Manager Options totalling 5.0% of the number of Shares on issue on ASX Listing. The issue of the Lead Manager Options is conditional on Hartleys or its distribution network (or their nominees) subscribing for at least \$3 million under the Offer and providing duly signed ASX restriction agreements for the Lead Manager Options as required by the ASX Listing Rules.

Hartleys has agreed that it will nominate DJ Carmichael (or its nominees) as the recipients in respect of a proportion of the Lead Broker Options reflecting the pro rata proportion of the funds raised by DJ Carmichael as Co-Manager of the Offer. For example, if DJ Carmichael raises 30% of the funds raised under the Offer, DJ Carmichael (and its nominees) will be nominated by Hartleys as recipients for 30% of the Lead Broker Options.

The Company has granted Hartleys a first right to be appointed as lead manager to any equity or hybrid capital raising during the term (**Capital Raising**) in return for a 6% capital raising fee on funds subscribed by Hartleys.

The mandate has an 18 month term (**Term**), provided that, if settlement of a Capital Raising occurs (or is expected to occur) within the period that is two months prior to the expiry of the Term (or after the expiry of the Term), the Term will automatically be extended by an additional three months.

During the Term, Hartleys has first right to be appointed as corporate advisor in respect of any material M&A transaction by the Company or any of its Related Bodies Corporate. The terms of the engagement will be set out in a separate engagement letter to be negotiated in good faith and will reflect reasonable engagement and fee arrangements and be consistent with market practice, noting that Hartleys standard fee structure in respect of an M&A transaction is 2-3% of the value ascribed to the M&A transaction, which will vary based on the size and nature of the applicable M&A transaction.

## **11.5 DJ Carmichael Mandate**

The Company has engaged DJ Carmichael Pty Ltd (**DJ Carmichael**) as Co-Manager to the Offer on a best endeavours basis under a mandate dated 21 August 2018. DJ Carmichael is entitled to a fee of 5% of the gross amount subscribed and issued pursuant to the IPO, which fee Hartleys has agreed to pay out of the 6% fee the Company has agreed to pay Hartleys.

In addition, the Company will issue DJ Carmichael (or its nominees) Lead Manager Options as nominated by Hartleys (as detailed above). The issue of the Lead Manager Options is conditional on DJ Carmichael raising at least \$1 million under the Offer and providing duly signed ASX restriction agreements for the Lead Manager Options as required by the ASX Listing Rules.

The mandate has a 1 year term (**Term**) and can be terminated with one month's written notice. Subject to DJ Carmichael raising at least \$1 million under the Offer, DJ Carmichael has a first right to offer any equity capital raising during the Term (except where Hartleys has been appointed as advisor to the offer under its existing mandate summarised above).

Where DJ Carmichael is appointed as Co-Manager to an equity capital raise by the Company during the Term, the Company must pay DJ Carmichael a fee of 5% of the amount raised by DJ Carmichael. Where DJ Carmichael does not act as Co-Manager on a placement during the Term, the Company will negotiate a placement fee in good faith with DJ Carmichael based on the gross amount subscribed by investors introduced by DJ Carmichael (which will be payable by Hartleys if Hartleys is acting as advisor to the placement).

If, within a period of 18 months from the expiry or termination of the Term, an investor and/or potential investor that DJ Carmichael introduced to the Company and engaged with during the Term participates in an equity placement by the Company, the

Company must pay DJ Carmichael a 5% capital raising fee in respect of amounts subscribed by that investor in the placement.

If, within a period of 24 months from the expiry or termination of the Term, the Company enters into a merger or acquisition ("M&A") transaction (the "Deal") with an investor and/or potential investor that DJ Carmichael has introduced to the Company and, with the Company's approval, has engaged with during the Term on a transaction in a similar form with respect to the Company, the Company will pay to DJ Carmichael all fees payable in accordance with the mandate as if the transaction envisaged by the mandate had been consummated on the same basis and terms as of the Deal, provided that no fee is payable if Hartleys has been engaged as advisor in respect of that Deal under its existing mandate.

