

REPLACEMENT PROSPECTUS

For an offer of up to 50,000,000 Shares at an issue price of A\$0.20 each to raise up to A\$10,000,000

This Prospectus has been issued to provide information on the offer of up to 50,000,000 Shares to be issued at a price of A\$0.20 per Share to raise up to A\$10,000,000 (before costs). The minimum subscription under the offer is A\$7,000,000.

This is a replacement prospectus dated 2 November 2017. It replaces a prospectus dated 18 October 2017 relating to an offer of fully paid ordinary shares of AIC Resources Limited.

It is proposed that the Offer will close at 5.00pm (WST) on 1 December 2017. The Directors reserve the right to close the Offer earlier or to extend this date without notice. Applications must be received before that time.

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

Investment in the Shares offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 8 for a summary of the key risks associated with an investment in the Shares.

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IMPORTANT NOTICE

This replacement prospectus is dated, and was lodged with ASIC on 2 November 2017. It replaces the prospectus issued by the Company dated 18 October 2017 and lodged with ASIC on that date. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm WST on that date which is thirteen (13) months after the date this Prospectus was lodged with ASIC. No Shares will be issued on the basis of this Prospectus after that expiry date.

Application will be made to ASX within seven (7) days of the date of this Prospectus for Official Quotation of the Shares the subject of the Offer.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offer.

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

No Exposure Period

Pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74, this Prospectus is not subject to an exposure period.

Electronic Prospectus and Application Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.aicresources.com.au. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company. Contact details for the Company and details of the Company's registered office are detailed in the Corporate Directory. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from www.aicresources.com.au. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

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

Website

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

Foreign Investors

No action has been taken to register or qualify the Shares the subject of this Prospectus, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

IMPORTANT NOTICE

Speculative Investment

The Shares offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Shares offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 8 for details relating to the key risks applicable to an investment in the Shares.

Using this Prospectus

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

Privacy Statement

To apply for Shares you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. The Corporations Act and taxation law requires some of this personal information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with its legal and regulatory requirements.

Competent Persons Statement

The information in this Prospectus is based on, and fairly represents, information and supporting documentation prepared and conclusions derived by Mr Brian Varndell. Mr Varndell is a Fellow member of the Australian Institute of Mining and Metallurgy. Mr Varndell is employed by Al Maynard & Associates Pty Ltd. Mr Varndell has sufficient experience that is relevant to the style of mineralisation and types 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". Mr Varndell consents to the inclusion in the Prospectus of the matters based on his information and has reviewed all statements pertaining to this information in the form and context in which it appears. Mr Varndell has not withdrawn his consent prior to the lodgement of this Prospectus with the ASIC.

Forward-Looking Statements

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

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

IMPORTANT NOTICE

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 of the Company. Key risk factors associated with an investment in the Company are detailed in Section 8. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

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

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

Proximate Statements

The Investment Overview and the Company Overview in Section 2 of this Prospectus contain references to other parties either nearby or proximate to the Marymia Project and includes references to topographical or geological similarities to that of the Marymia Project. It is important to note that such discoveries or geological similarities do not in any way guarantee that the Company will have any success or similar successes in delineating a Mineral Resource on the Marymia Project, if at all.

Photographs and Diagrams

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

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. All references to "\$" or "A\$" are references to Australian dollars.

Time

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

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 12.

Replacement Prospectus

This Prospectus is a replacement prospectus and makes changes to the original prospectus dated 18 October 2017. The material changes made to the original prospectus were:

- additional details on the acquisition consideration for the Marymia Project in Section 4.8;
- updated Independent Geologist's Report;
- included a risk regarding EL52/3368 in Section 8.1(g);
- insert paragraphs 9.6, 9.7, 9.9, 10.15 and 10.16 in the Solicitor's Report; and
- additional details on a decision by the Takeovers Panel in Sections 3.1 and 10.11.

CORPORATE DIRECTORY

Directors

Josef El-Raghy – Chairman
Brett Montgomery – Managing Director
Heidi Brown – Non-Executive Director

Company Secretary

Heidi Brown

Registered Office

A8, 431-435 Roberts Road
Subiaco WA 6008

Share Registry*

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth WA 6000

Proposed Stock Exchange Listing

Australian Securities Exchange (ASX)
Proposed ASX Code: A1C

Lawyers

DLA Piper Australia
Level 31, Central Park
152-158 St Georges Terrace
Perth WA 6000 Australia

Auditor*

Ernst & Young
EY Building
11 Mounts Bay Road
Perth WA 6000 Australia

Investigating Accountant

Ernst & Young
EY Building
11 Mounts Bay Road
Perth WA 6000 Australia

Independent Geologist

Al Maynard & Associates Pty Ltd
9/280 Hay Street
Subiaco WA 6008 Australia

Independent Tenement Solicitor

Mining Access Legal
Unit 28, 168 Guildford Road
Maylands WA 6051

* These entities are included for information purposes only. They have not been involved in any part of this Prospectus, except for, in the case of Ernst & Young, the provision of the Independent Limited Assurance Report.

LETTER FROM THE CHAIRMAN

Dear Investor,

On behalf of the Directors of AIC Resources Limited (Company), it gives me great pleasure to invite you to become a shareholder in the Company.

The Company is the 100% owner of the 3,160km² Marymia Project located 1,200km north-east of Perth on the northern margin of the Yilgarn. The Company believes that whilst there has been some historical work in small areas of the Marymia Project, the geology of this part of the Yilgarn is not well understood and the vast majority of the project area is largely unexplored. Due to the downturn in exploration spending in Western Australia, the Company has been able to consolidate a significant contiguous land position to begin systematic exploration in a historically proven gold province that hosts the +5moz Plutonic Gold Mine.

The Board and management team has extensive corporate history in the exploration, development, financing and production of gold deposits.

Since the acquisition of the Marymia Project, the Company has:

- completed a 47,416 line km magnetic and airborne geophysical survey;
- commenced collating a full digital dataset of all work previously conducted in the immediate area of the tenements; and
- commenced reconnaissance field traverses for data verification.

The Directors are excited about the Company's prospects as the greenstone belts are known to continue north-east of the Plutonic and historic Marymia Mine into the tenement package held by the Company. Work by previous explorers, (such as Great Central Mines in the 1990s) drilled gold mineralisation in mafic rocks at Marymia North East and Two Pools project areas however the majority of the Marymia Project area remains largely unmapped and underexplored. Mafic rocks have also been recorded in drilling in granite to the west of the main greenstone belt.

The Prospectus is seeking to raise a minimum of A\$7,000,000 and a maximum of A\$10,000,000 (before associated costs) via the issue of between 35,000,000 Shares to 50,000,000 Shares at an issue price of A\$0.20 per Share. The purpose of the Offer is to provide funds for the Company to undertake systematic exploration of the Marymia Project, general administration and working capital purposes.

The Prospectus contains detailed information about the Offer and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors should carefully consider those risks detailed in Section 8. Investing in exploration and mining projects carries inherent risks through events and circumstances which cannot all be foreseen or mitigated.

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

Yours sincerely,



Josef El-Raghy
Chairman

INDICATIVE TIMETABLE

Lodgement of Prospectus with ASIC	18 October 2017
Lodgement of Replacement Prospectus with ASIC	02 November 2017
Opening Date of the Offer	02 November 2017
Closing Date of the Offer	01 December 2017
Despatch of Holding Statements	06 December 2017
Expected Date for Quotation on ASX	11 December 2017

The above dates are indicative only and may change without notice.

The Company reserves the right to amend the timetable at any time.

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INVESTMENT OVERVIEW

INVESTMENT OVERVIEW

The information below is a selective overview only. Prospective investors should read this Prospectus in full before deciding whether to invest in the Shares the subject of the Offer.

Topic	Summary	More Information
A. Company and Business Overview		
Who is issuing this Prospectus?	<p>AIC Resources Limited (Company), a public company incorporated in Western Australia with Australian Company Number 619 035 737.</p> <p>The Company was incorporated on 11 May 2017, for the purpose of acquiring a 100% interest in a project, comprised of a portfolio of 20 mineral exploration licenses and one mineral licence application located in the eastern Gascoyne region of Western Australia, covering an area of approximately 3,160km² (Marymia Project).</p>	Section 2.1 and 9
What does the Company do?	<p>The Company is an early stage gold exploration and development company focused on developing the Marymia Project.</p> <p>Since incorporation, the Company has:</p> <ul style="list-style-type: none"> completed the acquisition of the Marymia Project; undertaken an airborne geophysical survey over the area of the Marymia Project; and commenced a verification exercise in respect to historical datasets for the Marymia Project area. <p>Following completion of the Offer the Company intends to undertake further exploration activities on the Marymia Project.</p>	Sections 2.1 and 9.1
What are the key strengths of the Company?	<p>The key strengths of the Company are as follows:</p> <ul style="list-style-type: none"> Location/Exploration Potential - The Marymia Project is located in a highly prospective gold region, specifically being located: <ul style="list-style-type: none"> on part of the Capricorn Orogen which hosts the Paulsens, Plutonic and Peak Hill gold mines; and over sections of Archaean Greenstone Belts which are a favourable age and lithological type to host mineralisation. Experienced Project Development Team - The Board has extensive experience in mining, project development and financing in the Western Australian resources industry. Exploration Program Commenced - The Company has already completed a geophysical survey over the area of the Marymia Project and has commenced analysis of historical datasets for the Marymia Project area. 	Section 2.5

Topic	Summary	More Information
Why is the Company seeking to raise funds?	<p>The Company is seeking to raise funds in order to systematically explore the Marymia Project in accordance with the proposed work program detailed in Section 2.4.</p> <p>In particular, the Company proposes to undertake:</p> <ul style="list-style-type: none"> • mapping and surface sampling of identified targets; and • follow-up drilling of identified targets. 	Section 2.4.
How does the Company generate revenue?	<p>The Company is seeking to explore and develop the Marymia Project. As at the date of this Prospectus, the Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Marymia Project is successfully developed.</p>	Section 2.1
What are the Company's financial prospects and position?	<p>Assuming the Company raises A\$7,000,000 (refer to Section 1.2), the Company's pro forma historical statement of financial position as at 30 June 2017 illustrates pro forma historical net assets of A\$8,403,027.</p> <p>This takes into account the Offer, net of costs, as detailed in Section 4.</p> <p>Relevant financial information in respect to the Company, including the Pro Forma Historical Statements of Financial Position detailing the effect of the Offer, is in Section 4.5.</p> <p>Should the Company be unable to raise sufficient capital as contemplated in this Prospectus, there is a material uncertainty whether it will be able to continue as a going concern and therefore, whether it will be able to pay its debts as and when they become due and payable and to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the Historical and Pro Forma Historical Statements of Financial Position. Refer to Section 4.2 for further discussion.</p>	Section 4
How will the Company report to Shareholders on the performance of its activities?	<p>The Company will send to its Shareholders an annual report and will also release information to Shareholders in accordance with the continuous and periodic disclosure requirements of the Listing Rules.</p> <p>Further information regarding the Company will be available on the ASX announcements platform at www.asx.com.au and will also be available on the Company's website at www.aicresources.com.au.</p>	Section 10.9
Will the Company pay dividends?	<p>The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company.</p> <p>While it is the aim of the Company that, in the longer term, its financial performance and position will enable the payment of dividends, at the date of this Prospectus, the Company does not intend, or expect, to declare or pay any dividends in the immediately foreseeable future, given that its focus will be on long term growth.</p>	Section 2.7

Topic	Summary	More Information
B. Key Risks		
What are the key risks of investing in the Company?	<p>Some of the key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment in the Company are detailed in Section 8.</p> <ul style="list-style-type: none"> • Title Risk: The Company's mining and exploration activities are dependent upon the maintenance (including renewal) of the mineral exploration licences in which the Company has or acquires an interest. Maintenance of the Company's mineral exploration licences is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities including compliance with the Company's work program requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Although the Company has no reason to think that the mineral exploration licences in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. • Exploitation, exploration and mining licences: The mineral exploration licences that have been or will be granted only permit exploration on the Marymia Project. In the event that the Company successfully delineates economic deposits on any of the mineral exploration licences, it will need to apply for a mining lease. There is no guarantee that the Company will be granted a mining lease if one is applied for. • Nature of mineral exploration and mining: The business of mineral exploration, development and production is subject to risk by its nature. The success of the business depends, inter alia, on successful exploration and/or acquisition of reserves, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining are speculative undertakings which may be hampered by force majeure circumstances, land claims and unforeseen mining problems. Increased costs, lower output or high operating costs may all contribute to make a project less profitable than expected at the time of the development decision. There is no assurance that the Company's attempts to exploit its exploration activities will be successful. • Environmental risk: The Marymia Project is subject to Western Australian regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. 	Section 8

Topic	Summary	More Information
	<p>The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.</p> <ul style="list-style-type: none"> • Commodity price volatility: As future revenues will primarily be derived from the sale of gold, any future earnings will be closely related to the price of gold. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for gold, forward selling by producers, and production cost levels in major gold producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. • Currency volatility: International prices of various commodities, including gold, are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken in account in Australian dollars, consequently exposing the Company to fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined by the international markets. The Company will establish a price risk management policy to manage this risk to ensure its operating policy is not negatively impacted by large movements in the projects revenue stream, which may affect the future profitability of the Company. 	
C. Summary of the Offer		
What is the Offer and what are its key terms?	The Company is offering up to 50,000,000 Shares at an issue price of A\$0.20 each to raise up to A\$10,000,000 (before associated costs), subject to a minimum subscription of 35,000,000 Shares to raise A\$7,000,000 (before associated costs).	Sections 1.1 and 1.2
What is the effect of the Offer on the capital structure of the Company?	<p>If the Company achieves Minimum Subscription, the Shares issued under the Offer will represent 58.33% of the issued share capital of the Company following the Offer.</p> <p>If the Offer is fully subscribed, the Shares issued under the Offer will represent approximately 66.67% of the issued share capital of the Company following the Offer.</p>	Section 1.6
Minimum subscription to the Offer?	The minimum subscription under the Offer is 35,000,000 Shares to raise A\$7,000,000 (before associated costs).	Section 1.2
Is the Offer underwritten?	The Offer is not underwritten.	Section 1.15

Topic	Summary	More Information
D. Directors and Related Party Interests and Arrangements		
Who are the Directors?	<p>The Directors are:</p> <ul style="list-style-type: none"> • Mr Josef El-Raghy - Chairman; • Mr Brett Montgomery - Managing Director; and • Mrs Heidi Brown - Non-Executive Director. 	Section 3.1
What qualifications do the Directors have?	<p>Mr El-Raghy holds a Bachelor of Commerce Degree from the University of Western Australia and had a ten year career in stock broking. Mr El-Raghy is currently Chairman of Centamin plc, where he has been responsible for overseeing the transition of the Company from small explorer, through construction and into production with the Sukari Gold Mine in Egypt now one of the top 20 gold mines globally. Mr El-Raghy was formerly a director of both CIBC Wood Gundy and Paterson Ord Minnett.</p> <p>Mr Montgomery has extensive experience in public company management, leadership, corporate governance and risk management in both executive and non-executive roles. Mr Montgomery is currently a non-executive director of Tanami Gold NL and Bard1 Life Sciences Limited. Mr Montgomery was previously managing director of Kalimantan Gold NL, and director of Grants Patch Mining Ltd, EZA Corporation Ltd and Magnum Gas and Power Ltd.</p> <p>Mrs Brown is a Fellow Chartered Secretary and Graduate of the AICD Company Directors Course. She holds a Graduate Certificate of Applied Finance and Investment and a Diploma of Financial Advising from FINSIA. Mrs Brown was the company secretary of Centamin plc from July 2004 until December 2012, during which time, she contributed to the company's growth from a small exploration company to a multi-billion dollar market cap company.</p>	Section 3.1
What benefits are being paid to Directors?	<p>The Directors are entitled to the following annual remuneration and fees (exclusive of superannuation):</p> <ul style="list-style-type: none"> • Mr Josef El-Raghy - A\$60,000. • Mr Brett Montgomery - A\$144,000; and • Mrs Heidi Brown - A\$40,000. 	Sections 9.2 and 9.3
What contracts and/or arrangements with related parties is the Company a party to?	<p>The Company is a party to the following related party agreements:</p> <ul style="list-style-type: none"> • Tenement Sale Agreement - pursuant to which the Company acquired a 100% interest in the Marymia Project from Cosmopolitan Minerals (an entity associated with Mr Josef El-Raghy and which Mrs Heidi Brown is a director and substantial shareholder); • Executive Service Agreement and Director Appointment Letters - an executive services agreement with Mr Brett Montgomery and non-executive director appointment letters with each of Mr El-Raghy and Mrs Brown; • Deeds of Indemnity - deeds of indemnity and insurance with each of the Directors; 	Sections 9 and 10.6

Topic	Summary	More Information
	<ul style="list-style-type: none"> • Sublease - a sublease between Montana Realty (an entity controlled by Mr El-Raghy) and the Company pursuant to which Montana Realty has agreed to sub lease its premises to the Company on an ongoing basis; and • Secretarial Services Agreement - pursuant to which Mrs Brown has agreed to provide company secretarial services to the Company. 	
What interests do Directors have in the securities of the Company?	<p>The direct and indirect interests of the Directors in securities of the Company as at the date of this Prospectus are as follows:</p> <ul style="list-style-type: none"> • Mr Josef El-Raghy - 15,000,001 Shares; • Mr Brett Montgomery - 1,850,000 Shares; and • Mrs Heidi Brown - 1,000,000 Shares. 	Section 10.3
Are the Directors participating in the Offer?	<p>The Directors and their associated entities intend to participate on in the Offer by applying for Shares on the following basis:</p> <ul style="list-style-type: none"> • Mr Josef El-Raghy - 5,000,000 Shares; • Mr Brett Montgomery - 500,000 Shares; and • Mrs Heidi Brown - 125,000 Shares. 	Section 10.3
Who are the significant existing shareholders of the Company and what will their interests be after completion of the Offer?	<p>As at the date of this Prospectus, the following persons (including their associates) have an interest in 5% or more of the Shares on issue:</p> <ul style="list-style-type: none"> • Mr Josef El-Raghy has an interest in 15,000,001 Shares comprising 60% of the total issued share capital of the Company; • Mr Brett Montgomery holds 1,850,000 Shares comprising 7.4% of the total issued share capital of the Company; and • Argonaut Equity Partners Pty Ltd holds 1,500,000 Shares comprising 6% of the total issued share capital of the Company. <p>On completion of the Offer (at Minimum Subscription), the following persons (including their associates) will have an interest in 5% or more of the Shares on issue:</p> <ul style="list-style-type: none"> • Mr Josef El-Raghy will have an interest in 20,000,001 Shares comprising 33.33% of the total issued share capital of the Company. 	Section 3
E. Applications and Other Information		
Who is eligible to participate in the Offer?	The Offer is open to all investors with a registered address in Australia and certain qualifying investors in Malaysia, Hong Kong, Singapore and the United Kingdom.	Section 1.13
How do I apply for Shares?	Applications under the Offer can be made by completing the Application Form, in accordance with the instructions accompanying the Application Form.	Section 1.8

Topic	Summary	More Information
What is the allocation policy?	The Directors will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.	Section 1.11
What is the cost of the Offer?	If the Company achieves Minimum Subscription, the expenses of the Offer are estimated to be approximately A\$641,758. If the Offer is fully subscribed, the expenses of the Offer are estimated to be approximately A\$826,963. Some of these expenses have already been paid by the Company. Refer to Section 10.7.	Section 10.7
F. Further Information		
How can I obtain further information?	Further information can be obtained by reading this Prospectus and consulting your professional advisors. You can also contact the Company Secretary on +61 8 6269 0110.	Corporate Directory
Company contact	You can contact the Company Secretary on +61 8 6269 0110.	Corporate Directory

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1 DETAILS OF THE OFFER

1. Details of the Offer

1.1 The Offer

This Prospectus invites investors to apply for up to 50,000,000 Shares at an issue price of A\$0.20 each to raise A\$10,000,000 (before associated costs) (**Maximum Subscription**).

All Shares offered under this Prospectus will rank equally with the existing Shares on issue. Refer to Section 10.1 for details of the rights attaching to Shares.

Refer to Section 1.8 for details on how to apply for Shares under the Offer.

1.2 Minimum Subscription

The Offer is subject to a minimum total subscription of 35,000,000 Shares to raise A\$7,000,000 (before associated costs) (**Minimum Subscription**).

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

1.3 Objectives of the Company

The Company's main objective upon completion of the Offer is to:

- (a) undertake a cost effective exploration program on the Marymia Project with the aim of identifying gold targets for initial drill testing; and
- (b) define a mineral resource capable of sustaining an independent and viable mining and processing operation.

The funds received from the Offer will also enable the Company to meet its corporate and working capital requirements.

Refer to Section 2.4 for further details of the Company's proposed exploration program.

1.4 Purpose of Prospectus

The purpose of this Prospectus is to:

- (a) raise up to A\$10,000,000 (before associated costs) pursuant to the Offer, subject to the Minimum Subscription;
- (b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List; and
- (c) position the Company to seek to achieve the objectives detailed in Section 1.3.

1.5 Funding Allocation

As at 18 October 2017, the Company has cash reserves of approximately A\$320,112.

The Board believes that its current cash reserves and the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

The following table shows the expected use of funds in the two year period following admission of the Company to the Official List:

Item	A\$7,000,000 Raised	%	A\$10,000,000 Raised	%
Cash reserves as at 18 October 2017 ¹	320,112	4.37%	320,112	3.10%
Funds raised from the Offer	7,000,000	95.63%	10,000,000	96.90%
Total Funds Available	7,320,112	100%	10,320,112	100%
Exploration Activities ²	4,603,392	62.89%	5,953,392	57.69%
General and administrative expenses	1,039,736	14.20%	1,044,736	10.12%
Remaining costs of the Offer ³	588,265	8.04%	773,470	7.49%
Cash Reserves and Working Capital	1,088,719	14.87%	2,548,514	24.69%
Total funds allocated	7,320,112	100%	10,320,112	100%

Note:

- During the period between 30 June 2017 (being the date on which the Financial Information, detailed in Section 4, was prepared) to 18 October 2017, the Company raised A\$200,000 through the issue of Shares and incurred, in the ordinary course of business, expenditure of A\$572,331.
- Refer to Section 2.4 for further details.
- As at the date of this Prospectus, the Company has paid A\$53,493 of the costs of the Offer of which:
 - A\$33,979 was paid prior to 30 June 2017; and
 - A\$19,514 was paid in the period from 1 July 2017 until 18 October 2017.
 Refer to Section 10.7 for further details.

Shareholders should note that the above estimated expenditures will be subject to modification on an ongoing basis depending on the progress of the Company's activities. Due to market conditions, the development of new opportunities, the results obtained from exploration and/or any number of other factors (including the risk factors outlined in Section 8), actual expenditure levels may differ significantly to the above estimates. The consideration of new opportunities may result in the Company expending funds on due diligence or other acquisition costs which may not be recouped through the ultimate acquisition and/or development of the project under consideration.

The Company may also pursue further acquisitions which complement the Marymia Project and there may be a need to direct funds for this purpose or to raise additional equity capital.

The Company intends to capitalise on future opportunities as they arise which may result in costs being incurred that are not included in these summaries.

1.6 Capital Structure

The Company currently has only one class of securities on issue, being Shares.

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

	Shares
On issue as at the date of this Prospectus	25,000,001
Shares issued under the Offer (assuming Minimum Subscription)	35,000,000
Total	60,000,001
Additional Shares issued under the Offer (assuming Maximum Subscription)	15,000,000
Total	75,000,001

1.7 Forecasts

Due to the nature of the Company's business activities and the market in which it operates, there are significant uncertainties associated with forecasting future revenues (if any) from the Company's proposed activities.

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

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

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

1.8 How to Apply

Accompanying and forming part of this Prospectus is an Application Form for use if you wish to apply for Shares under the Offer. To participate in the Offer, the Application Form must be completed and received, together with the Application Monies, in accordance with the instructions on its reverse side. Completed Application Forms should be received by the Company, together with the Application Monies in full, prior to 5.00pm (WST) on the Closing Date at the relevant address as follows:

In the case of Applicants applying from within Australia:

By Post To:
AIC Resources Limited C/- Computershare Investor Services Pty Limited GPO Box 52 Melbourne VIC 3001

Applicants resident in Australia should make their cheques payable in A\$, based on an issue price of \$0.20 per Share. All cheques should be made payable to "**AIC Resources Limited**" and be crossed "Not Negotiable".

Applications must be for a minimum of 10,000 Shares (i.e. A\$2,000) and, thereafter, in multiples of 2,500 Shares (i.e. \$500). Applications for less than the minimum accepted Application of 10,000 Shares will not be accepted.

An original completed and lodged Application Form (or a paper copy of the Application Form from the Electronic Prospectus), together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

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

1.9 CHES

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHES**), which is the ASX electronic transfer and settlement system in Australia, in accordance with the Listing Rules and ASX Operating Rules. Settlement of trading of quoted securities on the ASX market takes place on CHES. CHES allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. On admission to CHES, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHES sub-register. The two sub-registers together will make up the Company's register of Shareholders.

The Company will not issue certificates of title to Shareholders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Shares issued to them, in much the same way as the holder of shares in an Australian incorporated ASX-listed entity would receive a holding statement in respect of shares. A holding statement will also provide details of a Shareholder's HIN (in the case of a holding on the CHES sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Shares held by Shareholders. Shareholders may also request statements at any other time (although the Company may charge an administration fee).

1.10 ASX Listing and Official Quotation

The Company has applied to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within 3 months after the date of the original prospectus, being 18 October 2017 (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

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

1.11 Allotment

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

- (a) the Minimum Subscription is achieved (refer to Section 1.2); and
- (b) ASX grants conditional approval for the Company to be admitted to the Official List (refer to Section 1.10).

The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for,

surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Subject to the matters in Section 1.10, Shares under the Offer are expected to be allotted on the Allotment Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

1.12 Risk Factors of an Investment in the Company

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business activities of the Company. Section 8 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

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

1.13 Overseas Applicants

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside of Australia.

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

Hong Kong

This document 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 document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares 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 New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares 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 document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares 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 document 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 New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document 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 New Shares.

This document 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 New Shares 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 document 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 New Shares 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 document 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.

1.14 Restricted Securities

None of the Shares issued pursuant to the Offer will be subject to any ASX imposed escrow restrictions. However, ASX may determine that certain Shares on issue prior to the Offer may be classified as restricted securities and may be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares (if any) are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

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

1.15 Underwriting

The Offer is not underwritten.

1.16 Commission

The Company reserves the right to pay a commission of up to 6% (exclusive of GST) of amounts subscribed through:

- (a) any Australian financial services licensee in respect of any Applications lodged and accepted by the Company and bearing the stamp of the Australian financial services licensee; or
- (b) any entity registered outside Australia permitted to provide financial services.

Payments will be made subject to the receipt of a proper tax invoice from the Australian financial services licensee or the appropriate invoice or documentation from the foreign registered entity.

1.17 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) in accordance with the requirements of the Corporations Act.

1.18 Paper Copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the applicable Application Form to investors upon request and free of charge. Requests for a paper copy from Australian resident investors should be directed to the Company Secretary on +61 8 6269 0110 for further details.

1.19 Enquiries

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser. Enquiries from Australian resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to the Company Secretary on +61 8 6269 0110.

For personal use only

2

COMPANY OVERVIEW



2. Company Overview

2.1 Background

AIC Resources Limited (the **Company**) is a public company incorporated in Australia with Australian Company Number 619 035 737.

The Company was incorporated on 11 May 2017 for the purpose of acquiring the Marymia Project from Cosmopolitan Minerals and listing on the ASX.

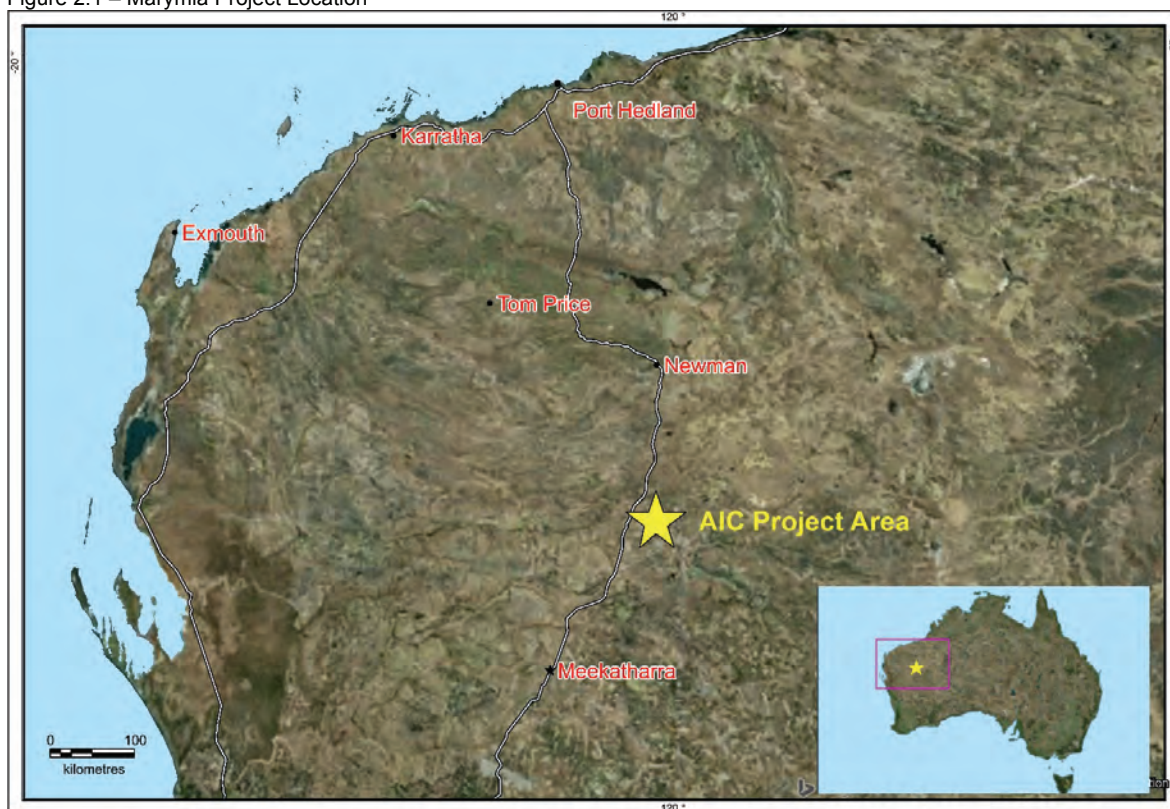
The Company is the 100% owner of the 3,160km² Marymia Project located 1,200km north-east of Perth on the northern margin of the Yilgarn.

