

# QGold Pty Ltd

ABN 12 149 659 950

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21 March 2024

The Manager  
Market Announcements Office  
ASX Limited

## COMPULSORY ACQUISITION OF SHARES IN CARAWINE RESOURCES LIMITED

On 20 November 2023, QGold Pty Ltd ACN 149 659 950 (**QGold**) increased its interest in Carawine Resources Limited ACN 611 352 348 (**CWX**) and now holds more than 90% of the voting power in CWX and a beneficial interest in at least 90% by value of all securities in CWX.

QGold has commenced the process for compulsorily acquiring the outstanding ordinary shares (**Ordinary Shares**) in CWX by lodging the relevant compulsory acquisition notices with the Australian Securities and Investments Commission (**ASIC**).

In accordance with section 664C(2)(d) of the *Corporations Act 2001* (Cth) (**Corporations Act**), we attach the following documents:

1. a letter to the shareholders of CWX;
2. ASIC Form 6024;
3. a copy of the Independent Expert's Report prepared by BDO Corporate Finance in accordance with Part 6A.4 of the Corporations Act; and
4. an objection form.

The enclosed documents were lodged with ASIC on 21 March 2024 and lodged with CWX on 21 March 2024 and will be dispatched to CWX shareholders who hold Ordinary Shares in accordance with section 664C(2)(b) of the Corporations Act.

Yours sincerely



Christopher Wallin  
Director

# QGold Pty Ltd

ABN 12 149 659 950

Level 15  
40 Creek Street  
Brisbane Qld 4000

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Brisbane Qld 4000

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21 March 2024

Dear Shareholder

## COMPULSORY ACQUISITION OF SHARES IN CARAWINE RESOURCES LIMITED

As you may be aware, on 20 November 2023, QGold Pty Ltd ACN 149 659 950 (**QGold**) increased its interest in Carawine Resources Limited ACN 611 352 348 (**CWX**) and holds more than 90% of the voting power in CWX and a beneficial interest in at least 90% by value of all securities in CWX.

You have received this letter and the enclosed documents as you hold ordinary shares in CWX.

QGold is exercising its right to commence the process of compulsorily acquiring the remaining ordinary shares in CWX (**Ordinary Shares**) which it and its related bodies corporate do not otherwise own in accordance with Part 6A.2 of the Corporations Act 2001 (Cth) (**Corporations Act**).

QGold proposes to compulsorily acquire the remaining Ordinary Shares for \$0.11 per share.

As required by the Corporations Act, QGold has obtained a report from an independent expert who was nominated by the Australian Securities and Investments Commission (**ASIC**). The independent expert's report (**Independent Expert's Report**) concludes that the fair value for each Ordinary Share is between \$0.064 and \$0.141 on a net asset value method and \$0.131 and \$0.169 on a quoted market price method. Shareholders should carefully read section 9 of the Independent Experts Report for a discussion of these valuation methods and the approach taken by the independent expert to value the Ordinary Shares of CWX.

QGold encloses the following documents:

- ASIC Form 6024 (**Notice**);
- a copy of the Independent Expert's Report prepared by BDO Corporate Finance in accordance with Part 6A.4 of the Corporations Act; and
- an objection form.

The Notice was lodged with ASIC on 21 March 2024. As well as providing formal notice of QGold's intention to compulsorily acquire your Ordinary Shares, the Notice sets out certain rights available to you under the Corporations Act in response to the Notice.

## WHAT DO YOU NEED TO DO?

The Independent Expert Report is an important document and you should read it in its entirety. If you have queries or uncertainties, you should consult your investment, financial or other professional adviser.

If you wish to object to the acquisition, you may complete and return the Objection Form by 21 April 2024 otherwise, no action is required.

Yours sincerely



Christopher Wallin  
Director

Notice of compulsory acquisition

Notice

Description of class of securities

Name of target company

Insert name of 90% Holder  
Tick one box

Description of class of securities

Description of class of securities

Cash amount for the securities. This may be expressed as an amount per security.

Period during which holders may return the objection form. The period must be at least one month.

Details of the consideration given for the securities

Include any information that is known to the 90% Holder or any related bodies corporate that is material to deciding whether to object to the acquisition and has not been disclosed in an experts report under section 667A of the Act.

To each holder of:

Class of securities ('the class')

Ordinary Shares

in

Name ('the Company')

CARAWINE RESOURCES LIMITED

ACN/ARBN/ARSN

611352348

1.

QGold Pty Ltd ACN 149 659 950

☒

holds either alone or with a related body corporate, full beneficial interests in at least 90% of the securities (by number) in the class.

☐

has voting power of at least 90% in the Company and holds, either alone or with a related body corporate, full beneficial interests in at least 90% by value of all securities of the Company that are either shares or convertible into shares.

2.

Under subsection 664A(3) of the Corporations Act 2001 ('the Act') the 90% Holder may compulsorily acquire all the

Ordinary Shares

if less than 10% by value of holders in that class have objected to the acquisition by the end of the objection period set out in this notice or the Court approves the acquisition under section 664F of the Act.

3.

The 90% Holder hereby gives notice that it proposes to compulsorily acquire

each Ordinary Share

that you hold for the cash amount of

\$0.11

4.

Under section 664E of the Act, you, (or anyone who acquires the securities during the objection period) have the right to object to the acquisition of your securities by completing and returning the objection form that accompanies this notice within

One month

of receipt of this notice. The objection cannot be withdrawn

5.

You have the right to obtain the names and addresses of everyone else who holds securities in the class from the Company register.

6.

Under section 664F of the Act, if 10% of holders of securities covered by this compulsory acquisition notice have objected to the acquisition before the end of the objection period, the 90% Holder may, within one month after the end of the objection period, apply to the Court for approval of the acquisition of the securities covered by this notice.

7.

During the last 12 months the 90% Holder or an associate has purchased securities of the same class for

See Annexure A attached hereto

8.

None

Signature

Name of person signing  
Christopher Wallin

Capacity  
On behalf of the Regulated Entity named in this document as a director of that entity

Signature  
Christopher Wallin

Date signed  
21-Mar-2024 10:56

Privacy

The information provided to ASIC in this form may include personal information. Please refer to our privacy policy ([www.asic.gov.au/privacy](http://www.asic.gov.au/privacy)) for information about how we handle your personal information, your rights to seek access to and correct personal information and to complain about breaches of your privacy,

Lodgement

For more information

Web            [www.asic.gov.au](http://www.asic.gov.au)  
Need help?   [www.asic.gov.au/question](http://www.asic.gov.au/question)

Telephone    1300 300 630




**QGOLD PTY LTD**  
**ACN 149 659 950**

**ANNEXURE A**

THIS ANNEXURE A OF 2 PAGES REFERRED TO IN  
 FORM 6024 NOTICE OF COMPULSORY ACQUISITION

Purchase Date	No. of Ordinary Shares Purchased	Price per Share	Total Consideration
18/05/2023	4,651	\$0.10	\$465.10
19/05/2023	20,000	\$0.10	\$2,000.00
22/05/2023	24,500	\$0.10	\$2,450.00
23/05/2023	50,000	\$0.10	\$5,000.00
25/05/2023	10,000	\$0.10	\$1,000.00
29/05/2023	2,500	\$0.10	\$250.00
01/06/2023	438	\$0.10	\$43.80
05/06/2023	18,009	\$0.10	\$1,800.90
08/06/2023	3,023	\$0.10	\$302.30
09/06/2023	49,616	\$0.099	\$4,911.98
09/06/2023	750	\$0.10	\$75.00
13/06/2023	548	\$0.10	\$54.80
15/06/2023	47,732	\$0.10	\$4,773.20
19/06/2023	50,876	\$0.10	\$5,087.60
20/06/2023	1	\$0.10	\$0.10
22/06/2023	368	\$0.10	\$36.80
22/06/2023	45,000	\$0.11	\$4,725.00
22/06/2023	14,000	\$0.11	\$1,540.00
26/06/2023	8,296	\$0.11	\$871.08
27/06/2023	11,137	\$0.11	\$1,225.07
29/06/2023	6,704	\$0.11	\$703.92
30/06/2023	9,452	\$0.11	\$992.46
03/07/2023	97,169	\$0.11	\$10,688.59
04/07/2023	5,882	\$0.11	\$647.02
04/07/2023	22,398	\$0.12	\$2,687.76
06/07/2023	2,262,864	\$0.14	\$316,800.96
06/07/2023	26,857	\$0.14	\$3,759.98
07/07/2023	3	\$0.14	\$0.42
10/07/2023	710,276	\$0.14	\$99,438.64
10/07/2023	5	\$0.14	\$0.70
14/07/2023	1,000	\$0.13	\$130.00
17/07/2023	100,000	\$0.13	\$13,000.00
18/07/2023	50,000	\$0.11	\$5,500.00
18/07/2023	14,884	\$0.125	\$1,860.00
18/07/2023	185,116	\$0.13	\$24,065.08
24/07/2023	7,407	\$0.13	\$962.91
25/07/2023	1,852	\$0.13	\$240.76
28/07/2023	1,631	\$0.13	\$212.03
01/08/2023	7,500	\$0.13	\$975.00
02/08/2023	1,314	\$0.13	\$170.82
14/08/2023	4,247	\$0.12	\$509.64
15/08/2023	373	\$0.12	\$44.76
18/08/2023	2,601	\$0.13	\$338.13
18/08/2023	25,399	\$0.135	\$3,428.87
24/08/2023	47,000	\$0.135	\$6,345.00
30/08/2023	1,872	\$0.128	\$238.68
30/08/2023	97,628	\$0.135	\$13,179.78
31/08/2023	11,000	\$0.135	\$1,485.00
06/09/2023	20,000	\$0.115	\$2,300.00
11/09/2023	33,350	\$0.115	\$3,835.25
25/09/2023	25,425	\$0.135	\$3,432.38
03/10/2023	23,022	\$0.135	\$3,107.97

Purchase Date	No. of Ordinary Shares Purchased	Price per Share	Total Consideration
04/10/2023	25,000	\$0.13	\$3,250.00
11/10/2023	16,216	\$0.135	\$2,189.16
16/10/2023	5,000	\$0.135	\$675.00
20/11/2023	38,928,477	\$0.11	\$4,282,132.47

DocuSigned by:  
  
BB8EF02AC2104F0...  
\_\_\_\_\_  
Christopher Wallin  
Managing Director

21-Mar-2024  
\_\_\_\_\_  
Date

## QGold Pty Ltd

### Independent Expert's Report

26 February 2024

For personal use only



## Financial Services Guide

26 February 2024

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by QGold Pty Ltd ('QGold') to provide an independent expert's report on the proposed compulsory acquisition of the remaining Carawine Resources Limited ('Carawine') shares that it does not already own. You are being provided with a copy of our report because you are a shareholder of Carawine and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Compulsory Acquisition ('the Notice') required to be provided to you by Carawine to assist you in deciding on whether or not to approve the proposal.

### Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

### Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

### General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

### Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$45,000.



Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in QGold or Carawine.

#### **Remuneration or other benefits received by our employees**

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from QGold for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

#### **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

#### **Complaints resolution**

##### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

#### **Referral to External Dispute Resolution Scheme**

We are a member of the Australian Financial Complaints Authority (AFCA) which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

Mail:	GPO Box 3, Melbourne, VIC 3001
Free call:	1800 931 678
Website:	<a href="http://www.afca.org.au">www.afca.org.au</a>
Email:	<a href="mailto:info@afca.org.au">info@afca.org.au</a>
Interpreter Service:	131 450

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Control Premium Analysis

Appendix 4 - Independent Technical Specialist Report

26 February 2024

The Directors  
QGold Pty Ltd  
Level 15  
40 Creek Street  
BRISBANE QLD 4000

Dear Directors

## INDEPENDENT EXPERT'S REPORT

### 1. Introduction

On 20 November 2023, Carawine Resources Limited (**'Carawine'** or **'the Company'**) announced that QGold Pty Ltd (**'QGold'**) had increased its interest in Carawine's issued share capital from 88.21% to 90.61%. By exceeding the 90% threshold, QGold has the right, but not the obligation, under Chapter 6A of the Corporations Act 2001 Cth (**'Corporations Act'** or **'the Act'**) to compulsorily acquire any remaining Carawine shares (**'Compulsory Acquisition'**).

QGold has advised that it intends to proceed with the Compulsory Acquisition. QGold is offering \$0.11 cash per share for each Carawine share (**'Consideration'**).

The notice of compulsory acquisition to minority shareholders of Carawine is to be accompanied by this independent expert's report.

### 2. Summary and opinion

#### 2.1 Requirement for the report

The directors of QGold have requested that BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) prepare an independent expert's report (**'our Report'**) to express an opinion as to whether the terms of the Compulsory Acquisition notice (**'Notice of Compulsory Acquisition'**) give a 'fair value' for the securities, to the minority shareholders of Carawine (**'Shareholders'**).

Our Report is prepared pursuant to Chapter 6A of the Corporations Act and is to be included in the Notice of Compulsory Acquisition for Carawine in order to assist the Shareholders in their assessment of the terms of the Compulsory Acquisition.

#### 2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (**'ASIC'**) Regulatory Guide 10 'Compulsory Acquisitions and Buyouts' (**'RG 10'**), Regulatory Guide 111 'Content of Expert's Reports' (**'RG 111'**) and Regulatory Guide 112 'Independence of Experts' (**'RG 112'**).

In arriving at our opinion, we have assessed the terms of the Compulsory Acquisition as outlined in the body of this report. To determine if the terms of the Compulsory Acquisition offer a 'fair value' for the securities, we have:

- compared the value of a Carawine share (including a premium for control) with the Consideration; and
- set out the reasons for our opinion.

## 2.3 Opinion

We have considered the terms of the Compulsory Acquisition as outlined in the body of this report. We have concluded that the terms of the Compulsory Acquisition give a fair value to Shareholders as the Consideration per share within the range of our assessed value per Carawine share.

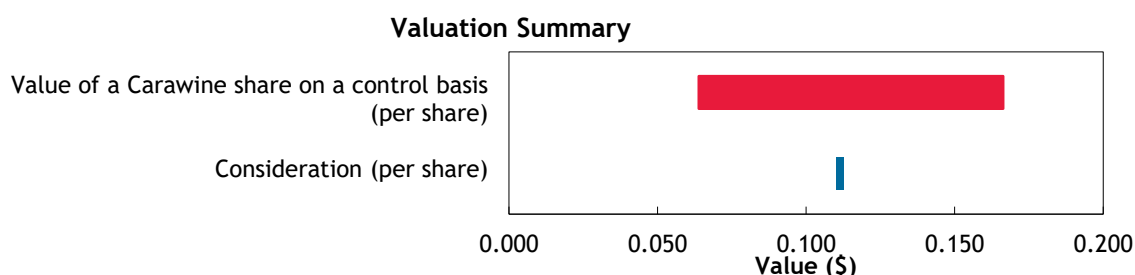
## 2.4 Fair value

In Section 12.1, we determined that the Compulsory Acquisition consideration compares to the value of a Carawine share, as detailed below.

	Ref	Low \$	Preferred \$	High \$
Value of a Carawine share on a control basis (per share)	10.4	0.064	0.104	0.141
Consideration (per share)	11	0.110	0.110	0.110

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that the terms of the Compulsory Acquisition give a fair value to Shareholders.

## 3. Scope of the Report

### 3.1 Purpose of the Report

Chapter 6A of the Corporations Act gives a person a right to compulsorily acquire securities under certain circumstances, depending on the level of a person's interest in the relevant class of securities or the relevant entity overall.

There are two types of compulsory acquisition under Chapter 6A of the Corporations Act:

- compulsory acquisition following a takeover bid under Part 6A.1 (post-bid compulsory acquisition); and
- general compulsory acquisition under Part 6A.2.



The Compulsory Acquisition will be undertaken as a general compulsory acquisition under Part 6A.2 of the Corporations Act.

Part 6A.2 Division 1 of the Corporations Act concerns compulsory acquisition of securities by a 90% holder. Section 664A(3) provides that a 90% holder in relation to a class of securities of a company may compulsorily acquire all the securities in that class in which neither the person nor any related bodies corporate has full beneficial interests in at least 90% by value of all the securities of the company that are either shares or convertible into shares.

To compulsorily acquire securities under section 664A, sections 664C(1) and 664C(2) provide that a 90% holder must give a compulsory acquisition notice to each other person who is a holder of securities in the class together with a copy of an expert's report under section 667A and an objection form.

Accordingly, our Report is prepared to accompany the Notice of Compulsory Acquisition to be sent to Carawine's shareholders.

### **3.2 Regulatory guidance**

Chapter 6A of the Corporations Act prescribes the steps an expert must take in reaching an opinion for compulsory acquisitions and buy-outs. Section 667A(1) requires an expert to:

- a) provide an opinion on whether the proposed terms in the buy-out or acquisition notice give a 'fair value' for the securities; and
- b) set out the reasons for its opinion.

RG 111.48 states that to determine what 'fair value' is, s667C requires that an expert:

- a) first assess the value of the entity as a whole;
- b) then allocate that value among the classes of issued securities in the company (taking into account the relative financial risk and the voting and distribution rights of the classes); and
- c) then allocate the value of each class pro rata among the securities in that class (without allowing any premium or applying a discount for particular securities or interest in that class).

RG 111.49 states that in determining the fair value for securities, an expert must also take into account the prices paid for securities in that class in the previous six months (s667C(2)).

RG 111 further suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism to effect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Compulsory Acquisition is a control transaction as defined by RG 111 and we have therefore assessed the Compulsory Acquisition as a control transaction to consider whether, in our opinion, it offers a fair value to Shareholders.

### **3.3 Adopted basis of evaluation**

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities which are the subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of a Carawine share on a control basis prior to the Compulsory Acquisition and the value of the Consideration being offered per share by QGold (fair value - see Section 12 'Do the terms of the Compulsory Acquisition offer a fair value?'); and
- The reasons for our fair value opinion (reasons - see Section 12 'Do the terms of the Compulsory Acquisition offer a fair value?')

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

*'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'*

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

## 4. Terms of the Compulsory Acquisition

QGold has full beneficial interests in approximately 90.61% of Carawine's shares. Pursuant to section 664A of the Act, QGold is entitled to compulsorily acquire the remaining Carawine shares in which it does not already have full beneficial interests.

QGold has decided to exercise its rights pursuant to the compulsory acquisition provision of the Act to acquire all the remaining Carawine shares that it does not already own for \$0.11 per share in cash.

Option holders can participate in the Compulsory Acquisition if they choose to exercise their options before the date of the Notice of Compulsory Acquisition ('**Date of Notice**'). It is intended that any options that are unexercised at the Date of Notice will be cancelled by Carawine with the agreement of the option holders.

Please see the Notice of Compulsory Acquisition for the full terms and conditions of the Compulsory Acquisition.

## 5. Profile of Carawine

### 5.1 History

Carawine is an ASX-listed exploration company primarily focused on gold, copper and base metal deposits in Australia. Headquartered in Perth, Australia, Carawine owns five exploration projects situated across Victoria and Western Australia. Several assets are held indirectly through its wholly owned subsidiary, Phantom Resources Pty Ltd. Carawine was incorporated in May 2017 and listed on the ASX in December 2017.

The current directors of Carawine are:

- Paul Whimp - Non-Executive Chairman;
- David Boyd - Managing Director;
- Sam Smart - Non-Executive Director; and
- Martin Lackner - Non-Executive Director and Company Secretary.

Carawine owns five gold, copper and base metal exploration projects. Within these projects, Carawine has a series of 100% owned tenements in addition to four joint ventures as detailed below.

### 5.2 Tropicana North Gold Project

The Tropicana North Gold Project is located in the Tropicana and Yamarna regions of Western Australia's north-eastern goldfields and covers approximately 2,500 square kilometres ('km<sup>2</sup>'). The Tropicana North Gold Project comprises eleven granted exploration licences and four exploration licence applications which are 100% held by Carawine. In addition, the project comprises two granted exploration licences subject to a joint venture ('JV') between Carawine (90% interest) and Thunderstruck Investments Pty Ltd ('Thunderstruck') (10% interest) (known as the 'Thunderstruck JV') formed in September 2020.

#### Thunderstruck JV (currently holding a 90% interest)

As per the terms of the Thunderstruck JV, Carawine is the appointed manager and sole funder of exploration up until the completion of a Bankable Feasibility Study, after which Thunderstruck may elect to contribute expenditure or dilute. Several gold prospects have been identified from historic exploration, in particular, the Atlantis and Big Freeze prospects and the Hercules deposit, for which the Company announced a Mineral Resource estimate ('MRE') in October 2022.

Carawine intends to commence exploration programs for the Tropicana North Gold Project which include further drilling at the Big Freeze prospect and the Hercules gold deposit. With the aim of generating and developing additional targets, Carawine plans to commence drilling at the Neale tenement, which makes up part of Hercules gold deposit, in the second or third quarter of 2024. However, the initiation of work is subject to the completion and clearance of particular land access and heritage agreements.

### 5.3 Fraser Range Nickel Project

The Fraser Range Nickel Project is located in the Fraser Range region of Western Australia near Norseman and comprises five active exploration licence applications and 21 granted exploration licences, including one subject to the Fraser Range Joint Venture ('FRJV') with IGO Limited ('IGO'). Early-stage exploration activities carried out by the Company at the Big Bang tenement (E28/2759) in September 2020 identified nine target areas for nickel-copper, gold and iron oxide copper gold, including seven targets for magmatic nickel-sulphide deposits.

#### FRJV (currently holding a 24% interest)

As per the initial terms of the FRJV, the JV constituted five tenements at Red Bull (E69/3052 and E69/3033), Aries (E28/2563), Bindii (E28/2374) and Big Bullocks (E39/1733), whereby IGO (which formerly held a 76% interest) was the appointed manager and conductor of exploration activities. Both IGO and Carawine (which formerly held a 24% remaining interest) each contributed to exploration expenditure according to their respective interests. However, during the quarter ended September 2023, the composition of the FRJV encountered several changes.

Following a review of exploration activity, Carawine identified prospective areas within the FRJV which particularly aligned with the Company's exploration strategy in the region. Accordingly, Carawine exercised its option under the terms of the FRJV agreement to acquire IGO's 76% relevant interest in four tenements for a nominal fee of \$1. As a result, Carawine now holds a 100% beneficial interest in three tenements, Red Bull (E69/3052 and E69/3033), Aries (E28/2563) and Bindii (E28/2374).

Consequently, the FRJV solely comprises the Big Bullocks (E39/1733) tenement with both parties contributing to exploration expenditure according to their respective interests (being 76% for IGO and 24% for Carawine). As per the terms of the FRJV, IGO will remain as manager and conduct exploration activities.