#### **11.6 Non-executive letters of appointment**

The Company has entered into non-executive director appointment letters with Messrs Damien Kelly, Brenton Siggs and Greg Hancock pursuant to which they have been appointed as Non-Executive Directors of the Company on the following terms:

- (a) (Fees): director fees of \$50,000 per annum payable by the Company to Mr Kelly and \$30,000 per annum payable to each of Mr Siggs and Mr Hancock, commencing from the date the Company is listed. Mr Siggs is also entitled to a \$15,000 payment on the Company being listed; and
- (b) (Term): appointments are subject to provisions of the Constitution and the ASX Listing Rules relating to retirement by rotation and re-election of directors and will automatically cease at the end of any meeting at which Messrs Kelly, Siggs or Hancock are not re-elected as Directors by Shareholders. The appointment letters otherwise contain terms and conditions that are considered standard for agreements of this nature.

The Company intends to enter into a letter of appointment with Ms Janet Wicks, the Proposed Director, on completion of the Cue Option, on the same terms as entered into with Mr Hancock.

#### **11.7 Managing Director Agreement**

The Company has entered into an executive services agreement with Director Michael Moore, to take effect on the Company listing on the ASX, under which Mr Michael Moore will act as Managing Director of the Company with no fixed term. He will be entitled to a fee of \$180,000 per annum plus superannuation. He will not be entitled to any additional Director fees.

The Company may terminate the agreement without cause with 3 months' notice and by paying an amount equal to an additional 3 month's salary (or it can elect to dispense with the 3 months' notice and pay an amount equal to six months' salary). Mr Moore can terminate with 3 months' notice or without notice for certain reasons within 12 months of a change in control. In the latter case, he is entitled to a payment equal to 6 months' salary, subject to applicable law. The agreement is otherwise on standard terms for agreements of this nature.

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

The Company has entered into deeds of indemnity, insurance and access with each of its Directors and intends to enter into an equivalent deed with the Proposed Director. 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 or a related body corporate (subject to customary exceptions). The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers and other documents provided to the Board in certain circumstances.

#### **11.9 Pre-IPO Service Agreements**

The Company has entered into Pre-IPO service agreements with each of Director Michael Moore and Advanced Capital Management Pty Ltd, an entity controlled by Director Damien Kelly, under which each has been paid \$20,000 (plus GST) for pre-IPO services and each is entitled to a \$20,000 (plus GST) payment on listing.

#### **11.10 Hancock Corporate Advisory Mandate**

The Company entered into a corporate advisory mandate with Hancock Corporate Investments Pty Ltd (**Hancock Corporate**) on 12 November 2017 under which Hancock agreed to provide corporate advisory and capital raising services. Hancock is controlled by Mr Greg Hancock, who was not a Director at the time the mandate was executed but subsequently was appointed a Director on 6 April 2018. The Company has paid Hancock a total of \$23,250+GST for these services. The mandate will terminate on the listing of the Company with no further obligations on either party's behalf.

#### **11.11 Maiden Capital Corporate Mandate**

The Company engaged Maiden Capital Pty Ltd on 20 February 2018 to provide corporate advisory and investor relation services for 2 years from listing on the ASX. Maiden will be paid \$6,000 a month for its services.

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## **12. ADDITIONAL INFORMATION**

### **12.1 Litigation**

Except in relation to objections to tenement applications as disclosed in the Solicitor's Report on Tenements (which are not considered material), neither the Company nor any of its respective subsidiaries are involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company or any of their respective subsidiaries.

### **12.2 Rights and liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. 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 and liabilities attaching to Shares are set out in the Constitution, a copy of which can be obtained at no cost from the Company's website ([www.goldenstatemining.com.au](http://www.goldenstatemining.com.au)) or its 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 of the Company.

#### **(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 (even though he or she may represent more than one member); 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 each Share held, 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 Corporations Act, Listing Rules, 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.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, 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.

(e) Shareholder liability

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

(f) Transfer of Shares

Generally, Shares in the Company 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) Future increase in capital

The issue of any new Shares is under the control of the Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares and other Securities as they shall, in their absolute discretion, determine.

(h) Variation of rights

Under 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) 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.

(i) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of votes validly cast for Shares at the general meeting.

(j) Sale of Small Parcels of Shares

The Company can, in accordance with the Corporations Act and the ASX Listing Rules, no more than once in any 12 month period, sell shareholdings which do not represent a “marketable parcel” of shares, being a shareholding that is less than \$500 based on the closing price of the Company’s Shares on ASX as at the relevant time.