The Marymia Project is considered to have the potential to host gold ore deposits. Additionally, some Tenements have the potential to host base metal, lithium or rare earth metal mineralisation. The Company proposes to undertake an exploration work program in order to define a mineral resource capable of sustaining an independent and viable mining operation.

The Company has commenced collating a full digital dataset of all work previously conducted on the Marymia Project area, concluded field verification and geochemical orientation studies, and recently completed an airborne geophysical survey.

The Offer is being conducted predominantly to raise funds to continue the exploration and development of the Marymia Project. The Company's main objective is to conduct the exploration program outlined in Section 2.4.

Figure 2.1 – Marymia Project Location



2.2 Company Vision and Strategy

The Company's strategy is to grow Shareholder value through the successful identification, exploration and the subsequent definition and development of mineral resources.

Initially, the Company will seek to drive capital growth for Shareholders through achieving exploration success from its exploration programs on the Marymia Project. The Marymia Project will provide the Company with an opportunity to explore across an area that is considered prospective for gold ore deposits and base metal, lithium or rare earth metal mineralisation.

The Company's longer term plan is to explore and exploit the Marymia Project with the aim of developing this asset into an income generating asset of the Company through the mining and sale of minerals.

In addition, the Company may investigate and assess asset and company acquisition opportunities that may provide commodity and or jurisdictional diversification benefits.

The Company's business model is dependent on the achievement of technical and commercial success from its exploration programs detailed in Section 2.4.

2.3 The Marymia Project

(a) Tenements

The Marymia Project:

- (i) comprises of a portfolio of 20 contiguous mineral exploration licences and one mineral exploration licence application (together, the **Tenements**) which together cover an area of approximately 3,160km², located in the eastern Gascoyne region of Western Australia; and
- (ii) is located proximate to the Great Northern Highway via a graded main road.

Table 2.1 – Tenements

Mining Act Tenure		Company's Ownership Interest
Tenement	Status	
E52/2943	Granted	100%
E52/2944	Granted	100%
E52/2945	Granted	100%
E52/2973	Granted	100%
E69/3247	Granted	100%
E52/3027	Granted	100%
E52/3028	Granted	100%
E52/3029	Granted	100%
E52/3044	Granted	100%
E52/3154	Granted	100%
E52/3171	Granted	100%
E52/3190	Granted	100%
E52/3265	Granted	100%
E52/3317	Granted	100%
E52/3318	Granted	100%
E52/3319	Granted	100%
E52/3346	Granted	100%
E52/3368	Granted	100%
E52/3397	Granted	100%
E52/3455	Granted	100%
ELA52/3087	Pending	0%

(b) Location

The Marymia Project is located approximately 1,200km north-east of Perth, and 180km north-east of Meekathara. The Marymia Project is situated over the Marymia, Three

Rivers and Kumarina pastoral leases and located on a plateau approximately 500 metres above mean sea level.

(c) **Climate**

The Marymia Project is located in a semi-arid climate zone, characterised by moderate seasonality with higher average monthly rainfall total in the summer months, and early winter rainfall. The average maximum temperature for January is 40°C and for July is 25°C. The average minimum temperature for January is 25°C and for July is 5°C.

(d) **Geological Setting**

The tenements of the Marymia Project cover part of the Marymia Inlier, a 200 x 50km Archaean Inlier that hosts the Plutonic Greenstone belt. The inlier is located within the south-eastern part of the Capricorn Orogen, a major Proterozoic tectonic zone formed by the collision and reworking of the Archaean-Paleoproterozoic Glenburgh Orogen with the southern edge of the Pilbara Craton. A consequence is extensive Paleoproterozoic deformation and metamorphism of the Archaean granites and greenstones.

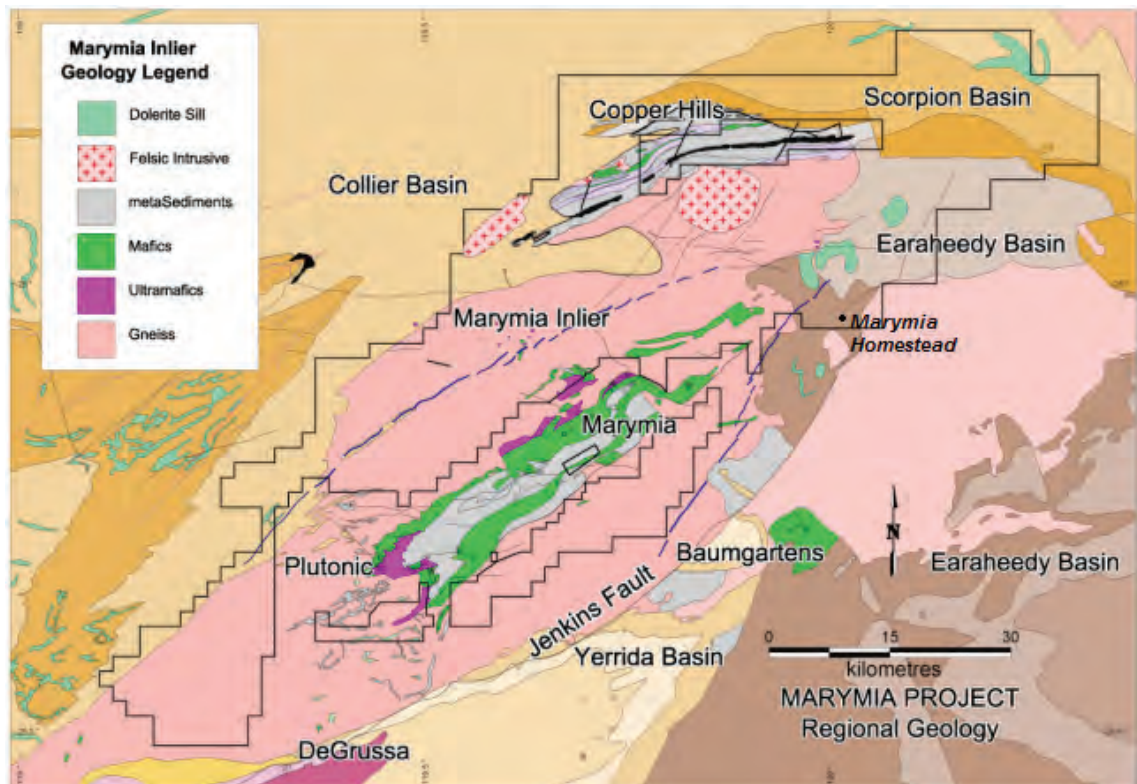
The northern margin of the Archaean Marymia Inlier is marked by the Copper Hills, a supracrustal schist belt of uncertain age that comprises a variety of metasedimentary rocks, mainly as banded iron-formation (**BIF**) and phyllite, with minor metavolcanic rocks.

To the south, east and north of the Archaean Marymia Inlier, the Capricorn Orogen is marked by a series of Paleoproterozoic sedimentary basins (Padbury, Bryah, Yerrida and Earahedy Basins) which represent periods of basement rifting and sedimentation post collision.

Unconformably overlying Archaean basement, Copper Hills Schists, and the Paleoproterozoic sedimentary basins are siliclastic rocks of the Collier Group (Bangemall Basin).

Within the Marymia Project area, previous drilling within the areas mapped as Archaean granite has intercepted gneisses and migmatites, which to the west and north of the Marymia Homestead contain fault-bounded remnants of greenstones that have been intruded by a range of plutonic igneous rocks including gabbro, granite and granodiorite.

Figure 2.2 – Marymia Project Regional Geology



(e) **Mineralisation**

Mineralisation in the region is dominated by gold and base metal occurrences within both the Archean granite/greenstone belt, and the adjacent Archean and Proterozoic sedimentary basins.

Gold mineralisation within the greenstone belt is hosted predominantly by meta-basalts within a tholeiitic meta-basalt, ultramafic and meta-sedimentary sequence. At Plutonic Mine at the south-western end of the greenstone belt, gold mineralisation occurs within a mafic unit bounded by two ductile ultra-mafic units. Deformation during a period of thrusting produced layer parallel shears on the contacts, and localising linking shears within the more brittle mafic unit. Mineralisation at Keilor 1 and 2 lodes that form the Marymia deposit at the north-eastern end of the greenstone is associated with intensely silicified, narrow and variable deformed, quartz-dominant, carbonate bearing veins that are parallel to a north-east plunging tight antiform and hosted within highly boudinaged and folded amphibolite and BIF at the contact with ultramafic schist.

Although poorly exposed or mapped, the greenstones belts are known to continue north-east of the Marymia Mine into the Marymia Project area. Work by previous explorers, (such as Great Central Mines in the 1990s) drilled gold mineralisation in mafic rocks at Marymia North East and Two Pools project areas. Mafic rocks have also been recorded in drilling in granite to the west of the main greenstone belt. These occurrences have not been mapped in detail, and most have not been assayed for gold. Hi-resolution airborne magnetics will assist with location and interpretation of mafic rocks within the currently mapped granitic bedrock surrounding the central Plutonic greenstone belt.

At Peak Hill, 45km to the south-west of the project area, gold occurs in metamorphosed rocks of uncertain Precambrian age (Peak Hill Schists). Although the Peak Hill Schists were once assumed to be Proterozoic in age, they are now thought to be older, and possibly represent the deformed south-western end of the Archean Marymia Inlier. The rocks are dominated by muscovite schists, graphite schist, amphibolite-rich mafic schist and meta-dolerite. No Peak Hill Schists have been mapped within the Marymia Project area, however the Copper Hills in the northern margin of the Marymia Project are also recorded as metamorphosed sediments of uncertain Precambrian age. Although no correlation with the Peak Hill schists have been made in technical literature, previous explorers (Johnsons Well 1991, Emergent Resources Ltd 2015) describe the units as an elongated inlier of unassigned, early Proterozoic, metamorphosed sedimentary rocks, possibly part of the Marymia Dome or Peak Hill sequence. The Marymia Project comprises granites, schists, and magnetite bearing schist and host the Beyondie Magnetite deposit.

Gold and base metals mineralisation also occur within various Proterozoic sedimentary basins to the south and west of the Marymia inlier. The Bryah Basin immediately to the south of the Marymia Project contains the Naracoota Volcanics, a sequence of basalts, basaltic hyaloclastites, sedimentary rocks, dolerite, and gabbro which are thought to be the result of extensional rifting. The Naracoota Volcanics hosts the DeGrussa, Conductor, Red Bore and Monty copper deposits. The Bryah Basin is separated from the Marymia Dome by the north-east trending Jenkin Fault. Rocks of the Bryah Basin have not been interpreted to occur within the Project area, however recent work within the Earahedy Basin has suggested that the oldest units are the products of incipient rifting with the identification of minor felsic magmatism, and are possibly coeval with the Padbury Basin. Interpretation for rifting increases the potential for mineralisation. No previous exploration for gold or base metal mineralisation within the Earahedy group within the Marymia Project has been located.

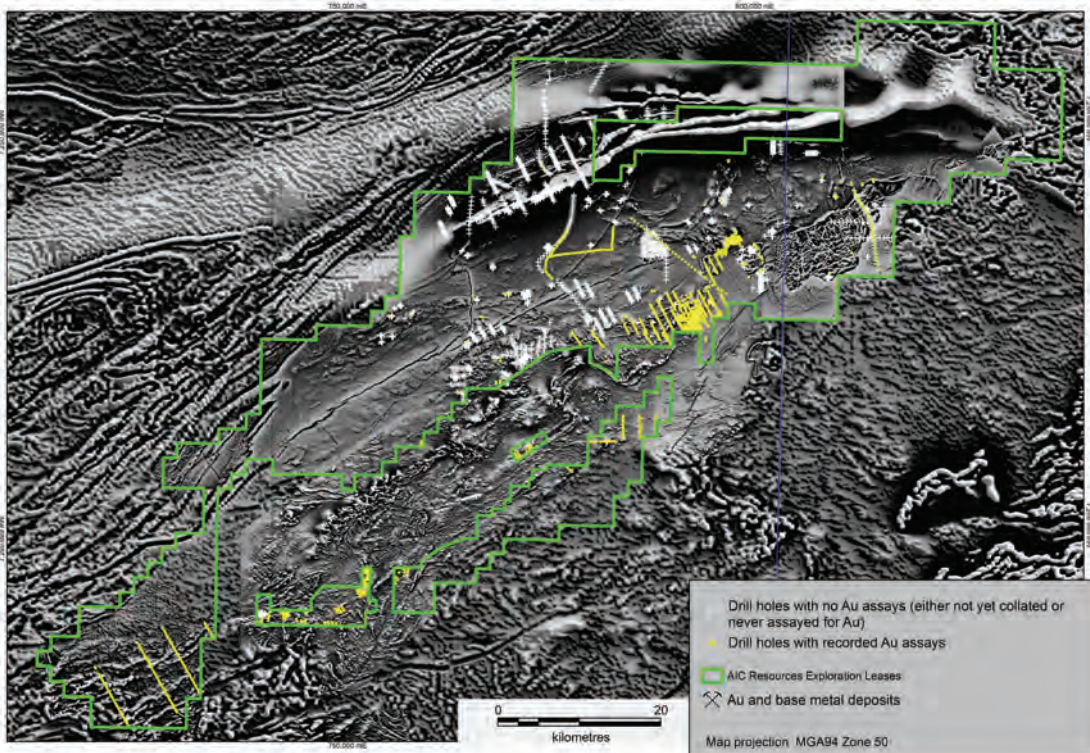


Figure 2.3 Previous drilling and observed gold occurrences plotted over 1VD Raw magnetic data.

(f) **Previous Exploration**

Compilation of data from previous exploration within the Marymia Project is currently in progress. From data captured to date it is evident that exploration throughout the Marymia Project has primarily focused on diamonds with lesser exploration for gold, copper and iron. Following the discovery of the Plutonic deposit in 1988, Johnsons Well Mining, and subsequently Great Central Mines, conducted limited exploration programmes on the known mineralisation at Marymia NE and the Two Pools prospects. Unfortunately many of the assay results relating to regional exploration drilling are not available. Great Central also undertook regional stream sediment and loam sampling, and magnetic target defined drilling for diamonds. Stream sediments and loam samples were not assayed but visible gold has occasionally recorded in the stream sediment samples. More recently De Grey Mining Limited, and then Emergent Resources Limited carried out exploration and drilling for base-metals and iron in the Copper Hills and southern Beyondie areas. Limited drilling targeting gold mineralisation has occurred within the Marymia Project since the Great Central Mines campaign prior to 2000. However, a few companies have undertaken a variety of surface geochemical surveys over specific areas with varying success, none of which have been followed up with drilling.

2.4 Proposed Exploration Program and Budget

The Company believes that whilst there has been some historical work in small areas of the Marymia Project, the geology of this part of the Yilgarn is not well understood and the vast majority of the project area is largely unexplored. The Company aims to systematically explore the project to delineate these deposits. The proposed exploration program will consist of the following:

- assembling a full digital dataset of all work conducted in on the Marymia Project, including existing topographical imagery and third party geophysical datasets;
- undertake broad scale new imagery capture and interpretation to define lithology;
- interpreting aeromagnetic surveys over selected structures to develop detailed 3D prospectively models for each target;

- (d) synthesise structural, geophysical and geochemical results to identify all target zones;
- (e) undertake exploration drilling at identified anomalies; and
- (f) undertake selected reverse circulation and diamond drilling at any known mineralisation in such a density as to prepare a mineral resource estimation.

The proposed budget for the first two years following completion of the Offer is as follows:

	Year 1		Year 2	
Item	A\$7m raise	A\$10m raise	A\$7m raise	A\$10m raise
WVS2 topographic Imagery	100,000	100,000	-	-
Soil Geochemistry	350,000	400,000	350,000	400,000
RAB/Aircore Drilling incl assay	-	-	500,000	750,000
RC/Diamond Drilling incl assay	-	-	500,000	1,500,000
Geological Supervision/Contact Field Services	830,000	830,000	800,000	800,000
Camp Costs	175,000	175,000	175,000	175,000
Tenement Maintenance	311,696	311,696	311,696	311,696
Administration	100,000	100,000	100,000	100,000
Total	1,866,696	1,916,696	2,736,696	4,036,696

2.5 Key Strengths

The Board considers that the Company has a number of key strengths as follows:

- (a) **Exploration Potential** - the Marymia Project is located in a highly prospective gold region which:
 - (i) is located on part of the Capricorn Orogen which contains the Paulsens, Plutonic and Peak Hill gold mines;
 - (ii) is considered to be highly prospective for gold mineralisation over a 90km strike containing highly carbonate altered gneisses intensely deformed in Proterozoic;
 - (iii) two drilled gold occurrences on our ground along strike from Plutonic (Two Pools and Marymia NE);
 - (iv) outside of these two occurrences, only 10% of holes were assayed for gold; and
 - (v) nine areas with visible gold in diamond indicator concentrates.
- (b) **Experienced Team** - experienced Board and management team with a broad range of mining, project development and financing skills in the resource industry.
- (c) **Exploration Program Commenced** - the Company has already completed a geophysical survey over the area of the Marymia Project and has commenced analysis of historical datasets for the Marymia Project area.

2.6 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares, pursuant to the Offer, 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 or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

2.7 Dividend Policy

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company.

At the date of issue of this Prospectus, the Company does not intend to declare or pay any dividends in the immediately foreseeable future. However, it is the aim of the Company that, in the longer term, its financial performance and position will enable the payment of dividends.

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

2.8 Corporate Social Responsibility

The Company recognises the importance of managing and developing human capital and that a positive work environment would attract, motivate and retain talent. The Company is an equal opportunity employer that adopts fair employment practices in our recruitment.

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3

BOARD,

MANAGEMENT
AND CORPORATE
GOVERNANCE

3. Board, Management and Corporate Governance

3.1 Directors' Profiles

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

(a) **Josef El-Raghy –Chairman**



Mr Josef El-Raghy (age 46) holds a Bachelor of Commerce Degree (B.Comm) from the University of Western Australia and had a ten year career in stock broking. Mr El-Raghy is currently Chairman of Centamin plc, where he has been responsible for overseeing the transition from small explorer, through construction and into production. He was formerly a director of both CIBC Wood Gundy and Paterson Ord Minnett.

(b) **Brett Montgomery – Managing Director**



Mr Brett Montgomery (age 63) has extensive experience in public company management, leadership, corporate governance and risk management in both executive and non-executive roles. Mr Montgomery is currently Non-Executive Director of Tanami Gold NL and Bard1 Life Sciences Limited. He was previously Managing Director of Kalimantan Gold NL, and Director of Grants Patch Mining Ltd, EZA Corporation Ltd and Magnum Gas and Power Ltd.

(c) **Heidi Brown – Non-Executive Director**



Mrs Heidi Brown (age 37) is a Fellow Chartered Secretary (FCIS, FGIA) and a Graduate of the AICD Company Directors Course (GAICD). Heidi holds a Graduate Certificate of Applied Finance and Investment and a Diploma of Financial Advising from FINSIA. Mrs Brown was the company secretary of Centamin plc from July 2004 until December 2012, during which time, she contributed to the company's growth from a small exploration company to a multi-billion dollar company.

Each of the Directors were recently involved in a Takeovers Panel matter in relation to Indiana Resources Limited pursuant to which the Takeovers Panel made a declaration under Pt. 6.10 of the Corporations Act with respect to Mr Montgomery, BPM Capital (an entity associated with Mr El-Raghy) and Mrs Brown (refer to Section 10.11 for further information).

3.2 ASX Corporate Governance Council Principles and Recommendations

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

To the extent applicable, the Company has adopted the ASX Corporate governance Council's *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

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

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below. The Company's full Corporate Governance Plan will be available in a dedicated corporate governance information section of the Company's website at www.aicresources.com.au.

(a) **Board of directors**

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

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.

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

- (i) developing initiatives for profit and asset growth;
- (ii) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (iii) acting on behalf of, and being accountable to, the Shareholders; and
- (iv) 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.

(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of a Managing Director, a Non-Executive Chairman and a Non-Executive Director (each of whom are not considered independent).

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

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

(d) **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.

(e) **Ethical standards**

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

(f) **Remuneration arrangements**

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

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing

Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed A\$250,000 per annum.

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

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

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(g) **Diversity policy**

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(h) **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, Employees and Consultants. The policy generally provides that the written acknowledgement of the Chairman, or Managing Director if the Chairman is not available, (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) **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.

(j) **Audit committee**

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company.

In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

The Board has adopted a formal Audit Committee Charter.

(k) **Remuneration committee**

The Company will not have a separate remuneration committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company.

The full Board will carry out the duties that would ordinarily be assigned to that committee, ensuring that the level and composition of remuneration provided to attract and retain high quality directors and employees is commercially appropriate and targeted to align with the interests of the Company.

The Board will ensure that no Director or senior executive will be involved in deciding his or her own remuneration.

The Board has adopted a formal Remuneration Committee Charter.

(l) **Nomination committee**

The Company will not have a separate nomination committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company.

The full Board will carry out the duties that would ordinarily be assigned to that committee ensuring that the composition of the Board is appropriate, consider succession issues and inducting and evaluating the performance of the Board and its Committees.

The Board has adopted a formal Nomination Committee Charter.

(m) **Risk committee**

The Company will not initially form a separate committee to oversee risk and internal control.

Ultimate responsibility for risk management will rest with the full Board which monitors and manages material risks at each Board Meeting where it considers the Company's Risk Matrix.

The Company manages risk pursuant to its Risk Management Policy.

3.3 Departures from Recommendations

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

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

Principles and Recommendations	Explanation for Departure
2.1 The board of a listed entity should have a nomination committee.	<p>The Company does not comply with Principle 2.1. The Board does not consider that the Company is of a relevant size or complexity to warrant the formation of a Nomination Committee to deal with the selection and appointment of new Directors and as such, a Nomination Committee has not been formed.</p> <p>A dedicated Nomination Committee Charter has been adopted by the Board.</p> <p>Nominations of new Directors are and will be considered by the full Board. If any vacancies arise on the Board, all Directors will be involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as and when required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to Shareholders a candidate for election is stringent.</p>
2.4 The majority of the Board should be independent directors.	<p>The Board does not comprise a majority of independent directors.</p> <p>The Board considers that both its structure and composition are appropriate given the size of the Company and that the interests of the Company and its shareholders are well met.</p> <p>The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.</p>

Principles and Recommendations	Explanation for Departure
2.5 The chair of the board of a listed entity should be an independent director, and in particular, should not be the same person as the Chief Executive Officer.	<p>Mr El-Raghy currently holds the position of Non-Executive Chairman which does not comply with the Recommendations.</p> <p>While the Board considers the importance of a division of responsibility and independence at the head of the Company, the existing structure is considered appropriate and provides a unified leadership structure. Mr El-Raghy is an integral force behind the establishment of the Company and its current growth and direction. The Board considers that, at this stage of the Company's development, he is able to bring quality and independent judgement to all relevant issues, and the Company benefits from his long standing experience of its operations and business relationships.</p>
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge required to perform their roles as directors effectively.	<p>Upon appointment new Directors will be subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfill their role effectively.</p> <p>The Board will, when it considers the Company to be of an appropriate size, implement a formal induction process that complies with Recommendation 2.6.</p>
4.1 The board of a listed entity should have an audit committee of at least three members that are non-executive directors.	<p>The Board has not established a separate Audit Committee.</p> <p>The Board does not consider that the Company is of a size nor are the affairs of a complexity sufficient to warrant the formation of a separate Audit Committee. The full board is considered to be able to meet the objectives of the best practice recommendations and discharge its duties in this area.</p> <p>However the full board operates under the adopted Audit Committee Charter, which is available for review on the Company's website www.aicresources.com.au, and carries out the functions delegated under that charter.</p> <p>The Board believes that the individuals on the Board can make, and do make, quality and informed judgements in the best interests of the Company on all relevant issues.</p> <p>External audit recommendations, internal control matters and any other matters that arise from half yearly reviews and the annual statutory audit will be discussed directly between the Board and the Audit Engagement Partner.</p> <p>The Board encourages contact between Non-Executive Directors and the Company's external auditors, independently of executive management.</p>
6.2 Design and implement an investor relations program to facilitate communication with shareholders.	<p>The Company has not adopted a formal investor relations program, however it does seek to inform investors of developments regularly by communicating through ASX announcements and by providing information on its website.</p> <p>Investors are encouraged to attend the Company's security holder meetings, and are able to contact management by email info@aicresources.com.au or by phone +61 8 6269 0110.</p>

Principles and Recommendations	Explanation for Departure
7.1 The board of a listed entity should have a risk committee.	<p>The Board has not established a separate Risk Management Committee. However the full Board operates under the adopted Risk Management Policy.</p> <p>The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are also considered at each Board meeting.</p> <p>The Board has adopted a Risk Management Policy.</p> <p>Under the Risk Management Policy, responsibility and control risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer, supported by the senior executive team, having ultimate responsibility to the Board for the implementation of the risk management and control framework.</p> <p>The Risk Management Policy is available on the Company's website www.aicresources.com.au.</p>
7.3 A listed entity should disclose, if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	<p>The Board believes that for efficiency purposes and the Company is not of a size to justify having an internal audit function.</p> <p>Refer to 7.1 above.</p>
8.1 The Board of a listed entity should have a remuneration committee.	<p>The Board has not established a separate Remuneration Committee, but has adopted a dedicated Remuneration Committee Charter.</p> <p>The full Board will meet to consider both the level and structure of remuneration and incentive policies for the Executive Directors and key executives within the Company and decide on the Company's remuneration policies.</p> <p>The affected Director or Executive will not participate in the decision-making process.</p>

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FINANCIAL INFORMATION

4. Financial Information

4.1 Introduction

This section contains the financial information of the Company and has been provided in connection with the Offer and the Company's application for Admission to the Official List. Refer to Section 1 of this Prospectus for further information.

The financial information detailed in this Section consists of:

- (a) the historical financial information of the Company including:
 - (i) the historical statement of profit or loss and other comprehensive income for the period from date of incorporation on 11 May 2017 to 30 June 2017;
 - (ii) the historical statement of financial position as at 30 June 2017 (**Historical Statement of Financial Position**); and
 - (iii) the historical statement of cash flows for the period from date of incorporation on 11 May 2017 to 30 June 2017,(together, the **Historical Financial Information**); and
- (b) the pro forma historical financial information of the Company including:
 - (i) the pro forma historical statement of financial position as at 30 June 2017 based on a minimum capital raising of A\$7,000,000 (**Pro Forma Historical Statement of Financial Position - Minimum Subscription**); and
 - (ii) the pro forma historical statement of financial position as at 30 June 2017 based on a maximum capital raising of A\$10,000,000 (**Pro Forma Historical Statement of Financial Position - Maximum Subscription**),(together, the **Pro Forma Historical Financial Information** or **Pro Forma Historical Statements of Financial Position**),

(the Historical Financial Information and Pro Forma Historical Financial Information together form the **Financial Information**).

The Financial Information in this section should be read in conjunction with Sections 4.6, 4.7 and 4.8, the risk factors as detailed in Section 8 and other information included in this Prospectus. Investors should note that past results are not a guarantee of future performance.

All amounts disclosed in this section are presented in Australian dollars.

The Financial Information, as defined above, has been reviewed by Ernst & Young (**Ernst & Young**), in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and or Prospective Financial Information*, as stated in its Independent Limited Assurance Report as set out in Section 5.

4.2 Basis of preparation and presentation of the Financial Information

The Directors of the Company are responsible for the preparation and presentation of the Financial Information contained in this Prospectus. The Financial Information is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of the Company.

The Company's accounting policies are set out in Section 4.9, together with its critical accounting judgements, estimates and assumptions in Section 4.11.

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

Preparation of Historical Financial Information

The Historical Financial Information has been derived from the general purpose statutory financial statements of the Company for the period from the date of incorporation on 11 May 2017 to 30

June 2017, which were prepared in accordance with the requirements of the Corporations Act, Australian Accounting Standards – Reduced Disclosure Requirements (**AASB – RDRs**) and other authoritative pronouncements of the Australian Accounting Standards Board. These financial statements were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young has issued an unqualified audit opinion, which contained a material uncertainty related to going concern paragraph, on these financial statements. A copy of the Company's financial report is available on the Company's website.

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

Following Admission to the Official List, the Company will prepare its next annual financial statements with an explicit and unreserved statement of compliance with AAS. To transition from AASB - RDR to full compliance with AAS, the Company will apply Australian Accounting Standard AASB 1 First Time Adoption of Australian Accounting Standards which is not expected to result in any material adjustments.

Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared solely for the purpose of inclusion in this Prospectus and has been derived from the Historical Statement of Financial Position of the Company as at 30 June 2017, adjusted for the effects of the pro forma adjustments described in Section 4.6 below.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of the Offer as if it occurred as at 30 June 2017.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

Going Concern

The Financial Information has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Company had historical net assets of A\$2,010,806 as at 30 June 2017. The Company incurred a historical net loss of A\$289,194 during the period ended 30 June 2017, and experienced historical net cash outflows from operating activities of A\$382,810.

The Directors believe that the current cash resources will not be sufficient to execute the Company's principal activities and working capital requirements without raising additional capital. Following completion of the Offer, the Company expects to be in a pro forma historical net assets position of A\$8,403,027 based on the Minimum Subscription and a pro forma historical net assets position of A\$11,217,822 based on the Maximum Subscription, as reflected in the Pro Forma Historical Statements of Financial Position as at 30 June 2017. The Directors expect that these funds will be sufficient to allow for exploration and evaluation of the Company's Tenements and to provide the necessary working capital for its current plans.