Carawine is currently focusing on target generation and prospectivity assessments for its 100% owned tenements within the project, following the release of assay results from an air core drilling program completed at the Big Bullocks (E39/1733) tenement in the third quarter of 2023.

### 5.4 Paterson Project

The Paterson Project is located in the Paterson Province of Western Australia which hosts several copper and copper-gold deposits. The Paterson Project comprises ten granted exploration licences and six active exploration licence applications covering an area of approximately 1,500km<sup>2</sup>. In particular, six of the ten exploration licences are subject to farm-in and JV agreements.

Carawine's 100% owned tenements within the Paterson Project are Cable, Magnus and Puffer for which several copper, gold, lead and zinc targets have been identified following a review of historic exploration. An initial exploration program at several targets identified within the Cable tenement, namely Warroo North, Warroo North East and the larger Warroo Trend, is expected to commence during 2024, following the receipt of heritage clearances at these target areas. In addition, heritage clearances were recently received for the Europe target within the Magnus tenement.

The Paterson Project further comprises the West Paterson JV and the Coolbro JV as detailed below.

#### West Paterson JV (currently holding a 30% interest)

Carawine has a farm-in and JV agreement with Rio Tinto Exploration Pty Ltd ('RTX'), a wholly owned subsidiary of Rio Tinto Limited, whereby RTX has the right to earn up to an 80% interest in the Baton and Red Dog tenements in two stages. Firstly, by spending \$5.5 million in six years from October 2019 to earn a 70% interest, to be followed by sole funding to a prescribed milestone ('West Paterson JV') to earn the 80% interest. Under the terms of the West Paterson JV, RTX is the appointed manager and operator of the exploration activities.

As a result of earlier target generation and geophysical programs completed by Carawine, RTX has identified several targets at the Baton and Red Dog tenements. Recently obtained heritage clearances to construct access tracks into the Baton targets have led to the completion of a reverse circulation drilling

program during the September 2023 quarter. As a result of these assay results, RTX is currently re-assessing a drilling program for targets within the Red Dog tenement and is conducting ongoing technical reviews to determine exploration work for 2024.

#### Coolbro JV (currently holding a 49% interest)

Carawine has a farm-in and JV agreement with FMG Resources Pty Ltd (**'Fortescue'**), a wholly owned subsidiary of Fortescue Metals Group Limited, whereby Fortescue has the right to earn up to 75% interest in the Lamil Hills, Trotman South, Sunday and Eider tenements by spending \$6.1 million in two stages over a seven-year period to November 2026 (**'Coolbro JV'**). Notably, the Sunday tenement was relinquished from the Coolbro JV on 19 December 2023 upon Fortescue's request.

On 23 December 2022, Carawine announced that Fortescue had satisfied the conditions required to earn a 51% beneficial interest in the Coolbro JV tenements. Subsequently on 4 April 2023, Carawine announced that Fortescue had elected to earn an additional 24% in the tenements by sole funding \$4.5 million of exploration expenditure by the end of 2026, during which the Company will be free carried.

Initial exploration works were carried out during the 2023 financial year. In particular, Fortescue completed a drilling program on the Eider tenement and advanced target generation and land access negotiations at the following tenements, Edier, Lamil Hills and Trotman South. Recently, in the final quarter of 2023, Fortescue received heritage clearances for potential targets at Trotman South tenement. Currently, Fortescue is planning a reverse circulating drilling program and its associated access and remote works logistics at the tenement.

### 5.5 Oakover Project

The Oakover Project neighbours the Paterson Project in the eastern Pilbara region of Western Australia and comprises ten granted exploration licences and one mining lease application (**'MLA'**) which combined, covers a total area of about 820km<sup>2</sup>. In particular, the Oakover Project tenements are Davis, Enacheddong, Rooney's Find, Bocrabee, Pattos and Bocrabee Hill, which are considered prospective for manganese, copper, iron and gold.

Of the ten exploration licences, six tenements are 100% owned by Carawine and the remaining four and the MLA are subject to a JV between the Company (25% interest) and Black Canyon Limited (**'Black Canyon'**) (75% remaining interest), known as the Carawine JV Oakover Project. Recently, three tenements were relinquished by Black Canyon from the Carawine JV Oakover Project and as such, were acquired by the Company.

#### Carawine JV Oakover Project (currently holding a 25% interest)

On 23 December 2020, Carawine executed a binding Heads of Agreement with Black Canyon for the exclusive right to farm-in to the JV tenements. Under the terms of the JV agreement, Black Canyon is managing the JV and was required to spend \$4 million within 5 years to earn a 75% interest. Subsequently, on 4 April 2022 and shortly after on 28 December 2022, Carawine announced that Black Canyon had earned its 51% and 75% interest in the JV tenements, respectively.

Within the Carawine JV Oakover Project lies the Flanagan Bore manganese project (**'Flanagan Bore Project'**) for which Black Canyon released the results of a Scoping Study in August 2022. An updated MRE followed release of the study, particularly for the two deposits named FB3 and LR1, in addition to the application for a mining lease and associated infrastructure. Currently, Black Canyon is carrying out drill site rehabilitation activities at the Flanagan Bore Project.

Under the terms of the Carawine JV Oakover Project, unanimous approval by both parties is required to approve annual JV work programs and budgets. Currently, the JV parties are facing a disagreement and are yet to formally agree on the JV work program and budget for the Flanagan Bore Project. Black Canyon will ensure the tenements remain in good standing until the parties come to an agreement.

## 5.6 Jamieson Project

The Jamieson Project is located on unrestricted crown land within the Mt Useful Belt geological province near the township of Jamieson in the north-eastern Goldfields in Victoria and comprise two granted exploration licences, Jamieson (EL5523) and Silvermine (EL6622). Two main prospect areas have been identified by Carawine, namely Hill 800 and Rhyolite Creek, which the Company considers prospective for gold-copper, and copper-gold and zinc-gold-silver, respectively.

Numerous drilling programs have been carried out by Carawine at Hill 800 since 2019. Recent exploration activity involved a surface sampling and reconnaissance mapping program in the June quarter of 2023, as the Company aims to advance its understanding of the porphyry-related gold and copper mineralisation in the region.

Currently, Carawine is exploring various avenues to advance the Jamieson Project, including the possibility of divestment, as the Company aims to focus on its Western Australian projects.

## 5.7 Recent Corporate Events

On 25 October 2022, Carawine announced a pro-rata renounceable entitlement offer of one fully paid ordinary new share for every two shares held by eligible shareholders at an issue price of \$0.08 per share ('2022 Entitlement Offer') to raise up to approximately \$5,515,374 (before costs). The 2022 Entitlement Offer closed on 11 November 2022, with 58,983,121 new fully paid ordinary shares issued on 18 November 2022, raising approximately \$4,718,650 (before costs). QGold participated in the 2022 Entitlement Offer and was issued 56,948,465 shares. As a result of the 2022 Entitlement Offer, QGold's relevant interest in Carawine increased from 82.63% to 86.80%.

On 25 October 2023, Carawine announced a pro-rata renounceable entitlement offer of two shares for every nine shares held by shareholders at an issue price of \$0.11 per share to raise up to \$4,811,094 ('2023 Entitlement Offer'). Results of the 2023 Entitlement Offer were subsequently announced on 15 November 2023, which outlined 39,307,981 new fully paid ordinary shares in the Company were issued, raising approximately \$4,323,878 (before costs). QGold participated in the 2023 Entitlement Offer and was issued 38,901,620 shares, resulting in an increase in voting power in the Company to 90.61%.

## 5.8 Historical Statement of Financial Position

Carawine's statement of financial position as at 30 June 2021, 2022 and 2023 is set out in the table below.

Statement of Financial Position	Audited as at 30-Jun-23 \$	Audited as at 30-Jun-22 \$	Audited as at 30-Jun-21 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3,814,465	2,957,471	3,943,539
Other assets	160,877	169,665	128,272
<b>TOTAL CURRENT ASSETS</b>	<b>3,975,342</b>	<b>3,127,136</b>	<b>4,071,811</b>
<b>NON-CURRENT ASSETS</b>			
Other assets	34,283	-	-
Plant and equipment	214,105	77,297	98,881
Deferred exploration expenditure	18,189,808	15,527,079	10,599,215
Right-of-use asset	91,929	16,989	39,640
<b>TOTAL NON-CURRENT ASSETS</b>	<b>18,530,125</b>	<b>15,621,365</b>	<b>10,737,736</b>
<b>TOTAL ASSETS</b>	<b>22,505,467</b>	<b>18,748,501</b>	<b>14,809,547</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	314,922	184,359	266,271
Employee benefits	192,070	196,110	170,738
Provision	260,000	50,000	-
Lease liability	56,997	18,571	25,250
<b>TOTAL CURRENT LIABILITIES</b>	<b>823,989</b>	<b>449,040</b>	<b>462,259</b>
<b>NON-CURRENT LIABILITIES</b>			
Provision	-	260,000	-
Lease liability	37,133	-	16,522
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>37,133</b>	<b>260,000</b>	<b>16,522</b>
<b>TOTAL LIABILITIES</b>	<b>861,122</b>	<b>709,040</b>	<b>478,781</b>
<b>NET ASSETS</b>	<b>21,644,345</b>	<b>18,039,461</b>	<b>14,330,766</b>
<b>EQUITY</b>			
Issued capital	27,929,222	23,276,753	18,250,256
Reserves	725,966	725,966	498,563
Accumulated losses	(7,010,843)	(5,963,258)	(4,418,053)
<b>TOTAL EQUITY</b>	<b>21,644,345</b>	<b>18,039,461</b>	<b>14,330,766</b>

Source: Carawine's audited financial statements for the financial years ended 30 June 2023, 30 June 2022 and 30 June 2021

### Commentary on historical statement of financial position

- Cash and cash equivalents increased from \$2.96 million as at 30 June 2022 to \$3.81 million as at 30 June 2023, primarily due to proceeds received from the issue of shares of \$4.65 million (net of costs) which was partially offset by payments made for exploration and evaluation expenditure of \$2.80 million.
- Other assets include a term deposit and its corresponding accrued interest. The term deposit balance of \$87,935 as at 30 June 2023 constitutes a balance of \$70,000 held as a security for a credit card facility which has an interest rate of 3.35% per annum, and \$17,935 held as security for a lease which has an interest rate of 2% per annum.



- Plant and equipment increased from \$0.08 million as at 30 June 2022 to \$0.21 million at 30 June 2023 as a result of additions relating to the acquisition of a motor vehicle for exploration and an X-ray Fluorescence machine, as advised by Management.

Plant and equipment	Audited as at 30-Jun-23	Audited as at 30-Jun-22
	\$	\$
<b>Opening balance (net of accumulated depreciation)</b>	<b>77,297</b>	<b>98,881</b>
Additions	170,915	6,600
Disposals	(3,302)	-
Depreciation charge for the year	(30,805)	(28,184)
<b>Closing balance (net of accumulated depreciation)</b>	<b>214,105</b>	<b>77,297</b>

Source: Carawine's audited financial statements for the financial year ended 30 June 2023

- A summary of the deferred exploration expenditure over the three years to 30 June 2023 is presented below:

Deferred exploration expenditure	Audited as at 30-Jun-23	Audited as at 30-Jun-22	Audited as at 30-Jun-21
	\$	\$	\$
<b>Balance at beginning of year</b>	<b>15,527,079</b>	<b>10,599,215</b>	<b>7,895,409</b>
Expenditure incurred	2,698,812	5,006,593	3,338,690
JV payments for the FRJV tenements	53,325	-	(50,000)
JV payments for the Carawine JV Oakover tenements	163,931	-	(50,000)
Exploration expenditure written off	(253,339)	(78,729)	(534,884)
<b>Total exploration and evaluation expenditure</b>	<b>18,189,808</b>	<b>15,527,079</b>	<b>10,599,215</b>

Source: Carawine's audited financial statements for the financial years ended 30 June 2023, 30 June 2022 and 30 June 2021



## 5.9 Historical statement of profit or loss and other comprehensive income

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-23 \$	Audited for the year ended 30-Jun-22 \$	Audited for the year ended 30-Jun-21 \$
Revenue and other income	108,049	1,922	20,790
<b>Total Income</b>	<b>108,049</b>	<b>1,922</b>	<b>20,790</b>
Employee benefits expense	(307,780)	(541,765)	(225,202)
Depreciation expense	(69,731)	(50,835)	(23,758)
Other expenses	(524,784)	(648,397)	(535,085)
Share-based payments	-	(343,161)	(6,188)
Write-off of deferred exploration and evaluation expenditure	(253,339)	(78,729)	(534,884)
<b>Loss before income tax</b>	<b>(1,047,585)</b>	<b>(1,660,965)</b>	<b>(1,304,327)</b>
Income tax benefit	-	-	-
<b>Loss for the year from continuing operations</b>	<b>(1,047,585)</b>	<b>(1,660,965)</b>	<b>(1,304,327)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year, net of tax</b>	<b>(1,047,585)</b>	<b>(1,660,965)</b>	<b>(1,304,327)</b>

Source: Carawine's audited financial statements for the financial years ended 30 June 2023, 30 June 2022 and 30 June 2021

### Commentary on historical statements of profit or loss and other comprehensive income

- A breakdown of revenue and other income earned over the period is presented in the table below.

Revenue and other income	Audited for the year ended 30-Jun-23 \$	Audited for the year ended 30-Jun-22 \$	Audited for the year ended 30-Jun-21 \$
Interest received	32,439	1,922	10,752
Refund of tenement application	75,610	-	10,038
<b>Total revenue and other income</b>	<b>108,049</b>	<b>1,922</b>	<b>20,790</b>

Source: Carawine's audited financial statements for the financial years ended 30 June 2023, 30 June 2022 and 30 June 2021

- Capitalised deferred exploration and evaluation expenditure, relating to the surrender of exploration licences or where rights to tenure are not current, has been written off in full during each of the financial years.

## 5.10 Capital Structure

The share structure of Carawine as at 7 February 2024 is outlined below:

	Number
Total ordinary shares on issue	236,125,449
Top 20 shareholders	222,586,734
Top 20 shareholders - % of shares on issue	94.27%

Source: Carawine share registry data

The range of shares held in Carawine as at 7 February 2024 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	365	137,378	0.06%
1,001 - 5,000	419	1,113,381	0.47%
5,001 - 10,000	153	1,161,807	0.49%
10,001 - 100,000	260	8,679,714	3.68%
100,001 - and over	37	225,033,169	95.30%
<b>TOTAL</b>	<b>1,234</b>	<b>236,125,449</b>	<b>100.00%</b>

Source: Carawine share registry data

The ordinary shares held by the most significant shareholders as at 7 February 2024 are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
QGold Pty Ltd	213,958,906	90.61%
Rio Tinto Exploration Pty Ltd	1,500,000	0.64%
BNP Paribas Noms Pty Ltd	1,034,322	0.44%
Thunderstruck Investments Pty Ltd	1,000,000	0.42%
<b>Subtotal</b>	<b>217,493,228</b>	<b>92.11%</b>
Others	18,632,221	7.89%
<b>Total ordinary shares on Issue</b>	<b>236,125,449</b>	<b>100.00%</b>

Source: Carawine share registry data

The options on issue in Carawine as at 21 February 2024 are outlined below:

Description	No. of Options	Exercise price (\$)	Expiry Date
Options	3,000,000	\$0.40	23-Dec-25
Options	2,250,000	\$0.60	23-Dec-25
<b>Total number of options</b>	<b>5,250,000</b>		
<b>Cash raised if options are exercised</b>	<b>\$2,550,000</b>		

Source: Carawine's share registry data

## 6. Profile of QGold

QGold is a private company based in Brisbane, Australia, which primarily focuses on gold exploration. Incorporated in 2011, QGold has since completed the compulsory acquisition of the ordinary shares in Strategic Minerals Corporation Pty Ltd (formerly Strategic Minerals Corporation N.L.) ('**Strategic Minerals**') which closed in October 2020. As a result of the transaction, QGold was granted 100% ownership of the Woolgar Gold Project, an exploration project which currently constitutes ten exploration permits and ten mining licences, located in central Northern Queensland, Australia.

The sole Director and Secretary of the Board of QGold is Christopher Wallin.

QGold holds a relevant interest in the following ASX-listed companies:

- Venus Metals Corporation Limited (18.86% voting power of the ordinary shares), a Western Australian company primarily focusing on gold, lithium, rare earth metal, vanadium and base metals exploration;
- Rox Resources Limited (2.13% voting power of the ordinary shares), a Western Australian company primarily focused on gold exploration and development, in particular the Youanmi Gold Project; and
- Carawine (90.61% voting power of the ordinary shares).

### On-market takeover bid for Carawine

On 22 February 2022, QGold made an unsolicited, on-market takeover offer to acquire all of the fully paid ordinary shares on issue in Carawine which it did not already own at a price of \$0.21 per share ('**Takeover Offer**'). At this point in time, QGold held a relevant interest of approximately 19.65% of the ordinary shares in Carawine.

Subsequently, on 8 March 2022, Carawine released a target statement in which the Board recommended shareholders of Carawine to reject the Takeover Offer. Shortly after, on 6 April 2022, Carawine released a supplementary bidder's statement issued by QGold which stated the offer price of \$0.21 was the last and final offer.

In the absence of a superior proposal, the Board of Carawine recommended for its shareholders to accept the Takeover Offer through a first supplementary target's statement announced on 26 April 2022. Over the period up until early May 2022, QGold completed a series of on-market acquisitions for ordinary shares in Carawine to eventually increase its voting power to approximately 82.63%.

Following completion of the Takeover Offer bid period, Carawine announced on 10 May 2022 that the nominees of QGold, Mr Hayden Leary as Non-Executive Chairman and Mr Martin Lackner as Non-Executive Director, had been appointed to the Board. Mr Hayden Leary was replaced as Non-Executive Chairman by Mr Paul Whimp on 11 October 2023.

## 7. Economic analysis

Carawine is exposed to the risks and opportunities of the Australian market through its listing on the ASX, and being headquartered in Australia. As such, we have presented an economic analysis of Australia.

In its February 2024 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') made the decision to leave the cash rate target unchanged at 4.35%. Prior to the February meeting, the Board of the RBA ('the Board') had further held interest rates steady, following a 25-basis point increase made in November 2023. The decision to hold the cash rate steady at the February meeting was to facilitate inflation returning to the RBA's inflation target of 2-3% within a reasonable timeframe and ongoing moderate growth in employment. Elevated interest rates were intended to ease inflationary pressures and return inflation to its target rate within a reasonable timeframe. Recent data reviewed by the Board on inflation, the labour market and economic activity, in addition to the revised set of forecasts, indicates that inflation is easing, although it remains high.

Subsequent to its peak in December 2022 at 7.8%, inflation continued to gradually decrease over the 2023 calendar year towards the RBA inflation target of 2-3%. The RBA outlined in the February 2024 statement that the decline in the monthly consumer price index ('CPI') indicator from 5.4% in the September 2023 quarter to 4.1% for the December 2023 quarter suggests further progress in the decline in inflation. However, the RBA considers that inflation is still too high and whilst goods price inflation has further eased, the prices of many services remain high. The forecast for CPI inflation reveals it is expected to continue to decline, progress is being achieved marginally slower than previously anticipated and in turn, inflation is now predicted to reach the target by late 2025.

According to the RBA, growth in the Australian economy is expected to remain subdued following a slightly stronger than expected first half of 2023. The economy continues to experience a below-trend growth that is further expected to persist. Recently, the combination of heightened interest rates and cost-of-living pressures has led to a substantial deceleration in household spending. Additionally, dwelling investments have demonstrated weakness on the back of continual hikes in housing prices across the country. As a result, equity market conditions, particularly for retail investors, had dampened alongside the decline in discretionary income. However, since the beginning of 2024, equity prices in Australia have increased to reach a record high, similarly experienced in the advanced economies of the United States and Japan, as a result of recent declines in bond yields. The rise in equity prices is likely indicative of growing market confidence in the potential for inflation to align with central bank targets with minimal adverse impact on future earnings.

Among other major economies around the world, the rebound from the COVID-19 pandemic waned throughout 2022 which contributed to a significant slowdown in the global economy. Like many advanced economies, high inflation and energy prices have weighed in on demand in Australia. For 2024, it is anticipated that Gross Domestic Product ('GDP') growth in Australia's key trading partners will remain substantially below historical norms. In China, growth is expected to slow over the next two years as the post-pandemic rebound in services consumptions fades and the property sector remains weak.

The banking system crisis in the US and Switzerland in March 2023 has contributed to increased volatility in financial markets and a reassessment of the outlook for global interest rates. Such macroeconomic conditions are envisioned to influence tighter financial conditions, creating an additional headwind for the global economy. Despite this, the RBA considers the Australian banking system to be strong, well capitalised and highly liquid, and therefore, well placed to provide the credit that the economy needs, albeit at higher interest rates compared to the rates observed during the COVID-19 pandemic.

Regarding the labour market, conditions have eased although remain tight. As growth in the economy is forecast below trend, employment is predicted to expand at a slower rate than the labour force and the unemployment rate is anticipated to gradually rise to around 4.40% in June 2025. Additionally, wage growth has also increased over the past year and inflation has tapered.

### Outlook

Returning inflation to its target level within a reasonable timeframe remains the priority of the Board, which it expects to achieve in 2025 and reach the midpoint in 2026. Inflation is anticipated to decline more quickly than previously thought due to a greater-than-expected decrease in goods price inflation and slightly softer domestic demand. However, services price inflation remains high, as observed overseas and is expected to gradually decline as domestic inflationary pressures moderate and growth in labour and non-labour costs ease.

Conditions in the labour market are expected to further ease to align broadly with full employment conditions that can be sustained over time without contributing to inflationary pressures in the coming years. Nominal wage growth is expected to remain strong in the near term and then gradually decline in line with labour market easing.

Economic growth in Australia is forecast to remain subdued as earlier interest rate hikes and inflation continues to weigh on consumption. Growth is expected to gradually increase from late 2024 as inflation declines and pressure on household income eases. However, the full impact of policy tightening on household consumption is uncertain. The squeeze on household finances could result in prolonged subdued household consumption, which may put more downward pressure on labour demand and wages and see an earlier return to the inflation target than forecasted. This could also occur if economic growth among Australia's trading partners is slower than anticipated.

Exploration and development companies are not immune to the effects of inflation, with rising drilling and corporate costs impacting the level of capital required to fund exploration programs. Additionally, a tight labour market may make it more difficult for explorers to source labour and advance exploration.