(k) Proportional takeover provisions

Pursuant to section 648G of the Corporations Act, the Constitution includes provisions that provide that a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act. These provisions will cease to have effect on the third anniversary of the adoption of the Constitution unless renewed with Shareholder approval in accordance with the Corporations Act.

### **12.3 Rights and liabilities attaching to Existing 20c Options**

- (a) Expiry Date means 5.00pm (WST) on either the second anniversary following the Company’s admission to the official list of ASX or 31 August 2020 (whichever is earlier).
- (b) Exercise Notice means the form of written and/or electronic notice prescribed by the Company from time to time for the purpose of exercising the Options.
- (c) Each Option carries the right to subscribe for one Share at an exercise price of \$0.20 each.
- (d) Options may be exercised by delivering to the Company’s registered office (or such other place in Australia agreed with or instructed by the Company at the time) an Exercise Notice at any time prior to the Expiry Date.
- (e) The Exercise Notice must (unless the Company otherwise agrees) be completed and delivered in the form and manner prescribed by the Company and be accompanied by the relevant payment of cleared funds (in Australian currency).

- (f) A notice may, without limitation, be given by the Company to any Optionholder in the same manner as a notice may be given by the Company to any Shareholder.
- (g) Following receipt of a properly executed Exercise Notice and monies in respect of the exercise of the Options, the Company will issue the resultant Shares and deliver notification of shareholdings in accordance with the limits set out in ASX Listing Rules (if applicable) or, if no such limits apply, within one month of receiving the Exercise Notice.
- (h) The Company will, in accordance with ASX Listing Rules (if applicable) but in any case within 7 days of the date of issue, make application to have the Shares (issued pursuant to an exercise of options) listed for quotation by ASX.
- (i) Shares issued pursuant to an exercise of Options shall rank, from the date of issue, *pari passu* with existing Shares in all respects.
- (j) Options carry no right to participate in new issues of securities unless the Options are exercised before the record date for determining entitlements to the relevant issue.
- (k) Each Optionholder will be notified by the Company, in accordance with ASX Listing Rules (if applicable) but in any case not less than 3 business days before the relevant record date, of any proposed pro rata issue of securities to shareholders.
- (l) Subject to any requirements of the Corporations Act and ASX Listing Rules (if applicable), the Options do not confer the right to a change in exercise price or the number of Shares over which the Option can be exercised.
- (m) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the Options will be changed to the extent necessary to comply with the requirements of the ASX Listing Rules (in force at the time of the reorganisation, if applicable).
- (n) Until such time as the Company is admitted to the Official List of ASX and if the directors of the Company reasonably believe it is in the best interests of the Company and all share and option holders to do so to enable the Company to be admitted to the official list of ASX (or become a subsidiary of such a company), the Company shall be permitted to cancel or buy back the Options and in consideration for such cancellation or buy back will issue to each Optionholder one Share for every 4 Options cancelled or bought back. If this right is proposed to be triggered by the Company it will give prior notice to and use reasonable efforts to consult with all or the majority of Option holders.
- (o) Subject to complying with all applicable laws, the Company may (but only with the prior consent or approval of holders of a majority of the Options) amend, add to or replace these terms of issue if such amendment, addition or replacement is, in the opinion of the Company:
  - (i) of a formal, minor or technical nature or made to correct a manifest error; or

- (ii) not likely (taken as a whole and in conjunction with all other modifications, if any, to be made contemporaneously with that modification) to be materially prejudicial to the interests of the Optionholders.
- (p) Without limiting the above, Optionholders agree to be bound by any amendments to these terms of issue that ASX may reasonably require the Company to make in connection with any application for admission of the Company or a related body corporate of the Company to ASX and the quotation on ASX of securities of the Company or a related body corporate of the Company.
- (q) If the Company is ever listed on ASX, or if the directors of the Company so resolve, provisions (o), (p) and (q) permitting amendments to the terms of issue shall cease to be of any force or effect.