Should the Company be unable to raise sufficient capital as contemplated in the Prospectus, there is a material uncertainty whether it will be able to continue as a going concern and therefore, whether it will be able to pay its debts as and when they become due and payable and to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the Historical and Pro Forma Historical Statements of Financial Position. The Historical and Pro Forma Historical Statements of Financial Position do not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

4.3 Historical Statement of Profit or Loss and Other Comprehensive Income

The following is the Company's historical statement of profit or loss and other comprehensive income for the period from the date of incorporation on 11 May 2017 to 30 June 2017:

	For the period ended 30 June 2017
	A\$
Expenses	(289,194)
Finance cost	-
Loss for the period	(289,194)
Income tax expense	-
Total comprehensive loss for the period	(289,194)

4.4 Historical Statement of Cash Flows

The following is the Company's historical statement of cash flows for the period from the date of incorporation on 11 May 2017 to 30 June 2017:

	For the period ended 30 June 2017
	A\$
Cash flows from operating activities	
Payments to suppliers and contractors	(382,810)
Net cash flows used in operating activities	(382,810)
Cash flows from investing activities	
Payments for property, plant and equipment	(5,233)
Net cash flows used in investing activities	(5,233)
Cash flows from financing activities	
Proceeds from issue of capital	1,100,000
Net cash flows from financing activities	1,100,000
Cash at the end of the period	711,957

4.5 Historical and Pro Forma Historical Statements of Financial Position

The Pro Forma Historical Financial Information detailed below is derived from the Historical Statement of Financial Position of the Company as at 30 June 2017 adjusted for the effects of the pro forma adjustments in respect of the Offer.

Details of the pro forma adjustments made to the Historical Statement of Financial Position for the Company as at 30 June 2017 are detailed in Section 4.6.

			Minimum Subscription		Maximum Subscription	
As at 30 June 2017	Notes (refer to Section 4.8)	Historical Statement of Financial Position A\$	Pro Forma Adjustments A\$	Pro Forma Historical Statement of Financial Position Minimum Subscription A\$	Pro Forma Adjustments A\$	Pro Forma Historical Statement of Financial Position Maximum Subscription A\$
Current Assets						
Cash and cash equivalents	3	711,957	6,392,221	7,104,178	9,207,016	9,918,973
Receivables		136,515	-	136,515	-	136,515
Total Current Assets		848,472	6,392,221	7,240,693	9,207,016	10,055,488
Non-Current Assets						
Property, plant and equipment		5,233	-	5,233	-	5,233
Exploration and evaluation expenditure	5	1,200,000	-	1,200,000	-	1,200,000
Total Non-Current Assets		1,205,233	-	1,205,233	-	1,205,233
Total Assets		2,053,705	6,392,221	8,445,926	9,207,016	11,260,721
Current Liabilities						
Trade and other payables		42,899	-	42,899	-	42,899
Total Current Liabilities		42,899	-	42,899	-	42,899
Total Liabilities		42,899	-	42,899	-	42,899
Net Assets		2,010,806	6,392,221	8,403,027	9,207,016	11,217,822
Equity						
Issued capital	1	2,300,000	6,470,462	8,770,462	9,271,344	11,571,344
Accumulated losses	2	(289,194)	(78,241)	(367,435)	(64,328)	(353,522)
Total equity		2,010,806	6,392,221	8,403,027	9,207,016	11,217,822

4.6 Assumptions used in preparing the Pro Forma Historical Financial Information

The Pro Forma Historical Statements of Financial Position presented in Section 4.5 reflect the following pro forma adjustments:

- the issue of 35,000,000 Shares, on the basis of the Minimum Subscription, to raise A\$7,000,000, before associated costs of A\$607,779 (comprising of the remaining costs of the Offer that have been or will be paid post 30 June 2017); and
- the issue of 50,000,000 Shares, on the basis of the Maximum Subscription, to raise A\$10,000,000, before associated costs of A\$792,984 (comprising of the remaining costs of the Offer that have been or will be paid post 30 June 2017).

4.7 Subsequent Events

The Pro Forma Historical Financial Information does not reflect the following material events that have occurred subsequent to the period ended 30 June 2017:

- (a) raising of A\$200,000 pursuant to the issue of 2,000,000 Shares at A\$0.10 each to certain pre-IPO investors; and
- (b) expenditure of A\$572,331 incurred in the normal course of business during the period commencing on 1 July 2017 and ending on 18 October 2017.

As detailed in Section 8.1(g) an objection was lodged on 30 October 2017 over E52/3368. The outcome of this objection is yet to be determined.

4.8 Notes to the Financial Information

Note 1 - Issued Capital

	Historical 30 June 2017 A\$	Pro-Forma Historical Minimum Subscription A\$	Pro-Forma Historical Maximum Subscription A\$
23,000,001 fully paid ordinary shares	2,300,000	2,300,000	2,300,000
Initial public offering (A\$0.20 per Share)			
Minimum Subscription of 35,000,000 fully paid ordinary shares	-	7,000,000	
Maximum Subscription of 50,000,000 fully paid ordinary shares	-		10,000,000
Incremental costs attributable to the Offer	-	(529,538)	(728,656)
	2,300,000	8,770,462	11,571,344

Ordinary shares have no par value. Ordinary shares participate in dividends and proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 2 - Accumulated Losses

	Historical A\$	Pro-Forma Historical Minimum Subscription A\$	Pro-Forma Historical Maximum Subscription A\$
Accumulated losses as at 30 June 2017 pre-Offer	289,194	289,194	289,194
Costs of the Offer being expensed	-	78,241	64,328
Accumulated losses as at 30 June 2017 post-Offer	289,194	367,435	353,522

Note 3 - Cash and Cash Equivalents

	Historical A\$	Pro-Forma Historical Minimum Subscription A\$	Pro-Forma Historical Maximum Subscription A\$
Balance as at 30 June 2017 pre-Offer	-	711,957	711,957
Offer (A\$0.20 per Share)	-	7,000,000	10,000,000
Offer Costs	-	(607,779)	(792,984)
Balance as at 30 June 2017 post-Offer	711,957	7,104,178	9,918,973

Note 4 - Related Party Transactions

Related party disclosures are set out in Section 10.6 of the Prospectus.

Note 5 - Marymia Project Acquisition Consideration

On 9 June 2017, the Company issued Cosmopolitan Minerals 12,000,000 Shares in consideration for the Tenements pursuant to the Tenement Sale Agreement (refer to Section 9.1 for further details). The number of Shares issued in consideration was determined on the basis that the value of the Shares (at a deemed issue price A\$0.10 per Share, equal to the issue price of the Shares issued to pre-IPO investors (refer to Section 4.7)), was equivalent to the level of expenditure incurred by Cosmopolitan Minerals on the Tenements as at the date of the Tenement Sale Agreement.

4.9 Significant Accounting Policies

The significant accounting policies adopted in the preparation of the Financial Information included in this Section are as follows. The Financial Information has been prepared on a historical cost basis.

(a) Plant and Equipment

Tangible fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight line basis over the expected useful lives of the assets, as follows:

- (i) Plant and equipment: 4 to 10 years
- (ii) Computer equipment: 2 years

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Cash and Cash Equivalents

Cash comprises cash at banks and on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement – loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income profit or loss. The losses arising from impairment are recognised in profit or loss in other operating expenses for receivables.

This category generally applies to trade and other receivables.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the Company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income (recorded as finance income in profit or loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent measurement - trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(d) Foreign Currency

The Financial Information of the Company is presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the Financial Information, the results and financial position of the entity are expressed in Australian dollars, which is the functional currency of the Company.

In preparing the Financial Information of the Company, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are recognised in profit or loss in the period in which they arise.

(e) Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Each cash generating unit is determined on an area of interest basis.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years.

(f)

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the full liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and/or
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

(g) **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except:

- (i) When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable; and/or
- (ii) When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(h) **Exploration and Evaluation Expenditure**

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right to 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 reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition 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.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(i) **Operating Segments**

The Company is organised into one operating segment, being the exploration, evaluation and development of gold resources in Australia. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the chief operating decision makers) in assessing performance and in determining the allocation of resources.

4.10 Application of new and amended Accounting Standards and Interpretations not yet effective

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has not early adopted any of these new and amended Accounting Standards and Interpretations.

Reference	Title	Application date of standard	Application date for Company
AASB 9	Financial Instruments This Standard contains new requirements for the classification and measurement of financial assets, impairment, and hedge accounting	1 January 2018	1 July 2018
AASB 15	Revenue from Contracts with Customers This Standard establishes new principles for reporting information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers and supersedes a number of current Revenue Standards. The core principle of the Standard is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services	1 January 2018	1 July 2018
AASB 16	Leases The new standard introduces a single lessee accounting model and requires a lessee to recognise a right of use asset and lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value.	1 January 2019	1 July 2019
AASB 2016-1	Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	1 July 2017
AASB 2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	1 July 2017
AASB 2016-5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 January 2018	1 July 2018
AASB 2017-2	Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle	1 January 2017	1 July 2017

The impact of the above new and revised standards and new pronouncements issued is yet to be determined in detail however the Company does not expect any of the changes to materially impact the Company.

4.11 Significant accounting judgements, estimates and assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the year in which the estimate is revised if it affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation through sale.

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INDEPENDENT

LIMITED

ASSURANCE REPORT

1 November 2017

The Board of Directors
AIC Resources Limited
431 - 435 Roberts Road
Subiaco WA 6008

Dear Directors

Independent Limited Assurance Report on Historical Financial Information and Pro Forma Historical Financial Information

1. Introduction

We have been engaged by AIC Resources Limited ('AIC' or the 'Company') to report on the historical financial information and pro forma historical financial information of the Company for inclusion in the replacement prospectus to be dated on or about 1 November 2017 ('Prospectus'), and to be issued by AIC, in respect of the initial public offer of up to 50,000,000 shares at an issue price of A\$0.20 each to raise up to A\$10,000,000 in AIC ('Offer').

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

2. Scope

Historical Financial Information

You have requested Ernst & Young to review the following historical financial information of AIC:

- ▶ the historical statement of profit or loss and other comprehensive income for the period from date of incorporation on 11 May 2017 to 30 June 2017, as set out in Section 4.3 of the Prospectus;
- ▶ the historical statement of financial position as at 30 June 2017, as set out in Section 4.5 of the Prospectus ('Historical Statement of Financial Position'); and
- ▶ the historical statement of cash flows for the period from date of incorporation on 11 May 2017 to 30 June 2017, as set out in Section 4.4 of the Prospectus,

(Hereafter 'the Historical Financial Information').

The Historical Financial Information has been derived from the general purpose statutory financial statements of AIC for the period from the date of incorporation on 11 May 2017 to 30 June 2017, which was audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unmodified audit opinion on these financial statements, which contained a material uncertainty related to going concern paragraph.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement prescribed in Australian Accounting Standards ('AAS') issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Pro Forma Historical Financial Information

You have requested Ernst & Young to review the following pro forma historical financial information of AIC:

- ▶ the pro forma historical statement of financial position as at 30 June 2017 based on a minimum capital raising of A\$7,000,000 as set out in Section 4.5 of the Prospectus; and
- ▶ the pro forma historical statement of financial position as at 30 June 2017 based on a maximum capital raising of A\$10,000,000 as set out in Section 4.5 of the Prospectus.

(Hereafter the 'Pro Forma Historical Financial Information' or 'Pro Forma Historical Statements of Financial Position').

(The Historical Financial Information and Pro Forma Historical Financial Information together form the 'Financial Information').

The Pro Forma Historical Financial Information has been derived from the Historical Statement of Financial Position of AIC, and adjusted for the effects of pro forma adjustments described in Section 4.6 of the Prospectus.

The Pro Forma Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of the Offer as if they occurred as at 30 June 2017.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

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

3. Directors' Responsibility

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

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*. Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

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

5. Conclusions

Historical Financial Information

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

- ▶ the historical statement of profit or loss and other comprehensive income for the period from date of incorporation on 11 May 2017 to 30 June 2017, as set out in Section 4.3 of the Prospectus;
- ▶ the historical statement of financial position as at 30 June 2017, as set out in Section 4.5 of the Prospectus; and
- ▶ the historical statement of cash flows for the period from date of incorporation on 11 May 2017 to 30 June 2017, as set out in Section 4.4 of the Prospectus,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2 of the Prospectus.

Pro Forma Historical Financial Information

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

- ▶ the pro forma historical statement of financial position as at 30 June 2017 based on a minimum capital raising of A\$7,000,000, as set out in Section 4.5 of the Prospectus; and
- ▶ the pro forma historical statement of financial position as at 30 June 2017 based on a maximum capital raising of A\$10,000,000, as set out in Section 4.5 of the Prospectus,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2 of the Prospectus.

Material Uncertainty Related to Going Concern

Without qualification to the limited assurance conclusion expressed above, attention is drawn to the following matter. As disclosed in Section 4.2 of the Prospectus, if sufficient capital is not raised as contemplated in the Prospectus, there is a material uncertainty whether the Company will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they become due and payable and realise its assets and extinguish its liabilities in the normal course of operations and at the amounts stated in the historical and pro forma historical statements of financial position. The historical and pro forma historical statements of financial position do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 4.2 of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully



Ernst & Young

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INDEPENDENT GEOLOGIST'S REPORT

AL MAYNARD & ASSOCIATES Pty Ltd
Consulting Geologists

www.geological.com.au

ABN 75 120 492 435

9/280 Hay Street,
SUBIACO, WA, 6008
Australia

Tel: (+618) 9388 1000
Fax: (+618) 9388 1768

Mob: 04 0304 9449
Email: alatgeological.com.au

Australian & International Exploration & Evaluation of Mineral Properties

INDEPENDENT GEOLOGICAL REPORT

FOR AN

INITIAL PUBLIC OFFERING

PREPARED FOR

AIC RESOURCES LIMITED

Author: Brian J Varndell BSc (SpecHonsGeol), FAusIMM
Peer Review: Allen J. Maynard BAppSc(Geol), MAIG, MAusIMM
Company: Al Maynard & Associates Pty Ltd
Date: 31st October, 2017

Executive Summary

AIC Resources Limited (ACN 619 035 737) ("AIC" or "the Company") is a public unlisted company that has acquired interests in 21 tenements ("Tenements") covering 1029 exploration blocks for 3159.5 km² within Western Australia (the "Marymia Project"). AIC has requested that Al Maynard and Associates ("AM&A") prepare this Independent Geological Report ("IGR") on these Tenements. This IGR has been prepared for inclusion in a prospectus to be issued by AIC to raise up to \$10,000,000 by the issue of 50,000,000 shares at an issue price of 20 cents each ("Prospectus").

AIC currently holds interests in the Marymia Project, covering a combined total area of approximately 3,160 km² (Figure 1). AIC intends to conduct exploration mainly for gold but will also monitor any other mineralisation within the Marymia Project, that includes 20 granted Exploration Licences ("EL") and one EL application ("ELA") with a current annual combined exploration commitment of \$1,059,000 pa. The Marymia Project is considered to have significant potential to host economic gold mineralisation. In addition, some licences also have potential to host base metal, lithium or REE mineralisation.

The Marymia Project comprises a single contiguous project area that offers the potential to host significant gold resources subject to successful exploration. The Marymia Project surround the Marymia Inlier that hosts the renowned Plutonic and Marymia gold deposits that have a combined production of over six million ounces of gold.

The Marymia Project borders the Archaean Plutonic Well Greenstone Belt, an elongated NE trending belt within the Marymia Inlier. The Marymia Inlier is an Archaean basement remnant within the Proterozoic Capricorn Orogen comprising the two mineralised Greenstone Belts of Plutonic Well and Baumgarten, with surrounding granite and gneissic complexes. The Capricorn Orogen is situated between the Pilbara and Yilgarn Cratons and is possibly the result of the oblique collision of the two Archaean cratons in the early Proterozoic.

The main exploration model for the district is the Plutonic Mine sequence however, other structural styles and mineralisation may also be present.

The proposed work programs aim to assist definition of a mineral resource estimate capable of sustaining an independent, viable, mining and processing operation for the Marymia Project is summarised as follows:

- Broad scale new imagery acquisition and interpretation to define lithology.
- Geophysical surveys particularly utilising magnetic methods. This data will then be analysed to develop a detailed 3D prospectivity model to target mineralisation at depth.
- Synthesis of structural, geophysical and current geochemical results to identify all target zones.
- Further geochemical surveys for the broad definition of mineralisation targets.
- Exploratory RAB, RC and DDH drilling at identified anomalies.
- RC and DDH drilling of any known mineralisation to such a density that mineral resource estimate can be completed as a precursor to mine optimisation.

The estimated cost to conduct exploration over the Marymia Project areas is:-

- If the minimum \$7,000,000 is raised: \$1,866,696 in Year 1 and \$2,736,696 in Year 2 for a total of \$4,603,392
- If the maximum \$10,000,000 is raised: \$1,916,696 in Year 1 and \$4,036,696 in Year 2 for a total of \$5,953,392.

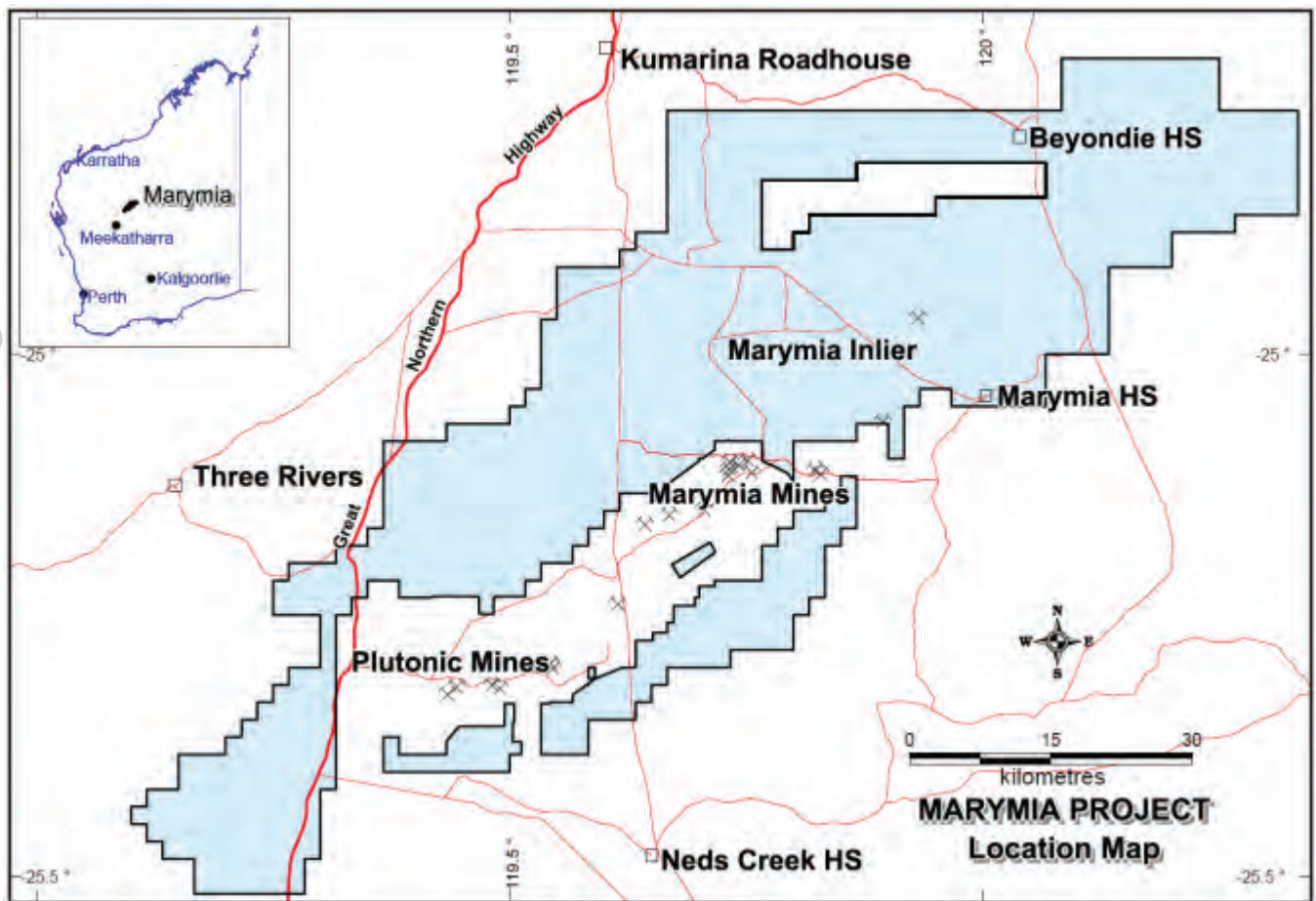


Figure 1 : AIC West Australian Projects Location Plan.

The Marymia Project is located in close proximity to some previous operating mines and historic mining centres in the region.

Many of the Tenements have not previously undergone systematic, modern day exploration and hence their potential has never been fully evaluated.

The Marymia Project cover sections of Archaean Greenstone Belts or gneissic terranes which are of a favourable age and lithological type to host mineralisation.

Major lineaments, faults and shear systems dissect the Marymia Project and are the structural controls for the primary mineralisation within the Marymia Project.

Competent Persons Statement

The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brian Varndell, who is a Fellow member of the Australasian Institute of Mining and Metallurgy. Mr Varndell has over 40 years of exploration and mining experience in a variety of mineral deposit styles including gold, coal and iron ore mineralisation. Mr Varndell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves". Mr Varndell consents to inclusion in the report of the matters based on his information in the form and context in which it appears.

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The Directors
AIC Resources Limited
A8 431-435 Roberts Road
Subiaco, WA 6008

31st October 2017

Dear Sirs

Introduction

AM&A was engaged by the Company to prepare this IGR on the Marymia Project, located northeast of Meekatharra in Western Australia (Figure 1). Opinions are presented in accordance with the JORC Code (2012) and other regulations and guidelines that govern the preparation of such reports.

This report is not a valuation report and does not express an opinion as to the value of the Marymia Project or the Tenements, nor to the fairness and reasonableness of any transactions between AIC and any other party.

This IGR is to be included in the Prospectus to be lodged in support of a listing on the Australian Securities Exchange ("ASX"). This Prospectus will offer up to 50,000,000 Shares to be issued at a price of A\$0.20 per Share to raise up to A\$10,000,000 (before costs). The minimum subscription under the offer is A\$7,000,000. These funds will primarily be used for the exploration, evaluation and development of the Tenements as outlined in this report.

The legal status, including Native Title considerations associated with the tenure of the Marymia Project, is subject to a separate Solicitor's Report elsewhere in this Prospectus. The present status of Tenements is based on information provided by AIC and this IGR has been prepared on the assumption that AIC will have lawful access to the Tenements for evaluation and development. Exploration License Application 52/3087 is still pending grant. If ELA 52/3087 is not granted, the prospectivity of the Marymia Project will not be adversely affected and the proposed exploration budget or program will not require revision. On 30 October 2017, the registered native title group in respect of the area of E52/3368, lodged an objection with the National Native Title Tribunal alleging that the grant of E52/3368 (which occurred on 27 July 2016) was invalid as it did not comply with the relevant *Native Title Act 1993* (Cth) processes. If the grant of E52/3368 is unwound, the prospectivity of the Marymia Project will not be adversely affected and the funds set aside for exploration on E52/3368 will be re-directed to other granted Tenements.

The Marymia Project includes 21 tenements that comprise 20 granted ELs and one ELA (Table 1). Areas of the Marymia Project have been partially explored by various companies in the past. AIC researched the extensive historical Western Australia Mineral WAMEX database ("WAMEX") that will assist in the formulation of exploration programs.

It is our opinion that the mineral properties and target commodities described in this IGR warrant the proposed evaluation exploration and testing programs as described. It is noted that proposed programs may be subject to change according to results yielded as work progresses. We are of the opinion that AIC has satisfactorily defined exploration and expenditure programs which are reasonable, having regard to the stated objectives of AIC. Furthermore, it is considered that sufficient exploration has taken place within the past two years to justify the budgeted exploration and expenditure program.

In the course of the preparation of this IGR, access has been provided to all relevant data held by AIC and various other technical reports and information quoted in the references (page 25). We have made all reasonable endeavours to verify the accuracy and relevance

of the information provided in this IGR. However, where discrepancies arise and no alternative comments are provided, data and interpretations provided by AIC have been used in this IGR.

The exploration history for the Tenements was derived from previous exploration reports, as provided by AIC and government records of exploration activities within the areas within and surrounding the Marymia Project.

AIC will be invoiced and expected to pay a fee, estimated to be between \$18,000 and \$20,000 for the preparation of this IGR. This fee comprises a normal, commercial daily rate plus expenses. Payment is not contingent on the conclusions of this IGR. Except for these fees, neither the writer nor any family members nor their associates have any interest, nor the rights to any interest in AIC nor any interest in the Tenements the subject of this IGR. AIC has confirmed in writing that all technical data known to it was made available to the writer. The working papers and models for this report are being kept in our files and would be available for further references. The title of this report shall not pass to AIC until all professional fees have been paid in full.

AIC has warranted to AM&A that full disclosure has been made of all material in its possession and that information provided, is to the best of its knowledge, accurate and true. None of the information provided by AIC has been specified as being confidential and not to be disclosed in our report. No recent site trips were deemed necessary as the authors have previous working knowledge including site trips near to the areas covered by the AIC tenements. AIC has indemnified AM&A for any liability that may arise from AM&A's reliance on information provided by or not provided by AIC.

This report was prepared by geologist, B.J. Varndell BSc (SpecHonsGeol), FAusIMM and subjected to peer review by A.J. Maynard BAppSc(Geol), MAIG and Corporate Member of the AusIMM. The writers are qualified to provide such reports for the purpose of inclusion in public company prospectuses. This report has been prepared in accordance with the relevant requirements of the Listing Rules of ASX.

AM&A is an independent geological consultancy established 35 years ago and has operated continuously since then. Neither AM&A nor any of its directors, employees or associates have any material interest either direct, indirect or contingent in AIC, nor in any of the Tenements included in this IGR, nor in any other asset of AIC, nor has such interest existed in the past. This IGR has been prepared by AM&A strictly in the role of an independent expert. Professional fees payable for the preparation of this report constitutes our only commercial interest in AIC. Payment of fees is in no way contingent upon the conclusions of these documents.

AM&A has given, and has not before lodgement of the Prospectus with the Australian Securities and Investments Commission ("ASIC"), withdrawn its written consent to being named author of this IGR and to the inclusion of this IGR in the Prospectus.

Yours faithfully,



Allen J. Maynard BAppSc (Geol), MAIG, MAusIMM.



Brian J. Varndell BSc (SpecHonsGeol) FAusIMM

DISCLAIMER

The opinions expressed in this Report have been based on the information supplied to AM&A by AIC. The opinions in this Report are provided in response to a specific request from AIC to do so. AM&A has exercised all due care in reviewing the supplied information. Whereas AM&A has compared key-data supplied, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. AM&A does not accept responsibility for any errors or omissions in the supplied information and not accept any consequential liability arising from commercial decisions and actions resulting from them.

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1.0 MARYMIA PROJECT

1.1 INTRODUCTION

The Marymia Project is centred approximately 850 km NNE of Perth in the Eastern Gascoyne region of Western Australia, 180 km NE of Meekatharra and between 60 km SE of Kumarina Roadhouse, a service station and hotel situated on the Great Northern Highway, 160 km south of Newman, in the East Pilbara Region of Western Australia. The Marymia Project is near the abandoned No. 1 Rabbit Proof Fence, which is approximately 40 km east of Kumarina. The Rabbit Proof Fence marks the boundary between the Peak Hill and Warburton Mineral Fields of Western Australia. All the Tenements are located on pastoral leases, predominantly Marymia pastoral lease and Three Rivers pastoral lease, with minor overlap on Kumarina pastoral lease.

The Marymia Project is located on a plateau, approximately 500 m amsl. It is topographically subdued with generally undulating physiography covered with low mulga woodland interspersed with spinifex-covered sand plain. Eucalypt trees are scattered along creeks and some flats.

1.2 ACCESS

General access is 230 km north along the Great Northern Highway from Meekatharra to the graded main road into the Marymia homestead or along the Plutonic Mine access road. Vehicle access within the project is via 4wd exploration tracks leading from these two roads.

1.3 CLIMATE

The climate is classed as semi-arid with a historic annual rainfall of ~236mm per year. Average monthly rainfall data recorded at stations in the region indicate moderate seasonality, with higher average monthly rainfall totals during the summer months (peak period January to March), early winter rains and a dry spring (August to October). Average maximum temperature in January is 40°C and for July is 25°C. Average minimum temperature in January is 23°C and for July is 5°C.

1.4 TENURE

AIC will hold rights to all minerals on 21 Tenements within the Peak Hill mining district in Western Australia (Table 1 and Figure 2). Exploration license application 52/3087 is still pending grant. If ELA 52/3087 is not granted, the prospectivity of the Marymia Project will not be adversely affected and the proposed exploration budget or program will not require revision. On 30 October 2017, the registered native title group in respect of the area of E52/3368, lodged an objection with the National Native Title Tribunal alleging that the grant of E52/3368 (which occurred on 27 July 2016) was invalid as it did not comply with the relevant *Native Title Act 1993* (Cth) processes. If the grant of E52/3368 is unwound, the prospectivity of the Marymia Project will not be adversely affected and the funds set aside for exploration on E52/3368 will be re-directed to other granted Tenements.

The Company provided full details of the Tenements to AM&A and we have checked and accepted this tenement holding. The total surface area of the Tenements is approximately 3,160 km², and the annual rent to retain all the concessions is \$133,255.50 pa, annual rates are approximately \$50,000pa and the licences attract an annual work commitment of \$1.059 M.

The general configuration of the Tenements held by AIC is presented in Figure 1.

The status of the Tenements has been verified by AM&A from the DMP's titles information and the Tenements are in good standing at the date of this IGR as represented by AIC.