Source: [www.rba.gov.au](http://www.rba.gov.au) Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 6 February 2024 and prior periods, [www.rba.gov.au](http://www.rba.gov.au) Statement on Monetary Policy February 2024 and prior periods, and BDO analysis

## 8. Industry analysis

Carawine is a gold, copper and base metals exploration company and is listed on the ASX. As outlined in Section 5.2 and 5.5, Carawine has particularly reported an MRE for gold and manganese. As such, we have presented an overview of the relevant industry segments on the basis that these form part of the considerations for our overall assessment. We have presented an analysis of the exploration sector on the ASX as well as the gold, copper and manganese industries.

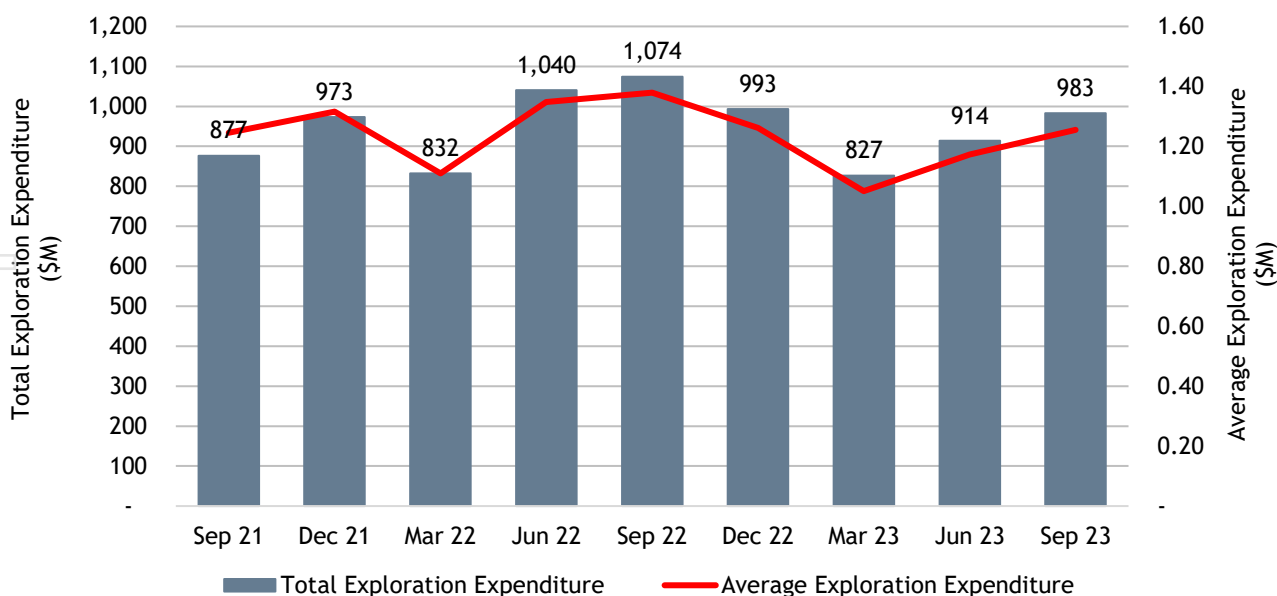
### 8.1 Exploration sector

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the September quarter of 2023 reveals resilience within the sector amidst a broader macroeconomic slowdown. This has been marked by a healthy quarter of fundraising and an increase in exploration expenditure compared to the June 2023 quarter, which serves as an indicator that sector activity is still thriving.

In the September 2023 quarter, in a time which has been tough for initial public offerings ('IPOs'), the explorer IPOs that have occurred and those that remain in our pipeline of IPOs are primarily in commodities that contribute to the 'clean energy' transition. Additionally, critical minerals explorers did not shy from the drill bit, comprising six of the top ten exploration spends.

Exploration activity demonstrated an 8 % increase on the back of the June 2023 quarter, likely influenced by persistent inflation, with the cost of exploration programs continuing to increase. However, we note that a large portion of spend originated from the larger end of the market, reflecting that advancement to production remains a top priority for explorers, especially those with high-quality mineral assets.

**Total Exploration Expenditure - Last Two Years (\$M)**



Despite persisting inflationary pressures, explorers have, by and large, navigated the challenges successfully to date. For instance, cash balances generally remain healthy, indicating that avenues for fundraising generally remain accessible, particularly for those possessing high-quality assets or sought-

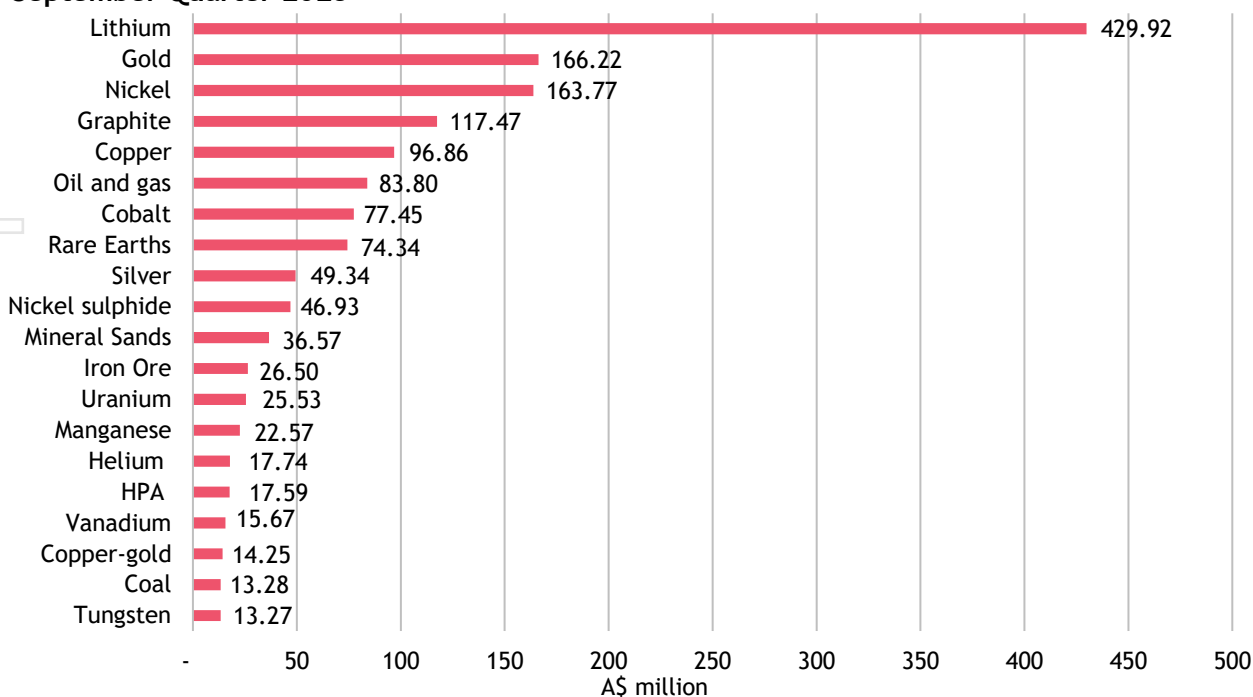
after commodities like critical minerals, gold, or energy fuels. The average cash balance per explorer remained relatively stable from the June 2023 quarter, experiencing a slight decrease from \$10.11 million to \$10.06 million in the current quarter.

Notwithstanding the above, there is a discernible fragmentation between the upper and lower tiers of the sector, whereby capital raising at the smaller end of the market is challenging and is expected to become even more so in the future, especially if prevailing macroeconomic conditions endure. This may provide the perfect backdrop for larger industry players to either acquire exploration rights from those companies struggling to raise capital, or it may become a catalyst for further M&A activity in the sector.

In the September 2023 quarter, lithium surpassed gold to become the leading commodity in our companies which raised capital exceeding \$10 million (which we have termed '**Fund Finders**'), marking the first time since the June 2022 quarter. However, as highlighted in our analyses from previous quarters, the consistent presence of gold and lithium (alongside other battery metals) near the top of our Fund Finders reflects the dichotomy of global events and macroeconomic trends. Investors grappling with challenges posed by the current economic climate, such as increased interest rates and persistent inflation seek the stability offered by safe-haven assets like gold. Simultaneously, an appetite exists for capital allocation to critical minerals explorers, with investors drawing optimism from the need for a clean energy transition, which will continue for many years.

In the September 2023 quarter, Fund Finders operating within the lithium sector successfully secured \$430 million, marking a 29% decrease compared to the total funds raised by lithium Fund Finders in the preceding June 2023 quarter. While acknowledging the overall reduction in funds raised for lithium, it is noteworthy that companies with advanced-stage lithium assets managed to secure funding, ensuring progress toward production. This is particularly encouraging given the prevailing macroeconomic conditions such as the declining lithium price over the past year. Even in times of a declining lithium spot prices, explorers continue to be a destination for capital as investors are taking a long term view of future demand.

#### Financing Inflow by Commodity - Top 43 Explorers September Quarter 2023





The shift from gold to lithium as the leading Fund Finder and the increased presence of other critical minerals may indicate a step change in investor sentiment. According to the World Gold Council, in the September 2023 quarter, net central bank gold purchases remained high by historical standards but declined approximately 27% from the September 2022 quarter. This may indicate moderating inflationary expectations as many countries near the expected peak of their monetary tightening cycles. In contrast, protectionist trade policies and ongoing conflicts in Europe and the Middle East have intensified the urgency for nations to secure uninterrupted and stable supplies of critical minerals in the coming years. This shift in focus, reflected by our Fund Finders, reflects a broader acknowledgment of the strategic importance of these minerals amid geopolitical uncertainties and shifting macroeconomic dynamics.

Despite predominantly positive signals from this quarter's data, there are inklings of potential sectoral fragmentation. Small players in the industry are contending with tightening cash balances and limited access to fundraising, whereas many larger players, particularly those engaged in high-demand commodities, uphold robust cash reserves and encounter fewer challenges in securing funds. BDO anticipates that smaller players may navigate this by pursuing consolidations or forming strategic partnerships to advance their projects, which could give rise to heightened M&A activity in coming quarters.

Source: BDO Explorer Quarterly Cash Update: September 2023 and prior releases.

## 8.2 Gold

Gold is a soft malleable metal which is highly desirable due to its rarity, permanence, and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years, however more recently, there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine, and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

The nature of the ore deposit determines the mining and mineral processing techniques applied. Gold contained in oxide ore deposits are typically of low grade and are simple to extract and readily amenable by cyanidation. Consequently, highly disseminated gold can be contained within sulphide minerals which require mining, crushing, grinding and to be followed by gravity separation to recover the gold, subject to flotation to concentrate the sulphide mineral fraction containing the gold. Inherently, the costs associated with the treatment of oxide ore are significantly less than of sulphide ores.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the recent historical supply of gold is provided in the table below:

Gold supply (tonnes)	2017	2018	2019	2020	2021	2022	2023
Mine production	3,576	3,656	3,596	3,482	3,589	3,625	3,644
Net producer hedging	-26	-12	6	-39	-7	-13	17
Recycled gold	1,112	1,132	1,276	1,293	1,136	1,140	1,237
<b>Total supply</b>	<b>4,662</b>	<b>4,776</b>	<b>4,878</b>	<b>4,736</b>	<b>4,718</b>	<b>4,752</b>	<b>4,899</b>

Source: World Gold Council 2023 Statistics, 31 January 2024



The World Gold Council expects gold to remain supported with the development of new mines in North America, Asia and Australia scheduled for 2024. Heightened geopolitical tension during a key election year for many major economies and ongoing financial uncertainty from weakening global economic conditions should see gold experience persisting strong demand. Continued purchases by from major central banks and concerns about a global recession is anticipated to offer further backing for the commodity. However, the risk of tighter monetary policy or an economic soft landing, particularly concerning the United States economy, could result in gold divestment.

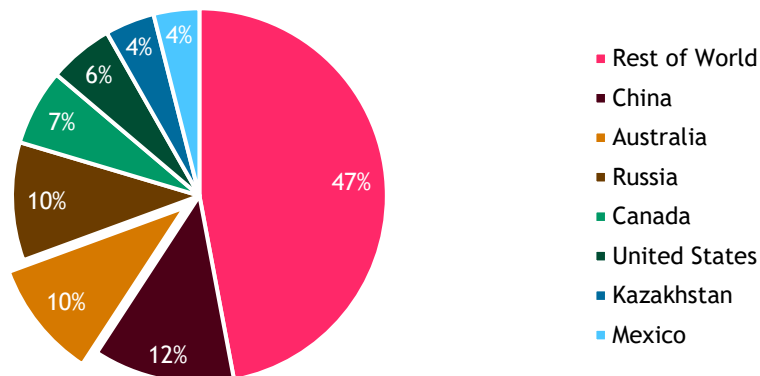
Gold ore mining is a capital intensive and high-cost process, which becomes increasingly difficult and more expensive as the quality of ore reserves diminish. The industry also incurs many indirect costs related to exploration, royalties, overheads, marketing and native title law. Typically, many of these costs are fixed in the short term as a result of industry operators' inability to significantly alter cost structures once a mine commences production.

The gold industry is geographically diverse as China, Australia and Russia lead global gold production. According to the United States Geological Survey ('USGS'), total estimated global gold ore mined for 2023 was approximately 3,000 metric tonnes. The chart below illustrates the estimated global gold production by country for 2023.

#### Gold production and reserves

The USGS estimates that overall global gold production in 2023 remained relatively unchanged from 2022 as production decreases in Peru and Mali were more than offset by production increases in Kazakhstan, South Africa and Tanzania.

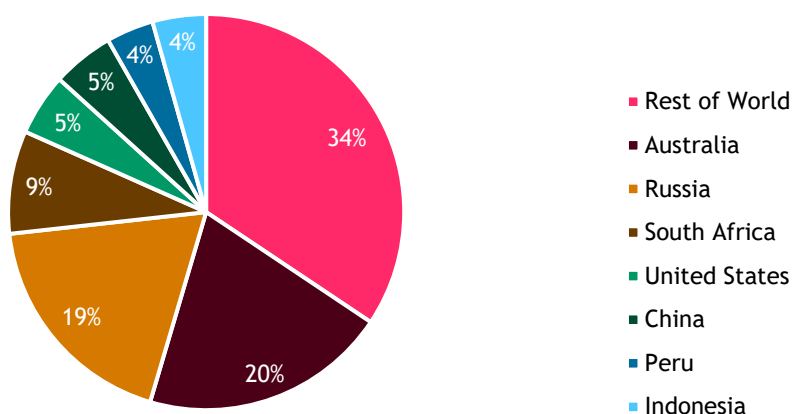
Gold Production by Country 2023



Source: U.S. Geological Survey, January 2024

Despite China leading global gold production in 2023, Australia, Russia and South Africa hold the largest known gold reserves globally. As depicted below, the USGS estimates that collectively, these three countries account for approximately 47% of global gold reserves.

Gold Reserves by Country 2023

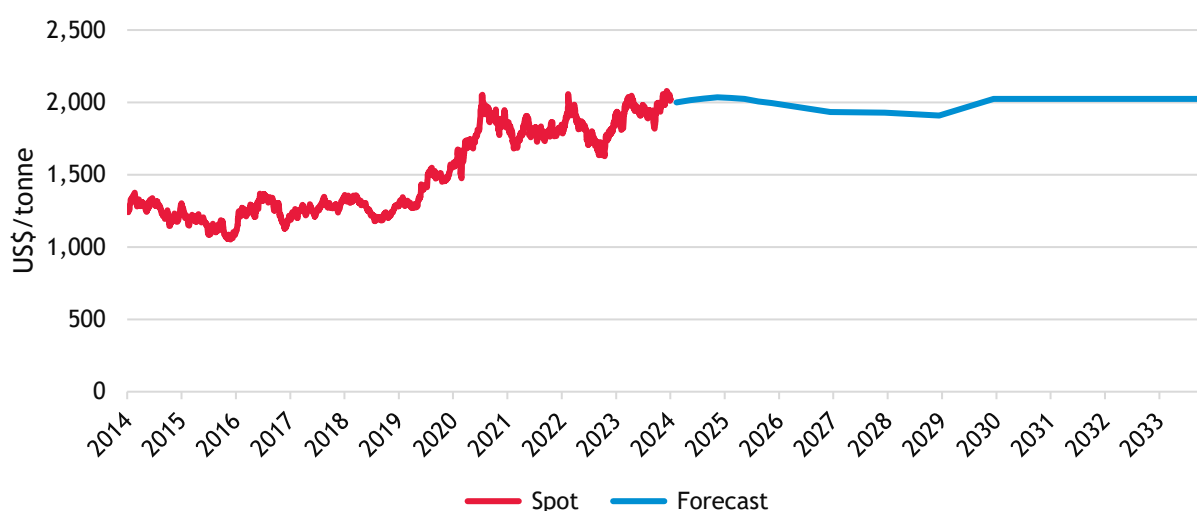


Source: U.S. Geological Survey, January 2024

According to USGS, Australia's gold reserves amount to 12,000 tonnes, representing over 20% of global reserves and the largest held by any one country. Although IBISWorld had estimated domestic industry revenue to grow by an annualised 4.5% increase over the five-year period through to 2023-24, as supported by rising prices, to approximately US\$27.9 billion, forecasts predict domestic industry revenue to fall by an annualised 2.7% over the five-year period through to 2028-29, to approximately US\$24.3 billion. This is largely expected to be the result of a forecast decline in domestic gold prices, a stronger Australian dollar and a higher interest rate environment that is estimated to persist in the short and medium term.

### Gold prices

Gold Spot and Forecast Price



Source: Bloomberg and Consensus Economics

The figure above illustrates the historical fluctuations in the gold spot prices from January 2014 to mid-January 2024 and the consensus economics forecast for gold prices for the remainder of 2024 through to 2034.

Over the period from 2014 through to 2019, the gold price ranged primarily between US\$1,100/oz t and US\$1,400/oz t. Throughout 2020, gold prices fluctuated significantly. Demand for gold increased in response to the uncertainty created by the pandemic, as investors prioritised safe haven assets. In late March 2020, the increasing demand for gold was interrupted by a panic selloff as investors began to realise their profits amidst growing uncertainty. Gold spot prices fell to a yearly low of US\$1,471/oz t, before rallying in late July and early August to exceed US\$2,000/oz t. The COVID crisis was the primary driver of the increase in gold price, as central banks injected billions of dollars into financial markets and investors flocked to safe asset. Additionally, the prevailing low interest rate environment at the time increased access to capital, which further spurred investment in gold.

Through to early January 2021, the price of gold increased as a result of further fallout from the US Election, climbing back over US\$1,900/oz t after remaining in the US\$1,800s/oz t through most of December 2020. For the remainder of 2021, the price of gold traded between US\$1,600/oz t and US\$1,900/oz as demand fluctuated throughout the year. Rising US treasury yields initially threatened gold's appeal as an inflation hedge by increasing the opportunity cost of holding the precious metal. However, concerns regarding the spread of the COVID Delta variant increased gold's appeal, pushing prices back above the US\$1,800/oz t mark in early July 2021. This was quickly reversed in the following months as the US Federal Reserve signalled policy tightening sooner than anticipated which drove US treasury yields and a stronger US dollar. Towards the end of the year, gold prices significantly strengthened following the US Federal Reserve's announcement to reduce purchases of Government bonds and the release of US inflation data which revealed an annualised inflation rate of 6.2%, its highest level since 1990.

The invasion of Ukraine by Russia in February 2022 saw gold prices climb above US\$1,900/oz t and peak at US\$2,039/oz t during March, in response to several economic sanctions on Russia and another release of US inflation data which indicated an inflation rate of 8.5%. In May 2022, the price of gold weakened to US\$1,800/oz t following the US Federal Reserve's aggressive monetary tightening to control rising inflation. The gold price continued to decline until September 2022, before it staged a recovery driven by a combination of slowing US inflation, depreciation of the US dollar, and increased gold demand by central banks for reserve diversification.

The first quarter of 2023 witnessed several financial institutions, such as the Credit Suisse Group AG and the Silicon Valley Bank, face severe liquidity and investor confidence issues which were supportive factors for the price of gold. Early April 2023 saw gold prices surpass US\$2,000/oz t as investors speculated a nearing of the end of interest rate tightening in the US. Gold prices pulled back to below US\$2,000/oz t across May and June 2023. In the second half of 2023, gold fluctuated between US\$1,800/oz t and US\$2,000/oz t, before prices reached an all-time high of US\$2,072/oz t in early December 2023. The increased viability of gold as a hedge against current inflation and emerging market central banks continuing to purchase gold to diversify from the US dollar and US bonds have also contributed to the price hike. Gold continues to be a safe haven asset relied upon during times of volatility.

Consensus Economics forecasts the price of gold to exhibit a small declining trend over the current period to the end of 2027, from which point it is expected to stabilise over the longer term and remain high in comparison to historical levels. According to Consensus Economics, the medium-term forecast gold price from 2026 to 2028 is expected to range between US\$1,910/oz t and US\$1,930/oz t, with the long term (2029-2033) nominal forecast at approximately US\$2,020/oz t.

Source: Bloomberg, Consensus Economics, IBISWorld, World Gold Council and Reuters

### 8.3 Copper

Copper is a soft, malleable, ductile metal used primarily for its electrical and thermal conductive properties and its resistance to corrosion. It is highly versatile and has a variety of applications in construction, electronics, communications, and transportation.

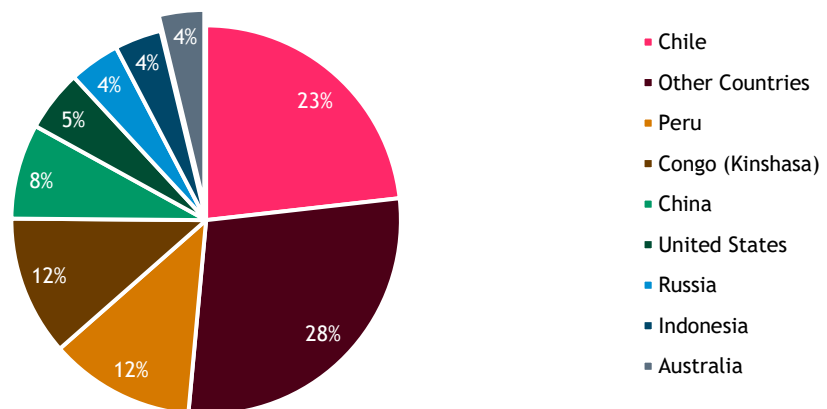
Copper occurs naturally in the Earth's crust in a variety of forms such as sulphide deposits, carbonate deposits and silicate deposits. Open pit mining is widely utilised in most copper producing countries although in Australia, approximately 93% of output is extracted through underground mining. Copper is often found in conjunction with gold, lead, cobalt or zinc, and a number of industry operators mine these metals and ores as well.