#### **12.4 Rights and liabilities attaching to Existing 25c Options**

- (a) Expiry Date means 5.00pm (Perth time) on either (whichever is earlier) the third anniversary following the Company's admission to the official list of ASX or 31 December 2021.
- (b) Exercise Notice means the form of written and/or electronic notice prescribed by the Company from time to time for the purpose of exercising the options.
- (c) Each Option carries the right to subscribe for one Share at an exercise price of \$0.25.
- (d) Options may be exercised by delivering to the Company's registered office (or such other place in Australia agreed with or instructed by the Company at the time) an Exercise Notice at any time prior to the Expiry Date.
- (e) The Exercise Notice must (unless the Company otherwise agrees) be completed and delivered in the form and manner prescribed by the Company and be accompanied by the relevant payment of cleared funds (in Australian currency).
- (f) A notice may, without limitation, be given by the Company to any Optionholder in the same manner as a notice may be given by the Company to any Shareholder.
- (g) Following receipt of a properly executed Exercise Notice and monies in respect of the exercise of the Options, the Company will issue the resultant Shares and deliver notification of shareholdings in accordance with the limits set out in ASX Listing Rules (if applicable) or, if no such limits apply, within one month of receiving the Exercise Notice.
- (h) The Company will, in accordance with ASX Listing Rules (if applicable) but in any case within 7 days of the date of issue, make application to have the Shares (issued pursuant to an exercise of options) listed for quotation by ASX.
- (i) Shares issued pursuant to an exercise of options shall rank, from the date of issue, *pari passu* with existing Shares in all respects.

- (j) Options carry no right to participate in new issues of securities unless the Options are exercised before the record date for determining entitlements to the relevant issue.
- (k) Each Optionholder will be notified by the Company, in accordance with ASX Listing Rules (if applicable) but in any case not less than 3 business days before the relevant record date, of any proposed pro rata issue of securities to shareholders.
- (l) Subject to paragraph (m) and the requirements of the Corporations Act and ASX Listing Rules (if applicable), the Options only confer the right to a change in exercise price or the number of securities over which the Options are exercisable in the event the Company proceeds with following after the date of issue of the Options:
  - (i) a pro rata issue (except a bonus issue) of securities to the holders of Shares, in which case the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2; or
  - (ii) a bonus issue of securities to the holders of Shares, in which case the number of securities over which the Options are exercisable will be increased in the manner set out in ASX Listing Rule 6.22.3.
- (m) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the Options will be changed to the extent necessary to comply with the requirements of the ASX Listing Rules (in force at the time of the reorganisation, if applicable).
- (n) Unless approved otherwise by the Company on a case-by-case basis (with no obligation on the Company to do so) or unless the parcel of Options being exercised represents the entire holding of the relevant Optionholder's Options in that class, Options can only be exercised in parcels of not less than 100,000.
- (o) Subject to complying with all applicable laws, the Company may amend, add to or replace these terms of issue if such amendment, addition or replacement is, in the reasonable opinion of the Company:
  - (i) of a formal, minor or technical nature or made to correct a manifest error; or
  - (ii) necessary or desirable to enable the Company to be listed on ASX, or otherwise in the best interests of the Company, but only with the prior consent or approval of holders of a majority of the Options in this class.
- (p) Without limiting the above, Optionholders agree to be bound by any amendments to these terms of issue that ASX may reasonably require the Company to make in connection with any application for admission of the Company or a related body corporate of the Company to ASX and the quotation on ASX of securities of the Company or a related body corporate of the Company.

- (q) If the Company is ever listed on ASX, or if the directors of the Company so resolve (and to the extent resolved), provisions (o), (p) and (q) permitting amendments to the terms of issue shall cease to be of any force or effect.

## **12.5 Rights and liabilities attaching to Existing 35c Options**

The Company has granted its Exploration Manager, Mr Geoff Willetts, 1,000,000 Options on the same terms and conditions as the \$0.25 Options summarised in section 12.4 save that:

- (a) the Options lapse if the Company is not admitted to the ASX by 31 December 2018;
- (b) 500,000 are exercisable only once Geoffrey Willetts has been continuously employed by the Company until the first anniversary following the Company's admission to the Official List of ASX; and
- (c) 500,000 are exercisable only once Geoffrey Willetts has been continuously employed by the Company until the second anniversary following the Company's admission to the Official List of ASX.

## **12.6 Rights and liabilities attaching to Lead Manager Options**

The Lead Manager Options will be issued on same terms and conditions as the \$0.25 Options summarised in section 12.4 save that the Options will expire at 5.00pm (WST) on the date that is four (4) years after the date of issue.

## **12.7 Interests of Directors**

Other than as set out in this Prospectus, no Director or Proposed Director 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:

- (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.

## 12.8 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;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, 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 any of these persons for services provided in connection with:

- (d) the formation or promotion of the Company; or
- (e) the Offer.