Tenement ID	Location / Project	Registered Holder	Date Granted	Expiry Date	Blocks	Area Km ²	Minerals	Rates \$	Rent \$	Commitment \$
E52/2943	Marymia	AIC	29-Apr-15	28-Apr-20	117	365	All	5,822.92	15,151.50	117,000
E52/2944	Marymia	AIC	17-Jun-15	16-Jun-20	125	389	All	6,696.23	16,187.50	125,000
E52/2945	Marymia	AIC	17-Jun-15	16-Jun-20	62	193	All	3,610.16	8,029.00	62,000
E52/2973	Marymia	AIC	29-Apr-15	28-Apr-20	44	137	All	2,562.12	5,698.00	44,000
E69/3247	Marymia	AIC	5-Jun-15	4-Jun-20	158	493	All	1,455.93	20,461.00	158,000
E52/3027	Marymia	AIC	1-Jul-15	30-Jun-20	70	218	All	4,075.99	9,065.00	70,000
E52/3028	Marymia	AIC	15-May-15	14-May-20	66	205	All	3,843.08	8,547.00	66,000
E52/3029	Marymia	AIC	15-May-15	14-May-20	32	100	All	1,863.37	4,144.00	32,000
E52/3044	Marymia	AIC	17-Jun-15	16-Jun-20	29	90	All	1,688.68	3,755.50	29,000
E52/3154	Marymia	AIC	20-Oct-15	19-Oct-20	18	56	All	1,048.12	2,331.00	20,000
E52/3171	Marymia	AIC	18-Nov-15	17-Nov-20	10	31	All	582.29	1,295.00	20,000
E52/3190	Marymia	AIC	23-Mar-17	22-Mar-22	46	143	All	2,742.17	5,957.00	46,000
E52/3265	Marymia	AIC	13-May-16	12-May-21	16	50	All	955.74	2,072.00	20,000
E52/3317	Marymia	AIC	4-Oct-16	3-Oct-21	20	56	All	1,192.22	2,590.00	20,000
E52/3318	Marymia	AIC	27-Jul-16	26-Jul-21	21	52	All	1,251.81	2,719.50	21,000
E52/3319	Marymia	AIC	27-Jul-16	26-Jul-21	7	6.5	All	417.14	906.50	20,000
E52/3346	Marymia	AIC	23-Mar-17	22-Mar-22	67	199	All	3,994.17	8,676.50	67,000
E52/3368*	Marymia	AIC	27-Jul-16	26-Jul-21	19	59	All	1,114.00	2,460.50	20,000
E52/3397	Marymia	AIC	23-Mar-17	22-Mar-22	33	103	All	1,967.29	4,273.50	33,000
E52/3455	Marymia	AIC	16-Aug-16	15-Aug-21	41	127	All	2,444.21	5,309.50	41,000
ELA52/3087	Marymia	CML	Recommended		28	87	All		3,626.00	28,000
Total					1029	3159.5		49,327.64	133,255.50	1,059,000

Table 1: AIC Tenement Holdings.

For ELA52/3087, to the effect that if this tenement is not granted it does not adversely affect the prospectivity of the Marymia Project and the proposed exploration budget or program will not be revised. Note that Cosmopolitan Minerals Ltd ("CML") is the registered applicant of ELA 52/3087 and once this application is granted, application will be made for the tenement to be transferred to AIC. This tenement was recommended for approval.

**NOTE: On 30 October 2017, the registered native title group in respect of the area of E52/3368, lodged an objection with the National Native Title Tribunal alleging that the grant of E52/3368 (which occurred on 27 July 2016) was invalid as it did not comply with the relevant Native Title Act 1993 (Cth) processes. If the grant of E52/3368 is unwound, the prospectivity of the Marymia Project will not be adversely affected and the funds set aside for exploration on E52/3368 will be re-directed to other granted Tenements.*

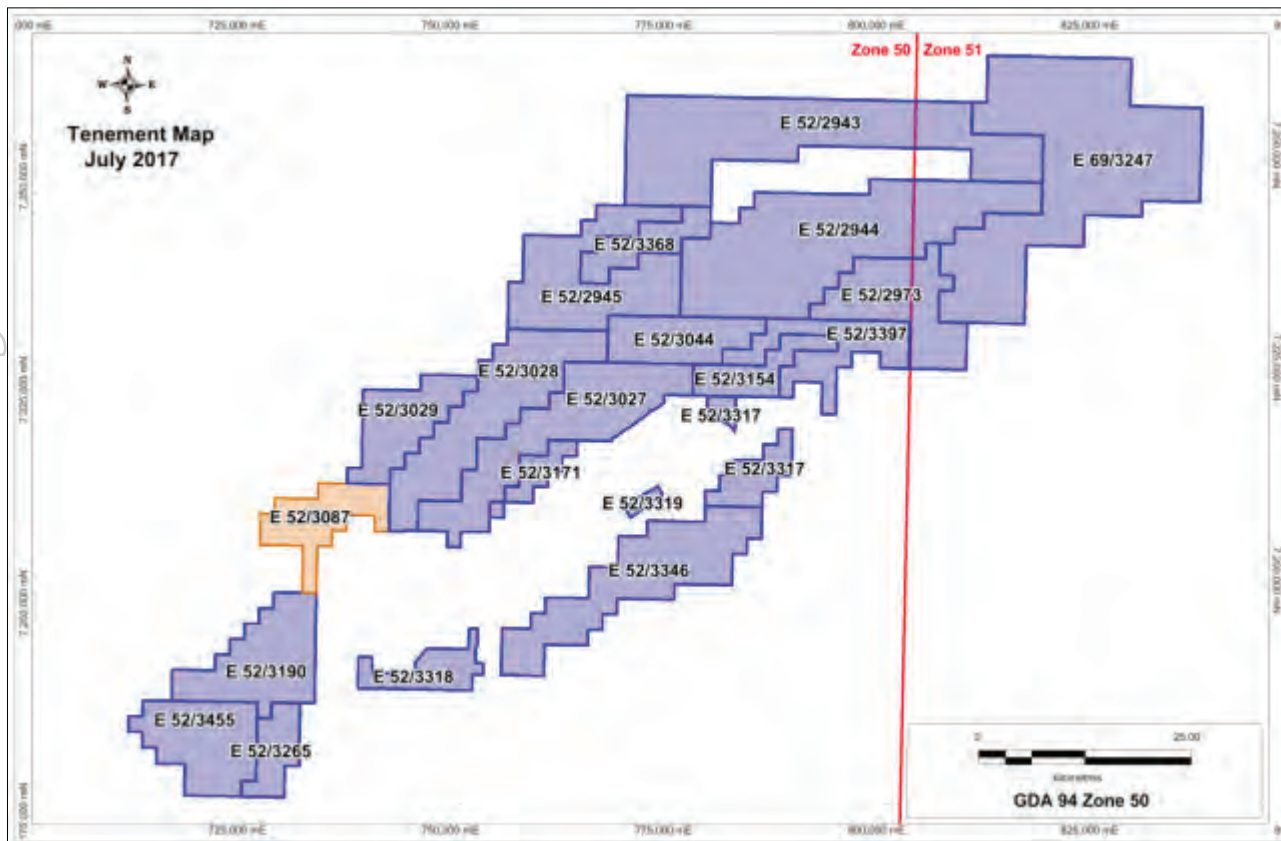


Figure 2: AIC Marymia Project Tenement Map.

2.0 REGIONAL GEOLOGY

The Marymia Project is located within the south-eastern part of the Capricorn Orogen, a major Proterozoic tectonic zone formed by the collision and reworking of the Archaean-Palaeoproterozoic Glenburgh Terrane with the southern edge of the Pilbara Craton. The Capricorn Orogen contains the Paulsens, Plutonic, Peak Hill gold mines, and the DeGrussa copper-gold mine along with numerous small deposits that comprise a wide range of commodities (Hough, 2015).

In the Marymia Project area, the Capricorn Orogen is marked by a series of Palaeoproterozoic sedimentary basins (Padbury, Bryah, Yerrida and Earahedy Basins) and two inliers of the Yilgarn Craton, the Marymia and Malmac Inliers (Sheppard et al., 2016). Previous workers have attempted to correlate the Marymia Inlier to the West Yilgarn, Southern Cross, and Eastern Goldfield super-terrane, however, large discrepancies exist with all three, including age differences with the Eastern Goldfields and stratigraphic contrasts with the West Yilgarn and Southern Cross super-terrane (Bagas L., 1999). At the Marymia Project area, the Archaean Inlier has been overprinted by Palaeoproterozoic tectonism and hosts significant gold mineralisation (Vielreicher and McNaughton, 2002). The older Palaeoproterozoic basins (Yerrida, Bryah and Padbury) formed prior to the 2005 – 1950 Ma Glenburgh Orogeny and host both gold and base metal mineralisation. Recent work by Sheppard et al. 2016, suggest that the oldest parts of the Earahedy Basin (Yelma Formation) are contemporaneous with the Glenburgh Orogeny and basin formation and minor felsic magmatism mark incipient rifting of the rigid Archaean lithosphere. The Mesoproterozoic Edmund and Collier sediments form part of the Bangemall Group which unconformably overly the earlier sedimentary basins and Archaean Inliers.

Marymia Inlier. The Inlier comprises two mineralised Greenstone Belts at Plutonic Well and Baumgarten, within surrounding granite and gneissic complexes. The Plutonic Well belt is sub-divided into two volcano-sedimentary sequences, consisting of mafic and

ultramafic units which are overlain by predominately mafic volcanoclastics and sedimentary rocks (Figure 3). These units have been subjected to greenschist and amphibolite facies metamorphism, deformed by polyphase folding, shearing, faulting and intruded by felsic porphyry and granitoid bodies. This has resulted in a strong NE trending fabric which is paralleled by multiple low-angle thrust faults which occur throughout the belt and are intimately associated with the known gold mineralisation.

The NW edge of the Belt consists of amphibolite-facies metamorphosed and foliated assemblages of ultramafic rocks, tholeiitic basalt, banded iron-formation ("BIF"), chert, felsic tuff, arkose and pelite. The central and southern part of the belt consists of metamorphosed boulder conglomerate with sub-rounded clasts of monzogranite, BIF and mafic schist in a foliated mafic matrix. The conglomerate is interlayered with arkose and rhyodacitic volcanic rocks, quartzite, pelite and amphibolite. Proterozoic dolerite dykes intrude the greenstones and the surrounding granites.

In general, the greenstones dip shallowly to moderately to the NW, parallel to the granite-greenstone contacts, and are cut by a number of E-W faults. Gently open folding determines the outcrop pattern in the southern part of the belt around the Plutonic Gold Mine. The MMR and MPS Fault form the southern boundary of the greenstones against the granite. A number of later, mainly Proterozoic, deformation events have substantially shaped the final architecture of the greenstone belt.

Most rocks now present as pale grey, phyllitic quartz-white mica chlorite schists, locally with 'chert' horizons. The occurrence of amphiboles in the Archaean greenstones suggests that the peak metamorphic grade of the rocks was probably lower amphibolite facies. These were retrogressed to greenschist facies rocks in structurally confined strips.

Copper Hills Schists. Within the Marymia Project, the northern margin of the Marymia Inlier is marked by a belt of metamorphosed sedimentary rocks (Copper Hills Schists) which although shown on the GSWA 1:250,000 interpreted geology map as Archaean and part of the Marymia Inlier, is of uncertain age, and hosts the Beyondie Magnetite deposit. Earlier workers (Emergent Resources Ltd 2015) describe the units as an elongated inlier of unassigned, early Proterozoic, metamorphosed sedimentary rocks, possibly part of the Marymia Dome – Glengarry sub-basin and/or Peak Hill sequence. The package comprises granites, schists, magnetite bearing schist/BIF's and is unconformably overlain by the Bangemall group sequence.

The BIF associated rocks are almost certainly equivalents of the Lower Proterozoic Glengarry Sub-Basin sequences to the west of Peak Hill. Minor copper mineralisation observed in chlorite schists at Copper Hills suggests an affinity with the Narracoota Volcanics at Horseshoe Lights. BIF to the south of the Marymia Road resembles Horseshoe Formation although a quartzitic unit close to its base is unrepresented elsewhere. An exposure of jasperoid stratigraphically below this BIF unit suggests the presence of a thin sequence of Thaduna Greywacke equivalent. All mapping in this area requires revision.

An unnamed fault displaying shears and silicified zones juxtaposes granitic rocks and Bangemall group rocks to the southeast (Emergent Resources Ltd 2015).

Tooloo Group. Within Marymia Project, the north-eastern margin of the Archaean granitic basement of the Marymia Inlier is overlain by sediments of the Tooloo Group (Earaheedy Basin) comprising siltstone, sandstone, granular iron formation and dolomite. Recent work by Sheppard et al. (2016) suggests that the oldest package of rocks at the base of the Tooloo group (Yelma Formation) contains very minor felsic magmatism and represents incipient rifting of rigid Archaean lithosphere, with the Imbin porphyry located

approximately 150 km to the east of the project area, re-interpreted as a subvolcanic-volcanic complex near the base of the Yelma formation. The implication of this interpretation for potential mineralisation is significant, and further field work is required to investigate the stratigraphy and tectonic setting of the Tooloo group within the tenement package.

Scorpion Group. Overlying both the Archaean basement and the Tooloo Group is the Scorpion Group, recorded as a 10 km thick fault-bounded unit of shallow marine shelf sediments comprising sandstone, siltstone, dolomite; minor lithic sandstone and polymictic conglomerate that contain distinctive clasts of peloidal iron-formation from the Frere Formation (Earaheedy group). It is unconformably overlain by Kharban and Collier Subgroups and has been correlated with the Edmund Subgroup of the Bangemall Basin (Geoscience Australia, Australian Stratigraphic Units Database)

Unconformably overlying Archaean basement, Copper Hills Schists, Tooloo Group and Scorpion Group are siliclastic rocks of the Collier Group (Bangemall Basin). Interpretation of magnetics indicates that in the north Copper Hill Schists area, the Bangemall Group is represented by the Wonyulgunna Sandstone. In the north these rocks are a black shale/siltstone sequence intersected in drillholes. To the west the overlying rocks are assigned to formations overlying the Wonyulgunna Sandstone, but relationships to both the BIF-associated rocks and the Bangemall Group are indefinite, and may involve faulting.

The overturned nature of the folds in the Proterozoic and the NW trends of reverse faulting in the Archaean suggest that these two structural groupings are related. It seems likely that the reverse faulting in the greenstones is probably Proterozoic in age.

Warakurna Supersuite. Intruding both the Tooloo Group and the Collier Group rocks in the project are mafic-ultramafic rocks of the Warakurna Supersuite which form a Large Igneous Province ("LIP") that extends over 1.5 M km². The Warakurna LIP is thought to be the result of a mantle plume that was emplaced into the base of the lithosphere at about 1,100 Ma. Layered mafic-ultramafic rocks of the Warakurna LIP host the Nebo-Babel Ni-Cu-Pt group elements sulphide deposit in the Musgrave block in Western Australia (Morris P.A. and Pirajno F., 2009 and 2005).

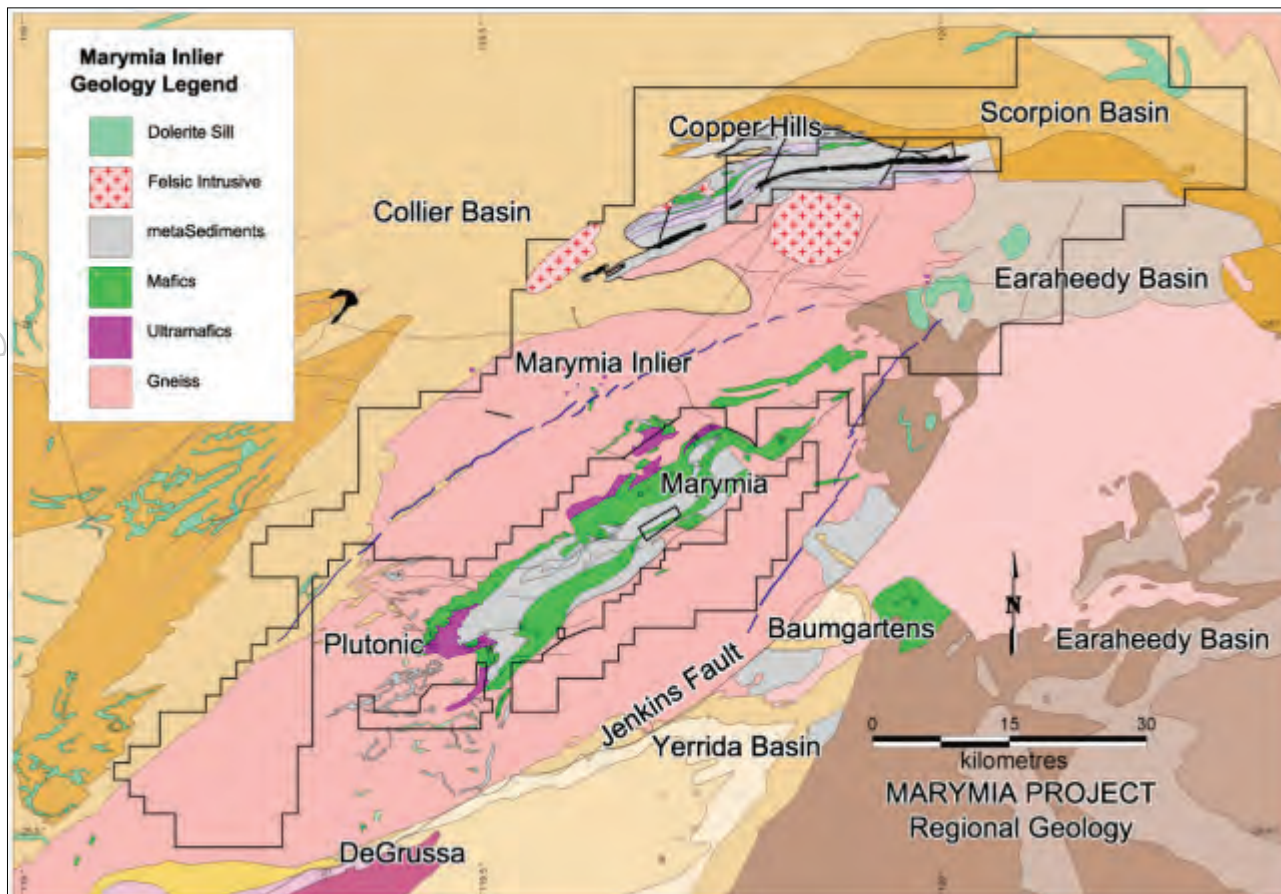


Figure 3: AIC Marymia Project Regional Geology.

2.1 STRATIGRAPHY

The upper Collier Subgroup and older Edmund Subgroup, two major stratigraphic subdivisions of the Bangemall Group unconformably overly the basement within parts of the project area. The younger Collier Subgroup forms prominent ranges throughout the project area compared with the Edmund Subgroup, which tends to form subdued outcrop patterns or no outcrop at all.

The Edmund Subgroup was not recognised in the area until interpreted from drilling in the 1990s when drilling of bullseye aeromagnetic anomalies, located in areas of cover between basement inliers unexpectedly revealed sulphidic black shales, siltstones and minor chert. These sedimentary sequences are tentatively correlated with the Edmund Subgroup that could also be correlatives of the Troy Creek Beds that occur approximately 100 km to the east. The Troy Creek Beds, in addition to sulphidic sediments, sandstones, siltstones and shales, contain minor magnetite-bearing BIF and felsic volcanic rocks.

Interpretation suggests the existence of at least three new basin-like areas of the older Edmund Subgroup within the project area along the margins of the Yilgarn Craton however the content of the lower Edmund Subgroup succession within the Marymia Project is poorly understood due to lack of exposure and paucity of drilling.

The upper Collier Subgroup overlaps the older sedimentary succession. Elsewhere it rests directly on the Archaean basement or is faulted against it. The base of the upper Collier Subgroup in the area is represented by the Wonyulgunna Sandstone, which forms distinct resistant ridges of sandstone containing ripple marks and cross bedding. These rocks can be interpreted as being shoreline or shallow water facies sedimentation.

Conformably overlying this basal unit is the Backdoor Formation, comprising shale, siltstone with minor chert and dolomite. This formation is fine-grained well-bedded sediment that contains sedimentary structures, which indicate a deeper open water marine shelf facies. Pyrite pseudomorphs are evident over a wide area.

In the Beyondie Bluff area, some parts of the Backdoor Formation succession comprise well bedded, carbonaceous and tuffaceous sediments. The tuffs may represent ignimbrites that are common near volcanic vents. Layers of alunite occur with the tuffaceous beds and may result from alteration due to the presence of sulphur bearing acid solutions often derived from the weathering of sulphide minerals. The tuff bands at Beyondie Bluff are enriched in metals and may help to explain the local high metal values recorded over a wide area during regional geochemical mapping of the Collier 1:250,000 sheet by the Western Australian Geological Survey.

The Backdoor Formation tends to coarsen upwards with units of coarse-grained quartz siltstone and sandstone becoming more common. This feature is indicative of water depth becoming shallower with deposition or of a shoreline migrating into the basin. The Proterozoic Bangemall Group succession has large volumes of dolerite emplaced within it. The sills are conformable with bedding and reach thicknesses of approximately 100 metres. The Backdoor Formation has been extensively intruded by dolerite.

2.2 STRUCTURE

The succession is cut by regionally extensive NE striking faults. These structures are significant because they control the distribution of the sedimentation and define the history of the basin. One major structure, the Tangadee Lineament, located to the west in the project area, can be traced for more than 250 km. It truncates stratigraphy to the west and the east. The western extent of the Backdoor Formation of the younger Collier Subgroup appears to coincide with the Tangadee Lineament. Two basement inliers, the Cobarra and Woodlands Domes, are aligned along this Lineament.

The Cobarra Dome is comprised of high potassium felsic volcanics that contain quartz-fluorine-tourmaline veins and some pegmatite. The Woodlands Dome consists of strongly deformed schists, also cut by pegmatite veins. The presence of such felsic rock types along the Tangadee Lineament is not only indicative that these structures were active at the time of sediment deposition, but also indicates continental rifting and magmatism with associated intrusion that can lead to mineralising events.

A second major NE trending structure is prominent within the Marymia Project. The Jenkin Fault extends for over 150 km from Glengarry to the eastern edge of the tenement area. It cuts through the eastern basin containing the older Edmund Subgroup. In places, the Jenkin Fault defines the contact between Archaean and Proterozoic units. The Jenkin Fault, interpreted to be a growth fault active at the time of deposition of the sedimentary package and like the Tangadee Lineament, appears to have a spatial relationship to some of the mineralisation in the region.

These regionally extensive structures are important precursors for the formation of mineral deposits as they provide pathways for the passage of fluids and intrusive events that influence the development of ore deposits. Felsic volcanics are the product of granite magmas that reached the surface. Geophysical interpretation of the project area reveals the presence of a magnetic anomaly indicative of deep seated buried intrusives such as granite. Both felsic volcanics and their granitic parents play a major role in the formation of ore deposits as they form the heat source which can mobilise metal carrying fluids and deposit them in cooler sites, generally in or adjacent to structural or stratigraphic traps. These fluids are known as hydrothermal or epithermal fluids dependant on their

temperature. Interpretation predicts several buried granitic intrusives throughout the general area.

Foliation within the greenstones trends approximately E-W but, where folding has occurred, also on NW-SE or NE-SW trends. At least three phases of folding have deformed the greenstones; two phases of kink folding with fold axes generally plunging steeply to the NW or NE and one phase of tight folds with upright fold axes plunging shallowly to the SE. The precise chronological relationship between these fold phases is unknown. Subsequent crenulation foliation is commonly observed in axial planar zones of earlier fold types.

The distribution of mafic amphibolites is related to macroscopic regional folding, particularly in the west. In the east, the two lenses of mafic rocks are more probably basin-and-dome structures due to two or more folding events rather than representing original lenses of mafic lavas intercalated within a dominantly ultramafic volcanic pile. The foliation within the granitoid has been kinked indicating that deformation post-dated granitoid emplacement.

The southern granitoid-greenstone contact is marked by an E-W shear zone. Stretching lineations within the shear zone are steep (down-dip) and indicate a sub-vertical sense of movement with a downthrow to the north (i.e., a normal sense of movement). The shear zone is probably related to the upward (domal or diapiric) emplacement of the granitoid body.

Quartz veins trend in two principal directions; E-W and N-S; both sets are locally anomalous in gold. Veins may be sub-parallel to the foliation or cross-cut it. Within the shear zone along the southern granitoid-greenstone contact, boudinaged quartz veinlets are oriented within the foliation or are slightly discordant to it. Bedding within the veinlets plunges steeply within the shear zone and is controlled by the intersection of a crenulation foliation with the regional foliation.

The change in strike between the Marymia deposits in the NE appear to be a late shearing event associated with a variably developed foliation (axial surface to folds in BIF) which strikes approximately north-south and dips steeply moderately to the east. A similar change in trend of the SE reverse fault near Plutonic may be a further manifestation of these structures. Similarly-oriented late shearing can be observed at Two Pools, Baumgarten and in various outcrops to the south. Lineation, best developed in mylonites and BIF, is variable in orientation and is probably related to sheath folding at Plutonic North.

Based on the Peak Hill 1:250,000 scale map the overall structure of the area appears to be a series of folds overturned to the SE where the overturned lines are reverse faults-or thrusts, and the sequence generally is younger to the north. The granitoid/greenstone relationships display either sheared or intrusive contacts and xenoliths of greenstone occur within intrusive granite and pegmatite at Two Pools and Plutonic North, but many contacts are clearly sheared. Observations of foliation in granitoid rocks suggests that there is a consistent strike parallel to the NW contact of the greenstone belt and the trend of the Marymia Inlier overall. Flat dipping foliation in granitoids between the Plutonic North greenstones and the old Battle Mountain/Resolute tenement area and the clearly late deformation of the granitoid/greenstone contact at Plutonic strongly suggests that the sheared granite-greenstone contacts are folded and that structurally controlled greenstone outliers will occur to the north of the main belt. There is a suggestion of this in the area of slightly disturbed magnetics surrounding the Plutonic North tenement area. Greenstones may exist to the NW of the main belt contact zone under shallow granitoid cover.

Hence, in a regional context, the prospectivity of the Plutonic greenstone gold prospects are regarded as follows:

- Two Pools is probably an extension of the Marymia Belt, with mainly sheared contacts, although some intrusive contacts are also present. Represents the lowermost Unit 1 at Plutonic, and is hence a favourable host.
- Plutonic North is either an outlier or unroofed inlier (relative to the granitoid rocks) with strongly sheared contacts and internal structure of Unit 1. Mapping is not definitive and further geological investigation is required here.
- Marymia is a sheared extension of Plutonic geology with a foliated character of the granitoid and the internal foliation of the greenstones suggest the under layered granitoid/greenstone geology is a product of imbricate reverse faulting. The lack of ultramafic rocks suggests it is mainly Unit 3 with mafic volcanics dominant.

2.3 MINERALISATION

Mineralisation in the region is dominated by gold mines and base metal occurrences. Gold has been, or is being, produced from a NE trending corridor parallel to the Jenkin Fault. The Marymia gold mines, originally discovered by Resolute Resources Limited ("RRL") and currently owned by Dampier (Plutonic) Pty Ltd and Vango Mining Ltd, produced approximately 350,000 oz Au from 1992-98 (RRL) and have a Total Resource of 820,000oz (Vango Mining Annual Report 30 June 2017). Historical production from the Plutonic group of deposits exceeds 5 Moz Au (Superior Gold Fact Sheet).

The main style of gold mineralisation in the district, the Plutonic brown-lode, typically occurs as thin ~1-3 m wide lodes that consist predominately of quartz-biotite-amphibole-titanite-epidote-carbonate-tourmaline-arsenopyrite-pyrrhotite \pm chalcopyrite \pm scheelite \pm gold. Visible gold is considered to have occurred at a late-stage during the evolution of the deposit as it is largely undeformed and overprints most, if not all, of the minerals and fabrics. It is typically associated with thin, discontinuous quartz-calc-silicate veins within the brown-lodes.

Where these gold-bearing zones are well developed, they tend to be near-parallel to the stratigraphy as marked by the rare metasedimentary horizons and to the dominant foliation, which is also typically parallel to metasediment horizons (Figure 4). Geochemistry suggests that these lodes developed on the boundary between mafic units or are focussed along or adjacent to minor metasedimentary units within the Mine Mafic unit. Lodes may be rich in arsenopyrite or pyrrhotite, and while arsenopyrite is an indicator of mineralisation, it is not present in all mineralisation.

At the Marymia Project area, evaluation of bedrock drill information indicates that the geology of the Marymia zone consists of three large north-trending belts of greenstone that are surrounded by granodiorite. A number of smaller dismembered greenstone rafts are also present in the granite.

The larger greenstone belts can be divided into a western lens-shaped greenstone belt composed of amphibolite, basalt and minor ultramafic rock; a central irregular shaped greenstone belt where surface geometry resembles a southerly closing fold with the western limb either removed or displaced to form the eastern greenstone belt and a northern arm of the greenstone belt composed of amphibolite, gabbro and ultramafic rocks whereas the southern "fold closure" is composed of basalt. There is also an eastern lens-shaped greenstone belt composed of amphibolite, basalt and ultramafic rocks.

Significant gold mineralisation is hosted by quartz vein systems within or at the margins of the granite separating the western greenstone belt from the central greenstone belt. The quartz vein systems are orientated sub-parallel to the granite-greenstone contact with some of the quartz veins forming thin sheets separating the greenstone from the granite. Visible gold has been panned from some of the latter quartz veins.

Surficial enrichment of the primary gold mineralisation has occurred within the thick clay-rich saprolite zone that overlies the granite-greenstone basement while other areas of surficial supergene mineralisation are often characterised by the presence of abundant ironstone fragments or brown ferruginous staining. It is likely that this iron is derived from iron sulphides present in the vein systems.

3.0 LOCAL GEOLOGY

Interpretation of regional geological mapping and drilling in the Marymia zone has identified Archaean basement of older gneisses and migmatites, which to the west and north of Marymia Homestead contain fault-bounded remnants of greenstones that have been intruded by a range of plutonic igneous rocks including gabbro, granite and granodiorite.