Copper concentrate is derived from an oxide through beneficiation processes and is then converted to copper products through smelting and refining. Copper's recycling rate is substantial since the metal is 100 percent recyclable and retains all of its beneficial properties following the recycling process.

#### Copper production and reserves

Most of the world's copper supply is sourced from Central and South America, specifically, Chile and Peru. Chile is the leading copper producer, with an estimated 5.0Mt of copper mined throughout 2023, equating to approximately 23% of the world copper production, down slightly from 24% in 2022. Congo, Peru and China are also significant producers, as per the chart below.

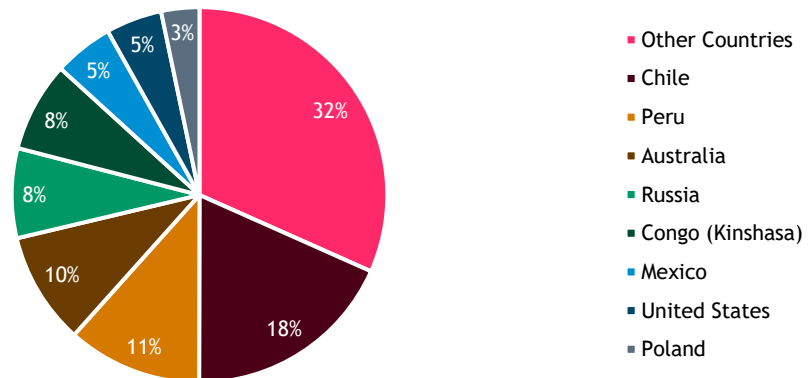
Global Copper Production by Country 2023



Source: U.S. Geological Survey, January 2024

Chile also has the largest copper reserves globally, with Australia's reserves following closely as the second largest, according to the USGS. As depicted in the chart below, Chile, Australia and Peru are estimated to collectively account for just over 40% of global reserves of copper.

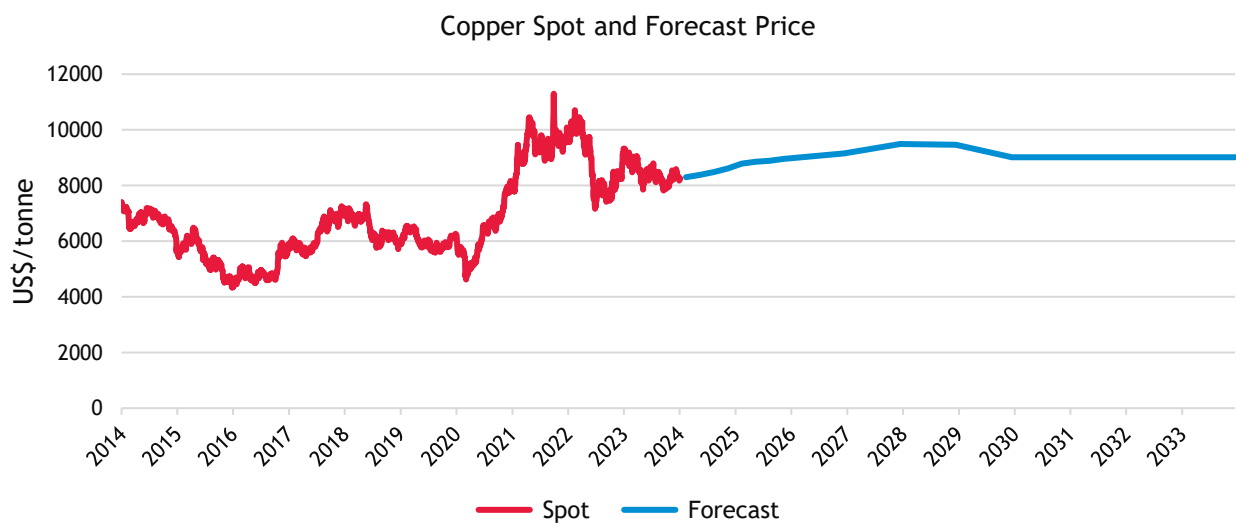
### Global Copper Reserves by Country 2023



Source: U.S. Geological Survey, January 2024

### Copper prices

The US\$ price for copper is quoted on the London Metal Exchange ('LME'). A key driver of the copper price relates to stock levels held in the LME warehouses, being large global copper depositories. Like zinc, copper prices are driven heavily by Chinese demand and mine production. The global balance between demand for and supply of copper, along with speculative influences, determines the price.



Source: Capital IQ and Consensus Economics Survey dated 15 January 2024

The figure above illustrates the historical fluctuations in the copper spot prices from January 2014 to mid-January 2024 as well as the Consensus Economics forecasts for copper prices from the remainder of 2024 to 2033.

Between 2014 and 2017, the copper price steadily declined, before increasing in mid-February 2017, relating to a strike action at the world's largest copper mine Escondida, located in Chile. The average copper price traded around US\$7,000/t for most of 2018 but then traded lower around US\$6,000/t for most of 2019.

Global uncertainty and low confidence resulting from the emergence of the COVID-19 pandemic was a major influence in the decline in copper prices throughout the first quarter of 2020, with prices dropping to a 4-year low of US\$4,625/t on 23 March 2020. The subsequent decline in global production stemming from global lockdown regulations in April and May 2020, coupled with an improvement in copper demand from China, caused prices to spike over the remainder of that year. Chinese government stimulus measures further increased Chinese demand, with the industry experiencing supply constraints and an excess of demand, which pushed the price to exceed US\$10,000/t in May and June 2021. The price stumbled in late June following outbreaks of the Delta-variant of COVID and was US\$9,800/t towards the end of July 2021. Prices remained stable until late October 2021, where copper hit a five-month high of over US\$11,000/t, quickly declining back to around US\$10,000/t. The price averaged around US\$9,600/t for the remainder of 2021.

In the first quarter of 2022, copper prices remained relatively stable, averaging just under US\$10,000/t. In late April 2022, prices began to fall sharply, averaging approximately \$9,500/t in the second quarter, primarily attributable to concerns about supply disruptions stemming from Russia's invasion of Ukraine. In July 2022, prices reached a yearly low of US\$7,160/t and remained volatile for the remainder of the third quarter, averaging US\$7,700/t. This volatility mainly stemmed from competing supply and demand factors. Throughout the second half of the year demand for copper was capped by the war in Ukraine, global inflation, disrupted industrial activity and a stronger US dollar. Prices increased in the fourth quarter of 2022, reaching US\$8,500/t in December as a result of supply disruptions in Latin America.

From January 2023 through July 2023, copper prices averaged US\$8,709/t, and exhibited an increase on the back of the fourth quarter of 2022, primarily due to the expected demand increase associated with China's economic reopening, which coincided with a year to date high of US\$9,330/t in January 2023. However, prices have since declined due to a decrease in industrial activity and uncertainty stemming from global inflationary pressures.

From September 2023 through to mid-January 2024, copper prices fluctuated to average US\$8,217/t. Prices dropped to their lowest level for the year in October 2023 of US\$7,812/t, and LME warehouse stock levels reached a two year high of 180,000 tonnes. Optimism gradually picked up as prices demonstrated an average of \$8,408/t in December 2023, on the back of US interest rates remaining unchanged during the month and increased confidence in the global economy. Heightened demand for the commodity was further propelled by anticipated supply constriction due to disruptions at major mining facilities in Peru and Panama. As of mid-January 2024, prices have steadied around \$8,306/t.

According to Consensus Economics, the medium term forecast copper price from 2025 to 2028 is expected to range between US\$8,791/t and US\$9,492/t, with the long term (2029-2033) nominal forecast at approximately US\$9,014/t.

Source: Bloomberg, Consensus Economics, IBISWorld and S&P Global.

## 8.4 Manganese

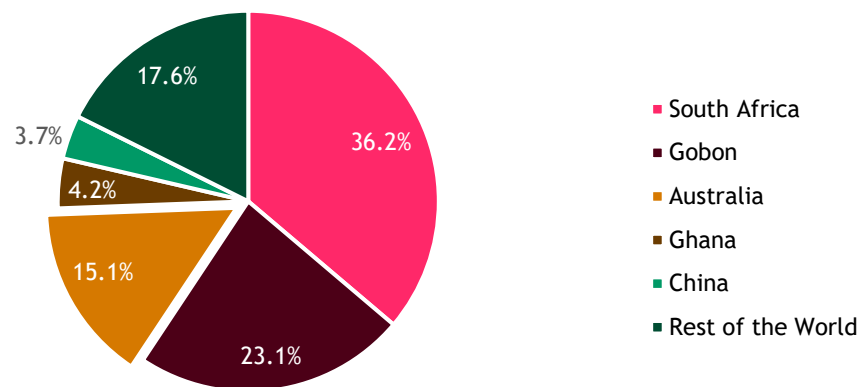
Manganese is a silvery-grey metal that is hard, brittle and paramagnetic, which are properties that enhance the strength of metal alloys. Measured in tonnes, manganese is the fourth most used metal, after iron, aluminium, and copper. Approximately 90% of global manganese consumption is directed to steel production. The remainder is used for the production of animal feed, brick colourant, battery technologies, and fertilisers. Aside from its use in steel, global refined manganese demand is expected to be driven by its consumption in lithium-ion batteries. There are various types of lithium-ion batteries currently on the market, including lithium nickel manganese cobalt oxide ('NMC'), lithium nickel cobalt aluminium oxide, and lithium iron phosphate. Manganese is a core input to the production of NCM

batteries, which is currently the dominant technology. The increasing importance of manganese in battery technologies has led to governments across the world, such as Australia and the United States, to include manganese on their critical minerals list, which identifies those commodities that are strategically important to economic and national security.

Manganese Production and Reserves

According to data released by the USGS, South Africa was the leading producer of manganese in 2023, contributing approximately 7.20 million tonnes of manganese ore, equating to 36.2% of global production. In the same year, Australia was the third largest producer, at 3.00 million tonnes, equating to 15.1% of global production.

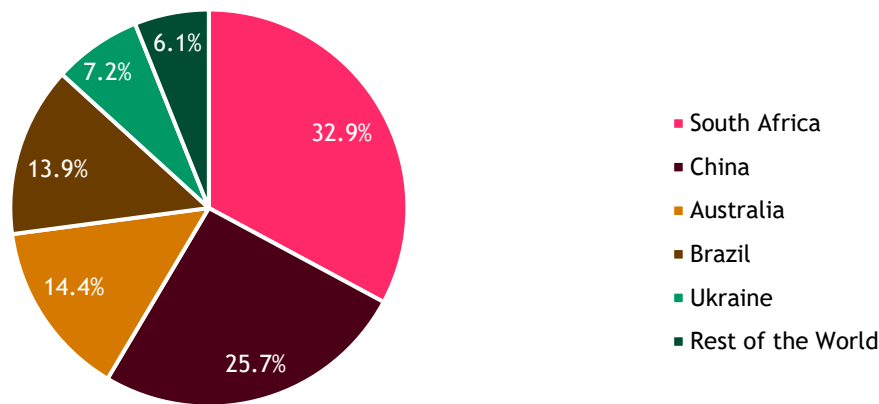
Manganese Production by Country 2023



Source: U.S. Geological Survey, January 2024

In respect of manganese ore reserves, South Africa was the leading country in 2023, holding approximately 640 million tonnes, which represents around 32.9% of the world total. In the same year, Australia held the third largest ore reserves, holding approximately 280 million tonnes, equivalent to 14.4% of the world's total.

Manganese Reserve by Country 2023



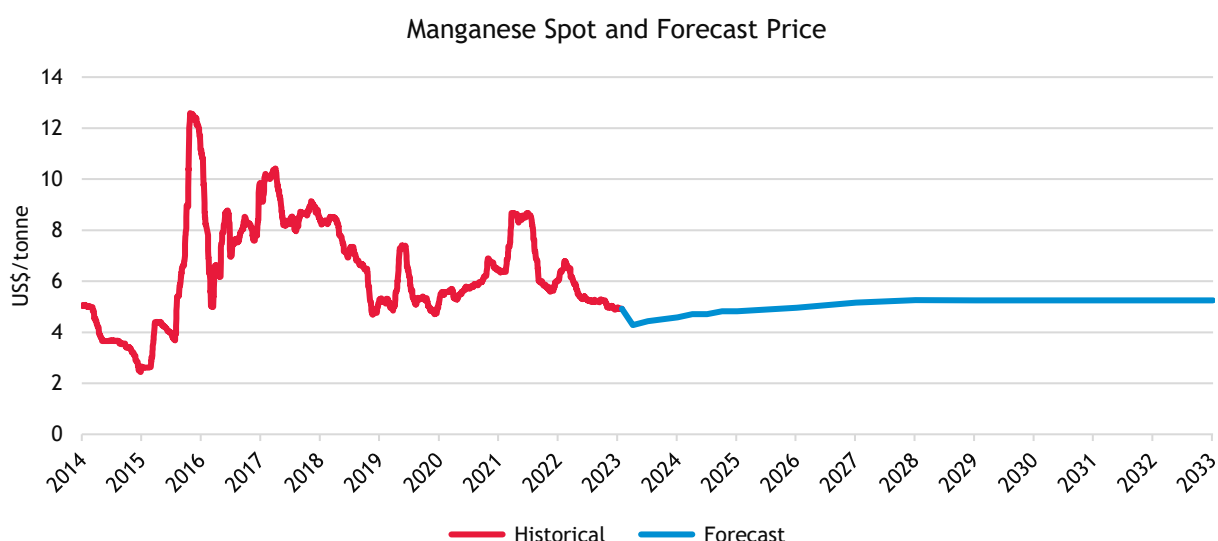
Source: U.S. Geological Survey, January 2024

The Australian manganese industry is highly concentrated, with a small number of firms accounting for a large proportion of manganese output. The Groote Eylandt Mining Company (a joint operation between South32 Limited and Anglo American Australia Limited) in the Northern Territory currently provides the bulk of Australia's manganese output. IBIS World identifies that barriers to entry in this industry are high due to the large amount of capital required to establish a new industry operation.

### Manganese prices

Given the demand for manganese is still largely driven by steel production, the world price of iron ore and steel often acts as a proxy for manganese ore prices. Both iron ore and manganese are required to produce steel, therefore, a decrease in the world price of iron ore often correlates with a decrease in the price of manganese ore. Global prices and demand for steel greatly affect manganese demand, with the volume of Chinese steel output largely driving the manganese industry's performance.

Manganese prices are quoted per dry metric tonne units ('dmtu'). The manganese spot and forecast price graph below is based upon a benchmark ore of 44% manganese content, Cif, Tianjin, China.



Source: Bloomberg and Consensus Economics Survey dated 15 January 2024.

During 2014-15, lower manganese prices contributed to a fall in revenue, resulting in several mines being temporarily shut down causing industry volumes and revenue to decline further in 2015-16. This forced some companies to halt production as it was no longer economically feasible to continue operations until manganese prices recovered. As a result of the lower output, manganese prices jumped in late 2016, but normalised quickly after as companies recommenced operations and started exporting stockpiled ore.

Prices remained strong in 2017 before increasing in 2018 to a year-high of US\$10.34/dmtu with the increased physical demand from China coupled with financial market speculation of the increased steel demand from the large infrastructure spending program in the US. However, due to an oversupply in the market and elevated port stocks in China, prices began to decrease throughout 2019.

In the period between 2020 and 2022, global events had caused supply-demand mismatches that led to increased price volatility for manganese ore. Specifically, lockdowns from COVID-19 led to a slowdown in Chinese steel manufacturing, which subdued demand for manganese. In Europe, elevated energy prices resulting from the war in Ukraine saw a reduction in European steel manufacturing, which also placed downward pressure on manganese demand. The reduced demand saw an increase in the number of mines



entering care and maintenance within the period, leading to a reduction in manganese ore stockpiles, and a reduction in overall supply.

In 2023, prices displayed a general decline following a temporary peak in February. This peak was attributed to restricted ore shipments from Gabon, the commodity's second largest producer, due to damaged railways caused by a landslide in December 2022. Beginning in April 2023, when prices averaged US\$4.25/dmtu, there has been a significant decline in prices. According to the United States Geological Survey, total imports of manganese ore for the first six months of 2023 were 74% less than that during the same period in 2022.

Despite disruptions occurring at the main port of South Africa, the global leader in manganese ore production, and the suspension of operations at various plants in Ukraine during the third quarter of 2023, subdued interest in the electric vehicle market resulted in a gradual decrease in prices for the remainder of 2023.

Global manganese prices are forecast to improve over the next five years with a recovery in Chinese steel manufacturing. Medium term manganese pricing from 2025 to 2028 is forecasted to range between US\$4.76/dmtu and US\$5.26/dmtu. In the long term, the price of manganese is expected to increase marginally to US\$5.25/dmtu from 2029-33.

**Source:** Bloomberg, Consensus Economics, and IBISWorld.

## 9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment such as a Resource Multiple

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of a Carawine share we have chosen to employ the following methodologies:

- Sum-of-parts method, as our primary method, which estimates the market value of a company by separately valuing each asset and liability of the company. The value of each asset may be determined using different methods and the component parts are then aggregated using the NAV methodology.
- QMP as our secondary methodology, as this represents the value that a Shareholder may receive for a Carawine share if it were sold on market. The value derived from this methodology reflects a minority interest, therefore a premium for control would be added to the value using the QMP approach.
- In accordance with section 667C (2) of the Corporations Act we have also considered the amounts paid for any Carawine securities within the last six months.

We have employed the Sum-of-Parts methodology in estimating the fair market value of Carawine by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration for the:

- Value of Carawine's mineral assets, relying on an independent technical specialist report ('Independent Technical Specialist Report'); and
- Value of Carawine's other assets and liabilities, using the NAV methodology.

We have chosen these methodologies for the following reasons:

- Carawine's mineral assets do not currently generate a material level of income nor is there any material level of historical profits that could be used to represent future earnings, therefore we do not consider the application of the FME approach to be appropriate;
- Carawine's mineral assets have no material level of foreseeable future net cash inflows on which we would have sufficient reasonable grounds in accordance with RG 170 and IS 214 therefore we do not consider the application of the DCF approach to be appropriate;
- The core value of Carawine lies in its various exploration projects and as they are currently not producing, and there is no revenue or cash flows currently being generated, we have commissioned an independent technical specialist to value Carawine's mineral assets. This value has been combined with the value of Carawine's other assets and liabilities. Therefore, we consider the Sum-of-Parts approach to be an appropriate methodology to use in assessing the value of Carawine; and
- We have adopted QMP as our secondary approach. The QMP basis is a relevant methodology to consider because Carawine's shares are listed on the ASX, therefore reflecting the value that a Shareholder will receive for a share sold on the market. This means there is a regulated and

observable market where Carawine's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the Company's activities.

- The amounts paid for securities in the last six months can reflect their market value where those transactions reflect arm's length transactions on the basis of knowledgeable and willing, but not anxious sellers and buyers of securities. Where they do not then such transactions may not reflect the fair market value of the securities.

#### Technical Expert

In performing our valuation of Carawine's mineral assets, we have relied on the Independent Technical Specialist Report, which includes an assessment of the market value of Carawine's mineral assets.

We instructed Valuation and Resource Management Pty Ltd ('VRM') to provide an independent market valuation of Carawine's mineral assets. VRM considered a number of different valuation methods when valuing these assets. VRM's Independent Technical Specialist Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('VALMIN Code') and the JORC Code.

We are satisfied with the valuation methodologies adopted by VRM, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by VRM are referred to in the respective sections of our Report and in further detail in the Technical Specialist Report contained in Appendix 4.

## 10. Valuation of Carawine

### 10.1 Sum-of-Parts valuation

We have employed the Sum-of-Parts methodology in estimating the fair market value of a Carawine share by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration of the following:

- Value of Carawine's mineral assets; and
- Value of Carawine's other assets and liabilities.

Our Sum-of-Parts valuation is set out in the table below:

Valuation of Carawine	Ref	Low \$	Preferred \$	High \$
Value of Carawine's mineral assets	10.1.1	10,300,000	19,800,000	28,500,000
Value of Carawine's other assets and liabilities	10.1.2	4,777,904	4,777,904	4,777,904
<b>Total value of Carawine</b>		<b>15,077,904</b>	<b>24,577,904</b>	<b>33,277,904</b>
Number of Shares outstanding	10.1.3	236,125,449	236,125,449	236,125,449
<b>Value per Carawine share</b>		<b>0.064</b>	<b>0.104</b>	<b>0.141</b>

Source: BDO analysis

We have assessed the value of a Carawine share (on a controlling interest basis) to be in the range of \$0.064 to \$0.141, with a preferred value of \$0.104.

#### 10.1.1. Valuation of Carawine's mineral assets

In performing our valuation of Carawine's mineral assets, we have relied on the Independent Technical Specialist Report prepared by VRM, which includes an assessment of the market value of Carawine's mineral assets.

We instructed VRM to provide an independent market valuation of the mineral assets held by Carawine. VRM considered a number of different valuation methods when valuing the mineral assets of Carawine. VRM applied the market-based assessment of resource multiples as the primary valuation methodology.

The range of values for Carawine's mineral assets, as assessed by VRM, is set out below:

Value of Carawine's mineral assets - Primary Valuation	Valuation Method	Low \$m	Preferred \$m	High \$m
Hercules Gold Resource	Comparable Transactions (\$/oz)	1.5	2.8	3.4
Flanagan Bore Mn Resource	Comparable Transactions (\$/t of concentrate)	0.8	1.1	1.3
<b>Total Mineral Resources</b>		<b>2.3</b>	<b>3.9</b>	<b>4.7</b>
<b>Exploration Projects</b>				
Fraser Range Nickel Project	Geoscientific	2.3	4.9	7.4
FRJV	Geoscientific	0.0	0.1	0.1
Jamieson Project	Geoscientific	0.5	1.6	2.6
Oakover Project	Geoscientific	1.5	2.9	4.3
Carawine JV Oakover Project	Geoscientific	0.5	1.0	1.4
Paterson Project	Geoscientific	0.3	0.7	1.1
West Paterson JV	Geoscientific	0.7	1.2	1.6
Coolbro JV	Geoscientific	0.2	0.5	0.8
Tropicana North Gold Project	Geoscientific	1.7	3.0	4.3
Thunderstruck JV	Geoscientific	0.1	0.1	0.2
<b>Total Exploration Projects and Exploration Potential</b>		<b>8.0</b>	<b>15.9</b>	<b>23.8</b>
<b>Value of Carawine's mineral assets</b>		<b>10.3</b>	<b>19.8</b>	<b>28.5</b>

Source: Independent Technical Specialist Report prepared by VRM

The table above indicates a range of values between \$10.3 million and \$28.5 million, with a preferred value of \$19.8 million. For further information on VRM's approach and conclusions, refer to the Independent Technical Specialist Report which is included as Appendix 4 of our Report.