Hartleys Ltd (ACN 104 195 057) is acting as Lead Manager for the Company in relation to the Offer. The Company estimates it will pay Hartleys Ltd those fees as set out in Section 12.10. During the 24 months preceding lodgement of this Prospectus with ASIC Hartleys Ltd has received \$6,400 (excluding GST) from the Company for their other services.

DJ Carmichael Pty Ltd (ACN 003 058 857) is acting as Co-Manager in relation to the Offer. The Company estimates, from the fees it will pay Hartleys as set out in Section 12.10, Hartleys will pay DJ Carmichael 5% of the gross amount raised by DJ Carmichael in respect of the Offer. The Company will also issue DJ Carmichael (and its nominees) with a proportion of the Lead Broker Options as directed by Hartleys reflecting the pro rata proportion of the funds raised by DJ Carmichael as Co-Manager of the Offer. During the 24 months preceding lodgement of this Prospectus with ASIC DJ Carmichael has received no other fees from the Company for their other services.

Stantons International Securities Pty Ltd has acted as Investigating Accountant for the Company and has prepared the Investigating Accountant's Report which is included in Section 7 of this Prospectus. The Company has paid Stantons International Securities Pty Ltd \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Stantons International Securities Pty Ltd has received no other fees from the Company (note,



however, its affiliated company, Stantons International Audit and Consulting Pty Ltd, mentioned below).

Stantons International Audit and Consulting Pty Ltd has acted as auditor of the Company, CCM and Crown Mining. The Company has paid Stantons International Audit and Consulting Pty Ltd \$5,000 (excluding GST) for audit services in relation to the Company's interim financial report for the period from 15 August 2017 to 31 December 2017. During the 24 months preceding lodgement of this Prospectus with ASIC, Stantons International Audit and Consulting Pty Ltd has received no other fees from the Company.

EMK Lawyers Pty Ltd ATF the EMK Lawyers Trust (**EMK Lawyers**) has acted as the solicitors to Company predominantly in relation to the Offer, including preparation of the Solicitor's Report on Tenements in Section 6 of this Prospectus. The Company has or will pay EMK Lawyers \$85,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, EMK Lawyers has received no other fees from the Company.

Jewell Dunbar Pty Ltd has acted as the Independent Geologist for the Company and has prepared the Independent Geologist Report in Section 5 of this Prospectus. The Company estimates it will pay Jewell Dunbar Pty Ltd \$23,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Jewell Dunbar Pty Ltd has received no other fees from the Company.

## 12.9 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 12.9:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (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.

Hartleys Ltd has given its written consent to being named as the Lead Manager to the Offer in this Prospectus. Hartleys Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. Hartleys has not authorised or caused the issue of the Prospectus or the making of the Offers under the Prospectus, makes no statement in the Prospectus, nor is any statement in the Prospectus based upon a statement made by it other than those statements it has consented to, and makes no representation regarding, and only to the maximum extent permitted by law excludes any responsibility for, any statements in or omissions from any part of the Prospectus.

DJ Carmichael Pty Ltd has given its written consent to being named as the Co-Manager to the Offer in this Prospectus. DJ Carmichael Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Stantons International Audit and Consulting Pty Ltd has given its written consent to being named as auditor of the Company, CCM and Crown Mining in this Prospectus. Stantons International Audit and Consulting Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Stantons International Securities Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 7 of this Prospectus in the form and context in which the information and report is included. Stantons International Securities Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

EMK Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Tenements in Section 6 of this Prospectus in the form and context in which the information and report is included. EMK Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Jewell Dunbar Pty Ltd has given its written consent to being named as the Independent Geologist in this Prospectus and to the inclusion of the Independent Technical Assessment Report in Section 5 of this Prospectus in the form and context in which the information and report is included. Jewell Dunbar Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Mr Paul Dunbar has given his written consent to being named as a Competent Person in this Prospectus and to the inclusion of his Competent Persons Statement in the Independent Technical Assessment Report in Section 5 of this Prospectus in the form and context in which the information is included. Mr Paul Dunbar has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.

Dr John Chisholm has given his written consent to being named as a Competent Person in this Prospectus and to the inclusion of his Competent Persons Statement in the Important Notices and the Independent Technical Assessment Report in Section 5 of this Prospectus in the form and context in which the information is included. Dr John Chisholm has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.