The Copper Hills area is a supracrustal schist belt of uncertain age that comprises a variety of metasedimentary rocks, mainly as BIF and phyllite, with minor metavolcanic rocks. The schist belt is intruded by a small pluton of gabbro, porphyry and granite to the north of Copper Hills.

Graphitic shales, chert and limestone that form part of the base of the Bangemall Basin sedimentary succession unconformably overlies the Archaean granitoids and Copper Hills schist belt and a lenticular unit of Bangemall Basin quartzite forms the Wonyulgunna range of hills. In the west, a sandstone unit is underlain by Bangemall shales, while in the east a major unconformity separates it from underlying and near vertical dipping Copper Hills schists.

The Copper Hills schists, Archaean granitoids and the greenstones form part of the Marymia structural dome. Copper Hills drilling into schists and adjacent Archaean granitoids indicates they are separated from the main part of the Marymia Dome by an east-west trending belt of Bangemall shales. This suggests that the Copper Hills schists and granitoids, form the core of a large anticline and that the belt of Bangemall shales to the north represent the remnants of the limbs of an anticline. Further dome and basin style folding patterns at the Jaydinia and Calyie Synclines in the Bangemall sediments are evident west of Copper Hills.

At Two Pools outcrop is generally poor, with extensive areas of sheetwash, alluvium and lateritic cover. Relatively fresh rocks are locally exposed in creek sections. Mapping and drilling has outlined an elongate, curved and somewhat irregular belt of greenstone trending NE that is intruded by granitoid along its northern and southern boundaries. The granitoid-greenstone terrain is under a cover of Bangemall sedimentary units in the south and southwest but it is not clear whether the contact between the Archaean and the Bangemall rocks is a fault contact or an unconformity.

Generally, in the north and northeast of the Marymia Project, the greenstones dip to the northwest and consist of mafic and ultramafic amphibolites with BIF horizons. No facing directions have been observed, so the stratigraphic sequence is thought to be more related to the Plutonic area model.

3.1 PLUTONIC STRUCTURAL MODEL

The Plutonic Gold Mine comprises an open cut and underground resource from an orebody that comprises a suite of 45° NE -dipping lodes within an amphibolite host unit. It has had a complex history probably involving both Archaean and Proterozoic deformational events. The orebody is essentially stratabound in character where the host amphibolite is approximately 150 m in thickness dipping toward the north and northwest between 20-60°. It is overlain and underlain by talc-chlorite-carbonate schist where the lower contact comprises a thin laminated sulphide-bearing rock known as the "Banded Zone". The lodes are constrained by the Banded Zone and the upper talc-chlorite schist contact, some lode structures extending completely across the host unit. Lodes may extend a few metres beyond these contacts but the adjacent rock units are essentially barren.

The lodes themselves are sulphide-bearing zones with diffuse boundaries composed of a quartz-sulphide-calcite-phlogopite-chlorite-amphibole-plagioclase assemblage, which is coarse grained and without pronounced preferred mineral orientation. Inspection of numerous cores of the higher-grade intersections suggests that the lodes are centred on thin quartz-calcite veins, usually about 0.1 m in width surrounded by a grey to bright green cherty textured quartz-sulphide selvage usually of arsenopyrite-pyrrhotite and marcasite grading into a phlogopitic selvage toward its margins. The mineral assemblage is similar to that at New Celebration, Kambalda, Southern Cross and Forrestania. The lack of sericite and iron carbonate and the rather coarsely crystalline textures suggest post-mineralisation auto-metamorphism and decarbonation of the lode mineral assemblage.

The lateral boundaries of the vein/lode system appear to be constrained by a variation in the dip of the upper and lower formational contacts. This and overall trend of mineralisation to the NNW suggests that the ore zone occurs within a NNE plunging "prism" in the amphibolite host, which is interpreted as a rotated and dilated "kink" in the host unit.

The Banded Zone and the upper ultramafic contact are regarded as planes of movement, or "bookshelf" faults of quite limited throw, by which cohesion was maintained during dilation of the kink/prism. The lodes are dilated secondary shear-zones, probably only indirectly related to the principal stress orientation but normal to maximum strain.

The important ramifications for exploration purposes are as follows:

- Plutonic-type mineralised systems will be elongated to the NNW or to the east, the latter being the conjugate kink direction;
- Irrespective of the orientation of mineralised zones, lodes/veins of the Plutonic type should be relatively constant in orientation, but will depend upon the initial orientation of the host rock unit and the resolved shear stress;
- Mineralisation is essentially stratabound, preferring the more mafic rocks, and probably thin relatively well-defined rock units.

Modification of the ore zone structure took place after deposition of the gold as follows:

- The Banded Zone and amphibolite unit were folded about NNE trending steep dipping crenulate axial surfaces. Open folds of this generation are seen in the south wall of the open cut. These folds effectively arch the deposit and may modify the dip of the lodes at its eastern margin. The trend of these folds may also be related to the kinking system.
- The lodes are displaced along at least one WNW trending normal fault (NE side up) and intruded by vertical dipping east-west oriented dolerite dykes. A minor NE trending sinistral fault (the Borrow Pit Fault) displaces the lodes in the pit and is itself partly mineralised, but probably only in the oxidized zone.

- All the above structures are displaced by two NE-trending reverse faults or thrusts which transport a mafic sequence from the west over the top of the mine sequence and the granitoid rocks further to the west over the greenstone belt as a whole. Mylonitic rocks and prominent quartz veins characterise these faults, which are themselves folded and faulted by late east-west trending dextral shears (Figure 4).

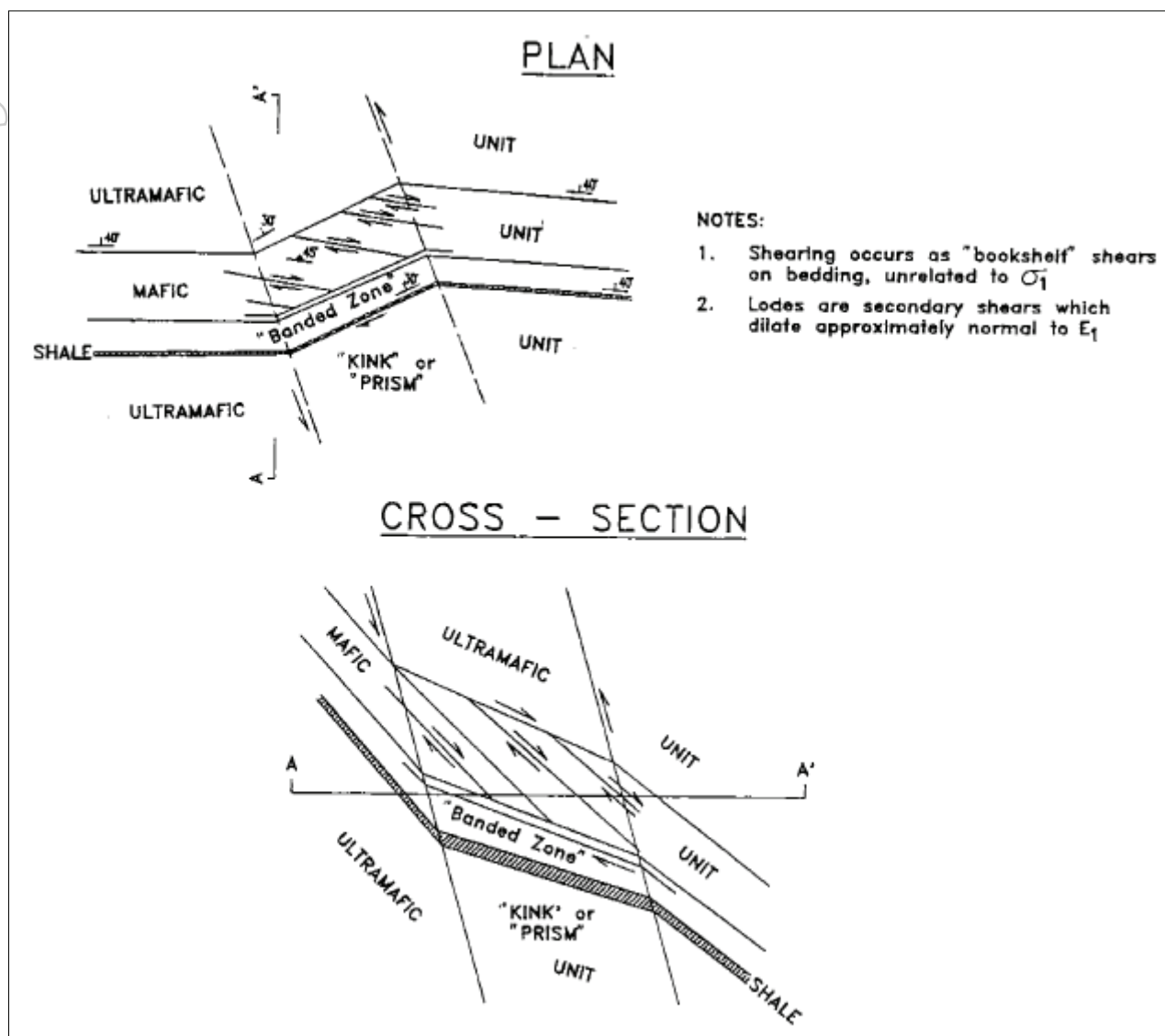


Figure 4: Plutonic Mine Mineralisation Structural Setting.

After Ransom 1991

Essentially, the structure of the area is a reverse faulted syncline overturned to the SE. Two reverse faults or thrusts are recognized, one along the granitoid/greenstone contact and the other within the greenstone belt 1 to 2 km to the SE approximately parallel to the granitoid contact. The overturned limb of the syncline lies between these two faults, which are slightly discordant to the internal structure, where a sequence of three typically Archean style rock units are present as follows:

- Uppermost Unit 3 – Mafic volcanics (tholeiitic mainly, less high magnesian basalt)
- Unit 2 – Ultramafics (talc-chlorite rocks predominate)
- Lowermost Unit 1 – Mixed suite (BIF, high magnesian basalt, mafic volcanics)

To the SW of the SE reverse fault the RC drilling indicates that extensions to the Plutonic Mine are mafic volcanics of Unit 3. Rocks of Unit 2 lie NE of the Plutonic Mine and the mixed sequence of Unit 1 but without prominent BIF occurs to the east of the mine, striking generally to the east and SE. Based on the distribution of the mafic rocks of Unit 3, imagery and a prominent fold shape in the magnetics, the syncline hinge is interpreted as passing to the NE of and truncated by the SE most reverse fault.

Based on this model the known gold mineralisation at Plutonic Mine, Area 4 and the Perch Prospect lies in the upright limb of the syncline within Unit 1. The lack of BIF is attributed to:

- The proximity of the granite, most likely an intrusive contact, or
- Its equivalence with less magnetic sediments below the Plutonic Mine.

BIF occurs to the SE of the map area as recorded by AMAX in the 1970s and in association with gold mineralisation at the Redress Prospect in the same area.

Further exploration was recommended in Unit 1 rocks that appear to pass out of the Plutonic Mine lease near its easternmost corner. Unit 1 rock types occur along the NW boundary of the Plutonic Extended tenement area on the overturned limb of the syncline where elevated gold values are reported.

3.2 LOCAL GEOLOGY AND STRUCTURAL CONCLUSIONS

The Plutonic gold orebody comprises a dilated-prism or kink structure within a mafic unit in a high magnesian basalt/ultramafic rock sequence. The lodes are dilated 'bookshelf' shear-zones related to primary movement on the mafic unit boundaries where one contact is a sulphide-bearing but gold-poor shear-zone known as the 'Banded Zone'. The trend of the orebody is NW, essentially parallel to the kink/prism axes and the rock sequence/lode intersection. Gold mineralisation is essentially stratabound and repetitions are unpredictable. Ongoing exploration should focus on mine sequence repetitions.

The structure of the Plutonic area comprises a reverse faulted synclinal structure overturned to the SE defined by a typical Archaean lithological sequence. The southern limb is north dipping and passes out of area to the SE. The NW limb is between two reverse faults of probable Proterozoic age. The most prospective stratigraphy in the NE zone is between the reverse faults.

The structure of the Marymia greenstone belt as a whole is a reflection of the Plutonic area structure and also involves reverse faulting. The Two Pools and Plutonic North areas are stratigraphically equivalent to the Plutonic Mine sequence while the Marymia host rocks are stratigraphically higher.

The Copper Hills area is a Lower Proterozoic sequence equivalent in general to the Glengarry Sub-Basin in the Peak Hill area. The chlorite schists at Copper Hills and the BIF units are similar to the Narracoota Volcanics and the Horseshoe Formation. An occurrence of jasperoid suggests the presence of Thaduna Greywacke equivalent and potential for gold mineralisation similar to the Fortnum and Horseshoe Lights Mines.

Bangemall Group rocks post-date reverse faulting in the Archaean and folding in the Lower Proterozoic but may have been redistributed on reverse faults which have involved reactivation of older basement structures.

The SW extremity of the Marymia Inlier has a stronger affinity with the Peak Hill area and the rocks of the Yarlalweelor Inlier. A NNW trending gravity low along the Merrie Range Fault represents thin Proterozoic cover on Archaean basement and is an Archaean structure reactivated during the Lower Proterozoic. It locally controlled sedimentation in the Nabberu Bas in. Its extension beyond the Marymia greenstone belt has exposed the Copper Hills Lower Proterozoic sequence. It has significance for gold mineralisation in the Proterozoic but not necessarily in the Archaean.

The trend of the Marymia Inlier is a reflection of trends in the Murchison Province of the Yilgarn Block.

4.0 MINERAL OCCURRENCES AND HISTORICAL MINING

4.1 MARYMIA PROJECT

There is no historical mining on the Marymia Project. Known mineral occurrences include extensions to the Marymia gold system and copper occurrence in the Copper Hills schists.

Extensions to the Marymia gold systems were identified by Great Central Mines 1990 – 1993, where gold is hosted by greenstones and sheared granite in a number of locations extending approximately 13 km along strike to the northwest (Refer to reports in Table 2).

Endeavour Oil (1972-1975) identified copper mineralisation at Copper Hills, south of Wonyulgunna Hill (Refer to reports in Table 2). Copper mineralisation is located in shears and fissures. Extensive silicified zones after mafic, BIF and granitoid rocks are present. Drilling east of Copper Hills recorded pyrite with chalcopyrite in quartz veins at the edge of the granite basement.

4.2 REGIONAL

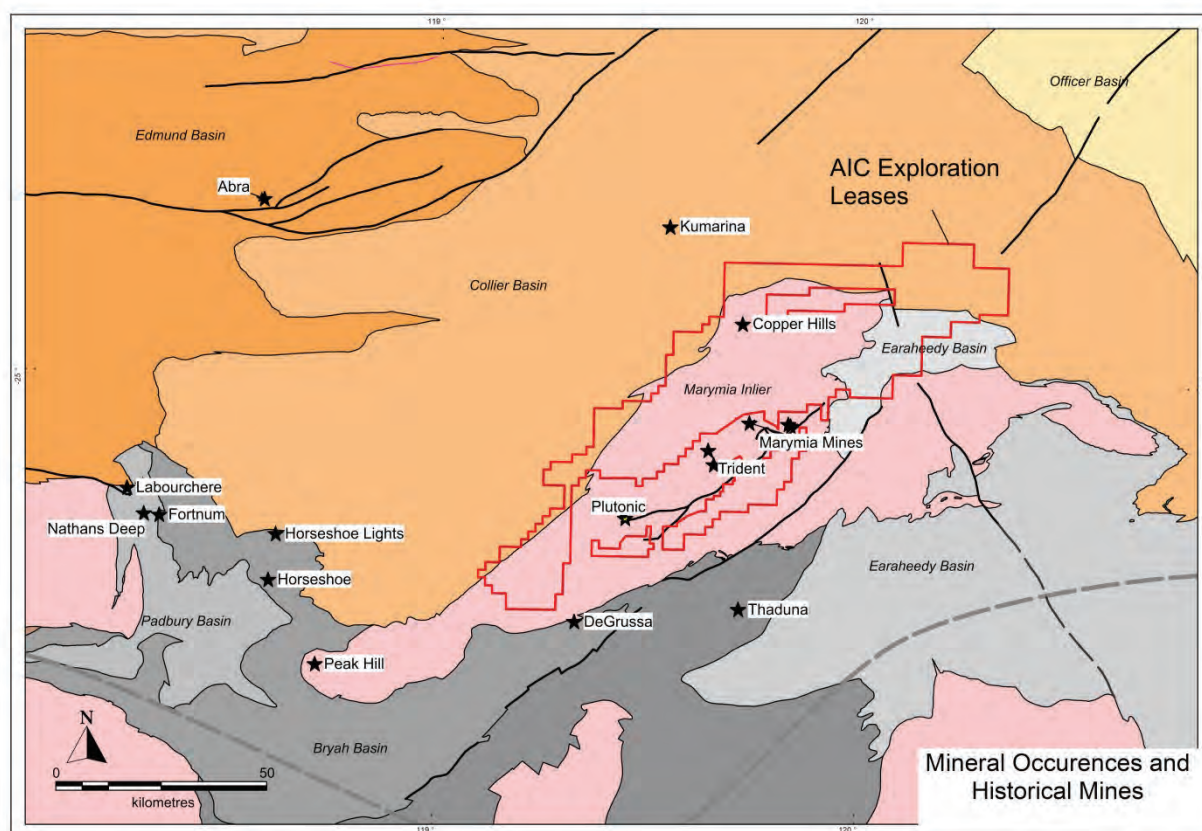


Figure 5: Regional Mineral Occurrences and Historic Mines

The Marymia Project is located immediately adjacent to the current and historical gold mining operations at Plutonic and Marymia. Analogous gold and copper deposits are found in the similar rock units both regionally and elsewhere in Australia.

The Plutonic mining operations, currently owned by Superior Gold Inc, was discovered by surface geochemistry in 1988 and has a historical production of over 5 Moz Au (Superior Gold Inc Fact Sheet). The Plutonic Main Pit commenced in 1990 and continued through to 1997. A string of satellite pits throughout the belt including Salmon pit continued surface production through to mid- 2005. In 1995, underground mining in the Plutonic Main Mine commenced from the west portal. Plutonic mine is accessed from three portals with the west and vent located in the Main Pit and a 550 box-hole cut portal. Underground mining takes place from four major declines with a series of internal ramps to access mining zones. Mineralisation zones extend over an area roughly 3.5 km north to south and 2 km east to west with a vertical extent of over 1,350 m.

The Plutonic site has undergone numerous changes of ownership in its operating history and accordingly has been subjected to various internal reclamation standards. Mining commenced at Plutonic in 1990 and was expected to have a mine life of five years. In 2014 PGM celebrated its 24th anniversary and today continues to operate as an underground mine. Over time the operations have resulted in 36 open mine pits over a strike length of some 50 km extending along a NE strike towards the Marymia Project. The majority of these tenements were however divested in 2010. Plutonic had an updated Mine Closure Plan and approval had been granted by the DMP.

Plutonic includes a number of distinct operational areas, these being the underground mines and their associated infrastructure; the original Plutonic open pit and associated waste rock landform; the Plutonic satellite open pits and associated waste landforms; and the central mineral processing facility with associated logistical support infrastructure.

The best-known copper occurrences in the eastern Bangemall Basin are the Kumarina and Ilgarari deposits (Mindex), which are hosted by rocks of the Collier Subgroup. These occurrences are also fissure and fault related deposits that occur on structures parallel to the Tangadee Lineament. The Kumarina mine, to the west of Kumarina, has a recorded production of 638 tonnes of copper extracted from faulted zones close to lithological contacts (Mindex). Most of the copper mineralisation comprises copper carbonates, oxides with some native copper. This mineral assemblage is indicative of supergene enrichment.

A major base metal and gold accumulation known as the Abra deposit, which is hosted by the Edmund Subgroup sediments was discovered in 1981 (Mindex, Pirajno et al., 2015). It is situated just to the west of the Tangadee Lineament close to the Coobarra Dome basement inlier. This Abra mineralisation is defined by a large circular magnetic anomaly (covering an area of approximately 2.5 km²). The mineralisation is zoned into two stratabound layered upper zones and where the lowest zone cross cuts the bedding to form stockwork mineralisation. The uppermost zone is a jaspilite known as the red zone. It consists of a colloform-banded hematite, barite, silica and carbonate assemblage.

The lower zone, known as the black zone, consists of hematite, magnetite and barite associated with banded lead and copper sulphides with pyrite. The underlying funnel-shaped veined stringer zone consists of a silicic and chloritised zone

containing a network of veins, breccias and replacement textures extending for a vertical depth of over 350 m.

The Abra deposit has been incompletely drilled to a vertical depth of approximately 800 m. The active tectonic setting at the time of sediment deposition together with the presence of felsic rocks in dome structures is indicative of a rise in geothermal gradient in this area.

The Abra deposit belongs to a family of deposits known as hydrothermal iron oxide-copper-gold deposits ("IOCG"). Their contained mineralisation typically comprises an assemblage of sulphides and iron oxides, both magnetite (ferric iron) and hematite (ferrous iron). This type of deposit includes some of the world's largest and most profitable deposits (in Ransom, D.M. 1991).

At the far SW corner of the Marymia Inlier, gold production from the Peak Hill group produced over 850,000 oz Au up to closure in 2002 (Mindex, Harper, M. A., Hills M.G., Renton, J. I and Thornett, S.E., 1998).

The Fortnum mine, within the Peak Hill group, currently owned by Westgold Resources Limited had a total production of 7.4 Mt averaging 2.95 g/t Au for 702,000 oz Au and is an example of this style of deposit with mineralisation as sheeted quartz-pyrite vein sets with jasperoid bodies that contain 10 to 30% magnetite and hematite (Mindex, Westgold Annual Report 2017).

Other deposits in the Peak Hill group include Labouchere, Nathans Deep South, Horseshoe and Horseshoe Lights mine. The Horseshoe Lights copper-gold-silver deposit consists of massive sulphides overlying and/or flanked by stringer and disseminated sulphides in a geological setting similar to that proposed for the Abra deposit. It produced approximately 311,600 oz Au, 2.93 Moz Ag and 54,790 t Cu metal (Mindex, Sabminco Mines Ltd Horseshoe Lights Mine Annual Report 1994).

5.0 PREVIOUS EXPLORATION ON THE MARYMIA PROJECT TENEMENTS

Many companies have conducted exploration in the district with most activity recorded between the late 1970s until the late 1990s. All reports have not yet been reviewed but key historical activity is summarised in Table 2.

Great Central Mines were the dominant explorer within the Marymia Project between 1990 – 1993 where the focus of exploration was the search for extensions to the Marymia gold mineralisation and diamonds. Many historical drill holes were not assayed for gold. Figure 6 displays the location of drill holes reviewed to date highlighting those that have gold assays and those that do not.

Table 3 shows the summary of historical drilling, sampling and logging techniques collated to date across the Marymia Project.

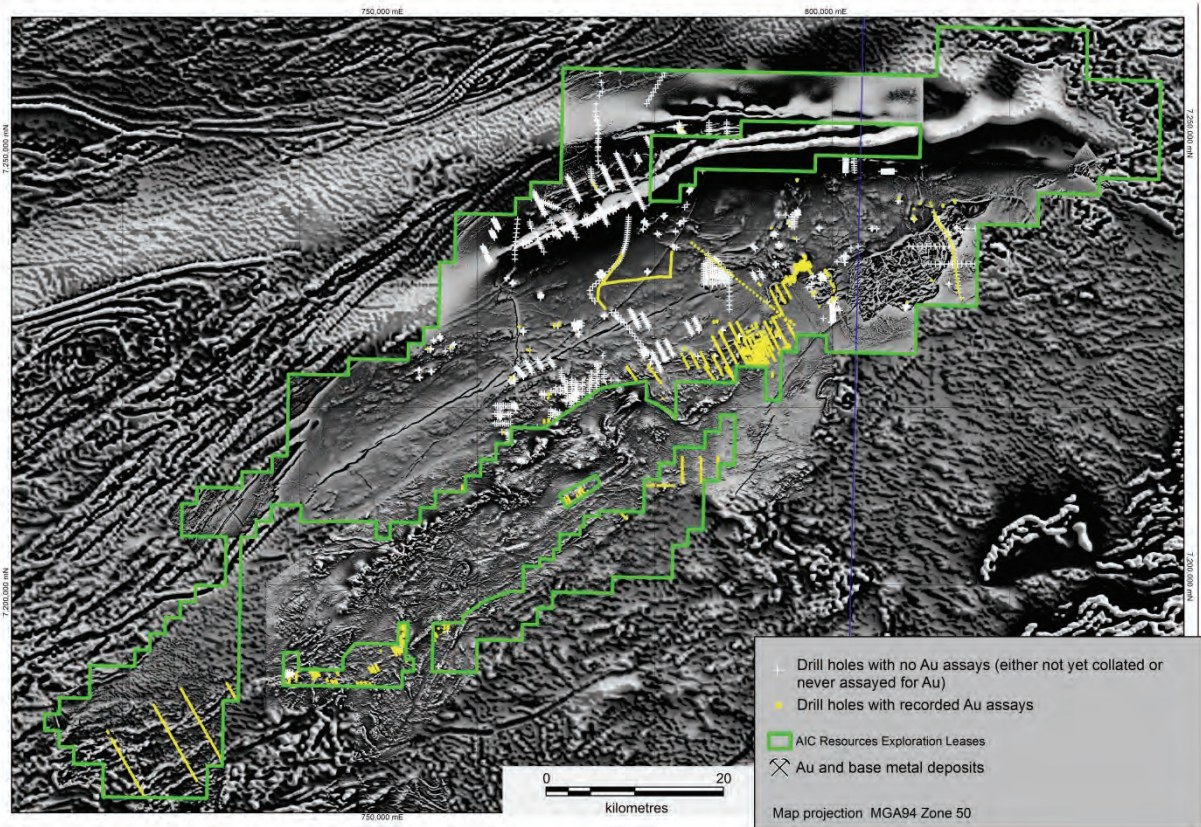


Figure 6: Distribution of Historical Drilling Data within the Marymia Project Tenements Shown over TMI Image.

Year	Company	Current E	Historic E_ID	WAMEX Reference	Activity	Brief Results
1972-1975	Endeavour Oil	E52/2943		a6096, a3477, a3478	Geochemical surface sampling Costeaning Drilling Ground magnetics & VLF E.M	Small resource of near surface low grade, oxide copper established
1980-1981	C.R.A Exploration	E52/2943		a9928, a16141	Airborne Manetic & Radiometric survey	Did not define significant gravity anomaly, discrete airborne, magnetic anomalies subsequently followed-up
1984-1985	Ekomin Pty Ltd	E52/2943	E52/79, 80 & 81	a16141	Surface sampling	
1987	Nanki Pty Ltd	E52/2943		a21295	Ground Reconnaissance Airborne E.M. Survey (INPUT) Follow up VLF E.M. RC(45) Drilling	Most of the VLF E.M. anomalies could be related to phases in schists, shear zones in gneiss or dolerite contacts.
1990	Johnsons Well Mining, J.V with M.G Ceasy	E52/2943	E52/449	a31334	Stream sediment, soil & rock chip sampling Mapping RAB(36) & AC Drilling Aeromagnetic/radio metric survey	Reconnaissance RAB drilling along the access track to the north of Copper Hills for 1194m. In total Johnsons Well Mining drilled 127 holes for 5525m which are located in the current E52/2943 licence. There are 13 air core holes for 840m located along the access track to Copper hills and the remaining 114 are northern extremities of drilling on Copper Hills grid lines. There are also 41 stream sediment samples located in E52/2043 draining the southern part of the NE Copper Hills and the maximum result was 0.00085 ppm Au.
1990	Geochemex for Great Central Mines	Multiple			Stream sediment (147) samples Rock chip(89) samples	These were assayed for Cu, Pb, Zn, As & Au.
1990	Great Central Mines	E52/2973	E52/439 & 440	a31666	Surface sampling Gridding Geological Mapping RAB(321) & RC(193) Drilling Ground & Airborne Magnetic Surveys	The gold mineralisation at Two Pools “appears to be widely spread having been located in all the large blocks of greenstone, and is associated with both mafic and ultramafic lithologies. Best results were 8m @ 4.18g/t in RAB hole MRB095 and 3m @ 7.22g/t from 8m in R.C. hole MRC577. A summary of the R.C. drilling results for the year 1993-94 is tabled.
1990	Great Central Mines, J.V. With Pioneer Minerals Australia (Plutonic North Joint Venture)	Multiple	E52/347	a31475	Reconnaissance RAB(138) drilling	
1991	Great Central Mines	E52/3028	E52/415, 577, 578 & 579		Exploration for Diamonds: Detailed geological mapping Petrography Whole rock geochemistry Surface Sampling Bulk sample heavy minerals analysis Ground & Airborne magnetics RAB(25), RC(3) and Diamond(3) Drilling	A 3.0mm macle diamond was recovered from bulk sampling of colluvial material around ANT8 (ANT2 anomaly). In addition, a 1.34mm x 0.7mm gem quality diamond was recovered from bulk stream gravel, sample TPG6 located 4 kilometres downstream of ANT2.
1991	Great Central Mines	Multiple	Pinyrinny prospect		RAB(60) & RC(2) Drilling	

1989-1992	Mt Kersey Mining	E69/3237	E69/387	a33232, a34645	Year 1990: Vertical RAB drilling Year 1991: Targeting Diamonds Diamond (2) & RC(9) drilling Stream sediment samples	Year 1990: No anomalous gold values were returned. Year 1991: During stream sediment samples collection for diamonds, gold grains & dust were observed in a number of samples, these samples (49) were assayed for Cu, Pb, Zn, Ni, As and low level Au. Assay results indicated low level gold anomalies around Anomaly AI and airphoto anomalies DM5 and DMI5. As a result, 195 drill chip samples from Anomaly AI (ERC5, 7 and 8) were assayed for Cu, Pb, Zn, Ni, As and low level Au. Drill chips of these holes at depths greater than 100 metres contained noticeable sulphides such as pyrite, arsenopyrite and chalcopyrite. Some samples from drill hole ERC5 had anomalous Ni values (eg ERC5-I52, up to 1,780ppm). Overall however, the values did not indicate any significant trends in base metal or gold mineralisation.
1992-1994	Plutonic Operations	Multiple	M52/328 & 329		Gridding Stream, lag, soil and rock chip(33) sampling Reprocessing of GCM aeromagnetic survey RAB(7) drilling	
1997-1998	Quadrant Resources Pty. Ltd.	E52/2943	E69/1275	a56774	Aeromagnetic survey	Aeromagnetic survey data of 200m line spacing and 60m flying height. This data defines the ENE trending eastern extension of the magnetite schist in southern limb of the ENE plunging anticline of the Copper Hills schists, near the nose of the anticline.
1996-1999	Astro Mining	Multiple			Loam, laterite, stream sediment and bulk sampling AC Drilling	
2000-2003	De Grey	E52/2943	E52/1501, 1491 & E69/1591	a65807, a69505	Gravity Survey Re-processing of open file aeromagnetic data Surface sampling	
2001	De Grey	E52/3044	E52/1490		Regional gravity survey RAB(8) drilling	Surface samples containing to 1290ppm Cu, 3240ppm Zn, 266ppm Mo, 430ppm Sb, 1160 ppm As, 9230ppm V and 0.4ppm Au.
2010-2012	Emergent Resources	E52/2943	E52/2215	a100380, a97886	Assessment of previous exploration and RC drilling]	Emergent Resources conducted a desktop study on local and regional exploration models. Focus was for Fe.
2016	Cosmopolitan Minerals Ltd	Multiple	Multiple		Data compilation and regional reconnaissance	Cosmopolitan Minerals Ltd undertook regional assessment and applied for the current Marymia Project tenements. They commenced data compilation and undertook reconnaissance verification.