### 10.1.2. Valuation of Carawine's other assets and liabilities

The other assets and liabilities of Carawine represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Carawine and analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

Carawine's other assets and liabilities	Note	Audited as at 30-Jun-23 \$	Adjusted value \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	a)	3,814,465	5,137,832
Other assets		160,877	160,877
<b>TOTAL CURRENT ASSETS</b>		<b>3,975,342</b>	<b>5,298,709</b>
<b>NON-CURRENT ASSETS</b>			
Other assets		34,283	34,283
Plant and equipment		214,105	214,105
Deferred exploration expenditure	b)	18,189,808	-
Right-of-use asset		91,929	91,929
<b>TOTAL NON-CURRENT ASSETS</b>		<b>18,530,125</b>	<b>340,317</b>
<b>TOTAL ASSETS</b>		<b>22,505,467</b>	<b>5,639,026</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		314,922	314,922
Employee benefits		192,070	192,070
Provision		260,000	260,000
Lease liability		56,997	56,997
<b>TOTAL CURRENT LIABILITIES</b>		<b>823,989</b>	<b>823,989</b>
<b>NON-CURRENT LIABILITIES</b>			
Provision		-	-
Lease liability		37,133	37,133
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>37,133</b>	<b>37,133</b>
<b>TOTAL LIABILITIES</b>		<b>861,122</b>	<b>861,122</b>
<b>NET ASSETS</b>		<b>21,644,345</b>	<b>4,777,904</b>

Source: Carawine's audited financial statements for the year ended 30 June 2023, Carawine's bank statement as at 31 January 2023 and BDO analysis

We have been advised that there has not been any other significant change in the net assets of Carawine since 30 June 2023 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the audited position at 30 June 2023, we have obtained supporting documentation to validate the adjusted values used, which provides reasonable grounds for reliance on the unaudited financial information.

We note the following in relation to the above valuation to Carawine's other assets and liabilities:

**Note a): Cash and cash equivalents**

We have adjusted cash and cash equivalents to reflect cash on hand as at 31 January 2024. Management have provided us with the bank balance as at 31 January 2024, which we have verified against supporting bank statements.

**Note b): Exploration and evaluation expenditure**

We have adjusted the book value of exploration and evaluation expenditure of \$18.19 million as at 30 June 2023 to nil, as it is accounted for in the valuation of Carawine's mineral assets, which have been valued separately in Section 10.1.1.

### **10.1.1. Number of shares outstanding**

As detailed in Section 5.10, the number of Carawine shares on issue as at the date of our Report is 236,125,449.

## **10.2 Quoted Market Prices for Carawine Securities**

To provide a comparison to the valuation of Carawine in Section 10.1, we have also assessed the quoted market price for a Carawine share as traded on the ASX. In addition, RG 111.49 states that in determining the fair value for securities, an expert must take into consideration the prices paid for securities in that class in the previous six months, which we have considered below in Section 10.3.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

QGold will gain 100% of Carawine if the Compulsory Acquisition is successful.

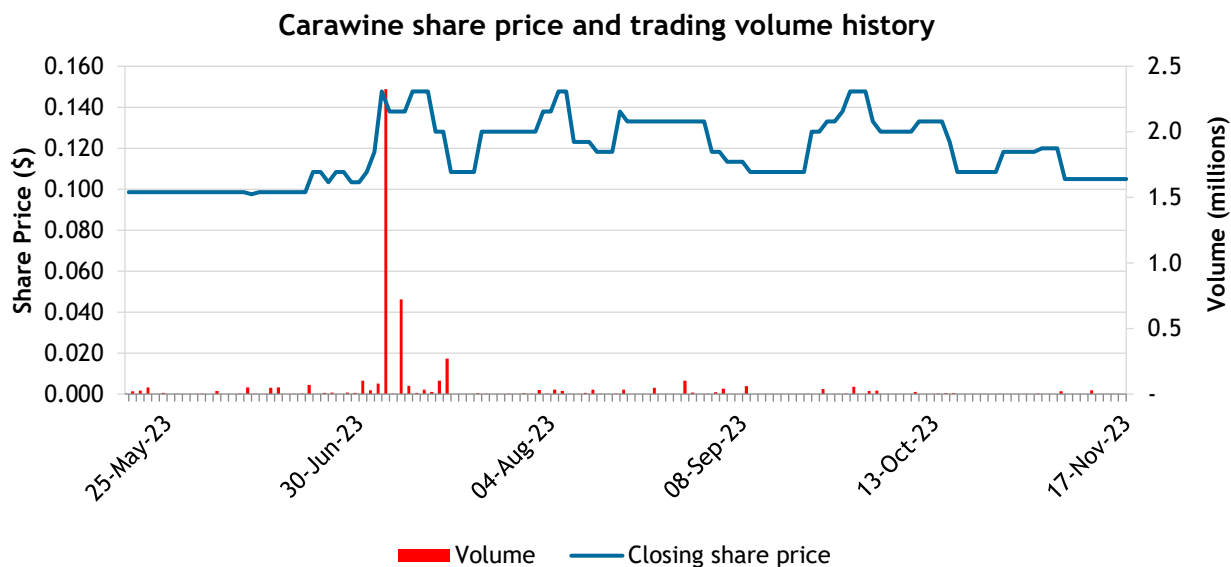
Therefore, our assessment of the quoted market price of a Carawine share including a premium for control has been prepared in two parts. The first part is to assess the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

### **Minority interest value**

On 20 November 2023, Carawine announced that QGold had increased its shareholding beyond 90%, giving QGold the right, but not the obligation, under Chapter 6A of the Corporations Act to compulsorily acquire any remaining Carawine shares.

Our analysis of the quoted market price of a Carawine share is based on the pricing prior to the announcement of QGold exceeding 90%. This is because the value of a Carawine share after the announcement may include the effects of any change in value as a result of QGold exceeding 90%.

Therefore, the following chart provides a summary of the share price movement of Carawine shares traded on the ASX over the six months to 17 November 2023 which was the last trading day prior to the announcement. The period of six months has been selected in compliance with the requirements of RG 111.49.



Source: Bloomberg

The daily price of Carawine shares from 18 May 2023 to 17 November 2023 ranged from a low of \$0.0975 on 9 June 2023 to a high of \$0.1477 on 2 October 2023. The day of the largest share volume traded over the assessed period was 6 July 2023, when 2,324,949 shares were traded. On this day, QGold had made an on-market acquisition for 2,262,864 shares in Carawine at a price of \$0.140 per share.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$ (movement)			\$ (movement)		
02/11/2023	Dispatch of Entitlement Offer Documents	0.120	▲	1.5%	0.105	▼	12.5%
25/10/2023	Quarterly Activities/Appendix 5B Cash Flow Report, Entitlement Offer and Prospectus	0.108	►	0.0%	0.118	▲	9.1%
17/10/2023	Notice of Annual General Meeting/Proxy Form and Letter to Shareholders - Annual General Meeting	0.123	▼	7.4%	0.108	▼	12.0%
21/09/2023	Listing Rule 3.13.1	0.128	▲	18.2%	0.133	▲	3.9%
20/09/2023	Appendix 4G and Corporate Governance Statement and Annual Report to shareholders	0.108	►	0.0%	0.133	▲	22.8%
03/08/2023	Drilling Underway at Big Bang Nickel Targets	0.138	▲	7.7%	0.148	▲	7.1%

Source: Bloomberg and BDO Analysis



To provide further analysis of the market prices for a Carawine share, we have also considered the weighted average market price for 10, 30, 60, 90 day periods and six months to 17 November 2023.

Share price per unit	17-Nov-23	10 Days	30 Days	60 Days	90 Days	Prior 6 months
Closing price	\$0.105					
Volume weighted average price (VWAP)		\$0.105	\$0.114	\$0.126	\$0.127	\$0.132

Source: Bloomberg, BDO analysis

The above VWAP has been analysed based on the preceding six months to the date that QGold exceeded a 90% interest in Carawine, to avoid the influence of any increase in price of Carawine's shares that has occurred since the announcement.

An analysis of the volume of trading in Carawine shares for the six-month period from 18 May 2023 to 17 November 2023 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital	As a % of shares not held by QGold
1 Day	\$0.105	\$0.105	-	0.00%	0.00%
10 Days	\$0.105	\$0.120	47,500	0.02%	0.21%
30 Days	\$0.105	\$0.133	86,065	0.04%	0.39%
60 Days	\$0.105	\$0.148	465,367	0.20%	2.10%
90 Days	\$0.105	\$0.148	1,077,972	0.46%	4.86%
6 months to 17 November 2023	\$0.098	\$0.148	4,864,132	2.06%	21.94%

Source: Bloomberg, BDO analysis

This table indicates that Carawine's shares display a low level of liquidity, with 2.06% of the Company's current issued capital being traded over the six month period. The shares are tightly held due to QGold holding approximately 90% of the issued capital over the six month period analysed. We have shown the percentage of shares traded excluding the shares held by QGold which shows 21.94% of the remaining shares traded on the ASX over the six month period.

RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Carawine, we consider the shares to display a low level of liquidity, on the basis that less than 1% of securities have been traded weekly on average, with 2.06% of Carawine's current issued capital

being traded over a six-month period and 21.94% when excluding the shares held by QGold. Across the period assessed, there were 62 trading days where there was no trading in the Company's shares.

Our assessment is that a range of values for Carawine shares based on market pricing is between \$0.105 and \$0.125.

### Quoted market price including control premium

Based on our control premium analysis set out in Appendix 3, we consider an appropriate premium for control to be between 25% and 35%. Applying a control premium to Carawine's quoted market share price results in the following quoted market price value including a premium for control:

	Low	Midpoint	High
	\$	\$	\$
Quoted market price value	0.105	0.115	0.125
Control premium	25%	30%	35%
<b>Quoted market price valuation including a premium for control</b>	<b>0.131</b>	<b>0.150</b>	<b>0.169</b>

Source: BDO analysis

Therefore, our valuation of a Carawine share based on the quoted market price method and including a premium for control is between \$0.131 and \$0.169. Whilst we have considered the value of Carawine shares as required under RG 111.49, we would be cautious in placing too much reliance on these values obtained under the QMP approach due to the low liquidity of the shares.

## 10.3 Consideration of the 2023 Entitlement Offer

As detailed in Section 5.7, in October 2023, Carawine offered all shareholders the opportunity to participate in a pro-rata renounceable entitlement offer of two fully paid ordinary shares for every nine shares, at an issue price of \$0.11 per share ('Subscription Price'). The 2023 Entitlement Offer closed on 15 November 2023, and raised approximately \$4.32 million (before costs). A total of 39,307,981 new shares were subscribed for under the 2023 Entitlement Offer. Of this total, 38,901,620 shares (99.0%) were subscribed for by QGold. Only 406,361 shares were subscribed for by other shareholders raising approximately \$45,000.

In determining the fair value of a Carawine share, we took into account and considered the Subscription Price of \$0.11 per share offered under the 2023 Entitlement Offer but have not relied on it in forming our assessed value range of a Carawine share, noting the following:

- Fair market value is defined as "The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms' length transaction after proper marketing wherein the parties had each acted knowledgeable, prudently and without compulsion";
- The 2023 Entitlement Offer was open to all shareholders, but substantively only QGold subscribed for shares under the 2023 Entitlement Offer, suggesting the Subscription Price did not reflect a price that other shareholders were willing to transact at (i.e. there was an absence of willing buyers at the Subscription Price). Had the Subscription Price reflected a fair market value for a Carawine share, or been below the fair value of a Carawine share, it would be reasonable to expect a greater level of participation from shareholders other than QGold; and

- QGold was motivated to subscribe at the Subscription Price to preserve the value of its existing financial interest in Carawine, being the largest shareholder. Therefore, we do not consider QGold's subscription for Carawine shares to be on an arm's length basis.

Given the factors set out above, we have taken into account the Subscription Price but have concluded that the Subscription Price does not reflect the fair market value of a Carawine share.

#### 10.4 Assessment of Carawine's value

The results of the valuations performed are summarised in the table below:

	Low \$	Preferred \$	High \$
Sum-of-Parts valuation	0.064	0.104	0.141
QMP valuation	0.131	0.150	0.169
Subscription Price	0.110	0.110	0.110

Source: BDO analysis

The values derived from our Sum-of-Parts and QMP approaches and the Subscription Price are reasonably consistent with one another. Given that the shares of Carawine display a low level of liquidity and that the 2023 Entitlement Offer was only substantively taken up by QGold, we have elected to rely on the value derived from our Sum-of-Parts approach.

We consider the sum-of-parts value, which is a control value, to represent the fair value of Carawine's shares to Shareholders. This represents the amount that would be distributed to shareholders if all the Company's assets and liabilities were sold and settled on an orderly basis. In our opinion no premium would be received in excess of the net asset value by selling 100% of the Company noting that RG111.11 requires that any special value of the target to a particular bidder should not be taken into account in the assessment of fairness.

Based on the results above we consider the value of a Carawine share to be between \$0.064 and \$0.141, with a preferred value of \$0.104.

## 11. Valuation of Consideration

Under the terms of the Compulsory Acquisition, QGold is offering Shareholders \$0.11 in cash per Carawine share (provided that the consideration payable for the total holding of Carawine shares for each shareholder will be rounded to the nearest whole cent).

## 12. Do the Compulsory Acquisition terms offer a fair value?

### 12.1 Fair value opinion

The value of a Carawine share is compared to the value of the Consideration as set out below:

	Ref	Low \$	Preferred \$	High \$
Value of a Carawine share on a control basis (per share)	10.4	0.064	0.104	0.141
Consideration (per share)	11	0.110	0.110	0.110

Source: BDO analysis

\*Provided that the consideration payable for the total holding of Carawine shares for each shareholder will be rounded to the nearest whole cent

We note from the table above that the value of the Consideration is within our range of values for a Carawine share. Therefore, we consider that the terms of the Compulsory Acquisition give a fair value to Shareholders.

### 12.2 Conclusion

We have considered the terms of the Compulsory Acquisition as outlined in the body of this report and have concluded that the Compulsory Acquisition terms give a fair value to Shareholders.

## 13. Sources of information

This report has been based on the following information:

- Draft Notice of Compulsory Acquisition on or about the date of this report;
- Audited financial statements of Carawine for the years ended 30 June 2023, 30 June 2022 and 30 June 2021;
- Unaudited management accounts of Carawine for the half year ended 31 December 2023 and one month period ended 31 January 2024;
- Supporting bank statements as at 31-Jan-24;
- Independent Valuation Report of Carawine's mineral assets dated 26 February 2024 performed by VRM;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of QGold.

## 14. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$45,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by QGold in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by QGold, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Carawine and QGold and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Carawine and QGold and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with QGold, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to QGold and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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## 15. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 500 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a Fellow of Chartered Accountants Australia & New Zealand and a member of the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

## 16. Disclaimers and consents

This report has been prepared at the request of QGold for inclusion in the Notice of Compulsory Acquisition which will be sent to all Carawine Shareholders. QGold engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider if the proposed terms of the Compulsory Acquisition give a fair value for the shares of Carawine held by the minority shareholders of Carawine.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Compulsory Acquisition. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Compulsory Acquisition other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to QGold. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Carawine, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Carawine.

The valuer engaged for the mineral asset valuation, VRM, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

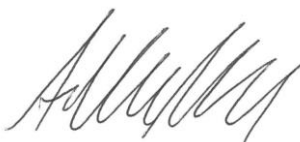
The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

**BDO CORPORATE FINANCE (WA) PTY LTD**



**Sherif Andrawes**  
Director



**Adam Myers**  
Director

# Appendix 1 - Glossary of Terms

Reference	Definition
2022 Entitlement Offer	A pro rata renounceable entitlement offer announced by Carawine on 25 October 2022 of one fully paid ordinary new share for every two shares held by eligible shareholders at an issue price of \$0.08 per share
2023 Entitlement Offer	A pro rata renounceable entitlement offer announced by Carawine on 25 October 2023 of two fully paid ordinary new shares for every nine shares held by eligible shareholders at an issue price of \$0.11 per share
the Act	The Corporations Act 2001 Cth
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
BDO	BDO Corporate Finance (WA) Pty Ltd
Black Canyon	Black Canyon Limited
the Board	the Board of the RBA
Carawine	Carawine Resources Limited
the Company	Carawine Resources Limited
Compulsory Acquisition	The proposed acquisition by QGold of the remaining shares in Carawine that it does not already own
Consideration	The offer of \$0.11 per share as per the Notice of Compulsory Acquisition
Coolbro JV	A farm-in and joint venture between Fortescue (51% interest) and Carawine (49% interest), whereby Fortescue has the right to earn up to 75% interest in the Lamil Hills, Trotman South, Sunday and Eider tenements by spending \$6.1 million in two stages over a seven-year period to November 2026
Corporations Act	The Corporations Act 2001 Cth
CPI	Consumer price index
Date of Notice	The date of the Notice of Acquisition
DCF	Discounted cash flow
dmtu	Dry metric tonne units
Flanagon Bore Project	Flanagon bore manganese project
FME	Future maintainable earnings



Reference	Definition
Fortescue	FMG Resources Pty Ltd
FRJV	Fraser Range Joint Venture
FSG	Financial Services Guide
GDP	Gross Domestic Product
IGO	IGO Limited
Independent Technical Specialist Report	An independent technical specialist report prepared by VRM which outlines the value of Carawine's mineral assets
IPOs	Initial public offerings
JV	Joint venture
km <sup>2</sup>	square kilometres
LME	London Metal Exchange
MLA	Mining lease application
MRE	Mineral Resource Estimate
NAV	Net asset value
NMC	Nickel manganese cobalt oxide
the Notice	Notice of Compulsory Acquisition
Notice of Compulsory Acquisition	The Compulsory Acquisition notice
ours	BDO Corporate Finance
QGold	QGold Pty Ltd
QMP	Quoted market price basis
RBA	Reserve Bank of Australia
RG 10	Regulatory Guide 10 'Compulsory Acquisitions and Buyouts'
RG 111	Regulatory Guide 111 'Content of Expert's Reports'
RG 112	Regulatory Guide 112 'Independence of Experts'
RTX	Rio Tinto Exploration Pty Ltd
Shareholders	The minority shareholders of Carawine

Reference	Definition
Strategic Minerals	Strategic Minerals Corporation Pty Ltd (formerly Strategic Minerals Corporations N.L.)
Subscription Price	An issue price of \$0.11 per share offered for two fully paid ordinary shares for every nine shares as part of a pro-rata renounceable entitlement offer by Carawine
Takeover Offer	An on-market takeover offer made by QGold on 22 February 2022 to acquire all of the fully paid ordinary shares on issue in Carawine which it did not already own at a price of \$0.21 per share
Thunderstruck	Thunderstruck Investments Pty Ltd
Thunderstruck JV	A joint venture between Carawine (90% interest) and Thunderstruck (10% interest) comprising two granted exploration licences
us	BDO Corporate Finance
USGS	United States Geological Survey
VALMIN Code	the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition)
VRM	Valuation and Resource Management Pty Ltd
we	BDO Corporate Finance
West Paterson JV	A farm-in and joint venture between RTX (70% interest) and Carawine (30% interest), whereby RTX has the right to earn up to an 80% interest in the Baton and Red Dog tenements in two stages. Firstly, by spending \$5.5 million in six years from October 2019 to earn a 70% interest, to be followed by sole funding to a prescribed milestone to earn the 80% interest

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Australia

# Appendix 2 - Valuation Methodologies

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Methodologies commonly used for valuing assets and businesses are as follows:

## 1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

## 2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

## 3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

#### **4 Discounted future cash flows ('DCF')**

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

#### **5 Market Based Assessment**

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

# Appendix 3 - Control Premium Analysis

## ASX-Listed General Mining Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2023	14	162.16	30.31
2022	9	1,929.92	22.67
2021	6	1,235.14	29.89
2020	5	592.04	35.90
2019	9	182.08	41.27
2018	6	68.30	28.27
2017	4	9.28	39.86
2016	10	72.56	50.15
2015	6	318.69	58.37
2014	13	79.54	41.48
2013	12	145.27	37.75

Source: Bloomberg and BDO Analysis

## All ASX-Listed Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2023	34	428.37	27.25
2022	39	3,199.03	23.39
2021	29	1,348.05	34.75
2020	16	367.97	40.43
2019	29	4,165.55	32.83
2018	26	1,571.79	30.07
2017	24	1,168.71	36.75
2016	28	490.46	38.53
2015	28	948.39	33.53
2014	36	485.46	37.39
2013	32	147.97	35.48

Source: Bloomberg and BDO Analysis

The mean and median of the entire data sets comprising control transactions from 2013 onwards for ASX-listed general mining companies and all ASX-listed companies, are set out below:

Entire Data Set Metrics	ASX-Listed Mining Companies		All ASX-Listed Companies	
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
Mean	403.25	37.57	1,352.01	33.05
Median	53.03	31.88	115.57	28.60

Source: BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

We have removed transactions for which the announced premium was in excess of 100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

The table above indicates that the long-term average control premium by acquirers of ASX-listed general mining companies and all ASX-listed companies is approximately 37.57% and 33.05% respectively. However, in assessing the transactions included in the table above, we noted that control premiums appeared to be positively skewed.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 31.88% for ASX-listed general mining companies and 28.60% for all ASX-listed companies.

Based on the above, we consider an appropriate premium for control to be between 25% and 35%.

## Appendix 4 - Independent Technical Specialist Report

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# INDEPENDENT TECHNICAL ASSESSMENT REPORT OF MINERAL ASSETS OWNED BY CARAWINE RESOURCES LTD

Presented To: QGold Pty Ltd

Date Issued: 26/02/2024

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## Executive Summary

Valuation and Resource Management Pty Ltd (VRM) was engaged by QGold Pty Ltd (**QGold** or the **Company**) but instructed by BDO Corporate Finance (WA) Pty Ltd (**BDO**) to prepare an Independent Technical Assessment Report (**Report** or **ITAR**), including valuation for the Mineral Assets of Carawine Resources Ltd (Carawine). The ITAR is prepared to assist BDO in completing their Independent Expert Report (**IER**) in relation to the proposed compulsory acquisition of Carawine by QGold Pty Ltd (**Proposed Transaction**).

This Report has been prepared as a public document, in the format of an independent specialist's report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (**VALMIN**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC**).

VRM understands that BDO will include the Report within its IER relating to the Proposed Transaction.

This Report is a technical review and valuation opinion of the mineral assets of Carawine. Applying the principles of the VALMIN Code, VRM has used several valuation methods to determine the value for the mineral assets. Importantly, as neither the principal author nor VRM hold an Australian Financial Securities Licence, this valuation is not a valuation of Carawine but rather an asset valuation of the companies' mineral properties.