Mr Geoff Willetts has given his written consent to being named as a Competent Person in this Prospectus and to the inclusion of his Competent Persons Statement in the Important Notices of this Prospectus in the form and context in which the information is included. Mr Geoff Willetts has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.

Mr Alexander (Sandy) Moyle has given his written consent to being named as a Competent Person in this Prospectus and to the inclusion of his Competent Persons Statement in the Independent Technical Assessment Report in Section 5 of this Prospectus in the form and context in which the information is included. Mr Alexander (Sandy) Moyle has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.

## 12.10 Expenses of the Offer

The total expenses of the Offer if the Minimum Subscription is raised, and if the Maximum Oversubscription is raised, are estimated to be approximately \$485,000 and \$550,000 respectively, exclusive of GST, and are expected to be applied towards the items set out in the table below:

	Minimum Subscription		Maximum Over-subscriptions	
Item of Expenditure	Amount A\$	%	Amount A\$	%
ASIC fees	3,206	0.7%	3,206	0.6%
ASX Listing Fees	57,000	11.8%	62,000	11.3%
Capital Raising Fees*	270,000	55.7%	330,000	60.0%
Independent Geologist's Fees	23,000	4.7%	23,000	4.2%
Investigating Accountant's Fees	10,500	2.2%	10,500	1.9%
Legal Fees	65,000	13.4%	65,000	11.8%
Solicitor's Report on Tenements	20,000	4.1%	20,000	3.6%
Printing, distribution and miscellaneous	36,294	7.5%	36,294	6.6%
<b>Total</b>	<b>485,000</b>	<b>100.0%</b>	<b>550,000</b>	<b>100%</b>

\*In addition, the Company has agreed to issue the Lead Manager (or its nominees), for capital raising services in relation to the Offer, Lead Manager Options totalling 5% of the number of Shares on issue on listing on the ASX, being up to 1,962,560 Lead Manager Options if the Maximum Oversubscriptions is raised.

## 12.11 Continuous disclosure obligations

Following admission of the Company to the ASX's 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 links to 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.

## **12.12 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 and have fully read those documents. 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.goldenstatemining.com.au](http://www.goldenstatemining.com.au).

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to or accompanies a hard copy of the Prospectus or a complete and unaltered electronic copy of this Prospectus. 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, the Application Form was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **12.13 Governing law**

The Offer and the contracts formed on return of an Application Form are governed by the laws applicable in Western Australia, Australia. Each person who applies for Shares pursuant to this Prospectus submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia, and the relevant appellate courts.

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### 13. 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 and Proposed Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, appearing to read 'DKM', is written over a horizontal line.

**Damien Kelly**  
**Non-Executive Chairman**  
**For and on behalf of Golden State Mining Ltd**

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## 14. GLOSSARY

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

**\$** means an Australian dollar.

**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 an application form attached to or accompanying this Prospectus relating to the Offer.

**ASIC** means Australian Securities & Investments Commission.

**Associates** has the meaning set out in sections 11 to 17 of the Corporations Act, as applicable and in accordance with the note to Listing Rule 14.11.

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

**ASX Listing** means the date the Company is admitted to the Official List.

**ASX Listing Rules** means the Listing Rules of ASX.

**ATF** means 'as trustee for'.

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

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**CCM** means Cue Consolidated Mining Pty Ltd (ACN 621 059 630).

**CHESS** means the Clearing House Electronic Sub-register System.

**Closing Date** means the closing date of the Offer as set out in the indicative timetable in Section 1.1 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

**Co-Manager** means DJ Carmichael Pty Limited (ABN 26 003 058 857).

**Company** or **GSM** means Golden State Mining Limited (ACN 621 105 995).

**Constitution** means the constitution of the Company.

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

**Cue Option** means CCM's option to acquire the Cue Option Assets pursuant to the Cue Option Agreement.

**Cue Option Agreement** means the document titled "Option Agreement: Cue Gold Project" dated 21 September 2017 between Western Mining and CCM, as varied.

**Cue Option Assets** means the gold project located in Cue, Western Australia the subject of the Cue Option Agreement, as further detailed in the Solicitor's Report on

Tenements in Section 6 of this Prospectus, and including a small-scale gravity plant, infrastructure and equipment on site.