Table 2: Previous Exploration Activity in the AIC Marymia Project Area.

Hole Type	Number of holes	Total Meters	Average Depth (m)	With Geology available and captured	With Au assay	Average interval length (m)	With recorded Au assay method	With recorded sampling technique	With recorded sample weights or recovery
Air Core	9	591	66	9 (100%)	9 (100%)	3.8	9 (100%)	9 (100%)	0 (0%)
Not recorded hole type	390	15,113	39	9 (2%)	6 (2%)	1	0 (0%)	0 (0%)	0 (0%)
RC	755	61,229	81	556 (74%)	498 (66%)	1.4	9 (1%)	9 (1%)	0 (0%)
RAB	3,267	130,631	40	2334 (71%)	2,314 (71%)	3.5	328 (10%)	328 (10%)	0 (0%)
Diamond core	4	699	175	4 (100%)	1 (25%)	3.9	2 (50%)	0 (0%)	0 (0%)
Rotary	21	1,054	50	21 (100%)	0 (0%)	0	0 (0%)	0 (0%)	0 (0%)
RC Diamond Tail	15	4,981	332	15 (100%)	2 (13%)	1.3	2 (13%)	2 (13%)	0 (0%)
TOTAL	4,461	214,300	48	2948 (66%)	2,839 (63%)	2.4	368 (8%)	348 (8%)	0 (0%)

Table 3: Summary of historical drilling, sampling and logging data collated to date across the Marymia Project tenements

6.0 EXPLORATION PROGRAM AND BUDGET

AIC proposes to undertake work programs aimed at discovering repetitions of the known mineralisation. Historical exploration activity in the area has targeted gold and base metals, with no mention of other minerals. A summary of the extent of previous exploration activity is given in Table 3. Given the extent of favourable host lithologies and structural setting there appears to be potential to discover new deposits of commercial grades.

First pass exploration will assemble a full digital dataset of all work conducted on the Marymia Project. Table 3 represents all work compiled at the date of this report. Data integrity will be improved with further research. This will assist in the direction and focus of exploration programs. Extensive regolith cover over much of the Marymia Project together with seasonal movement restrictions dictates exploration techniques will likely focus on remote techniques concentrating on appropriate geophysical methods. A structural fracture map will be compiled based on WVS imagery and EM surveys have proved particularly effective in the delineation of highly conductive units in the follow up of structural and geochemical anomalies.

The proposed program of work will include:

- Data compilation into an SQL DataShed database;
- Acquisition and interpretation of existing topographic imagery and third party geophysical data,
- MMI orientation sampling over selected structures with extensive cover
- EM surveys and data modelling over potential host lithology; and
- Drill testing of targets with coincident fractures, anomalous soil geochemistry and conductivity.

The estimated cost to conduct exploration over the Marymia Project is:

- If the minimum \$7,000,000 is raised: \$1,866,696 in Year 1 and \$2,736,696 in Year 2 for a total of \$4,603,392
- If the maximum \$10,000,000 is raised: \$1,916,696 in Year 1 and \$4,036,696 in Year 2 for a total of \$5,953,392.

7.0 CONCLUSIONS

The Marymia Project is located in close proximity to some previous operating mines and historic mining centres in the region.

Many of the Tenements have not previously undergone systematic, modern day exploration and hence their potential has never been fully evaluated.

The Marymia Project covers sections of Archaean Greenstone Belts or gneissic terranes which are of a favourable age and lithological type to host mineralisation.

Major lineaments, faults and shear systems dissect the project areas and are the structural controls for the primary mineralisation within the Marymia Project.

Table 4 below lists the proposed two-year exploration budgets.

Item	Year 1		Year 2	
	A\$7m raise	A\$10m raise	A\$7m raise	A\$10m raise
WVS2 topographic Imagery	100,000	100,000	-	-
Soil Geochemistry	350,000	400,000	350,000	400,000
RAB/Aircore Drilling incl assay	-	-	500,000	750,000
RC/Diamond Drilling incl assay	-	-	500,000	1,500,000
Geological Supervision/Contact Field Services	830,000	830,000	800,000	800,000
Camp Costs	175,000	175,000	175,000	175,000
Tenement Maintenance	311,696	311,696	311,696	311,696
Administration	100,000	100,000	100,000	100,000
Total	1,866,696	1,916,696	2,736,696	4,036,696

Table 4: Marymia Project Proposed Activity Expenditure.

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9.0 GLOSSARY AND ABBREVIATIONS

Aeromagnetic Survey	A survey made from the air for the purpose of recording magnetic characteristics of rocks.
Amphibolite	A crystalloblastic rock consisting mainly of amphibole and plagioclase. Quartz is usually absent. Considered a medium to high-grade metamorphic rock.
Anomaly	A value that is higher or lower than the expected.
Anomalous	Outlining a zone of potential exploration interest but not necessarily of economic significance.
Archaean	The oldest rocks of the Precambrian Era, prior to 2500 million years.
Basalt	A fine-grained volcanic rock composed primarily of plagioclase feldspar and mafic minerals.
Base metal	Generally, a metal inferior in value to the precious metals, eg. copper, lead, zinc, nickel.
Bedrock	Any solid rock underlying unconsolidated material.
Calcrete	A hard pan layer in which surface debris is cemented by calcium carbonate.
Complex	An assemblage of rocks or minerals intricately mixed or folded together
Craton	A relatively immobile part of the earth, generally of large size. Synonymous with shield area.
Diamond drill	Rotary drilling using diamond-impregnated bits, to produce a solid continuous core sample of the rock.
Dip	The angle at which a rock layer, fault or any other planar structure is inclined from the horizontal.
Dolerite	A medium grained intrusive rock mainly composed of feldspar and pyroxene.
Dyke	A tabular intrusive body of igneous rock that cuts across bedding at a high angle.
Fault	A fracture in rocks on which there has been movement on one of the sides relative to the other, parallel to the fracture.
Felsic	Descriptive of an igneous rock which is predominantly of light-coloured minerals (antonym: of mafic).
Fold	A bend in the rock strata or planar structure.
Foliation	The laminated structure resulting from the parallel arrangement of different minerals.
Ga	A billion years (10^9 years).
Geochemistry	Study of variation of chemical elements in rocks or soils.

Geochemical	The systematic study of the variation of chemical elements in survey rocks and soil.
Geophysics	Study of the earth by quantitative physical methods.
Grade	The average quality of ore or metal in a specified quantity of rock.
Granite	A coarse-grained igneous rock consisting essentially of quartz with more alkali feldspar than plagioclase.
Granitoid	A general field term for coarse grained rocks containing quartz and feldspars.
Greenstone Belt	Elongate belts in Precambrian terrains characterised by major zones of altered or metamorphosed basic igneous rocks.
g/t	Grams per tonne. 1.0 g/t = 1.0 part per million (ppm).
Hydrothermal/ Hydromorphic	The mineralising process associated with igneous activity which involves heated or superheated water which has usually originated from a vent above or below the earth's surface.
Igneous	A rock formed by the solidification of magma from a molten state.
Imagery	As photographic images in real or false colour combinations.
Inferred Resource	A resource inferred from geoscientific evidence, drill holes, underground openings or other sampling procedures where lack of data is such that continuity cannot be predicted with confidence and where geoscientific data may not be known with a reasonable level of reliability.
Indicated Resource	A resource sampled by drill holes, underground openings, or other sampling procedures at locations too widely spaced to continuity and where geoscientific data are known with a reasonable level of reliability.
Intermediate	Igneous rocks whose composition is intermediate between acid and mafic rocks.
Intrusive	Rock formed from magma which has been injected into the earth's crust and has solidified before reaching the surface.
Joint Ore Reserves Committee (JORC)	Australasian Code for Reporting of Identified Resources and Ore Reserves
Laterite	A red, residual soil, cemented in place, containing iron and aluminium oxides but leached of quartz.
Lineament	A naturally occurring major linear feature in the earth's crust, often associated with mineral deposits.
Lithological	Pertaining to the physical characteristics of a rock.
Lithology	Composition and texture of rock.
Mafic	A loosely used group name for silicate minerals that are rich in iron and magnesium and for rocks in which these minerals are abundant.
Magnetic Survey	The systematic collection of readings of the earth's magnetic field.
Measured Resource	A resource intersected by drillholes, underground openings or other sampling procedures at locations which are spaced closely enough to

	confirm continuity and where geoscientific data is reliably known.
Mineral Resource	A tonnage or volume of rock or mineralisation of economic value.
Mineralisation	In economic geology, the presence of valuable elements in a body of rock.
MMI	The Mobile Metal Ion method is a geochemical soil sampling technique developed to assist in the detection of mineralisation at depth. The assay procedure only strips mobile metal ions from the surface of soil particles which have migrated upwards from sub-surface. The technique uses a partial dissolution, without digesting the soil itself, to measure the metal ion concentrations in ppb.
Ore	A mixture of minerals, host rock and waste material which is expected to be mineable at a profit.
Outcrop	The surface expression of a rock layer (verb: to crop-out).
Pegmatite	A very coarse-grained igneous rock formed at a late stage of magmatic differentiation.
Plunge	Angle of the axis of folding with a horizontal plane (of fold axis).
Porphyry	A rock with conspicuous crystals in a fine-grained ground mass.
ppb	Parts per billion (as used in assays =1000 million).
ppm	Parts per million (same as g/t in resource calculations).
Mineralisation	Surface oxidising processes.
Quartz	A common rock forming mineral composed of silicon Dioxide (SiO ₂).
Quaternary	A division of geological time ranging between 1.8 million years and the present.
RAB	Rotary Air Blast (as related to drilling) A drilling technique in which the sample is returned to the surface outside the rod string by compressed air.
RC	Reverse Circulation (as relating to drilling). A pneumatic drilling technique in which dry cuttings are recovered through the drill rods, thus minimising sample losses and contamination.
Recent	Geological age from about 20,000 years ago to present, (Synonym: Holocene).
Regolith	The mantle of loose, incoherent rock material, regardless of its origin; that usually forms the land surface and rests on bedrock.
Reserve	In-situ mineral occurrence which has had mining parameters applied to it, from which valuable or useful minerals may be recovered.
Resource	In-situ mineral occurrence from which valuable or useful minerals may be recovered, but from which only a broad knowledge of the geological character of the deposit is based on relatively few samples or measurements.
Sediment	Rocks formed by the deposition of solids from water.
Schistose	Descriptive of foliated rocks.

Shear (Zone)	Zone in which shearing has occurred on a large scale so that the rock is crushed and brecciated upwards or downwards in a vein.
Silica	Silicon dioxide, SiO ₂ (c.f. QUARTZ).
Silt	A sediment in which most of the particles are between 0.0625 mm and 0.0039 mm diameter.
Sill	A 'sheet' like body of igneous rock that is conformable with the intruded layers of rock.
Soil sampling	Systematic collection of soil samples at a series of different locations, in order to study the distribution of soil geochemical values and so identify geochemical anomalies.
Strike	The direction or bearing of the outcrop of an inclined bed or structure on a level surface.
Sulphide	A group of minerals in which one or more metals is found in combination with sulphur.
Supergene Enrichment	Descriptive of a mineral deposit or enrichment formed near the Earth's surface, generally by descending groundwater.
Tectonic	Relating to structural features.
Thrust	A low-angle reverse fault.
Ultramafic	Igneous and meta-igneous rocks with a very low silica content (less than 45%), generally >18% MgO, high FeO, low potassium, and are composed of usually greater than 90% mafic minerals. Synonymous with ultrabasic.
Vein	A narrow, intrusive mineral body.
Volcanic	Relating to the eruption of a volcano. Describes clastic fragments of volcanic origin.
Weathering	A process of change to rocks brought about by their exposure to oxygen and water.

Chemical Symbols

Ag	Silver	Fe	Iron
As	Arsenic	Mn	Manganese
Au	Gold	Ni	Nickel
Ca	Calcium	Pb	Lead
Ce	Cerium	Zn	Zinc
Cu	Copper		

Abbreviations

g	gram	m ³	cubic metre
kg	kilogram	mm	millimetre

km	kilometre	M	million
km ²	square kilometre	oz	troy ounce
m	metre	t	tonne
m ²	square metre		

Units of Concentration

ppb	parts per billion	ppm	parts per million
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APPENDIX 1: JORC CODE, 2012 EDITION -- TABLE 1 REPORT

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> AM&A have relied on publicly available information to compile this report. Data sources vary back to 1972 when sampling techniques were not commonly reported. The reliability of the data used to compile this report can be illustrated in Table 3, where it is clear that at the time of writing, only 8% of drilling data collated by the Company had recorded sampling techniques. No measures have yet been taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used Reports of mineral occurrences are based in information sourced from open file data as listed in Table2. On ground verification of these occurrences is purely visual reconnaissance at this stage. No work worthy of current 'industry standard' has been done to verify reported drill holes or mineral occurrences.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Drilling techniques recorded from previous explorers are listed in Table 3. A total of 44161 drill holes are recorded across the Marymia Project tenements (AC 9, Not recorded type 390, RC 755, RAB 3267, Diamond core 4, Rotary 21, RC with diamond tail 15),
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> None of the collated data has recorded drill sample recoveries. None of the collated data has recorded measures taken to maximise sample recovery and to ensure representative nature of the samples No comment can be made as to relationship between sample recovery and grade, as no recoveries are recorded, and no exploration results are being reported
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Where geological logging is available from open file data, it is currently being collated. At the time of writing 66% of the drill holes had collated geological logging information. No geotechnical information is recorded. Geological logging for drill holes was traditionally logged using paper drill log forms on interval basis, using geological codes specific to each company exploring at the time. Of the 66% of drill holes that have collated geological logs, the holes are logged for the entire length of the drill hole.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 	<ul style="list-style-type: none"> Only 4 diamond holes and 15 RC holes with diamond tails are recorded on the AIC Marymia Project area. No record is available as to whether the core was cut or sawn, and the proportion taken for assay. Of the non-core, only 8% of the drill hole data collated to date has specified how the samples were collected of split, and whether the samples were wet or dry. There is no record of whether measures were taken to ensure that the sampling was representative of the in-situ material collected

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>There is no record as to whether the sample sizes were appropriate to the grain size of the material being sampled. Average interval length for each of the drilling types is listed in Table 3, with an overall average interval length of 2.4m.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Of the data collated to date only 63% have recorded gold assays, and only 8% has recorded assay techniques and laboratories used. Where recorded, the dominant assay technique is a Fire Assay with an Atomic Absorption Spectrometry finish with a 0.01ppm detection limit. No record is made as to the charge weight of the Fire Assay. No geophysical data or hand held XRF instrument data is reported. No record is available of the nature of quality control procedures adopted.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> No significant intersections are reported and therefor have not been verified. No twinned holes are reported The Company has established an SQL Server DataShed database to capture historical information. Approximately 80% of the data collated to date was hand entered on paper drill logs and the Company has been digitally capturing the information by data entry. Approximately 10% of the data has been located off rectified plans. Approximately 10% of the data (more recent exploration companies) submitted txt files to the department of mines and this data has been directly loaded into the DataShed database. No adjustments have been made to assay data.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Approximately 10% of the holes have been visually located during reconnaissance field work and the location verified using a hand-held GPS. Approximately 60% of the drill holes can be located visually on satellite imagery such as Google Earth. The company is using MGA 94 zone 50 as a standard grid system. Historical data was recorded in AMG66, AMG84 and Lat and Long projections. The data is re-projected to MGA94 and verified visually where possible. All topographic controls are currently by hand held GPS normally with a 5m error and visual.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> No Exploration Results are being reported so a comment on data spacing is not currently relevant. No sample compositing has been recorded and is not being reported.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Previous drilling is predominantly located on lines normal to the general NE trend of the geological terrain. No exploration results are being reported and at this early stage of the assessment it is not appropriate to comment on whether this has caused a bias in sampling. At this early stage of assessment of the Marymia project is it not possible to comment on the relationship between drilling orientation and orientation of key mineralised structures.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> No samples have been submitted by the Company and there are no records as to measures taken to ensure sample security for historical drilling.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No data audits or sampling reviews are known.

Section 2: Reporting of Exploration Results

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

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> AIC is the registered holder of the granted Tenements. Exploration licence application 58/3087 is still pending grant. Should this application be granted, consent will be sought to have title transferred to AIC in accordance with the <i>Mining Act 1978 (WA)</i>. The Tenements co-exist with a number of pastoral leases including the Marymia, Three Rivers and Kumarina pastoral leases. On 30 October 2017, the registered native title group in respect of the area of E52/3368, lodged an objection with the National Native Title Tribunal alleging that the grant of E52/3368 (which occurred on 27 July 2016) was invalid as it did not comply with the relevant <i>Native Title Act 1993 (Cth)</i> processes. If the grant of E52/3368 is unwound, the prospectivity of the Marymia Project will not be adversely affected and the funds set aside for exploration on E52/3368 will be re-directed to other granted Tenements.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Exploration was undertaken by numerous sources dating from 1972 until 2016, as listed in Table 2. The information in this IGR regarding previous exploration has been sourced from the Western Australia Mineral WAMEX database (refer to Table 2 for the open file numbers).
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Marymia Project is located within the south-eastern part of the Capricorn Orogen situated between the Pilbara and Yilgarn Cratons. The main exploration model for the district is the Plutonic Mine sequence however, other structural styles and mineralisation may also be present.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Table 3 details previous drilling on the Marymia Project area. This information has been provided in a summary format. No significant mineralisation has been intercepted by previous drilling thus such individual drill hole information is not relevant to this IGR.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Analysis of previous exploration has not produced significant results. As such individual assays have not been reported and data aggregation methods are not relevant to this IGR. No metal equivalents have been stated.

Criteria	JORC Code Explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> No significant mineralisation has been intercepted by previous drilling thus such mineralisation widths and intercept lengths are not relevant to this IGR.
<i>Diagrams</i>	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Representative diagrams are in the body of this IGR. Source data for the preparation of the diagrams (including figures 3, 5 and 6) are derived from open file geological data Detailed diagrams and cross sections have not been included for the drilling results reported at tables 2 and 3. The drilling was not conducted in a systematic manner therefore diagrams and cross sections will not assist in representing the geological context of the drilling.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> The exploration data discussed in the IGR has come from a variety of open file sources obtained over a period of time which the author considers adequate for balanced reporting. Documentation of the data collection methods is considered adequate to form a view that the data is reliable and collected to the industry standards operating when the data was collected.
<i>Other substantive exploration data</i> 8	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All meaningful and material information relating to the exploration potential of the Marymia Project is summarised in Table 2 and otherwise contained in the body of the IGR. Exploration results from projects proximate to the Marymia Project have been included to provide geological context, however caution has been taken such information has been clearly identified as not being reported in respect of the Marymia Project.
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> AIC has a two-year exploration budget and program to identify suitable targets and conduct systematic drilling on these targets. This program is considered appropriate but may change as the exploration program progresses and new results are obtained.

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7

INDEPENDENT

SOLICITOR'S
REPORT



1 November 2017

The Directors
AIC Resources Limited
A8 431-435 Roberts Road
SUBIACO WA 6008

Dear Sirs and Madam

AIC Resources Limited (ACN 619 035 737) Legal Report on Mining Tenements

This report has been prepared for inclusion in the prospectus (**Prospectus**) to be issued by AIC Resources Limited ACN 619 035 737 (**Company**) on or about 1 November 2017 for the offer of up to 50,000,000 fully paid ordinary shares in the Company (**Shares**) at \$0.20 each to raise up to 10,000,000 (**Offer**).

1. Introduction and scope

- 1.1 We have been instructed by the Company to prepare this report in respect of the exploration licences and an exploration licence application in which the Company has an interest in at the time of listing on the Australian Stock Exchange (**Tenements**) (**Report**).
- 1.2 Details of the Tenements are listed in the attached schedule of tenements (**Schedule**). The Schedule forms part of this Report which must be read in conjunction with this Report.
- 1.3 All of the Tenements are located in Western Australia and are identified in the Schedule.

2. Searches

- 2.1 We have conducted the following searches of information available on public registers in respect of the Tenements:
 - (a) searches of the Tenements in the registers maintained by the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**) on 25 August 2017 and updated on 30 October 2017 (**Tenement Searches**);
 - (b) quick appraisal searches of DMIRS' electronic register on 25 August 2017 (**DMIRS Appraisals**);
 - (c) native title searches of the registers maintained by the National Native Title Tribunal (**NNTT**) on 25 August 2017 (**Native Title Searches**); and
 - (d) Aboriginal heritage site searches on the Register of Aboriginal Sites maintained by the Western Australian Department of Aboriginal Affairs (**DAA**) on 25 August 2017 (**WA Heritage Searches**). In addition, we have cross checked the DMIRS Appraisals against the Native Title Searches, (together, the **Searches**).

- 2.2 This Report is subject to the assumptions and qualifications set out in section 12 of this Report.
- 2.3 The Tenements are subject to standard access arrangements that are not considered material for the purposes of this Report. A summary of the tenement sale agreement between the Company and Cosmopolitan Minerals Limited (**Cosmopolitan**) dated 7 June 2017 (**Tenement Sale Agreement**) is set out in section 9.1 of this Prospectus. We confirm that the Tenement Sale Agreement is complete upon the basis that consent to the transfer of the Tenements (other than application E52/3087 (**Application**)) has been granted by the Minister of Mines and Petroleum (**Minister**), and the transfer of the Tenements to the Company from Cosmopolitan effected on or about 11 September 2017.

3. Executive Summary

- 3.1 The Company has acquired 100% interests in the Tenements via the Tenement Sale Agreement.
- 3.2 The Tenement Searches indicate that the Company is the sole registered holder of the Tenements. Cosmopolitan remains the registered applicant of the Application.
- 3.3 Upon the basis of the Tenement Searches we can confirm that the Tenements (other than the Application) are currently in good standing and not subject to forfeiture.
- 3.4 Upon the basis of the Tenement Searches we can confirm that the Tenements are not subject to any third party interests, including mortgages, charges or caveats.

4. Ownership of Tenements

- 4.1 The Tenements are all exploration licences granted or applied for under the *Mining Act 1978* (WA) (**Mining Act**). All of the Tenements were applied for by Cosmopolitan.
- 4.2 Under the Mining Act, a legal or equitable interest in or affecting an exploration licence may not be transferred or dealt with directly or indirectly during the first year of that licence, without the consent in writing of the Minister.
- 4.3 On 7 September 2017, the Minister granted its consent to the transfer of the Tenements (excluding the Application) to the Company. As at the date of this Report the Company is the registered holder of the Tenements (excluding the Application). Upon grant of the Application, as required under the Tenement Sale Agreement, Cosmopolitan and the Company will seek the consent of the Minister to have the granted Application transferred to the Company.
- 4.4 We are instructed that, and in accordance with the terms of the Tenement Sale Agreement, the Company is the beneficial owner of the Tenements and that the Tenements are, as set out in the Schedule, unencumbered and not subject to any mortgage, charge or security interest.

5. Exploration licences

- 5.1 The following is an overview of the nature and key terms of exploration licences as set out in the Mining Act.

(a) **Overview**

An exploration licence granted under the Mining Act empowers the holder to:

- (i) enter onto the land the subject of the exploration licence;
- (ii) explore that land;
- (iii) remove mineral bearing substances from the land to a prescribed limit; and
- (iv) take and divert water from that land.

(b) **Term**

An exploration licence remains in force for an initial term of five years from the date of grant. The Minister may, upon the basis that certain prescribed criteria for extension exist, extend the term of the relevant licence by one period of five years and by a further period or periods of two years.

The prescribed grounds for extension include:

- (i) difficulties or delays resulting from legal, governmental or other administrative processes, Aboriginal land surveys or obtaining consents or approvals to access land;
- (ii) the land being in an unworkable state for the whole or considerable part of the term; and
- (iii) that the work carried out on the land justifies additional exploration.

(c) **Obligations**

The holder of an exploration licence must:

- (i) pay annual rent;
- (ii) unless exemptions are obtained, expend a minimum amount in connection with exploration on the exploration licence in excess of the prescribed annual expenditure commitment; and
- (iii) surrender 40% of the number of blocks granted within six years after the date of grant.

If these obligations are not met, the exploration licence may be forfeited or a penalty may be imposed.

Exploration licences are also subject to various other conditions imposed at grant or at any time after grant. Those conditions include the standard conditions for the protection of the environment and certain third party interests in land.

The Schedule details the rent and minimum expenditure commitments for each of the Tenements.

(d) **Transfer**

As stated in section 4.2 above, once an exploration licence has been granted, it cannot be transferred during the first year of its term without the tenement holder obtaining the consent of the Minister.

(e) **Conversion**

The holder of an exploration licence has, subject to the Mining Act, the right to apply for and to have granted a mining or general purpose lease over the land the subject of the exploration licence. Refer to section 5.3 below for a summary of mining leases.

(f) **Company's interests**

As at the date of this Report, the Company holds and is beneficially entitled to a 100% interest in each of the Tenements.

5.2 Exploration licence application

(a) **Overview**

An exploration licence application gives the applicant no title to land or any exclusive rights relating to the land the subject of the application. If an exploration licence application is successful the Minister will grant an exploration licence to the applicant.

(b) **Grant**

For there to be a valid grant the procedures outlined in sections 9 and 10 of this report must have been followed. As stated in section 4.2 above, once an exploration licence has been granted it cannot be transferred during the first year of the term of the licence without the tenement holder obtaining the consent of the Minister.

(c) **Company's interests**

As at the date of this Report, the Company has agreed to acquire a 100% interest in the Application, which is more fully described in the Schedule.

5.3 Mining leases

(a) **Overview**

A mining lease granted pursuant to the Mining Act empowers the holder the exclusive right to find, extract and dispose of any minerals on the land the subject of that mining lease.

(b) **Term**

A mining lease remains in force for an initial period of 21 years from the date of grant. The holder has an option to renew for another 21 years on expiry and further renewals are possible on application under the Mining Act.

(c) **Transfer**

The holder of a mining lease must obtain the consent of the Minister in order to assign or mortgage a legal interest in the mining lease.

6. Tenement conditions and forfeiture

- 6.1 Mining tenements in Western Australia are granted subject to various standard conditions prescribed by the Mining Act and the *Mining Regulations 1981* (WA) including payment of annual rent, minimum expenditure requirements, reporting requirements and standard environmental conditions. Further, conditions may be imposed by the Minister in respect of a particular mining tenement (such as restrictions on mining or access to certain reserves).
- 6.2 The Tenements are subject to standard conditions and endorsements.
- 6.3 If a tenement holder fails to comply with the terms and conditions of a tenement, the warden of mines (WA) (**Warden**) or the Minister (as applicable) may impose a fine or order that the tenement be forfeited. In most cases an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement. In certain cases, a third party can institute administrative proceedings under the Mining Act before the Warden seeks forfeiture of the tenement.
- 6.4 In the case of a failure to comply with the annual minimum expenditure requirements, the tenement holder can apply to the DMIRS for an exemption. In addition, a third party can object to an application for exemption from expenditure. If an exemption application is refused then it is open to the Warden or Minister (as applicable) to impose a fine or make an order for forfeiture.

7. Aboriginal heritage

Commonwealth legislation

- 7.1 The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Federal Heritage Act**) applies to the Tenements. The Federal Heritage Act seeks to preserve and protect significant Aboriginal areas and objects from desecration.
- 7.2 The Commonwealth Minister for Indigenous Affairs may make a declaration to preserve an Aboriginal area or site of significance. Such declarations may be permanent or interim and have the potential to interfere with mining or exploration activities. Failure to comply with a declaration is an offence under the Federal Heritage Act.

Western Australian legislation

- 7.3 The *Aboriginal Heritage Act 1972* (WA) (**WA Heritage Act**) applies to the Tenements as they are located in Western Australia. This Act makes it an offence, among other things, to alter or damage an Aboriginal site or object on or under an Aboriginal site.
- 7.4 An Aboriginal site is defined under the WA Heritage Act to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent.