The Valuation Date is 31 January 2024 and remains current / applies commodity prices as at 20 February 2024. VRM provided a redacted draft report on 21 February 2024 to BDO for factual accuracy checking by the companies. This report includes updated technical information associated with the factual accuracy checking conducted by the companies.

As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by Carawine along with publicly available data including ASX releases and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

### Tropicana North (Au)

The Tropicana North Projects consist of ten granted exploration licences for 1594.6km<sup>2</sup> and four exploration applications covering 690.2km<sup>2</sup> held 100% by Carawine. Carawine also has a Joint Venture with Thunderstruck Investments Pty Ltd (Thunderstruck) over the Neale and Don King tenements (Thunderstruck JV) covering 98.8km<sup>2</sup> where Carawine owns 90% equity. The area of the Thunderstruck JV has decreased due to a compulsory surrender of 40% in January 2024.

VRM has estimated the value of the project on an equity ownership basis considering the technical information supporting its prospectivity. As at the valuation date the Hercules Project contains declared Mineral Resource estimates prepared applying the guidelines of the JORC Code 2012 Edition (JORC,



2012). The valuation has been prepared as a sum of the parts with the value attributed to both the declared Mineral Resources and the exploration potential in the adjacent tenements. The Mineral Resources were valued using a comparable transaction method as the primary valuation technique. Secondary valuations were determined based on the yardstick approach and a Geoscientific or Kilburn method for exploration outside the resources.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

### **Fraser Range (Ni-Cu, Au)**

The Fraser Range Projects are located south of the Tropicana North Project in the Albany-Fraser Province in Western Australia, approximately 200km southeast of Kalgoorlie. Carawine is primarily targeting Ni-Cu sulphide deposits in the Fraser Range Project tenements (Carawine 100%) and the Fraser Range Joint Venture (FRJV) between IGO Limited (IGO) (ASX: IGO) (76%) and Carawine (24%).

VRM has estimated the value of the project on an equity ownership basis considering the technical information supporting its prospectivity. As at the valuation date there are no declared Mineral Resource estimates prepared applying the guidelines of the 2012 JORC Code. The projects were valued using the Geoscientific or Kilburn Method as the primary valuation technique with the Prospectivity Enhancement Multiplier (PEM) method as a supporting method.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

### **Paterson Region (Cu, Au, Mn, Zn)**

The Paterson Region consists of the Paterson JV, the Oakover and Oakover JV and the Coolbro JV Projects.

Paterson Project comprises ten granted exploration licences and six active exploration licence applications (six subject to ballot) over an area of approximately 1,628km<sup>2</sup>. The region is subject to three separate joint ventures and some 100% owned projects as described below.

Carawine has a farm-in and joint venture agreement with Rio Tinto Exploration Pty Ltd (**RTX**), a wholly owned subsidiary of Rio Tinto Limited (**Rio**) (ASX: RIO), whereby RTX has the right to earn up to an 80% interest in the Baton and Red Dog tenements by spending \$5.5 million in six years from November 2019 to earn a 70% interest and then sole funding to a prescribed milestone (the **West Paterson JV**) (ASX:RIO 28 October 2019). Carawine announced in their September 2023 quarterly report that they expected Rio to provide a notice of reaching the 70% earn-in during Q4 CY2023 however Rio is not yet provided its notice of earning 70% and therefore in the report is assumed to be still to earning its 70% interest as at the valuation date.

Carawine also has a farm-in and joint venture agreement with Black Canyon Ltd (**Black Canyon**; ASX **BCA**), giving Black Canyon the right to earn up to a 75% interest in eight Oakover Project tenements by spending \$4 million in two stages in a five year period from May 2021 (the **Carawine JV**). The joint venture is now at 75% Black Canyon and 25% Carawine with both parties contributing.

On the 13th of November 2019, Carawine announced a joint venture with FMG Resources Pty Ltd, a wholly owned subsidiary of Fortescue Metals Group Ltd (**Fortescue**) (ASX: FMG). Fortescue has now earned a 51% interest in the Lamil Hills, Trotman South and Eider tenements, and has elected to sole

fund an additional \$4.5 million in exploration expenditure to earn a further 24% interest by November 2026 (the **Coolbro JV**).

Carawine retains 100% interest in its remaining Paterson Project tenements (ASX: CWX 12 September 2023).

VRM has estimated the value of the project on an equity ownership basis considering the technical information supporting its prospectivity. As at the valuation date the Oakover JV project contains declared Mineral Resource estimates at Flanagan Bore prepared applying the guidelines of the JORC Code. The valuation has been prepared as a sum of the parts with the value attributed to both the declared Mineral Resources and the exploration potential in the adjacent tenements. The Mineral Resources were valued using a comparable transaction method as the primary valuation technique and a Yardstick method as a supporting technique. The Exploration projects were valued using and a Geoscientific or Kilburn method as the primary valuation technique with the PEM method as a supporting method.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

### **Jamieson (Au, Cu)**

The Jamieson Project comprises two granted exploration licences (EL5523) and (EL6622) for 146km<sup>2</sup>. The region was founded on gold mining in the 1850s, with several mines that have operated or are currently in production. Carawine is advancing two main prospect areas at the Jamieson Project: Hill 800 and Rhyolite Creek, and regionally searching for epithermal / porphyry-related gold-copper mineralisation (ASX: CWX 29 January 2024).

VRM has estimated the value of the project on an equity ownership basis considering the technical information supporting its prospectivity. As at the valuation date the project contains no declared Mineral Resource estimates prepared applying the guidelines of the JORC Code. The valuation has been prepared as a sum of the parts with the value attributed to both the declared Mineral Resources and the exploration potential in the adjacent tenements. The Exploration projects were valued using and a Geoscientific or Kilburn method as the primary valuation technique with the PEM method as a supporting method.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

### **Valuation Opinion**

VRM has estimated the value of the Carawine projects considering the technical information available as at the valuation date as described further in the body of this report.

There are declared Mineral Resource estimates within the Oakover JV Project at Flanagan Bore owned by Carawine and Black Canyon and at the Hercules Project within the Thunderstruck JV owned by Carawine and Thunderstruck, which have been prepared applying the guidelines of the JORC Code.

It is uncertain whether future exploration will result in the definition of any further Mineral Resource estimates on any of the Carawine projects.

The Hercules gold resource and the Flanagan Bore manganese resource were primarily valued using a comparable transaction method based on resource multiples with the Yardstick method used as a supporting method.

The Exploration Projects were valued using the Geoscientific or Kilburn method as the primary valuation technique with the PEM method as a supporting method.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

## Conclusions

Based on the rationale outlined in the body of this Report, VRM is of the view that the Mineral Resource estimates is most appropriately valued considering a comparable transaction approach, while the exploration potential is most appropriately valued applying a Geoscientific or Kilburn valuation method.

VRM's considers the Mineral Resources within the Carawine projects have a market value, based on comparable transactions, of between **\$2.3 million** and **\$4.7 million** with a preferred valuation of **\$3.9 million**. The exploration potential on the tenements adjacent to the Mineral Resources and the other exploration projects have a market value of between **\$8.0 million** and **\$23.8 million** with a preferred value of **\$15.9 million**.

Considering the Mineral Resources, and exploration potential of the Carawine projects, in VRM's opinion, the Mineral Assets owned by Carawine have a combined market value of between **\$10.3 million** and **\$28.5 million** with a preferred valuation of **\$19.8 million**.

These valuations and the value of the combined assets is summarised in the table below.

Project	Method		Lower Valuation (A\$M)	Preferred Valuation (A\$M)	Upper Valuation (A\$M)
<b>Mineral Resource Valuations</b>					
<b>Hercules Gold Resource</b>	<b>Comparable Transactions (A\$/ounce)</b>	<b>Primary</b>	<b>1.5</b>	<b>2.8</b>	<b>3.4</b>
	Yardstick	Supporting	1.2	1.8	2.4
<b>Flanagan Bore Mn Resource</b>	<b>Comparable Transactions (\$A / tonne of concentrate)</b>	<b>Primary</b>	<b>0.8</b>	<b>1.1</b>	<b>1.3</b>
	Yardstick	Supporting	0.7	1.2	1.7
Fraser Range	Geoscientific	Primary	2.3	4.9	7.4
Fraser Range JV IGO	Geoscientific	Primary	0.0	0.1	0.1
Jamieson	Geoscientific	Primary	0.5	1.6	2.6
Oakover	Geoscientific	Primary	1.5	2.9	4.3
Paterson	Geoscientific	Primary	0.3	0.7	1.1
Oakover JV	Geoscientific	Primary	0.5	1.0	1.4
Coolbro JV	Geoscientific	Primary	0.2	0.5	0.8
West Paterson JV	Geoscientific	Primary	0.7	1.2	1.6
Tropicana North	Geoscientific	Primary	1.7	3.0	4.3
Tropicana North Thunderstruck JV	Geoscientific	Primary	0.1	0.1	0.2

Project	Method		Lower Valuation (A\$M)	Preferred Valuation (A\$M)	Upper Valuation (A\$M)
<b>Exploration Combined</b>	<b>Geoscientific</b>	<b>Primary</b>	<b>8.0</b>	<b>15.9</b>	<b>23.8</b>
Fraser Range	PEM	Supporting	1.8	2.8	3.8
Fraser Range JV IGO	PEM	Supporting	0.3	0.4	0.4
Jamieson	PEM	Supporting	2.3	2.5	2.7
Oakover	PEM	Supporting	0.6	0.7	0.8
Paterson	PEM	Supporting	0.3	0.4	0.4
Oakover JV	PEM	Supporting	0.3	0.3	0.4
Coolbro JV	PEM	Supporting	0.8	0.9	1.0
West Paterson JV	PEM	Supporting	1.3	2.2	3.0
Tropicana North	PEM	Supporting	1.3	1.5	1.6
Tropicana North Thunderstruck JV	PEM	Supporting	1.3	1.5	1.6
Exploration Combined	PEM	Supporting	10.4	13.1	15.8

Note appropriate rounding has been applied and the totals may not add due to errors in rounding.

## 1. Introduction

Valuation and Resource Management Pty Ltd (**VRM**) was engaged by QGold Pty Ltd (**QGold** or the **Company**) (ACN 149 659 950) and instructed by BDO Corporate Finance (WA) Pty Ltd (**BDO**) to prepare an Independent Technical Assessment Report (**ITAR**), including valuation for the Mineral Assets owned by Carawine Resources Ltd (ASX: CWX) (ACN 611 352 348) (**Carawine**) for inclusion in an Independent Expert's Report (**IER**) to be prepared by BDO. The IER is required in relation to the potential compulsory acquisition of Carawine by QGold and associated entities.

The Carawine Mineral Assets, described and valued in this ITAR, comprise five gold, copper and base metal exploration projects (Figure 1): the Jamieson Project in Victoria; and the Fraser Range, Tropicana North, Oakover, and Paterson Projects in Western Australia, including sub-projects where there are Joint Venture (**JV**) agreements with third-party companies on specific tenements.

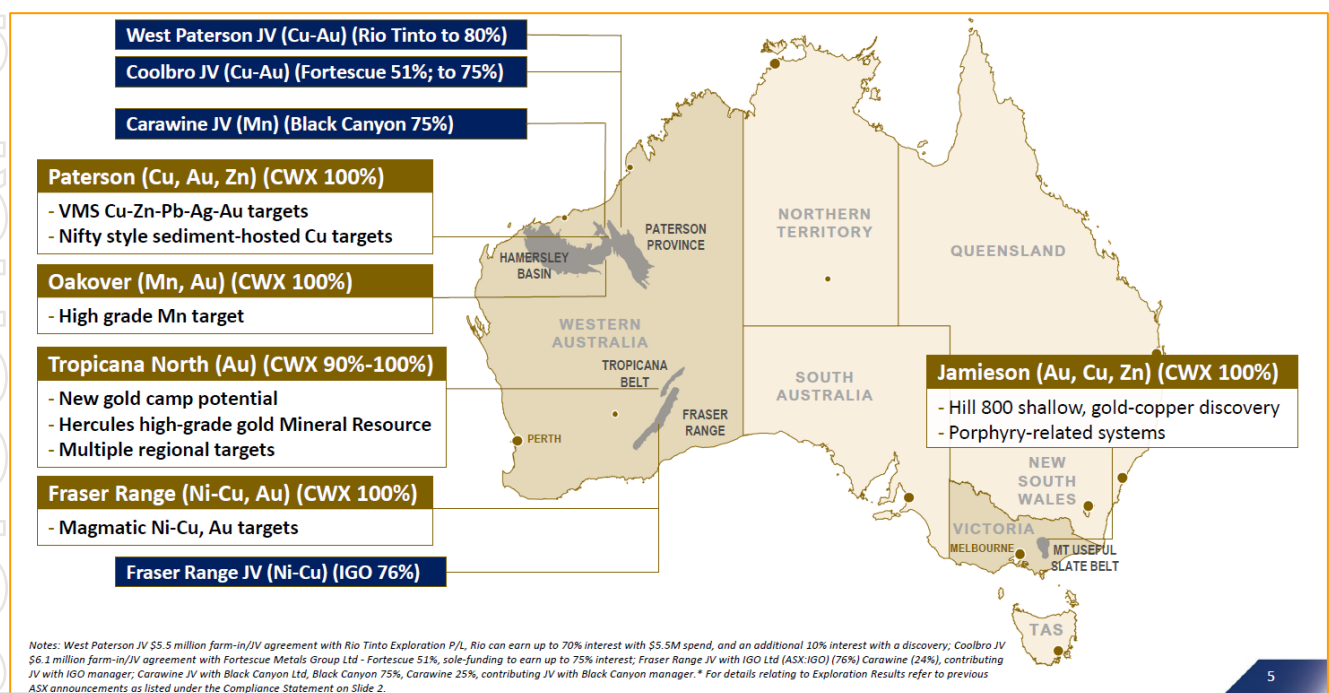


Figure 1: Carawine Resources Exploration Projects in Victoria and Western Australia

(Source: ASX: CWX 16 November 2023)

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

In preparing the ITAR, VRM has applied the guidelines and principles of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – 2015 VALMIN Code (**VALMIN**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC**). Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and the Australian Institute of Geoscientists (**AIG**). These codes are also requirements under Australian Securities and Investments Commission (**ASIC**) rules and guidelines and the listing rules of the Australian Securities Exchange (**ASX**).

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

## 1.2 Scope of Work

VRM's primary obligation in preparing this ITAR is to independently describe and value the Mineral Assets of Carawine applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the Projects.

VRM has compiled the Report based on the principle of reviewing and interrogating both the documentation of Carawine and their consultants, and other previous exploration within the areas. This Report is a summary of the work conducted, completed, and reported by Carawine, from pegging or acquisition of the Projects to 31 January 2024, based on information supplied to VRM by Carawine, and other information sourced in the public domain, to the extent required by the VALMIN and JORC Codes.

VRM understands that its review and report will accompany the Notice of Compulsory Acquisition and as such, it is understood that VRM's review will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the 2015 VALMIN Code.

## 1.3 Statement of Independence

VRM was engaged to undertake an ITAR of the Projects that comprise the asset portfolio of Carawine. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of Experts (RG112).

Mr Paul Dunbar of VRM, the authors contributing to this report and VRM have not, within the past two years, had any association with Carawine, its individual employees, or any interest in the securities of Carawine or potential interest, nor are they expected to be employed by either company after the Proposed Transaction, which could be regarded as affecting their ability to give an independent, objective, and unbiased opinion. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated to be approximately \$43,000 (ex GST).

## 1.4 Practitioner and Competent Persons Declaration and Qualifications

This Report was prepared by Lynda Burnett as the primary author with Mr Paul Dunbar and Dr Paul Hodkiewicz both contributing to sections of the report.

The Report and information that relates to geology, Mineral Asset valuations, Mineral Resources and exploration potential is based on information compiled by Mrs Lynda Burnett, BSc (Hons), a Competent Person who is a Member of the AusIMM. Mrs Burnett is an associate of VRM and has sufficient experience relevant to the geology, styles of mineralisation and deposit types under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code. Mrs Burnett consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.



The Report and information that relates to Mineral Asset valuations, Mineral Resources and exploration potential was completed by Mr Paul Dunbar, BSc (Hons) (Geol), MSc (MINEX), a Competent Person who is a member of the AusIMM and of the AIG. Mr Dunbar is a Principal of VRM and has sufficient experience relevant to Technical Assessment and Valuation of Mineral Assets under consideration and to the activity being undertaken to qualify as a practitioner as defined in the 2015 VALMIN Code. Mr Dunbar consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The Report and information that relates to geology, Mineral Resources and exploration potential is based on information compiled by Dr Paul Hodkiewicz, PhD (Economic Geology), a Competent Person who is a Fellow of the AusIMM. Dr Hodkiewicz is an associate of VRM and has sufficient experience relevant to the geology, styles of mineralisation and deposit types under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code. Dr Hodkiewicz consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The final version of this Report was peer reviewed by Mr Paul Dunbar.

Since the Proposed Transaction was announced and the date of this Report, nothing has come to the attention of VRM unless otherwise noted in the Report that would cause any material change to the conclusions. The valuation date for the report is 31 January 2024.

## 1.5 Reliance on Experts

The authors of this Report are not qualified to provide extensive commentary on the legal aspects of the tenure of the mineral properties or the compliance with the legislative environment and permitting in Victoria and Western Australia. In relation to the tenement standing, VRM has relied on the information publicly available to 6 February 2024. On this basis VRM has confirmed the tenements which constitute the Projects held by Carawine in Western Australia and Victoria are in good standing. Carawine has confirmed the status of its tenements.

The information within this report is extracted from various reports and ASX releases as referenced below. The reports and ASX releases were created on various dates and are available to view on the Carawine company website (<https://www.carawine.com.au/site/content/>). Carawine confirm that they are not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. Carawine confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

In respect of the information contained in this Report, VRM has relied on Information and Reports obtained from Carawine or the public domain including, but not limited to:

Carawine ASX releases for Tropicana North:

- Quarterly Activities Report for the period ended 30 June 2023, 28 July 2023
- Gold Trends Extended at Tropicana North, 18 May 2023
- High Grade Gold Mineral Resource for Hercules, 19 October 2022
- New Significant Intersections at Big Freeze and Beanie, 19 April 2022

- High Grade Gold Discovery at Big Freeze, 14 April 2022
- New Targets Identified at Tropicana North, 4 March 2022
- Multiple New Gold Targets Identified at Tropicana North, 1 November 2021
- Visible Gold in First Drill Core from Hercules, 26 July 2021 Assay Results Received from Atlantis RC Drilling, 17 March 2021
- Carawine Acquires New Gold Project in Western Australia, 3 September 2020

Carawine ASX releases for Paterson and Oakover:

- New Copper, Gold, and Manganese Prospects Identified at the Paterson and Oakover Projects, 18 October 2022

Carawine ASX releases for Fraser Range:

- Drilling Completed at Big Bang, 5 September 2023
- Nickel and Gold Targets Outlined at the Big Bang Project in the Fraser Range, 15 September 2020
- Quarterly Activities Report for the Period Ended 31 December 2023, 29 January 2024

Carawine ASX releases for Jamieson:

- Quarterly Activities Report for the period ended 30 June 2023, 28 July 2023
- Hill 800 Extended and Zinc Potential Demonstrated at Jamieson, 17 May 2021
- High Gold Grades at Hill 800 Continue, 14 May 2020
- Jamieson Project Drilling Progress Update, 29 January 2020
- Copper-Gold Porphyry Targets at Hill 800, 11 September 2019
- Gold Zone Extended with Latest Results from Hill 800, 27 May 2019

Carawine JV ASX releases:

- BCA JV: Flanagan Bore Mineral Resource Estimate Increased by 64%, 24 November 2022
- BCA JV: Robust Economics, Long Life Mine with Low Development CAPEX confirmed from the Flanagan Bore Scoping Study, 18 August 2022
- West Paterson JV: Priority Targets Identified from Airborne Electromagnetic Survey at West Paterson JV, 27 October 2021
- Annual and Quarterly Reports
- ASX releases detailing initial and updated Mineral Resource estimates (MRE)
- ASX releases detailing exploration activities.
- Various ASX releases from previous owners and neighbouring companies
- Publicly available information and publications by relevant Geological Surveys, and
- Government Regional datasets, including geological mapping and explanatory notes.

All information and conclusions within this Report are based on information that VRM requested from Carawine to assist with this Report and other relevant publicly available data to 20 February 2024.



Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and joint venturers to the areas, where it has been considered necessary. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by Carawine as detailed in the reference list. VRM has assessed the content of these reports and information and confirm that the contents are reasonable and that they meet the Reasonable Grounds Requirements. VRM has relied on the information contained within the reports, articles and databases provided by Carawine as detailed in the reference list.

A draft of this Report was provided to BDO for the purpose of identifying and addressing any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to QGold or Carawine until the technical aspects were validated, and the Report was declared final.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government departments or the ASX. The authors of these previous reports have not consented to the statements' use in this report, and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

## 1.6 Site Visit

A site visit to the Projects was not undertaken for this ITAR. VRM has considered the activities and current project status of the Mineral Assets and considers that due to the stage of exploration and development within the tenements that no material information would be obtained from undertaking a site visit that would modify the opinions contained within this report and valuation.

## 2. Mineral Tenure

According to the databases of the Western Australian Government tenement administration bodies, the licences listed in Table 1 are current and in good order as of 6 February 2024. To the best of VRM's knowledge, they remain in good standing with all statutory filings, reports and documentation including renewals supplied to the various government departments.

The authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the relevant laws governing mining. As VRM and the authors of this report are not experts in mining law, no warranty or guarantee, be it expressed or implied, is made by VRM with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure. A discount to the uncontested tenement applications has been applied with this discount being 25% for tenements that are the applications are uncontested as there is a risk that these tenements will not be granted for regulatory reasons or due to objections by interested parties. This discount is based on VRM's professional opinion. These applications are detailed in Table 1 as Pending. Tenement applications that are subject to competing applications and remain subject to a ballot to decide priority have not been valued as it is considered highly uncertain whether these will be granted to the applicant. These tenements are documented in Table 1 as Pending 1, Pending 2, or Pending 3.