**Cue Option Vendor** means Western Mining.

**Cue Project** means the Cue Option Assets and the prospecting license applications made by CCM (as further detailed in the Solicitor's Report on Tenements in Section 6 of this Prospectus) to the extent (if any) that they become granted prospecting licenses.

**Directors** means the directors of the Company.

**Exposure Period** mean a seven day period commencing the day after lodgement of this Prospectus with ASIC, and extendable by ASIC by a further seven days.

**Four Mile Well Project** means mining tenement E38/3282 in Western Australia.

**GSM Group** means the Company, CCM and Crown Mining.

**Investigating Accountant's Report** means the report enclosed in Section 7 of this Prospectus.

**Lead Manager** means Hartleys Ltd (ACN 104 195 057).

**Lead Manager Mandate** has the meaning given to it in Section 11.4.

**Lead Manager Offer** means the offer of up to 1,962,560 Lead Manager Options to the Lead Manager (or its nominees).

**Lead Manager Options** means Options on the terms detailed in Section 12.6 of this Prospectus.

**Maximum Oversubscriptions** means the maximum number of additional Shares, being 5,000,000 Shares at an issue price of \$0.20 per Share, that the Company has the ability to accept as oversubscriptions to the Offer to raise up to a further \$1,000,000 before costs.

**Minimum Subscription** means the minimum subscription under the Offer, being \$4,500,000 as at the date of this Prospectus.

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

**Offer** means the offer, pursuant to this Prospectus, as set out in Section 3.1, of 22,500,000 Shares at an issue price of \$0.20 per Share to raise approximately \$4,500,000 before costs, with the ability to accept oversubscriptions for up to 5,000,000 Shares to raise up to an additional \$1,000,000.

**Offers** means the Offer and the Lead Manager Offer.

**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.



**Projects** means the Cue Project, Yule Project and Four Mile Well Project.

**Proposed Director** means Janet Wicks.

**Prospectus** means this prospectus.

**Related Party** has the meaning given in the Corporations Act.

**Section** means a section of this Prospectus.

**Security** means a security issued or to be issued in the capital of the Company, including a Share or an Option.

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

**Shareholder** means a registered holder of a Share.

**Voting Power** has the meaning given in the Corporations Act.

**Western Mining** means Western Mining Pty Ltd (ACN 142 351 899) ATF Western Mining Unit Trust.

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

**Yule Project** means mining tenements E47/3503-I, E47/3507-I and E47/3508-I in Western Australia.

**Yule Project Royalty** has the meaning given in the Yule Sale Agreement.

**Yule Sale Agreement** means the document titled "Sale Agreement: Yule Project" dated 30 November 2017 between the Yule Vendors, the Company and CCM.

**Yule Vendors** means Damien Kelly as bare trustee for the South Point Trust (ABN 84 260 496 968) and Advanced Capital Management Pty Ltd (ACN 095 764 499) ATF the South Point Trust (ABN 84 260 496 968).

**VWAP** means the volume weighted average market price of trading in the relevant securities on ASX over the relevant period.



**GOLDEN STATE**  
**MINING**

[goldenstatemining.com.au](http://goldenstatemining.com.au)

ATON, OF GOLD.  
PACKING GOLD BULLION.  
AT THE  
WESTERN AUSTRALIAN BANK.  
CUE.



# APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

## All Correspondence to:

Security Transfer Australia Pty Ltd  
PO Box 52  
Collins Street West VIC 8007  
T: +1300 992 916 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

# GOLDEN STATE MINING LIMITED

ACN: 621 105 995

## BROKER STAMP

Broker Code

Advisor Code

## PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

This application relates to the offer of Fully Paid Ordinary Shares at the price of \$0.20 per Share.

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

Before completing this Application Form you should read the accompanying Prospectus and the instructions overleaf. Please print in BLOCK LETTERS.

I / We apply for:

I/We lodge full application of monies of:

,  ,  shares at AUD \$0.20 per share

A \$  ,  ,  .

or such lesser number of shares which may be allocated to me/us by the Directors.



www.securitytransfer.com.au

BPAY® this payment via internet or phone banking.

Please visit our share registry's website: [www.securitytransfer.com.au](http://www.securitytransfer.com.au) and complete the online application form.

If electronic payment cannot be made then cheque(s) or bank draft(s) can be used.

See reverse for further payment instructions.