- For personal use only
- 7.5 An Aboriginal site may be registered under the WA Heritage Act, but the WA Heritage Act preserves all Aboriginal sites whether or not they are registered. Tenement holders customarily consult with Aboriginal traditional owners of the tenement land and undertake Aboriginal heritage surveys to ascertain whether any Aboriginal sites exist and to avoid inadvertent disruption of these sites.
- 7.6 The WA Heritage Searches indicate that the following Tenements are subject to a registered Aboriginal heritage site:
- (a) E52/3087;
 - (b) E52/3317;
 - (c) E52/3028;
 - (d) E52/3455; and
 - (e) E69/3247.
- 7.7 The details of these sites are set out in the Schedule.
- 7.8 There may also be other unregistered Aboriginal heritage sites on the Tenements.
- 7.9 In order to engage in any activity that may interfere with an Aboriginal site, the tenement holder must obtain the consent of the Minister for Aboriginal Affairs (WA) (**DAA Minister**) pursuant to section 18 of the WA Heritage Act. This requires submissions from the tenement holder to the DAA on the proposed activities, the possible impact on the Aboriginal sites, any negotiations conducted with Aboriginal traditional owners of the lands and any measures that will be taken to minimise the interference.
- 7.10 The tenement holder must ensure that any interference with any Aboriginal sites that affect the Tenements strictly conforms to the provisions of the WA Heritage Act, including any conditions set down by the DAA Minister, as it is otherwise an offence to interfere with such sites.

8. Native Title

- 8.1 On 3 June 1992, the High Court of Australia (**High Court**) held in *Mabo v Queensland (No. 2)* (1992) 175 CLR 1 (**Mabo Case**) that the common law of Australia recognises a form of native title.
- 8.2 The High Court held in the Mabo Case that native title rights to land will be recognised where:
- (a) the persons making the claim can establish that they have a connection with the relevant land in the context of the application of traditional laws and customs, including demonstration of the existence of certain rights and privileges that attach to the land, in the period following colonisation;
 - (b) these rights and privileges have been maintained continuously in the period following colonisation up until the time of the relevant claim; and

- (c) the native title rights have not been lawfully extinguished, either by voluntary surrender to the Crown, death of the last survivor of the relevant community claiming native title or the grant of an interest by the Crown via legislation or executive actions that is otherwise inconsistent with the existence of native title (e.g. freehold or some leasehold interests in land).

- 8.3 Extinguishment will only be lawful if the extinguishment complies with the *Racial Discrimination Act 1975* (Cth).
- 8.4 Lesser interests granted in respect of the relevant land will not extinguish existing native title unless the grant is inconsistent with the exercise of native title rights. Accordingly, unless otherwise determined, native title rights will coexist with the relevant interest to the extent that the interest is not inconsistent.
- 8.5 In response to the Mabo Case the Commonwealth Parliament responded by passing the *Native Title Act 1993* (Cth) (**NTA**), which came into effect in January 1994.
- 8.6 As a statement of general principles, the NTA:
- (a) provides for recognition and protection of native title;
 - (b) provides a framework of specific procedures for determining claims for native title such as the “right to negotiate” which allows native title claimant to be consulted, and seek compensation, in relation to, amongst other things, mining operations;
 - (c) confirms the validity of titles granted by the Commonwealth Government prior to 1994, or “past acts”, which would otherwise be invalidated upon the basis of the existence of native title; and
 - (d) establishes ways in which titles or interests granted by the Commonwealth Government prior after 1994, or “future acts”, affecting native title (e.g. the granting of mining tenement applications and converting exploration licences and prospecting licences to mining leases and the grant of pastoral leases) may proceed and how native title rights are protected.
- 8.7 The *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* (WA) was enacted by the Western Australia Parliament and adopts the NTA in Western Australia.
- 8.8 The High Court decision in *The State of Western Australia v Ward* (2002) HCA 28 (8 August 2002) established that:
- (a) native title has been completely extinguished as it relates to freehold land, public works or other previous acts granting exclusive possession and also including minerals and petroleum which are vested in the Crown; and
 - (b) native title is partially extinguished upon the basis of, amongst other things, pastoral and mining leases that grant non-exclusive possession.

9. Native title claims and determinations

Registered claims and determinations

- 9.1 Tenements E52/3190, E52/3265 and E52/3087 each include land which is currently the subject of the determined Nharnuwangga Wajarri and Ngarlawangga native title claim (**NWN Determined Claim**). Further, E52/3455 is wholly within the area of the NWN Determined Claim. As a result, E52/3455 is subject to certain conditions imposed by the Minister relating to the Indigenous Land Use Agreement (**ILUA**) in place with the Nharnuwangga Wajarri and Ngarlawangga (**NWN ILUA**). As a result, the rights conferred by E52/3455 cannot be exercised by the Company until an Aboriginal heritage agreement in the form annexed to the NWN ILUA has been entered into by the tenement holder. We are not aware of any such heritage agreement in respect of E52/3455.
- 9.2 In addition, the Tenement Searches indicate that all of the Tenements are subject to the active registered native title claim by the Gingirana people. The details of the claim is set out in the Schedule.
- 9.3 We have not undertaken any historical, anthropological and ethnographic work that would be required to determine the likelihood that the native title determination may be challenged, or the possibility of any further claims being made in the future.

Validity of the Tenements

- 9.4 Mining tenements granted since 23 December 1996 which affect native title rights and interests will be valid provided that the “future act” procedures set out below were followed by the relevant parties.
- 9.5 As each of the Tenements have been granted following 23 December 1996, subject to section 9.6 below, we have assumed that the relevant NTA procedures were followed in relation to each Tenement for the purposes of this Report. We are not aware of any reason why the Tenements would be regarded as having not been validly granted.
- 9.6 On 30 October 2017, the registered native title group in respect of the area of E52/3368, the Gingirana claim group, lodged an objection with the National Native Title Tribunal alleging that the grant of E52/3368 (which occurred on 27 July 2016) was invalid. Central Desert Native Title Services Ltd (on behalf of the Gingirana claim group) (**Central Desert**) asserts that the grant of E52/3368 failed to comply with the relevant NTA processes, and accordingly, E52/3368 should be cancelled. In particular, Central Desert asserts that prior to the grant of E52/3368, it lodged an objection with the NNTT to the grant of E52/3368 but that grant of E52/3368 proceeded to grant without that objection being heard in accordance with the NTA. The records of the NNTT indicate that no objection was lodged by Central Desert. Further, and as at the date of this Report, Central Desert has provided no evidence to support the assertion that the objection was ever lodged on behalf of the Gingirana claim group.
- 9.7 The NNTT is now considering the objection raised by Central Desert and it is likely that the NNTT, Central Desert, the Company and DMIRS will make various submissions regarding the validity of the grant of E52/3368. We have been advised that the Company intends to comply with any process to be adopted in respect of the objection. If, following that process, the objection lodged by Central Desert on 30 October 2017 is upheld, the grant of E52/3368 may be unwound. DMIRS has advised the Company that its preliminary view is that the grant of

E52/3368 cannot be cancelled. If the objection lodged by Central Desert on 30 October 2017 is dismissed, the grant of E52/3368 will be determined valid, and the Company will be free to exercise its rights to E52/3368 in accordance with the applicable laws. We are unable to comment on the prospective outcome of the objection lodged by Central Desert or what directions or orders the NNTT and/or DMIRS may or may not make in respect of E52/3368.

Future tenement grants

- 9.8 The valid grant of any mining tenement which may affect native title requires full compliance with the provisions of the NTA in addition to compliance with the usual procedures under the relevant State or Territory mining legislation.
- 9.9 As noted in section 9.4 of the Report above, for the Application to be validly granted, the “future act” procedures of the NTA (set out below) will need to be followed. The Application is currently proceeding through the relevant future act procedures of the NTA. We are not aware of any reason why the Application will not proceed through the future act procedures under the NTA.
- 9.10 There are various procedural rights afforded to native title claimants under the NTA, with the key right being the “right to negotiate” process. This involves publishing or advertising a notice of the proposed grant of a tenement followed by a six month period of negotiation between the State or Territory Government, the tenement applicant and the relevant registered native title claimant. If agreement is not reached to enable the grant to occur, the matter may be referred to arbitration before the NNTT, which has a further six months to reach a decision. A party to a determination of the NNTT may appeal that determination to the Federal Court on a question of law. Additionally, the decision of the NNTT may be reviewed by the relevant Commonwealth Minister.
- 9.11 The right to negotiate process does not have to be pursued in cases where an ILUA is negotiated with the relevant native title claimants and registered with the NNTT. In such cases, the procedures prescribed by the ILUA must be followed to obtain the valid grant of the relevant mining tenement. These procedures will vary depending on the terms of the ILUA. Similarly, if any other type of agreement is reached between a mining company or other proponent and a native title group which allows for the grant of future tenements, the right to negotiate process will not have to be followed with that native title group but the parties will be required to enter into a state deed pursuant to the NTA which refers to the existence of that other agreement and confirms the relevant tenement/s can be granted.
- 9.12 An ILUA will generally contain provisions in respect of what activities may be conducted on the land the subject of the ILUA, and the compensation to be paid to the native title claimants for use of the land.
- 9.13 The Searches indicate that a number of the Tenements are subject to NWN ILUA. However, the Company is not a party to the NWN ILUA or any related agreement, and the Company is not required to make any compensation payments under the NWN ILUA.
- 9.14 The right to negotiate process is not required to be followed in respect of a proposed future act in instances where the “expedited procedure” under the NTA applies.

9.15 The expedited procedure applies to a future act under the NTA if:

- (a) the act is not likely to interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;
- (b) the act is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of the native title in relation to the land; and
- (c) the act is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

9.16 When the proposed future act is considered to be one that attracts the expedited procedure, persons have until three months after the notification date to take steps to become a native title party in relation to the relevant act (e.g. the proposed granting of an exploration licence).

9.17 The future act may be done unless, within four months after the notification day, a native title party lodges an objection with the NNTT against the inclusion of a statement that the proposed future act is an act attracting the expedited procedure.

9.18 If an objection to the relevant future act is not lodged within the four month period, the act may be done. If one or more native title parties object to the statement, the NNTT must determine whether the act is an act attracting the expedited procedure. If the NNTT determines that it is an act attracting the expedited procedure, the State or Territory may do the future act (i.e. grant a mining tenement).

10. Concurrent interests

10.1 Mining tenements under the Mining Act are exclusive only for the purposes for which they are granted, and are capable of co-existing with:

- (a) in the case of miscellaneous licences, with other mining tenements; and
- (b) pastoral leases, Crown reserves, Crown land, public infrastructure and rights granted under other State and Federal legislation.

Crown land

10.2 The land the subject of the Tenements overlaps Crown land as set out in the table below.

Crown Land	Tenement
Vacant Crown Land	- E52/2943: 433.55 Ha, 1.2% - E69/3247: 484.27 Ha, 1.0%
Crown Reserve	- E52/2943: 11.15 Ha, <0.1% (Rabbit Proof Fence No 1) - E52/2944: 12.10 Ha, <0.1% (Rabbit Proof Fence No 1) - E52/2945: 199.5 Ha, 1.0% (De Grey Peak Hill Stock Route) - E52/3190: 263.40 Ha, 1.8% (Water & Stopping Place), 21.75 Ha, 0.2% (De Grey Peak Hill Stock Route) - E52/3455: 141.45 Ha, 1.1% (Water & Stopping Place), 2159.99 Ha, 17.0% (De Grey Peak Hill Stock Route)

	- E69/3247: 23.88 Ha, <0.1% (Rabbit Proof Fence No 1)
Conservation Park	- E69/3247: 5.99 Ha. <0.1%
Road Reserves	The follow tenements are subject to Road Reserves: - E52/2943 - E52/2944 - E52/3029 - E52/3190 - E52/3265 - E69/3247 - E52/3087
File Notation Area 7148 for the purpose of a review of Great Northern Highway Road network	- E52/3190: 29.16 Ha, 0.2% - E52/3318: 188.75 Ha, 3.6%

10.3 The Mining Act:

- (a) prohibits the carrying out of prospecting, exploration or mining activities on Crown land that is less than 30 metres below the lowest part of the natural surface of the land and:
 - (i) for the time being under crop (or within 100 metres of that crop);
 - (ii) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard vineyard, plantation, airstrip or airfield;
 - (iii) situated within 100 metres of any land that is an actual occupation and on which a house or other substantial building is erected;
 - (iv) the site of or situated within 100 metres of any cemetery or burial ground; or
 - (v) if the Crown land is a pastoral lease, the site of or situated within 400 metres of any water works, race, dam, well or bore not being an excavation previously made and used for purposes by a person other than the pastoral lessee,

without the written consent of the occupier, unless the Warden by order otherwise directs;
- (b) imposes restrictions on a tenement holder passing over Crown land referred to in section 10.3(a), including:
 - (i) taking all necessary steps to notify the occupier of any intention to pass over the Crown land;
 - (ii) the sole purpose for passing over the Crown land must be to gain access to other land not covered by section 10.3(a) to carry out prospecting, exploration or mining activities;
 - (iii) taking all necessary steps to prevent fire, damage to trees, damage to property or damage to livestock by the presence of dogs, the discharge of firearms, the use of vehicles or otherwise; and

- (iv) causing as little inconvenience as possible to the occupier by keeping the number of occasions of passing over the Crown land to a minimum and complying with any reasonable request by the occupier as to the manner of passage; and
 - (c) requires a tenement holder to compensate the occupier of Crown land:
 - (i) by making good any damage to any improvements or livestock caused by passing over Crown land referred to in section 10.3(a) or otherwise compensate the occupier for any such damage not made good; and
 - (ii) in respect of land under cultivation, for any substantial loss of earnings suffered by the occupier caused by passing over Crown land referred to in section 10.3(a).
- 10.4 The Warden may not give the order referred to in section 10.3(a) that dispenses with the requirement for the occupier's consent in respect of Crown land. In respect of other areas of Crown land covered by the prohibition in section 10.3(a), the Warden may not make such an order unless he is satisfied that the land is genuinely required for mining purposes and that compensation in accordance with the Mining Act for all loss or damage suffered or likely to be suffered by the occupier has been agreed between the occupier and the tenement holder or assessed by the Warden under the Mining Act.
- 10.5 The Company may need to enter into access and compensation agreements with the occupiers of the Crown land upon commencement of mining activities. We are not aware of any such agreements between the Company and such occupiers.

Pastoral, historical and general leases

- 10.6 Certain Tenements overlap with pastoral, historical and general leases, as set out in the table below:

Pastoral Lease	Tenement (and area)
Pastoral Lease N050486 (Marymia)	- E52/2943: 18980.32 Ha, 52.1% - E52/2944: 38828.63 Ha, 99.8% - E52/2945: 12233.78 Ha, 63.4% - E52/2973: 13689.19 Ha, 100.0% - E52/3027: 10207.76 Ha, 48.5% - E52/3028: 1692.11 Ha, 8.3% - E52/3044: 9016.19 Ha, 100.0% - E52/3154: 5595.57 Ha, 100.0% - E52/3171: 224.10 Ha, 7.2% - E52/3317: 5643.56 Ha, 100.0% - E52/3319: 657.03 Ha, 100.0% - E52/3346: 12943.51 Ha, 65.1% - E52/3368: 5911.49 Ha, 100.0% - E52/3397: 10261.46 Ha, 100.0% - E69/3247: 48669.67 Ha, 98.9%
Pastoral Lease N050094 (Kumarina)	- E52/2943: 16993.01 Ha, 46.6% - E52/2944: 52.66 Ha, 0.1%
Pastoral Lease N049591	- E52/2945: 6849.48 Ha, 35.5%

(Three Rivers)	<ul style="list-style-type: none"> - E52/3027: 10846.11 Ha, 51.5% - E52/3028: 18784.17 Ha, 91.7% - E52/3029: 9862.08 Ha, 99.2% - E52/3171: 2880.60 Ha, 92.8% - E52/3190: 13764.40 Ha, 96.6% - E52/3265: 4723.53 Ha, 95.4% - E52/3318: 5172.40 Ha, 100.0% - E52/3346: 6936.67 Ha, 34.9% - E52/3455: 10392.21 Ha, 81.9% - E52/3087: 8558.66 Ha, 98.5%
Historical Lease	<ul style="list-style-type: none"> - E52/2945: 2620.64 Ha, 13.6% (394/451), 1969.34 Ha, 10.2% (394/448) - E52/3027: 3874.96 Ha, 18.4% (394/451), 4434.31 Ha, 21.1% (394/448) - E52/3028: 6617.62 Ha, 32.3% (394/451), 9791.13 Ha, 47.8% (394/448) - E52/3029: 9937.26 Ha, 100.0% (394/448) - E52/3171: 829.46 Ha, 26.7% (394/451), 143.12 Ha, 4.6% (394/448) - E52/3190: 13996.08 Ha, 98.02% (394/448) - E52/3265: 4953.77 Ha, 100.0% (394/448) - E52/3318: 5172.40 Ha, 100.0% (394/448) - E52/3346: 6090.45 Ha, 30.6% (394/448) - E52/3455: 10339.14 Ha, 81.5% (394/448) - E52/3087: 8686.85 Ha, 100.0% (394/448)
File Notation Area 7781 for the purpose of a permit to conduct agricultural activities on Kumarina Station 3114/1126	<ul style="list-style-type: none"> - E52/2943: 45.29 Ha, 0.1%

10.7 The Mining Act:

- (a) 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 pastoral, historical and general leases) 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 the holder of a mining tenement must pay compensation to an occupier of Crown land (i.e. the lessee) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities, including the passing and re-passing over any land.

10.8 We have been advised by the Company, and the Company has confirmed that to the best of its knowledge, it is not aware of any improvements and other features on the land the subject of the pastoral, historical or general leases which overlaps the Tenements which would require the Company to obtain the consent of the occupier or lease holder or

prevent the Company from undertaking its proposed mining activities on the Tenements.

10.9 Upon commencing mining operations on any of the Tenements, the Company may need to consider entering into a compensation and access agreement with the lease holders to ensure the requirements of the Mining Act are satisfied and to avoid any disputes arising. In the absence of an agreement, the Warden's Court determines compensation payable.

10.10 DMIRS imposes standard conditions on mining tenements that overlay pastoral leases. It appears the Tenements incorporate the standard conditions.

Miscellaneous licences

10.11 Under the Mining Act, a mining tenement can coexist with a miscellaneous licence.

10.12 The following Tenements are encroached or, if granted, will be encroached by miscellaneous licences:

Tenement	Encroaching tenement	Overlap (%)
E52/2943	L52/162	0.1
E52/2944	L52/48	0.4
	L52/52	0.4
E52/2945	L52/48	1.5
	L52/52	<0.1
E52/3027	L52/48	<0.1
	L52/52	<0.1
	L52/54	<0.1
E52/3044	L52/48	0.1
	L52/52	0.1
E52/3190	L52/55	0.8
	L52/116	0.4
	L52/117	0.1
	L52/164	1.4
	L52/165	0.2
	L52/166	1.1
E52/3265	L52/152	<0.1
E52/3317	L52/154	<0.1
E52/3346	L52/71	<0.1
E52/3455	L52/116	0.4
	L52/164	2.8
E52/3087	L52/41	0.1%
	L52/56	0.2%

10.13 The Company is party to a number of standard access arrangements in respect of some of the encroachments noted above. However, those arrangements contain standard conditions and provisions and are not considered material for the purposes of this Report. The Company is in the process of facilitating the assignment of the various access arrangements from Cosmopolitan to the Company.

Petroleum Tenure

10.14 The following Tenements are encroached or, if granted, will be encroached by various petroleum permit interests:

Tenement	Petroleum Permit
E52/2943: 11075.81 Ha, 30.4%	PA67 Exploration Permit Application, STP-EPA-0013
E52/2945: 7857.53 Ha, 40.6% 27.80 Ha, 0.1%	PA67 Exploration Permit Application, STP-EPA-0013 PPA69 State Onshore Pipeline Licence Area – PL 24
E52/3027: 4039.35 Ha, 19.2% 28.34 Ha, 0.1%	PA67 Exploration Permit Application, STP-EPA-0013 PPA69 State Onshore Pipeline Licence Area – PL 24
E52/3028: 14369.91 Ha, 70.2% 11.21 Ha, 0.1%	PA67 Exploration Permit Application, STP-EPA-0013 PPA69 State Onshore Pipeline Licence Area – PL 24
E52/3029: 9937.26 Ha, 100.0%	PA67 Exploration Permit Application, STP-EPA-0013
E52/3171: 620.49 Ha, 20.0% 5.54 Ha, 0.2%	PA67 Exploration Permit Application, STP-EPA-0013 PPA69 State Onshore Pipeline Licence Area – PL 24
E52/3190: 7629.25 Ha, 53.5%	PA67 Exploration Permit Application, STP-EPA-0013
E52/3346: 16.88 Ha, 0.1% 2.77 Ha, <0.1%	PPA69 State Onshore Pipeline Licence Area – PL 24 PPA69 State Onshore Pipeline Licence Area – PL 35
E52/3368: 1506.08 Ha, 25.5% 11.04 Ha, 0.2%	PA67 Exploration Permit Application, STP-EPA-0013 PPA69 State Onshore Pipeline Licence Area – PL 24
E52/3087: 8686.85 Ha, 100.0%	PA67 Exploration Permit Application, STP-EPA-0013

10.15 To the extent of any encroachment of the petroleum permits and the Tenements, each respective holder has the right to exercise its statutory rights. In the event that a dispute arises as a result of a petroleum permit encroaching on one or more of the Tenements, either party to the dispute may refer the matter to the Warden. Following institution of proceedings in the Wardens Court by an aggrieved party, the Warden must inquire into the dispute and provide a report to the Minister. Following provision of the report, the Minister will make an order or provide directions to the disputants based on the circumstances of the case that are in the public interest and just and equitable between the parties.

10.16 In the event that there is a dispute arising as a result of an encroachment by a petroleum permit, we are unable to comment on the prospective outcome of any inquiry by the Warden or what directions or orders the Minister may or may not make.

11. Compliance

11.1 The Company's interests in or rights in relation to the granted Tenements are subject to the holder continuing to comply with the respective terms and conditions of the granted Tenements under the provisions of the Mining Act, together with the conditions specifically applicable to any granted mining tenement.

11.2 The Searches that we have carried out in relation to the Tenements do not reveal any outstanding failures to comply with the conditions in respect of each of the Tenements.

12. Qualifications and assumptions

12.1 We note the following qualifications and assumptions in relation to this Report:

- (a) the information in the Schedule is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of a Search and the date of this Report;
- (b) we have assumed that the registered holder of a Tenement has valid legal title to the Tenements;
- (c) we have assumed that all Searches conducted are true, accurate and complete as at the time the Searches were conducted;
- (d) the references in the Schedule to the areas of the Tenements are taken from details shown on the electronic registers of DMIRS. No survey was conducted to verify the accuracy of the Tenement areas;
- (e) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;
- (f) we have assumed that all instructions and information (including contracts), whether oral or written, provided to us by the Company, its officers, employees, agents or representatives is true, accurate and complete;
- (g) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (h) with respect to the Application, we express no opinion as to whether such Application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;
- (i) where any dealing in a Tenement has been lodged for registration but is not yet registered, we do not express any opinion as to whether that registration will be effected, or the consequences of non-registration;
- (j) with respect to the granting of the Tenements, we have assumed that the State, the claimant group and the applicant(s) for the Tenements have complied with, or will comply with, the applicable future act provisions in the NTA;
- (k) we have not researched the Tenements to determine if there are any unregistered Aboriginal sites located on or otherwise affecting the Tenements; and
- (l) in relation to the native title determinations and claims outlined in this Report, we do not express an opinion on the merits of such determinations and claims; and

- (m) various parties' signatures on all agreements relating to the Tenements provided to us are authentic, and that the agreements are, and were when signed, within the capacity and powers of those who executed them. We assume that all of the agreements were validly authorised, executed and delivered by and are binding on the parties to them and comprise the entire agreements between the parties to each of them.

13. Consent

- 13.1 This Report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.
- 13.2 Mining Access Legal has given its written consent to the issue of the Prospectus with this Report in the form and context it in which it is included, and has not withdrawn its consent prior to the lodgment of the Prospectus with the Australian Securities and Investment Commission.

Yours faithfully



Hayley McNamara
Principal
Mining Access Legal

Schedule: Tenements

Tenement / Application	Holder / Applicant	Shares	Grant Date	Expiry Date	Area (blocks (BL))	Expenditure Commitments per Annum	Next Annual Rent	Registered Dealings	Native Title and Aboriginal Heritage
Beyondie									
E52/2943	AIC Resources Limited	100/100	29-Apr-15	28-Apr-20	117	\$117,000.00	\$24,336.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WC2006/002)
E52/2944	AIC Resources Limited	100/100	17-Jun-15	16-Jun-20	125	\$125,000.00	\$26,000.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WC2006/002)
E52/2973	AIC Resources Limited	100/100	29-Apr-15	28-Apr-20	44	\$44,000.00	\$9,152.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WC2006/002)
E69/3247	AIC Resources Limited	100/100	05-Jun-15	04-Jun-20	158	\$158,000.00	\$32,864.00	No registered dealings or encumbrances.	Registered Aboriginal Site ID: 2162 Tenement is subject to an active native title claim (Gingirana WC2006/002)
Bryah									
E52/3190	AIC Resources Limited	100/100	23-Mar-17	22-Mar-22	46	\$46,000.00	\$6,164.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana)

Tenement / Application	Holder / Applicant	Shares	Grant Date	Expiry Date	Area (blocks (BL))	Expenditure Commitments per Annum	Next Annual Rent	Registered Dealings	Native Title and Aboriginal Heritage
E52/3265	AIC Resources Limited	100/100	13-May-16	12-May-21	16	\$20,000.00	\$2,144.00	No registered dealings or encumbrances.	81.9% of this tenement falls within the Nharnuwangga Wajarri and Ngarlawangga native title determination area (Determined NNTT Number: WCD2000/001) No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WCD2006/002) 26.6% of this tenement falls within the Nharnuwangga Wajarri and Ngarlawangga native title determination area (Determined NNTT Number: WCD2000/001)
E52/3455	AIC Resources Limited	100/100	16-Aug-16	15-Aug-21	41	\$41,000.00	\$5,494.00	No registered dealings or encumbrances.	Registered Aboriginal Site ID : 36843 This tenement is subject to the Nharnuwangga Wajarri and Ngarlawangga determined native title claim and is accordingly subject to the NWN standard conditions (Determined NNTT Number: WCD2000/001)

Tenement / Application	Holder / Applicant	Shares	Grant Date	Expiry Date	Area (blocks (BL))	Expenditure Commitments per Annum	Next Annual Rent	Registered Dealings	Native Title and Aboriginal Heritage
Jubilee Well									
E52/2945	AIC Resources Limited	100/100	17-Jun-15	16-Jun-20	62	\$62,000.00	\$12,896.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WC2006/002)
E52/3044	AIC Resources Limited	100/100	17-Jun-15	16-Jun-20	29	\$29,000.00	\$6,032.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WC2006/002)
E52/3368	AIC Resources Limited	100/100	27-Jul-16	26-Jul-21	19	\$20,000.00	\$2,546.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WC2006/002)
Marymia									
E52/3028	AIC Resources Limited	100/100	15-May-15	14-May-20	66	\$66,000.00	\$13,728.00	No registered dealings or encumbrances.	Two Registered Aboriginal Sites ID: 1034 ID: 6142 Tenement is subject to an active native title claim (Gingirana WC2006/002)
E52/3029	AIC Resources Limited	100/100	15-May-15	14-May-20	32	\$32,000.00	\$6,656.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WC2006/002)

Tenement / Application	Holder / Applicant	Shares	Grant Date	Expiry Date	Area (blocks (BL))	Expenditure Commitments per Annum	Next Annual Rent	Registered Dealings	Native Title and Aboriginal Heritage
Thaddona Hill									
E52/3317	AIC Resources Limited	100/100	04-Oct-16	03-Oct-21	20	\$20,000.00	\$2,680.00	No registered dealings or encumbrances.	Registered Aboriginal Site ID: 6140 Tenement is subject to an active native title claim (Gingirana WC2006/002)
E52/3318	AIC Resources Limited	100/100	27-Jul-16	26-Jul-21	21	\$21,000.00	\$2,814.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WC2006/002)
E52/3319	AIC Resources Limited	100/100	27-Jul-16	26-Jul-21	7	\$20,000.00	\$938.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WC2006/002)
E52/3346	AIC Resources Limited	100/100	23-Mar-17	22-Mar-22	67	\$67,000.00	\$8,978.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WC2006/002)
Three Rivers									
E52/3027	AIC Resources Limited	100/100	01-Jul-15	30-Jun-20	70	\$70,000.00	\$14,560.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title

Tenement / Application	Holder / Applicant	Shares	Grant Date	Expiry Date	Area (blocks (BL))	Expenditure Commitments per Annum	Next Annual Rent	Registered Dealings	Native Title and Aboriginal Heritage
E52/3154	AIC Resources Limited	100/100	20-Oct-15	19-Oct-20	18	\$20,000.00	\$2,412.00	No registered dealings or encumbrances.	claim (Gingirana WC2006/002) No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WC2006/002)
E52/3171	AIC Resources Limited	100/100	18-Nov-15	17-Nov-20	10	\$20,000.00	\$1,340.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WC2006/002)
E52/3397	AIC Resources Limited	100/100	23-Mar-17	22-Mar-22	33	\$33,000.00	\$4,422.00	No registered dealings or encumbrances.	No Aboriginal Heritages Sites registered. Tenement is subject to an active native title claim (Gingirana WC2006/002)
Applications									
E52/3087	Cosmopolitan Minerals Ltd	100/100	Applied for 30-May-14	-	28	-		No registered dealings or encumbrances.	Registered Aboriginal Site ID: 6142 Tenement is subject to an active native title claim (Gingirana WC2006/002) 55.6% of this tenement falls within the Nhamuwangga Wajarri and Ngarlawangga native title determination area (Determined NNTT Number: WCD2000/001)

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8 RISK FACTORS

8. Risk Factors

The Shares are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks described in this Section 8 is not an exhaustive list of the risks faced by the Company or by investors in the Company. It should be considered in conjunction with other information in this Prospectus. The risk described in, and others not specifically referred to, this Section 8 may in the future materially affect the financial performance and position of the Company and the value of the Shares offered under this Prospectus. The Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those securities. The risk described in this Section 8 also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. None of the Directors or any person associated with the Company guarantee the Company's performance, the performance of the Shares the subject of the Offer or the market price at which the Shares will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 8, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether or not to apply for Shares.