Table 1: Project Tenements

Project	Tenement	Holder	Expiry Date	Area (km <sup>2</sup> )	Equity	Status	Rent	Minimum Expenditure
Fraser Range	E28/2374-I	Carawine	17/06/2024	44.75	100%	Live	\$9,711	\$70,000
Fraser Range	E28/2563	Carawine	1/06/2027	20.65	100%	Live	\$4,482	\$50,000
Fraser Range	E28/2759	Carawine	21/08/2024	368.32	100%	Live	\$42,265	\$160,500
Fraser Range	E28/2964	Carawine	24/07/2027	17.21	100%	Live	\$805	\$15,000
Fraser Range	E28/3043	Carawine	19/01/2027	165.23	100%	Live	\$7,728	\$70,667
Fraser Range	E28/3119	Carawine	12/12/2028	13.77	100%	Live	\$644	\$15,000
Fraser Range	E28/3146	Carawine		89.50	100%	Pending3		
Fraser Range	E28/3160	Carawine	8/03/2027	51.63	100%	Live	\$3,415	\$20,000
Fraser Range	E28/3262	Carawine	21/08/2028	24.10	100%	Live	\$1,127	\$20,000
Fraser Range	E28/3264	Carawine	8/05/2028	82.61	100%	Live	\$3,864	\$24,000
Fraser Range	E28/3265	Carawine	21/08/2028	3.44	100%	Live	\$447	\$10,000
Fraser Range	E28/3267	Carawine	30/1/2029	30.98	100%	Live		
Fraser Range	E28/3271	Carawine	8/08/2028	41.31	100%	Live	\$1,932	\$20,000
Fraser Range	E28/3297	Carawine	21/08/2028	27.54	100%	Live	\$1,288	\$20,000
Fraser Range	E28/3298	Carawine		41.31	100%	Pending2		
Fraser Range	E28/3299	Carawine	21/08/2028	6.88	100%	Live	\$322	\$15,000
Fraser Range	E28/3301	Carawine		27.54	100%	Pending2		
Fraser Range	E28/3303	Carawine		41.31	100%	Pending		
Fraser Range	E28/3306	Carawine		30.98	100%	Pending		
Fraser Range	E28/3321	Carawine	8/11/2028	172.11	100%	Live	\$8,050	\$50,000
Fraser Range	E28/3322	Carawine	8/11/2028	141.13	100%	Live	\$6,601	\$41,000
Fraser Range	E28/3327	Carawine	8/11/2028	454.37	100%	Live	\$21,252	\$132,000

Project	Tenement	Holder	Expiry Date	Area (km <sup>2</sup> )	Equity	Status	Rent	Minimum Expenditure
Fraser Range	E28/3332	Carawine	30/11/2028	37.86	100%	Live	\$1,771	\$20,000
Fraser Range	E28/3343	Carawine		117.04	100%	Pending2		
Fraser Range	E39/2384	Carawine	21/11/2028	82.61	100%	Live	\$3,864	\$24,000
Fraser Range	E69/3033	Carawine	26/07/2024	154.90	100%	Live	\$33,615	\$135,000
Fraser Range	E69/3052	Carawine	10/12/2024	160.31	100%	Live	\$35,109	\$141,000
Fraser Range	E69/4169	Carawine		206.53	100%	Pending		
Fraser Range JV	E39/1733	IGO	18/11/2025	165.227	24%	Live	\$35,856	\$144,000
Jamieson	EL 5523	Carawine			100%	Live		
Jamieson	EL 6622	Carawine			100%	Live		
Oakover	E45/5145	Carawine	26/03/2024	37.86	100%	Live	\$4,345	\$30,000
Oakover	E46/1099-I	Carawine	14/05/2027	175.55	100%	Live	\$38,097	\$102,000
Oakover	E46/1245	Carawine	26/03/2024	17.21	100%	Live	\$1,975	\$20,000
Oakover	E46/1375	Carawine	11/10/2026	34.42	100%	Live	\$2,890	\$20,000
Oakover	E46/1376	Carawine	29/09/2026	96.38	100%	Live	\$8,092	\$28,000
Oakover	E46/1408	Carawine	29/08/2027	166.15	100%	Live	\$7,889	\$49,000
Oakover JV	E46/1069-I	Black Canyon and Carawine	10/11/2026	82.61	25%	Live	\$17,928	\$72,000
Oakover JV	E46/1116-I	Black Canyon and Carawine	31/08/2027	213.42	25%	Live	\$46,314	\$124,000
Oakover JV	E46/1119-I	Black Canyon and Carawine	31/08/2027	58.52	25%	Live	\$12,699	\$50,000
Oakover JV	E46/1301	Black Canyon and Carawine	23/09/2024	75.73	25%	Live	\$8,690	\$33,000
Oakover JV	M45/546	Carawine		17.56	25%	Pending		
Paterson	E45/5229	Carawine	9/05/2024	95.63	100%	Live	\$11,455	\$43,500
Paterson	E45/5510	Carawine	28/04/2026	144.57	100%	Live	\$12,138	\$42,000
Paterson	E45/5520	Carawine	11/06/2025	56.85	100%	Live	\$4,913	\$30,000
Paterson	E45/5526	Carawine	11/06/2025	10.33	100%	Live	\$4,913	\$30,000
Paterson	E45/6557	Carawine		86.06	100%	Pending1		
Paterson	E45/6872	Carawine		116.96		Pending1		
Paterson	E45/6875	Carawine		6.88		Pending1		
Paterson	E45/6877	Carawine		17.21		Pending1		
Paterson	E45/6879	Carawine		30.96		Pending1		
Paterson	E45/6881	Carawine		24.08		Pending1		
Paterson (Coolbro JV)	E45/4847	Carawine	23/07/2028	237.51	49%	Live	\$27,255	\$138,000
Paterson (Coolbro JV)	E45/5326	Carawine	20/08/2024	306.36	49%	Live	\$35,155	\$133,500
Paterson (Coolbro JV)	E45/5528	Carawine	11/06/2025	37.86	49%	Live	\$3,179	\$30,000
Paterson (West Paterson JV)	E45/4871	Carawine	18/09/2028	209.98	100%	Live	\$24,095	\$122,000
Paterson (West Paterson JV)	E45/4881	Carawine	18/09/2028	240.96	100%	Live	\$27,650	\$140,000

Project	Tenement	Holder	Expiry Date	Area (km <sup>2</sup> )	Equity	Status	Rent	Minimum Expenditure
<b>Paterson (West Paterson JV)</b>	E45/4955	Carawine	23/07/2028	134.25	100%	Live	\$15,405	\$78,000
<b>Tropicana North</b>	E38/3521	Carawine	29/08/2026	110.15	100%	Live	\$9,248	\$32,000
<b>Tropicana North</b>	E38/3535	Carawine	30/06/2026	65.40	100%	Live	\$5,491	\$20,000
<b>Tropicana North</b>	E38/3653	Carawine	11/04/2027	416.51	100%	Live	\$19,481	\$132,667
<b>Tropicana North</b>	E38/3712	Carawine	22/08/2027	120.48	100%	Live	\$5,635	\$35,000
<b>Tropicana North</b>	E38/3747	Carawine	19/12/2027	65.40	100%	Live	\$3,059	\$20,000
<b>Tropicana North</b>	E39/2150	Phantom	29/08/2026	158.30	100%	Live	\$13,294	\$46,000
<b>Tropicana North</b>	E39/2180	Carawine	29/08/2026	154.90	100%	Live	\$13,005	\$45,000
<b>Tropicana North</b>	E69/3756	Phantom	10/08/2026	68.84	100%	Live	\$5,780	\$20,000
<b>Tropicana North</b>	E69/3933	Carawine	15/02/2027	209.98	100%	Live	\$9,821	\$69,750
<b>Tropicana North</b>	E69/3934	Carawine	15/02/2027	313.24	100%	Live	\$14,651	\$119,584
<b>Tropicana North</b>	E38/3862	Carawine	24/1/2029	144.57	100%	Pending		
<b>Tropicana North</b>	E38/3872	Carawine		30.98	100%	Pending		
<b>Tropicana North</b>	E38/3908	Carawine		495.68	100%	Pending		
<b>Tropicana North</b>	E39/2427	Carawine		265.05	100%	Pending		
<b>Tropicana North (Thunderstruck JV)</b>	E38/3244	Carawine and Thunderstruck	22/01/2028	148.02	90%	Live	\$16,985	\$86,000
<b>Tropicana North (Thunderstruck JV)</b>	E39/1845	Carawine and Thunderstruck	22/03/2026	24.10	90%	Live	\$5,229	\$70,000

1. tenement application subject to ballot.
2. tenement application, ballot held, tenement not first priority.
3. tenement application, ballot held, part of tenement first priority.

Notes Carawine – Carawine Resources Limited, Thunderstruck – Thunderstruck Investments Pty Ltd, Phantom – Phantom Resources Pty Ltd, IGO - IGO Newsearch Pty Ltd, Black Canyon - Black Canyon Ltd. The tenements that were granted in January 2024 have not been valued as granted as there has been insufficient work to attribute a meaningful valuation at the valuation date.

### 3. Tropicana North (Au) Western Australia

The Tropicana North Projects consist of eleven granted exploration licences for 1594.6km<sup>2</sup> and three exploration applications covering 690.2km<sup>2</sup> held 100% by Carawine. Carawine also has a JV with Thunderstruck Investments Pty Ltd over the Neale and Don King tenements (Thunderstruck JV) covering 98.8km<sup>2</sup> where Carawine owns 90% equity (Figure 2).

#### 3.1 Location and Access

The Tropicana North projects are located in the North-Eastern Goldfields Province, 70km northeast of the Tropicana gold mine and around 340km east-northeast of Kalgoorlie. Access is via unsealed roads.

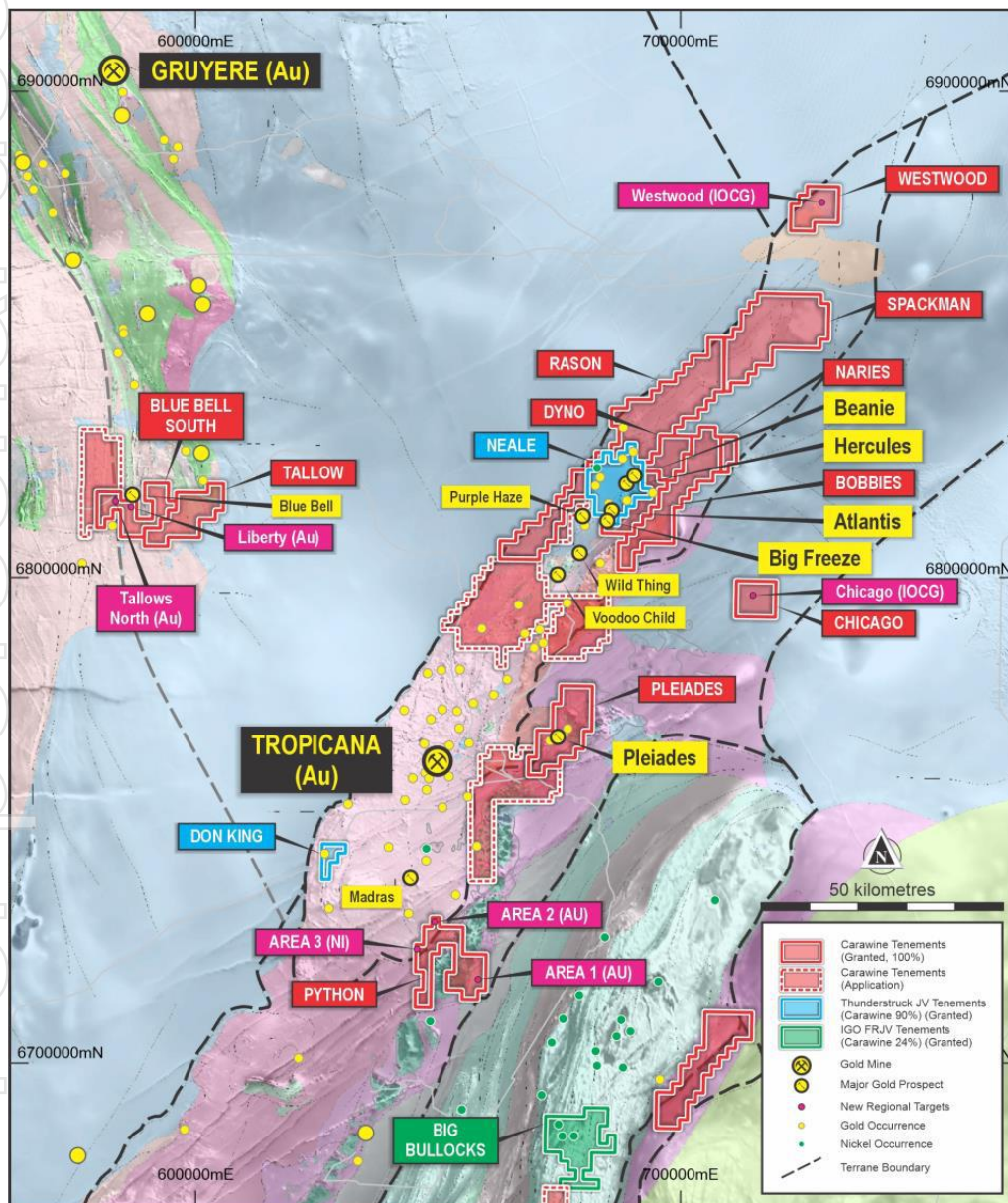


Figure 2: Locations of Tropicana North tenements and projects, with RTP magnetic image over regional geology.

(Source: ASX: CWX 16 November 2023)



### 3.2 Regional Geological Setting

The project areas are located along the north-east trending tectonic suture zone between the Archean Yilgarn Craton and the Proterozoic Albany-Fraser Province. The tenements extend approximately 80km along strike of the Tropicana Belt (Figure 2) and contain strike extensions of similar rock units and structures that host the large Tropicana gold mine (operated by AngloGold Ashanti Australia Ltd (**AGA**) in joint venture with Regis Resources Ltd (**Regis**). Gold mineralisation in the Tropicana Belt is associated predominantly with hydrothermally altered shear zones in high-metamorphic grade gneissic units.

The Tropicana North Project comprises eleven granted exploration licences and three exploration licence applications held 100% by Carawine, and two granted tenements subject to the Thunderstruck JV (Carawine 90%). Combined, these tenements cover an area of 2384km<sup>2</sup>.

### 3.3 Local Geology and Previous Exploration

The Tropicana North Project area includes five geological domains (Figure 2 and Figure 3): Western felsic units with felsic and minor intermediate gneisses; Central intermediate to mafic units and gneisses with a Proterozoic granitoid core; Hercules with intermediate gneisses and high Mg intrusions; Eastern Archaean quartz-feldspar gneiss units; and Black Dragon, which is part of the eastern Biranup Zone of the Albany Fraser Province.

Gold mineralisation occurs mainly in sub-vertical to variable southeast to northwest steeply dipping quartz-sulphide lodes with biotite-pyrite alteration and significant disseminated pyrite in lode haloes.

The Tropicana North Project tenements are in a region with a recent history of successful exploration for orogenic gold (e.g., Tropicana (AGA/Regis) and Gruyere (Gold Fields/Gold Road JV) gold mines), and with more recent efforts targeting a broader range of mineral systems, including iron-oxide Cu-Au (IOCG) and base metal sulphides.

Historic exploration in the region includes work by AGA, Beadell Resources Ltd (Beadell), Breaker Resources NL (Breaker), and Gold Road Resources Ltd (Gold Road), among others, and includes airborne and ground geophysical surveys, auger sampling and regional- to prospect-scale drilling. Carawine has completed a thorough assessment of these exploration efforts to design its own work programs and as a result has identified a number of early stage to advanced prospects across the project area.

### 3.4 Thunderstruck JV

The Thunderstruck JV is an agreement between Carawine 90% and Thunderstruck Investments Pty Ltd 10%, where Carawine is sole funding exploration. Most of the activity is on the Neale tenement which contains a number of prospects including the more advanced Hercules Project and resource (Section 3.4.1) (Figure 3).

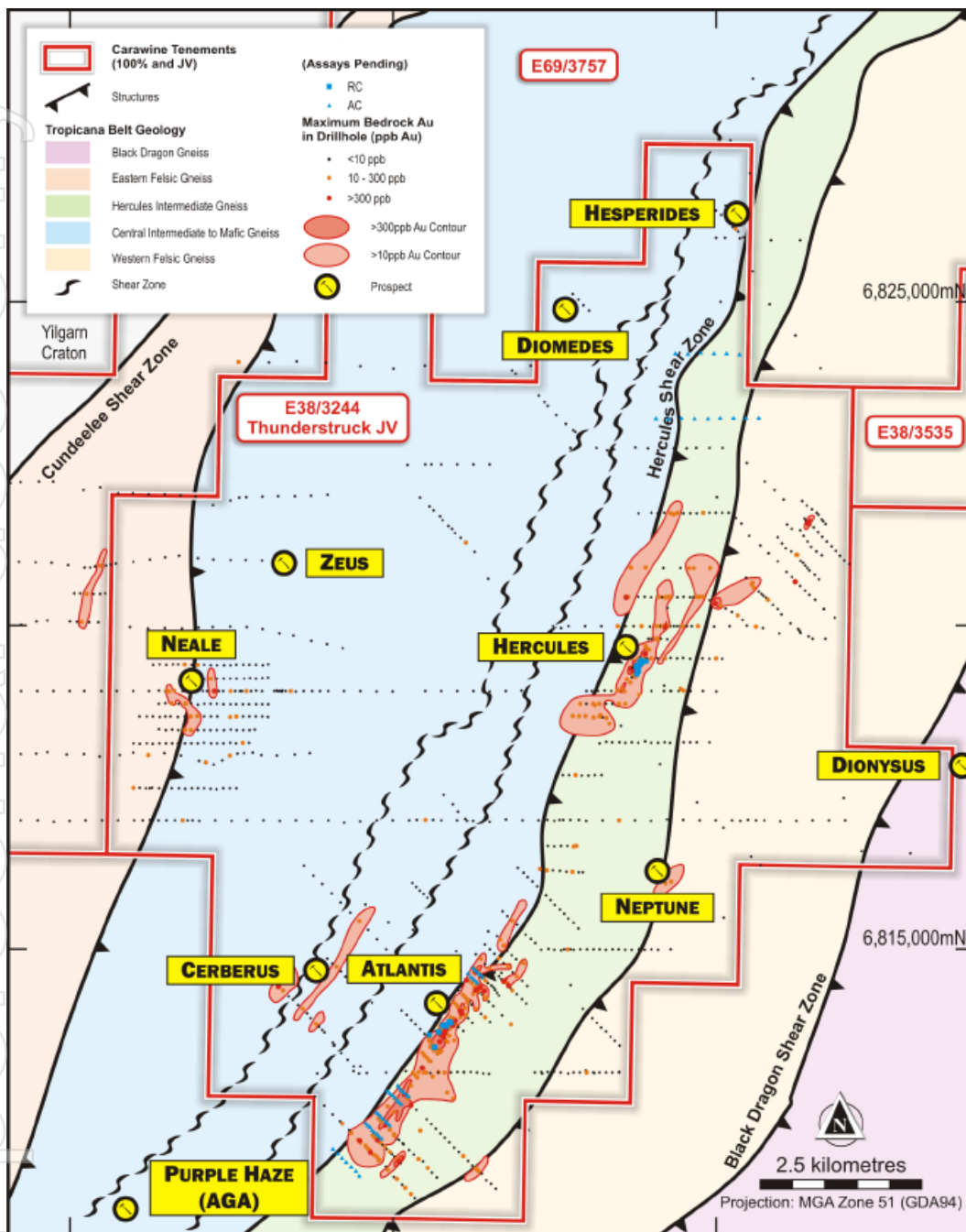


Figure 3: Plan map showing five geological domains and selected project locations.

Source: ASX: CWX 17 March 2021)

### 3.4.1 Hercules Gold Prospect

Hercules is an advanced project with an initial Indicated and Inferred MRE reported on 19 October 2022 of 463,000t at 4.8g/t Au (see review in Section 3.4.5 Mineral Resources below).

Gold mineralisation occurs in a sequence of monzonite and mafic gneissic units along the Hercules Shear Zone (Figure 3) and is hosted in laminated veins and shear zones, including coarse, visible gold (Figure 4).

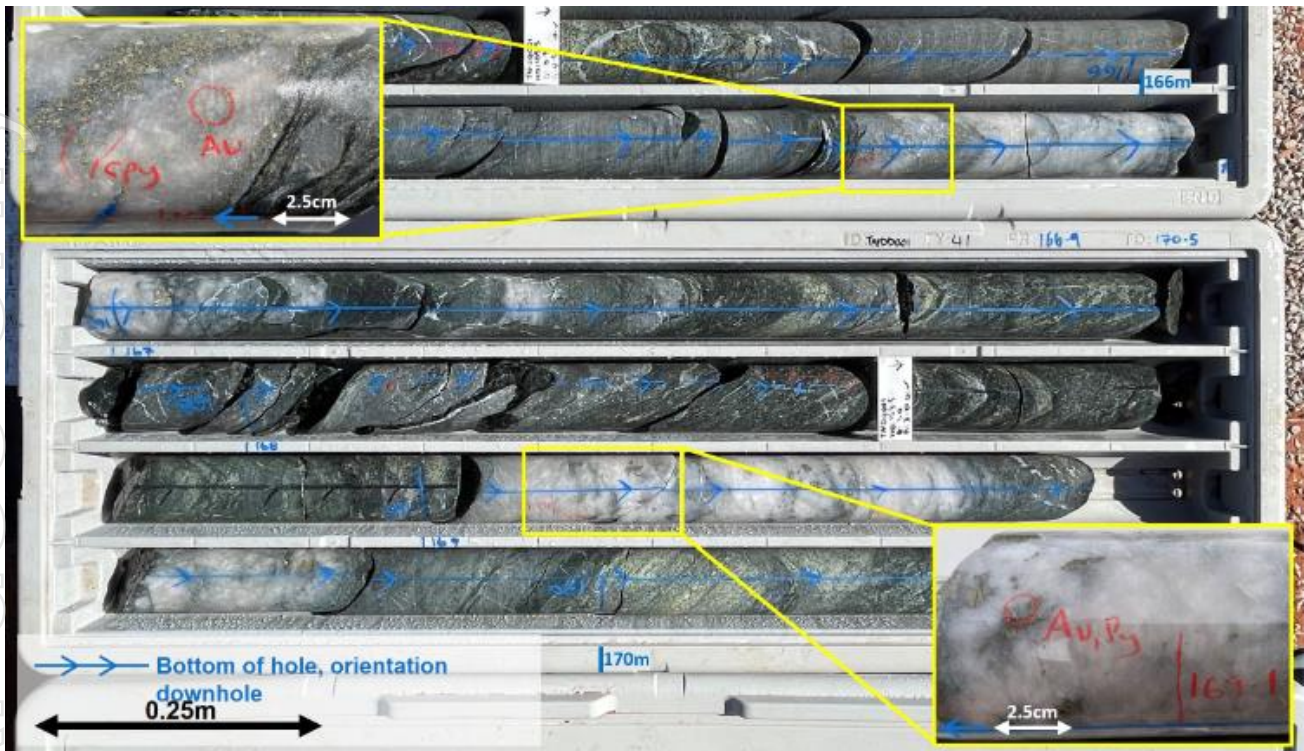


Figure 4: Hercules laminated veins and lodes with coarse gold from drill hole TNDD001

(Source: ASX: CWX 26 July 2021)

The mineralised structures defined in the MRE (Figure 5) include five sub-parallel lodes that extend for 400m along strike and vertically to a depth of 300m from the base of cover sediments to the 'Vein Offset Shear' at depth. Two smaller lodes are located to the southeast of the main set of veins and have a strike length of 75m and a vertical extent of 120m. The cover sediments are ~30m thick.