## Full Name of Applicant / Company

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

## Joint Applicant #2

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

## Joint Applicant #3

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

## Account Designation (for example: THE SMITH SUPERFUND A/C)

<  >

## Postal Address

Unit Street Number Street Name or PO BOX

Suburb / Town / City

State

Postcode

## Country Name (if not Australia)

## CHESS HIN (where applicable)

X

If an incorrect CHESS HIN has been provided (for example, an incorrect number as registration details do not match those registered) any securities issued will be held on the Issuer Sponsored sub-register.

## Tax File Number / Australian Business Number

## Tax File Number of Security Holder #2 (Joint Holdings Only)

## Contact Name

## Contact Number

(  )

## Email Address

@

## Declaration and Statements:

(1) I/We agree to be bound by the Terms & Conditions set out in the Prospectus and by the Constitution of the Company.

(2) I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Securities to me/us, including to complete or amend this form to correct any errors or omissions.

(3) I/We have received personally a full and unaltered copy of the Prospectus dated 22 August 2018 accompanied by or attached to this Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities and have read that Prospectus (and any applicable supplementary prospectus), and this Application Form (including the reverse page) in their entirety.

(4) I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.

**This Application Form relates to the Offer of Fully Paid Shares in Golden State Mining Limited pursuant to the Prospectus dated 22 August 2018.**

## APPLICATION FORMS

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHESS participants should complete their name and address in the same format as they are presently registered in the CHESS system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

## PAYMENT



[www.securitytransfer.com.au](http://www.securitytransfer.com.au)

**BPAY® your payment via internet or phone banking. Please visit our share registry's website: [www.securitytransfer.com.au](http://www.securitytransfer.com.au) and complete the online application form. All online applicants can BPAY their payments via internet or phone banking. A unique reference number will be quoted upon completion of the application.**

© Registered to BPAY Pty Ltd ABN 69 079 137 518

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer.

BPAY applications may (in the Company's discretion) only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

**You do not need to return any documents if you have made payment via BPAY.**

Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such securities for which you have paid.

## EFT PAYMENT

Should you be unable to pay via B-Pay or cheque kindly contact the share registry at [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au) to obtain bank transfer details. Kindly note, if you are to pay via EFT the completed application form is required to be returned to the share registry to ensure your application is processed.

## LOGGING OF APPLICATIONS

Completed Application Forms and cheques must be:

**Posted to:**

**GOLDEN STATE MINING LIMITED**  
C/- Security Transfer Australia Pty Ltd  
PO Box 52  
Collins Street West VIC 8007

**OR**

**Delivered to:**

**GOLDEN STATE MINING LIMITED**  
C/- Security Transfer Australia Pty Ltd  
Suite 913, 530 Little Collins Street  
Melbourne, VIC, 3000

**Applications must be received by no later than 5.00pm WST on 28 September 2018 which may change without notice at any time and at the discretion of the Company.**

## CHESS HIN/BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHESS System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS sub-register, enter your CHESS HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

## CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Golden State Mining Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

### TYPE OF INVESTOR

#### Individual

Use given names in full, not initials.

#### Company

Use the company's full title, not abbreviations.

#### Joint Holdings

Use full and complete names.

#### Trusts

Use trustee(s) personal name(s). Do not use the name of the trust.

#### Deceased Estates

Use the executor(s) personal name(s).

#### Minor (a person under the age of 18)

Use the name of a responsible adult with an appropriate designation.

#### Partnerships

Use the partners' personal names. Do not use the name of the partnership.

#### Superannuation Funds

Use the name of the trustee(s) of the super fund.

### CORRECT

Mr John Alfred Smith

ABC Pty Ltd

Mr Peter Robert Williams &  
Ms Louise Susan Williams

Mrs Susan Jane Smith  
<Sue Smith Family A/C>

Ms Jane Mary Smith &  
Mr Frank William Smith  
<Estate John Smith A/C>

Mr John Alfred Smith  
<Peter Smith A/C>

Mr John Robert Smith &  
Mr Michael John Smith  
<John Smith and Son A/C>

Jane Smith Pty Ltd  
<JSuper Fund A/C>

### INCORRECT

J A Smith

ABC P/L or ABC Co

Peter Robert &  
Louise S Williams

Sue Smith Family Trust

Estate of Late John Smith  
or  
John Smith Deceased

Master Peter Smith

John Smith and Son

Jane Smith Pty Ltd  
Superannuation Fund

## PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.