8.1 Company Specific Risks

(a) **Title Risk**

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

(b) **Exploitation, exploration and mining licences**

The mineral exploration licences that have been or will be granted only permit exploration on the Marymia Project. In the event that the Company successfully delineates economic deposits on any of the mineral exploration licences, it will need to apply for a mining lease. There is no guarantee that the Company will be granted a mining lease if one is applied for.

Potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of the Marymia Project, or any other mineral exploration licences that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(c) **Commodity price volatility**

As future revenues will primarily be derived from the sale of gold, any future earnings will be closely related to the price of gold. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for gold, forward selling by producers, and production cost levels in major gold producing regions.

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

may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(d) **Currency volatility**

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

The Company will establish a price risk management policy to manage this risk to ensure its operating policy is not negatively impacted by large movements in the projects revenue stream, which may affect the future profitability of the Company.

(e) **Environmental risk**

The Marymia Project is subject to Western Australian regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which 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.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(f) **Grant of Tenement Applications**

As at the date of this Prospectus, Mineral Licence Application 52/3087 (the **Tenement Application**) is pending grant from the Minister for Mines (**Minister**). There is no guarantee that Mineral Licence Application 52/3087 will be granted.

Mineral Licence Application ELA 52/3087 has been validly made and the Company is not aware of any further requirements for this application as required by the Minister for Mines. If a mineral exploration licence for ELA52/3087 is not granted, the Company will acquire no interest in the tenement.

(g) **Grant of E52/3368**

On 30 October 2017, the registered native title group in respect of the area of E52/3368, the Gingirana claim group (**Gingirana**), lodged an objection with the National Native Title Tribunal (**NNTT**) alleging that the grant of E52/3368 (which occurred on 27 July 2016) was invalid. Gingirana asserts that the grant of E52/3368 failed to comply with the relevant NTA processes (refer to Section 7 for further information). The NNTT is considering the objection raised and it is likely that the NNTT, the Company and the Department of Mines, Industry Regulation and Safety (**DMIRS**) will make various submissions regarding the grant of E52/3368. If, following that process the objection is upheld, the grant of E52/3368 may be unwound. If the objection is dismissed, the grant of E52/3368 will be determined valid, and the Company will be free to exercise its rights to E52/3368 in accordance with the applicable laws.

(h) **Change in Regulations**

Any material adverse changes in government policies, legislation or shifts in political attitude in Western Australia that affect mineral mining and exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project or the Company.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's exploration.

(i) **Payment obligations**

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

(j) **Equipment risk**

The operations of the Company could be adversely affected if essential equipment fails or becomes unavailable to access in a timely manner.

(k) **Commercial risks of mineral exploration and extraction**

The Tenements are at various stages of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Tenements or any other tenements that may be acquired in the future will result in the discovery of any economic deposits. Even if the Company identifies a viable deposit at the Marymia Project or elsewhere, there is no guarantee that the ore deposit can be economically exploited.

(l) **New projects and acquisitions**

The Company may make acquisitions in the future as part of future growth plans. In this regard, the Directors of the Company will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that are likely to provide returns to shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of the Company's cash resources and issuances of equity securities, which might involve a substantial dilution to Shareholders.

(m) **Dilution Risk**

Future equity offerings by the Company may dilute the percentage ownership of the Company by existing Shareholders. In certain circumstances, Securities issued by the Company in the future may have rights, preferences or privileges attached to them that are senior, to or otherwise adversely affect, those attached to the Shares.

(n) **Future capital requirements**

The Company's growth through its proposed and future drilling and exploration campaigns will require substantial expenditure. There can be no guarantees that the Company's cash reserves together with the funds raised by the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer and existing working capital, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or if at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(o) **Contractual Disputes**

As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

(p) **Third Party Risk**

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients.

Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

(q) **Litigation**

The Company is not presently involved in litigation and the Directors are not aware of any basis on which any litigation against the Company may arise.

8.2 Industry Specific Risks

(a) **Nature of mineral exploration and mining**

The business of mineral exploration, development and production is subject to risk by its nature. The success of the business depends, inter alia, on successful exploration and/or acquisition of reserves, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining are speculative undertakings which may be hampered by force majeure circumstances, land claims and unforeseen mining problems. Increased costs, lower output or high operating costs may all contribute to make a project less profitable than expected at the time of the development decision. There is no assurance that the Company's attempts to exploit its exploration activities will be successful.

(b) **Operational risks**

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

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(c) **Metallurgy**

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

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and

- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(d) **Native Title**

The Native Title Act 1993 (Cth) (**Native Title Act**) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with.

All of the Tenements were granted after 1994 and are subject to the active registered native title claim by the Gingirana people. Refer to Section 6 for further information.

The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

(e) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, insurance of all risks associated with exploration is not always available and, where it is available, the cost may be high. The Company will have insurance in place considered appropriate for the Company's needs.

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as extreme weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, buildings, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

(f) **Competition**

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

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. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and produce other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(g) **Occupational Health and Safety Risk**

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Mining activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems.

8.3 General Risks

(a) **Securities investments**

Applicants should be aware that there are risks associated with any securities investment.

Prior to the Offer, there was no public market for the Shares. There is no guarantee that an active trading market in the Shares will develop or that the price of the Shares will increase. The prices at which the Shares trade may be above or below the Offer price and may fluctuate in response to a number of factors.

Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of Company's operational performance.

(b) **Economic risk**

Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, include, but not are but not limited to:

- (i) general economic conditions;
- (ii) changes in Government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (v) industrial disputes in Australia and overseas;
- (vi) changes in investor sentiment toward particular market sectors;
- (vii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (viii) natural disasters, social upheaval or war.

(c) **Share market**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of the Securities may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;

- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

There is also no guarantee that an active market in the Securities will develop or that the price of the Securities will increase. There may be relatively few buyers or sellers of Securities on the ASX at any particular time.

(d) **Legal Proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company. Legal proceedings brought by third parties including but not limited to customers, business partners or employees could negatively impact the business in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

(e) **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(f) **Macro-economic risks**

Changes in the general economic outlook in Australia and globally may impact the performance of the Company and its projects. Such changes may include:

- (i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- (ii) increases in expenses (including the cost of goods and services used by the Company);
- (iii) new or increased government taxes, duties or changes in taxation laws; and
- (iv) fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

(g) **Broader general risks**

There are also a number of broader general risks which may impact the Company's performance. These include:

- (i) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption; and
- (ii) higher than budgeted costs associated with the provision of service offerings.

(h) **Currency risk**

In the future the Company may operate in multiple international jurisdictions, which exposes the Company to multiple currencies and their future currency fluctuations, which may affect future profitability of the Company.

(i) **Taxation risk**

The acquisition and disposal of Shares will have tax consequences which will differ for each investor depending on their individual financial circumstances. All potential investors

in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Shares. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for Shares under this Prospectus.

(j) **Accounting standards**

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial position, results or condition.

(r) **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

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9

MATERIAL CONTRACTS



9. Material Contracts

9.1 Tenement Sale Agreement

On 7 June 2017, the Company entered into a tenement sale agreement with Cosmopolitan Minerals (**Tenement Sale Agreement**), pursuant to which the Company acquired the Tenements (other than the Tenement Application) from Cosmopolitan Minerals.

In consideration for the sale of the Tenements, the Company agreed to issue Cosmopolitan Minerals 12,000,000 Shares in the Company.

The Tenements include the Tenement Application, being ELA52/3087. With respect to the Tenement Application, Cosmopolitan Minerals remains the registered applicant of the Tenement Application. The Company will only be transferred legal title to the underlying tenement once that tenement has been granted to Cosmopolitan Minerals.

Under the terms of the Tenement Sale Agreement, and from completion, the Company (amongst other things):

- (a) will be responsible for pursuing the grant of the Tenement Application;
- (b) must pay and be responsible for all costs and outgoings in respect of the Tenements and ensure that the Tenements are maintained in good standing; and
- (c) must pay any duty arising in respect or connection with the Tenement Sale Agreement.

Completion under the Tenement Sale Agreement occurred on 9 June 2017, and, as at the date of this Prospectus, the Company:

- (a) has issued Cosmopolitan Minerals 12,000,000 Shares in consideration for the Tenements; and
- (b) has become the registered holder each of the granted Tenements and acquired a beneficial interest in the Tenement Application.

9.2 Executive Services Agreement

The Company has entered into an executive services agreement with Mr Brett Montgomery in respect to his employment as the Managing Director of the Company (**Executive Service Agreement**). The principal terms of the Executive Service Agreement are as follows:

- (a) Mr Montgomery will receive an annual salary of A\$144,000 (exclusive superannuation) reviewed annually;
- (b) Mr Montgomery may terminate the agreement by giving:
 - (i) 16 weeks' notice in writing to the Company during the period commencing on 1 July 2017 to 30 June 2018; or
 - (ii) 12 weeks' notice in writing to the Company on and from 30 June 2018,
- (c) the Company may terminate the agreement (without cause) by giving 12 weeks' notice to Mr Montgomery.

9.3 Non-Executive Director Appointment Letters

The Company has entered into non-executive director appointment letters with each of Mr Josef El-Raghy and Mrs Heidi Brown on the following key terms:

- (a) Mr El-Raghy will receive an annual remuneration of A\$60,000 (exclusive of superannuation);
- (b) Mrs Brown will receive an annual remuneration of A\$40,000 (exclusive of superannuation); and
- (c) The respective appointments shall cease if the non-executive director:
 - (i) resigns;
 - (ii) is disqualified under the Corporations Act or the Constitution from being a company director; or

- (iii) is removed as a director in accordance with the Corporations Act or the Constitution.

9.4 Deeds of Indemnity

The Company has entered into standard deeds of indemnity, access and insurance with each of the Directors. Pursuant to those deeds, the Company has undertaken, consistent with the Corporations Act, to indemnify each Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Director during the period of their appointment and for seven years after the Director has ceased to be a Director. The Company has further undertaken with each Director to maintain a complete set of the Company's board papers and to make them available to the Director for seven years after the Director has ceased to be a Director.

9.5 Sublease

On 1 March 2017, the Company has entered into a sublease with Montana Realty Pty Ltd (**Montana**), whereby Montana has agreed to lease part of A8, 431-435 Roberts Road, Subiaco WA 6008 to the Company, until 1 March 2018 with an option to extend for a further year. Under the terms of the sublease, the Company will pay Montana annual rent, outgoings and car parking of an estimated A\$26,500.

Mr Josef El-Raghy, a Director, is a controlling shareholder and director of Montana. Heidi Brown, a Director, is an alternate director of Montana.

9.6 Services Agreement - Company Secretarial Services

On 17 August 2017, the Company entered into a consultancy agreement with Mrs Heidi Brown, a Director, pursuant to which Mrs Brown has agreed to provide company secretarial services to the Company and the Company has agreed to pay Mrs Brown a fee of A\$80,000 per annum (plus GST) (**Secretarial Services Agreement**).

The key terms of the Services Agreement are as follows:

- (a) the Services Agreement is effective on and from 1 July 2017; and
- (b) either party may terminate the Services Agreement by giving the other party 12 weeks' notice.

9.7 Services Agreement - GPX Surveys

On 18 May 2017, the Company and GPX Surveys Pty Ltd (**GPX Surveys**) entered into an agreement pursuant to which GPX Surveys agreed to provide airborne geophysical services to the Company and the Company agreed to pay GPX Surveys A\$520,000 (plus GST) in consideration for such services (**Survey Services Agreement**).

The key terms of the Survey Services Agreement are as follows:

- (a) the Survey Services Agreement is effective on and from 19 May 2017 (subject to weather conditions);
- (b) GPX Surveys will charge the Company an additional fee of A\$2,150 for each day lost during the data acquisition phase due to circumstances beyond GPX Survey's control such as bad weather and flight permit issues; and
- (c) either party may terminate the Survey Services Agreement by providing the other party 14 days' written notice.

At the date of this Prospectus, the Company has paid GPX Surveys A\$468,063 (excluding GST) pursuant to the Survey Services Agreement.

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A close-up photograph of a geological rock sample, likely a sedimentary or metamorphic rock, showing a layered or foliated texture. The rock is light brown/tan in color. A geological hammer is placed on the rock surface for scale. The hammer has a black handle with the brand name 'EZMID' visible. The rock surface is rough and uneven, with various sized grains and some darker mineral inclusions.

10 ADDITIONAL INFORMATION

10. Additional Information

10.1 Rights attaching to Shares

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

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with the Corporations Act.

(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 or attorney;
- (ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one vote in respect of each Share carrying the right to vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each 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 a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) **Dividend rights**

The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the Directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends. The Directors may set aside the Company's profit any amount that they consider appropriate. This amount may be used in any way that profits can be used, and can be invested or used in the Company's business in the interim.

(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 the purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

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

(e) **Shareholder liability**

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

(f) **Transfer of Shares**

Generally, Shares 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 and the Listing Rules.

(g) **Variation of rights**

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

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

(h) **Alteration of Constitution**

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

10.2 Interests of Directors

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

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

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

- (a) any Director to induce him or her to become, or to qualify as, a Director; or
- (b) any Director for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offer,

except as disclosed in this Prospectus.

10.3 Director Holdings

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

Director	Shares
Mr Josef El-Raghy	15,000,001 ¹
Mr Brett Montgomery	1,850,000 ²
Mrs Heidi Brown	1,000,000

Note:

- 13,000,001 Shares are held by Nordana Pty Ltd (**Nordana**) and 2,000,000 Shares are held by BPM Capital, entities associated with Mr El-Raghy. Following completion under the Tenement Sale Agreement, Cosmopolitan Minerals transferred 13,000,001 Shares to Nordana.
- 250,000 Shares are held by Tollafeld Superannuation Fund of which Mr Montgomery is a trustee and 100,000 Shares are held by Mr Montgomery's son.

The Directors intend to subscribe for Shares under the Offer according to the below table. Based on the intentions of the Directors at the date of this Prospectus in relation to the Offer, the Directors and their related entities will have the following interests in Securities on Admission:

Director	Shares issued under the Public Offer	Shares held at Admission
Mr Josef El-Raghy	5,000,000	20,000,001 ¹
Mr Brett Montgomery	500,000	2,350,000 ²
Mrs Heidi Brown	125,000	1,125,000

Note:

It is anticipated that upon Admission:

- 13,000,001 Shares of the 20,000,001 Shares will be held by Nordana and 2,000,000 Shares of the 20,000,001 Shares will be held by BPM Capital, entities associated with Mr El-Raghy. Following completion under the Tenement Sale Agreement, Cosmopolitan Minerals transferred 13,000,001 Shares to Nordana.
- 250,000 Shares of the 1,850,000 Shares will be held by Tollafeld Superannuation Fund of which Mr Montgomery is a trustee and 100,000 of the 1,850,000 will be held by Mr Montgomery's son.

10.4 Remuneration of Directors

The Directors will receive the following remuneration (on a pro rata basis), exclusive of statutory remuneration entitlements:

	Financial Year 2018 A\$
Mr Josef El-Raghy	\$60,000
Mr Brett Montgomery	\$144,000
Mrs Heidi Brown	\$40,000 ¹

Note:

- Mrs Brown will also receive A\$80,000 (plus GST) in accordance with the Secretarial Services Agreement pursuant to which Mrs Brown will provide the Company with company secretarial services (refer to Section 9.6).

10.5 Interests of Promoters, Experts and Advisers

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus (or entity in which they are a partner or director) holds, has, or has had in the two years before the date of this Prospectus, any interest in:

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

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offer, except as follows and as disclosed in this Prospectus:

- (a) Computershare Investor Services Pty Limited is the Company's share registry, and will be paid for these services on standard industry terms and conditions;
- (b) Ernst & Young has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which has been included in Section 5. Ernst & Young will be paid approximately A\$9,000 for these services;
- (c) Endeavour Corporate has acted as corporate adviser to the Company and will be paid approximately A\$20,000 for these services;
- (d) Al Maynard & Associates Pty Ltd has acted as independent technical expert to the Company. In respect of this work, Al Maynard & Associates Pty Ltd will be paid approximately A\$20,000;
- (e) Mining Access Legal has acted as the tenement solicitors to the Company. In respect of this work, Mining Access Legal will be paid approximately A\$5,000 for these services; and
- (f) DLA Piper Australia has acted as the Australian legal advisors to the Offer. In respect of this work the Company will pay approximately A\$55,000 to DLA Piper Australia.

10.6 Related Party Transactions

Other than as detailed below or disclosed elsewhere in this Prospectus, there are no existing agreements or arrangements and there are currently no proposed transactions in which the Company was, or is to be, a participant, and in which any related party has or will have a direct or indirect material interest:

- (a) on 7 June 2017, the Company and Cosmopolitan Minerals entered into the Tenement Sale Agreement pursuant to which the Company acquired the Tenements from Cosmopolitan Minerals in consideration for 12,000,000 Shares in the Company (refer to Section 9.1 for further details). Cosmopolitan Minerals is an entity associated with Mr Josef-El-Raghy and which Mrs Heidi Brown is a director and substantial shareholder.
- (b) Montana and the Company have entered into a sublease arrangement pursuant to which Montana has agreed to lease certain commercial premises to the Company for an annual rent of an estimated A\$26,500 (refer to Section 9.5 for further details). Mr Josef El-Raghy, a Director, is a director and controlling shareholder of Montana (and Mrs Heidi Brown is an alternate director).
- (c) on 17 August 2017, the Company and Mrs Heidi Brown entered into a service agreement pursuant to which Mrs Brown has agreed to provide company secretarial services to the Company and the Company has agreed to pay an annual fee of A\$80,000 (plus GST) to Mrs Brown (refer to Section 9.6 for further details). Mrs Brown is a Director.

All future related party arrangements (if any) will be determined by the Board, having regard to their duties as Directors, and, where required, all requisite approvals, including but not limited to, shareholder approval will be obtained.

10.7 Expenses of Offer

The total expenses of the Offer payable by the Company are:

	A\$7,000,000 Raised	A\$10,000,000 Raised
Legal Fees	55,000	55,000
Investigating Accountant's Independent Limited Assurance Report	9,000	9,000
Independent Geologist's Report	20,000	20,000
Independent Solicitor's Report	5,000	5,000
Broker Commission ¹	420,000	600,000
Share Registry Fees	2,000	2,000
ASX Listing Fee	95,258	100,463
Corporate advisory services ²	20,000	20,000
Printing and Miscellaneous Costs	15,500	15,500
TOTAL³	641,758	826,963

Note:

1. Refer to Section 1.16.
2. Refer to Section 10.5(c).
3. As 18 October 2017, the Company has paid A\$53,493 of the costs of the Offer of which:
 - (a) A\$33,979 was paid prior to 30 June 2017; and
 - (b) A\$19,514 has been paid in the period from 1 July 2017 until 18 October 2017.

10.8 Effect of the Offer on control and substantial Shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows:

Name	Number of Shares	Percentage of Shares
Josef El-Raghy ¹	15,000,001	60%
Brett Montgomery ²	1,850,000	7.4%
Argonaut Equity Partners Pty Ltd	1,500,000	6%

Note:

1. 13,000,001 Shares are held by Nordana and 2,000,000 Shares are held by BPM Capital, entities associated with Mr El-Raghy. Following completion under the Tenement Sale Agreement, Cosmopolitan Minerals transferred 13,000,001 Shares to Nordana.
2. 250,000 Shares are held by Tollafeld Superannuation Fund of which Mr Montgomery is a trustee and 100,000 Shares are held by Mr Montgomery's son.

Based on the information known as at the date of this Prospectus, on Admission, the following persons will have an interest in 5% or more of the Shares on issue:

Name	A\$7,000,000 Raised		A\$10,000,000 Raised	
	Number of Shares	Percentage of Shares	Number of Shares	Percentage of Shares
Josef El-Raghy ¹	20,000,001	33.33%	20,000,001	26.66%

Note:

1. It is anticipated that 13,000,001 Shares of the 20,000,001 Shares will be held by Nordana and 2,000,000 Shares of the 20,000,001 Shares will be held by BPM Capital, entities associated with Mr El-Raghy. Following completion under the Tenement Sale Agreement, Cosmopolitan Minerals transferred 13,000,001 Shares to Nordana.

Accordingly, upon Admission, Mr El-Raghy (and his associated entities) will have an interest in 33.33% of the total issued capital of the Company based on the Minimum Subscription being raised. This interest will be reduced to 26.66% if the Company raises the maximum amount under the Offer.

10.9 Continuous Disclosure Obligations

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose to the market any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.10 Litigation and Claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

10.11 Other Information

On 3 May 2017, the Takeovers Panel in *Indiana Resources Limited* [2017] ATP 8 concluded that Mr Brett Montgomery, BPM Capital (an entity associated with Mr Josef El-Raghy) and Mrs Heidi Brown were acting, or proposing to act, in concert in relation to a general meeting of shareholders of Indiana Resources Limited, and consequently breached sections 606 and 671 of the Corporations Act, being the 20% voting threshold and substantial holding disclosure requirements.

No final orders were made by the Takeovers Panel in respect of this decision on the basis of certain undertakings given by certain of the interested parties.

10.12 Consents

Each of the parties referred to in this Section:

- has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement or report included in this Prospectus with the consent of that party as specified in this Section.

None of the parties referred to in this Section authorised or caused the issue of this Prospectus or the making of the Offer.

Ernst & Young has given its written consent to be named as auditor to the Company. Ernst & Young has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Ernst & Young has given its written consent to be named as Investigating Accountant and to the inclusion of its Independent Limited Assurance Report in Section 5 of the Prospectus in the form and context in which the report was included. Ernst & Young has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Al Maynard & Associates has given its written consent to be named as the Independent Geologist to the Company. Al Maynard & Associates has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named as the share registry to the Company. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Mining Access Legal Pty Ltd has given its written consent to being named as the tenement solicitors to the Company. Mining Access Legal Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Endeavour Corporate Limited has given its written consent to being named as corporate advisor to the Company. Endeavour Corporate Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

DLA Piper Australia has given its written consent to being named as Australian legal advisor to the Company. DLA Piper Australia has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

10.13 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

10.14 Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at A8, 431-435 Roberts Road, Subiaco WA 6008:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 10.12 of this Prospectus.

10.15 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial information included in Section 4 there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

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A photograph of a desert landscape at sunset. The sun is low on the horizon, casting a warm orange glow. A vehicle is visible in the distance on a dirt road. The foreground is filled with sparse, low-lying vegetation and rocks.

11 AUTHORISATION

AUTHORISATION

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in dark ink, appearing to be 'Brett Montgomery', written over a light blue rectangular background.

Mr Brett Montgomery

Managing Director

Date: 02 November 2017

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12 GLOSSARY OF TERMS

GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

A\$ or \$	Australian dollars.
AAS	Australian Accounting Standards.
AASB	Australian Accounting Standards Board.
AASB – RDRs	Australian Accounting Standards – Reduced Disclosure Requirements.
Admission	Admission of the Company to the Official List, following completion of the Offer.
Allotment Date	The date, as determined by the Directors, on which the Shares offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable.
Applicant	A person who submits an Application Form.
Application	A valid application for Shares under the Offer made pursuant to an Application Form.
Application Form(s)	The application form attached to this Prospectus.
Application Monies	Monies received from persons applying for Shares pursuant to the Offer under this Prospectus.
Argonaut Equity Partners	Argonaut Equity Partners Pty Limited ACN 128 423 843.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
ASX Settlement Rules	ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).
BIF	Means banded iron-formation.
Board	The board of Directors of the Company.
BPM Capital	BPM Capital Limited is a company registered in the Cayman Islands (registered number 266593).
CHESS	Clearing House Electronic Subregister System.
Closing Date	The date the Offer closes.
Company or AIC Resources Limited	AIC Resources Limited ACN 619 035 737.
Constitution	The constitution of the Company from time to time.
Corporations Act	Corporations Act 2001 (Cth).
Cosmopolitan Minerals	Cosmopolitan Minerals Limited ACN 161 948 536.
Directors	The directors of the Company.
DMIRS	Department of Mines, Industry Regulation and Safety
Electronic Prospectus	The electronic copy of this Prospectus located at the Company's website at www.aicresources.com.au .
Exposure Period	In accordance with section 727(3) of the Corporations Act, the period of 7 days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.
Executive Services Agreement	Has the meaning given in Section 9.2.

GLOSSARY OF TERMS

Financial Information	Has the meaning given in Section 4.1.
Firm Commitment Investors	Has the meaning given in Section 1.15.
Firm Commitment Letters	Has the meaning given in Section 1.15.
Gingirana	Gingirana Claim Group.
GPX Surveys	GPX Surveys Pty Ltd ACN 110 619 602.
GST	Goods and Services Tax.
HIN	Holder Identification Number.
Historical Financial Information	Has the meaning given in Section 4.1.
Historical Statement of Financial Position	Has the meaning given in Section 4.1.
Indicative Timetable	The indicative timetable for the Offer on page (ii) of this Prospectus.
Investigating Accountant	Ernst & Young.
Independent Limited Assurance Report	The report contained in Section 5.
Listing Rules	The listing rules of ASX.
Marymia Project	Has the meaning given in Section A of the Investment Overview.
Maximum Subscription	Has the meaning given in Section 1.1.
Minimum Subscription	Has the meaning given in Section 1.2.
Mining Access Legal	Means Mining Access Legal Pty Ltd ABN 36 613 019 640.
Minister	Means the Minister for Mines and Petroleum within the Department of Mines, Industry Regulation and Safety.
Montana Realty	Montana Realty Pty Ltd ACN 065 188 132.
Native Title Act	Has the meaning given in Section 8.2(d).
NNTT	National Native Title Tribunal.
Nordana	Nordana Pty Ltd ACN 009 087 414.
Offer	The offer by the Company, pursuant to this Prospectus, of up to 50,000,000 Shares at an issue price of A\$0.20 each to raise up to A\$10,000,000 (before associated costs).
Offer Period	The period commencing on the Opening Date and ending on the Closing Date.
Official List	The official list of ASX.
Official Quotation or Quotation	Official quotation by ASX in accordance with the Listing Rules.
Opening Date	The date the Offer opens.
Options	An option to subscribe for a Share.
Pro Forma Historical Financial Information	Has the meaning given in Section 4.1.
Pro Forma Historical Statement of Financial Position - Maximum Subscription	Has the meaning given in Section 4.1.

GLOSSARY OF TERMS

Pro Forma Historical Statement of Financial Position - Minimum Subscription	Has the meaning given in Section 4.1.
Pro Forma Historical Statements of Financial Position	Has the meaning given in Section 4.1.
Prospectus	This prospectus dated 2 November 2017.
Secretarial Services Agreement	Has the meaning given in Section 9.6.
Section	A section of this Prospectus.
Security	Means a Share or Option as the context requires.
Share Registry	Computershare Investor Services Pty Limited.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	Any person holding Shares.
SRN	Security holder Reference Number.
Survey Services Agreement	Has the meaning given in Section 9.7.
Takeovers Panel	Means the review body continuing in existence under section 261 of the Australian Securities and Investments Commission Act 2001 (Cth) and given powers under Part 6.10 of the Corporations Act.
Tenement Application	Has the meaning given in Section 8.1(f).
Tenements	Has the meaning given in Section 2.2.
Tenement Sale Agreement	Has the meaning given in Section 9.1.

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A photograph of a geological outcrop showing a reddish-brown rock face with a hammer placed vertically on the right side for scale. The rock surface is textured with small, angular fragments and some vertical fissures. The hammer has a blue handle and a silver head.

APPENDIX 1 APPLICATION FORM

ACN 619 035 737

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire Prospectus carefully before completing this Application Form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus.

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C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

[illegible][illegible][illegible][illegible]

D Enter the postal address - include State and Postcode

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[illegible][illegible]

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E Enter your contact details

[illegible]

()							
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F CHESS Participant[illegible]

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any Shares issued as a result of the Offer will be held on the Issuer Sponsored subregister.

Payment details - Please note that funds are unable to be directly debited from your bank account

A\$

Make your cheque, money order or bank draft payable to 'AIC Resources Limited'

- I/we declare that this application is complete and lodged according to the Prospectus dated 2 November 2017, and the declarations/statements on the reverse of this Application Form,
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate, and
- I/we agree to be bound by the Constitution of AIC Resources Limited ('the Company')

See overleaf for completion guidelines ➡

How to complete this form

A

Shares applied for

Enter the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares (\$2,000) or a greater number in multiples of 2,500 Shares (\$500). The Offer Price of the Shares is payable in full on Application.

B

Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares by the issue price of \$0.20 per Share. The minimum amount of Application monies is \$2,000 and applications for less than this amount may be rejected.

C

Applicant Name(s)

Enter the full name you wish to appear on the register of Shares and statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

D

Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E

Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this application.

F

CHES

The Company participates in CHES. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares allotted to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G

Payment

Make your cheque, money order or bank draft payable to 'AIC Resources Limited' in Australian currency and cross it 'Not Negotiable'. Your cheque, money order or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. **Please note that funds are unable to be directly debited from your bank account.**

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented any may result in your Application being rejected.

Paperclip (do not staple) your cheque(s) to the Application Form. Cash will not be accepted. No receipt for payment will be forwarded to Applicants.

Before completing the Application Form the Applicant(s) should read this Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for Shares in the Company is upon and subject to the terms of the Prospectus and the Constitution of the Company, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited (CIS) by no later than 5:00pm WST on 1 December 2017. You should allow sufficient time for this to occur. Return the Application Form with cheque(s) attached to:

Computershare Investor Services Pty Limited

GPO Box 52

MELBOURNE VIC 3001

Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means. If you have any enquiries concerning your application, please contact the Company Secretary on +61 8 6269 0110.

Privacy Statement

Personal information is collected on this form by CIS for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the Company may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf or to third parties upon direction by the Company where related to their administration of your securityholding, or where you have otherwise agreed we may disclose it. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: Use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

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ACN/ABN

ACN: 619 035 737

ABN: 71 619 035 737

ADDRESS

A8, 431-435 ROBERTS RD

SUBIACO WA 6008

CONTACT

T: + 61 (08) 6269 0110

F: + 61 (08) 6230 5176

ONLINE

E: INFO@AICRESOURCES.COM.AU

W: WWW.AICRESOURCES.COM.AU