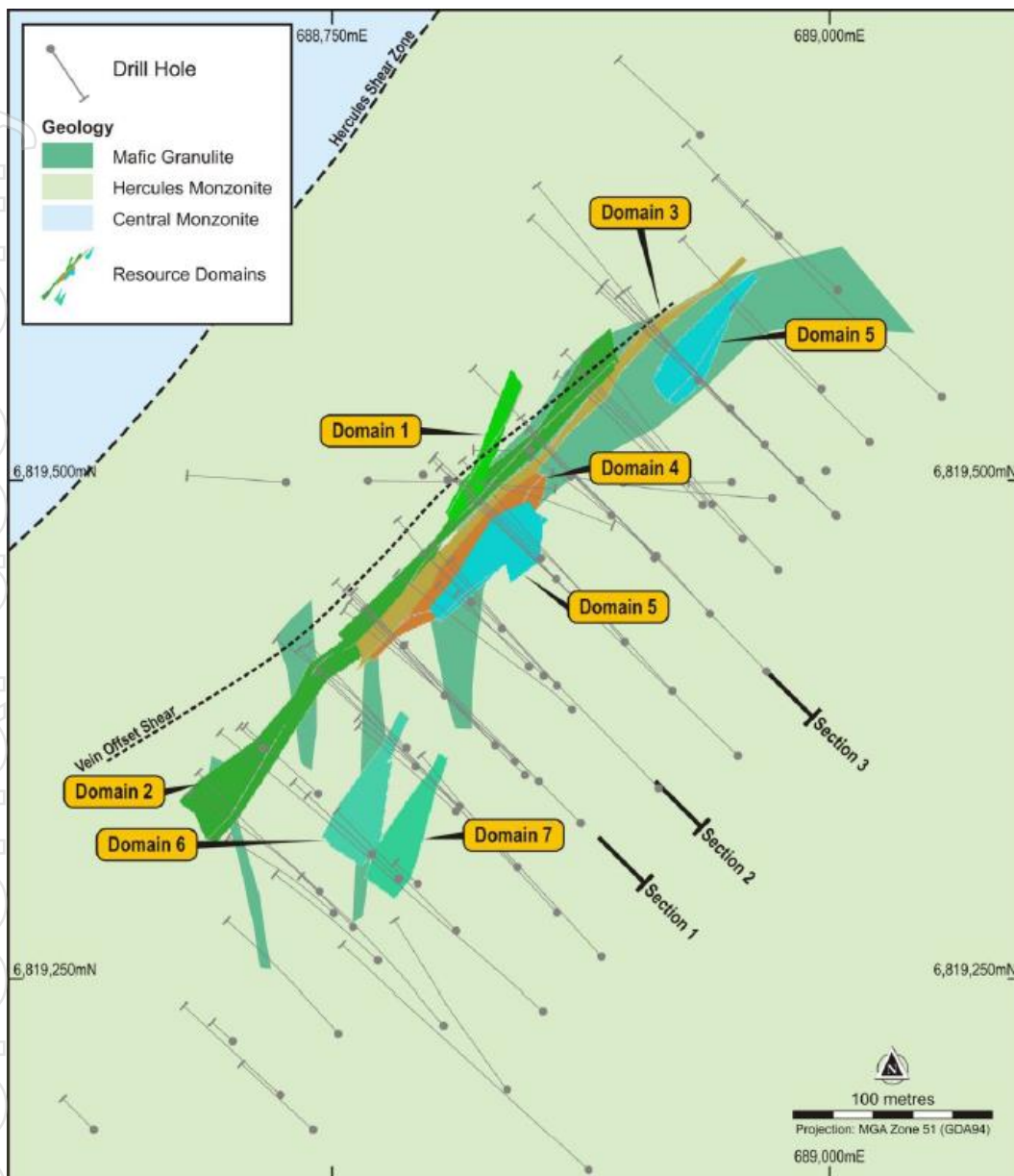


Figure 5: Hercules deposit plan view with section lines and domains used in the MRE. Section #2 is shown in Figure 6

Source: ASX Release 19 October 2022, High Grade Gold Mineral Resource for Hercules

The mineralised veins and shear zones in the Hercules deposit are interpreted to be sub-vertical to steeply southeast dipping lodes, sub-parallel to the Hercules Shear Zone, and offset at depth by the steeply northwest dipping 'Vein Offset Shear' (Figure 6). The individual mineralised lodes vary between 0.5 metres and 11.4 metres thick and have an average thickness of 1.8 metres.

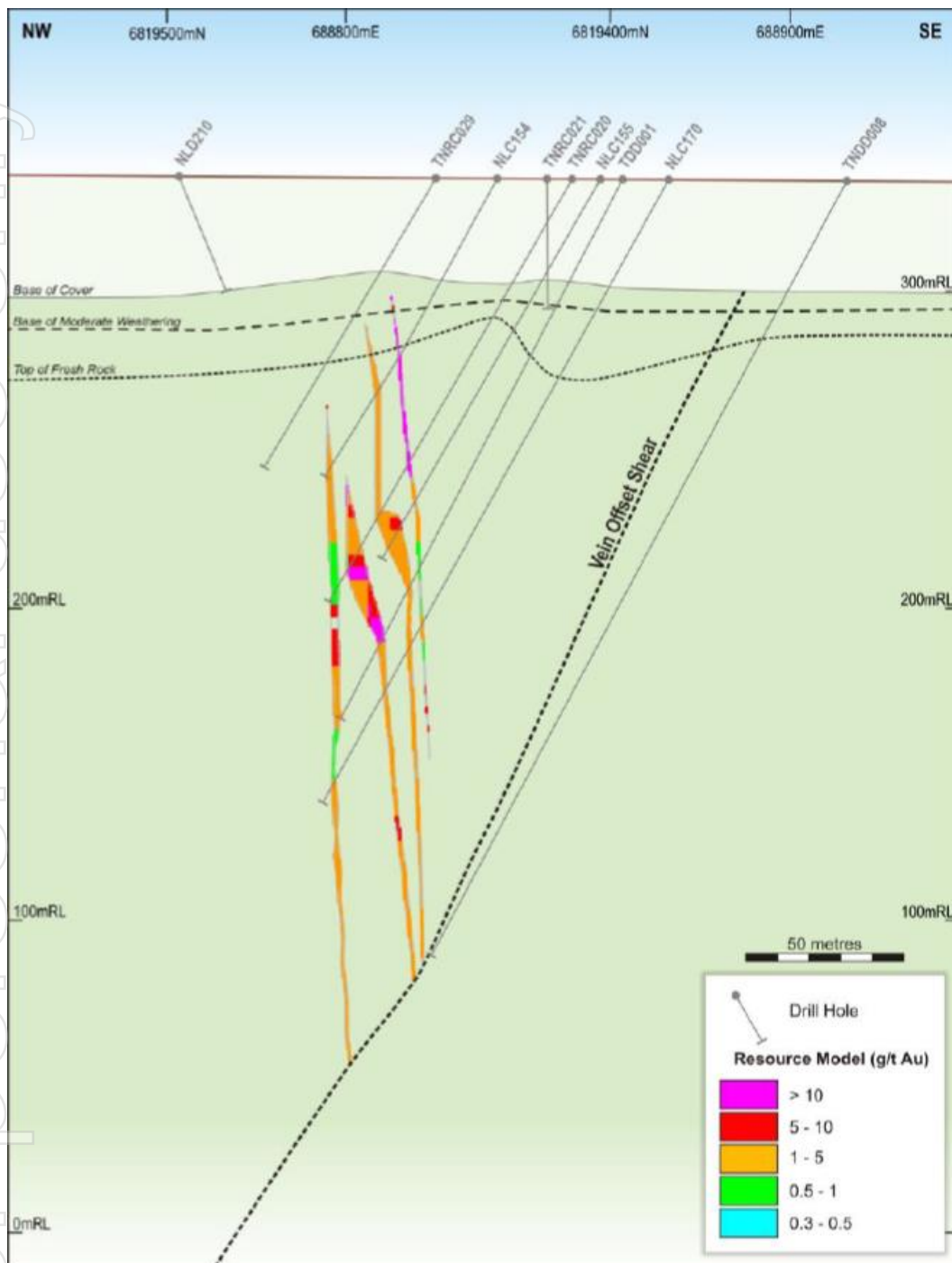


Figure 6: Hercules Section #2, view towards the northeast, showing sub-vertical to steep southeast dip of gold lodes and apparent offset at depth at the 'Vein Offset Shear'.

(Source: ASX: CWX 19 October 2022)

### 3.4.2 Atlantis Gold Prospect

The Atlantis gold prospect is located approximately 6km southwest of Hercules (Figure 3). Gold mineralisation occurs in a 4km zone along the Hercules Shear Zone and is defined by variable gold intercepts in Reverse Circulation (RC) and Air Core (AC) drill holes, in intermediate gneissic units within

an anomalous >10 parts per billion (ppb) gold near-surface geochemical anomaly defined by AC drill holes.

Interpretations are based on previous historic drilling and recent drilling by Carawine (Figure 7) as reported in ASX Release 'Assay Results Received from Atlantis RC Drilling' dated 17 March 2021. The interpretations show lodes dipping towards the northwest, which is opposite to the steep southeast dip of the Hercules lodes (see Figure 6).

### VRM Comment

Additional drilling with oriented diamond core will be required to resolve the different lode orientations at Hercules and Atlantis and to determine if there are multiple structural controls on gold mineralisation along the Hercules Shear Zone in this part of the Tropicana North Project. See similar issue in next Section 3.4.3 Big Freeze Gold Prospect.

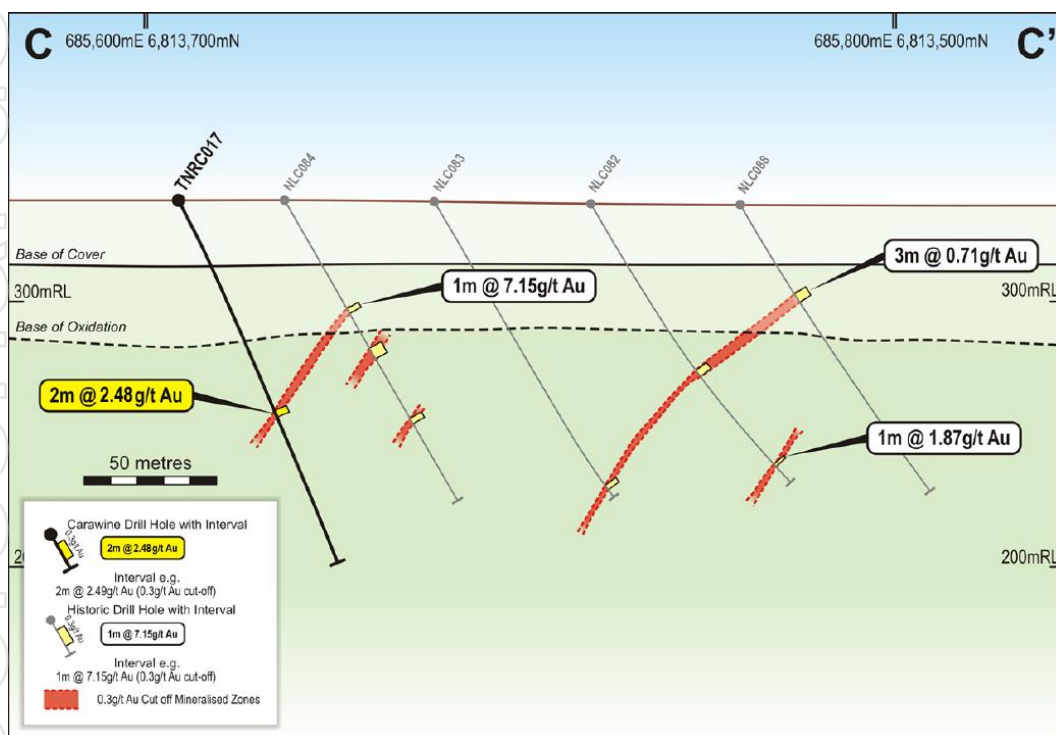


Figure 7: Atlantis section view towards the northeast, through the southern portion of the prospect, showing historic drilling and recent drilling by Carawine, and the interpreted northwest dipping lodes.

(Source: ASX: CWX 17 March 2021)

### 3.4.3 Big Freeze Gold Prospect

Big Freeze is located in the Neale tenement, immediately south of Atlantis along the Hercules Shear Zone (Figure 3). Carawine completed an 18-hole RC drilling program in August 2021 to test gold anomalies identified from previous regional AC drilling by Carawine and historic data (see ASX Release New Significant Intersections at Big Freeze and Beanie, 19 April 2022). This RC program was successful in defining a 900m-long, continuous zone of gold mineralisation in wide-spaced drilling (Figure 8).

Gold mineralisation is associated with sulphidic quartz veins in foliated chlorite alteration in monzonite and mafic granulite, similar in style to occurrences at Atlantis and Hercules to the north. Lodes are

interpreted to dip steeply towards the southeast (Figure 9), similar to Hercules (Figure 5) but opposite to Atlantis lodes, which are interpreted to dip towards the northwest (Figure 6).

### VRM Comment

Additional in-fill drilling with oriented diamond core and structural interpretations will be required to resolve the different lode orientations at Hercules, Atlantis, and Big Freeze. The range of possible interpretations is acknowledged by Carawine in relevant ASX Releases (High Grade Gold Mineral Resource for Hercules, 19 October 2022; Assay Results Received from Atlantis RC Drilling, 17 March 2021; and New Significant Intersections at Big Freeze and Beanie; 19 April 2022). These differences may indicate that there are multiple structural controls on gold mineralisation along the Hercules Shear Zone in this part of the Tropicana North Project.

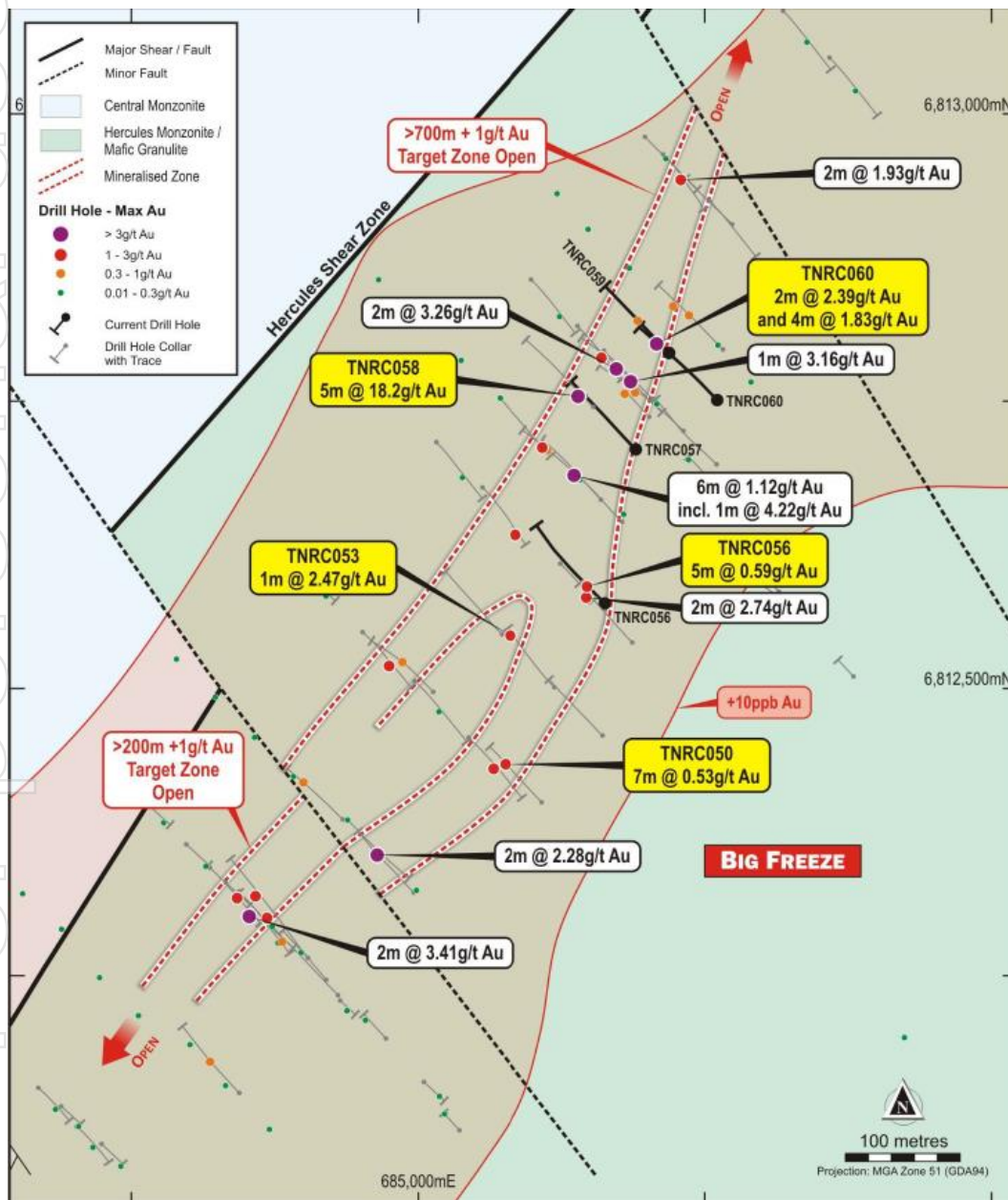


Figure 8: Big Freeze plan geology map showing Carawine RC results in yellow

(Source: ASX: CWX 19 April 2022)



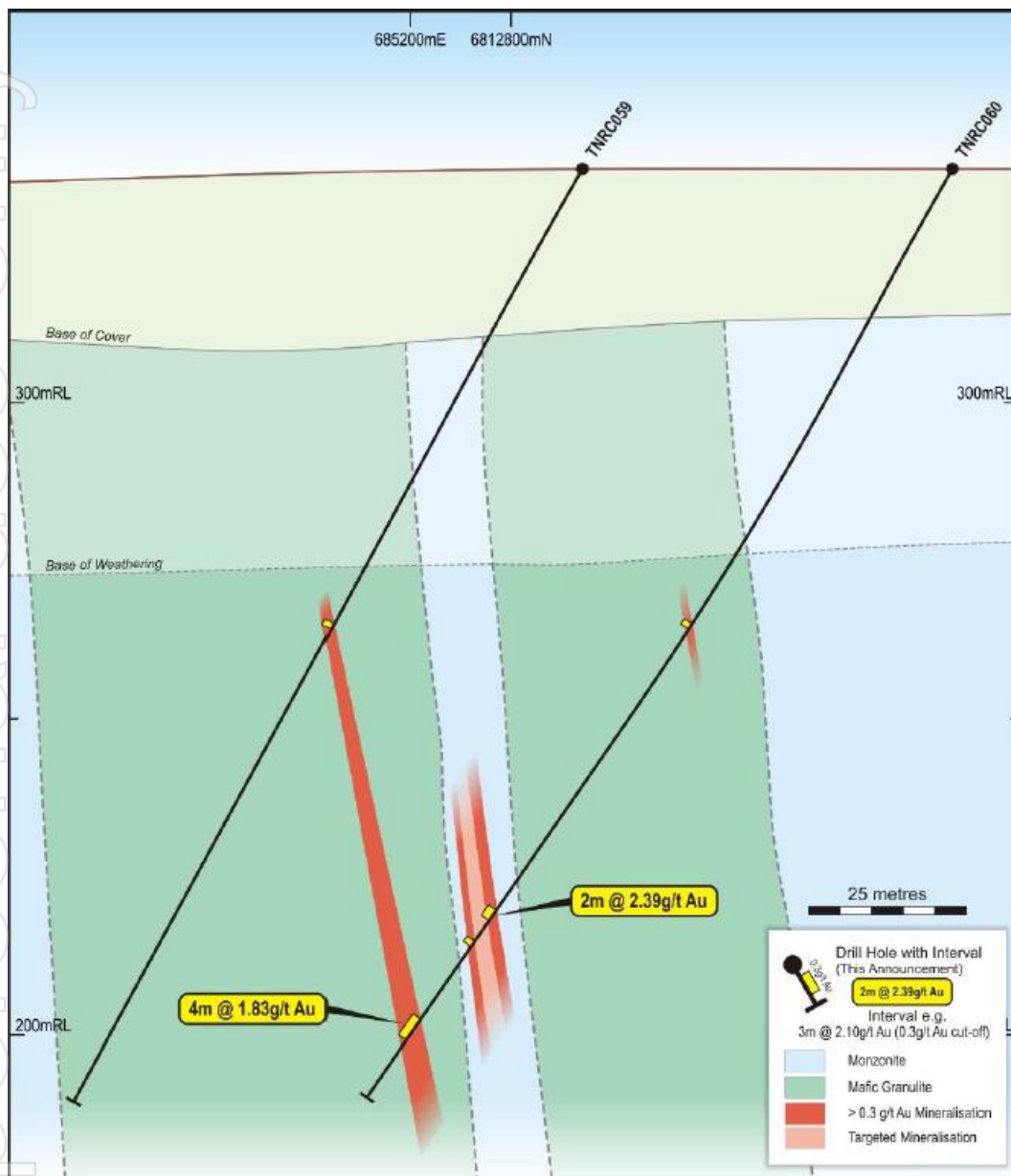


Figure 9: Big Freeze section view towards the northeast through the northern portion of the prospect showing Carawine RC drill results and interpreted southeast dipping lodes

Source: ASX: CWX 19 April 2022)

### 3.4.4 Regional Prospects

The Thunderstruck JV contains additional early-stage prospects and conceptual targets (Figure 10). New target areas have been identified along the Hercules Shear Zone and east of the Zeus prospect, in areas with little to no drilling. VRM notes that a compulsory surrender of 40% of E38/3244 was completed in January 2024 with the new tenement outline not reflected in Figure 10.

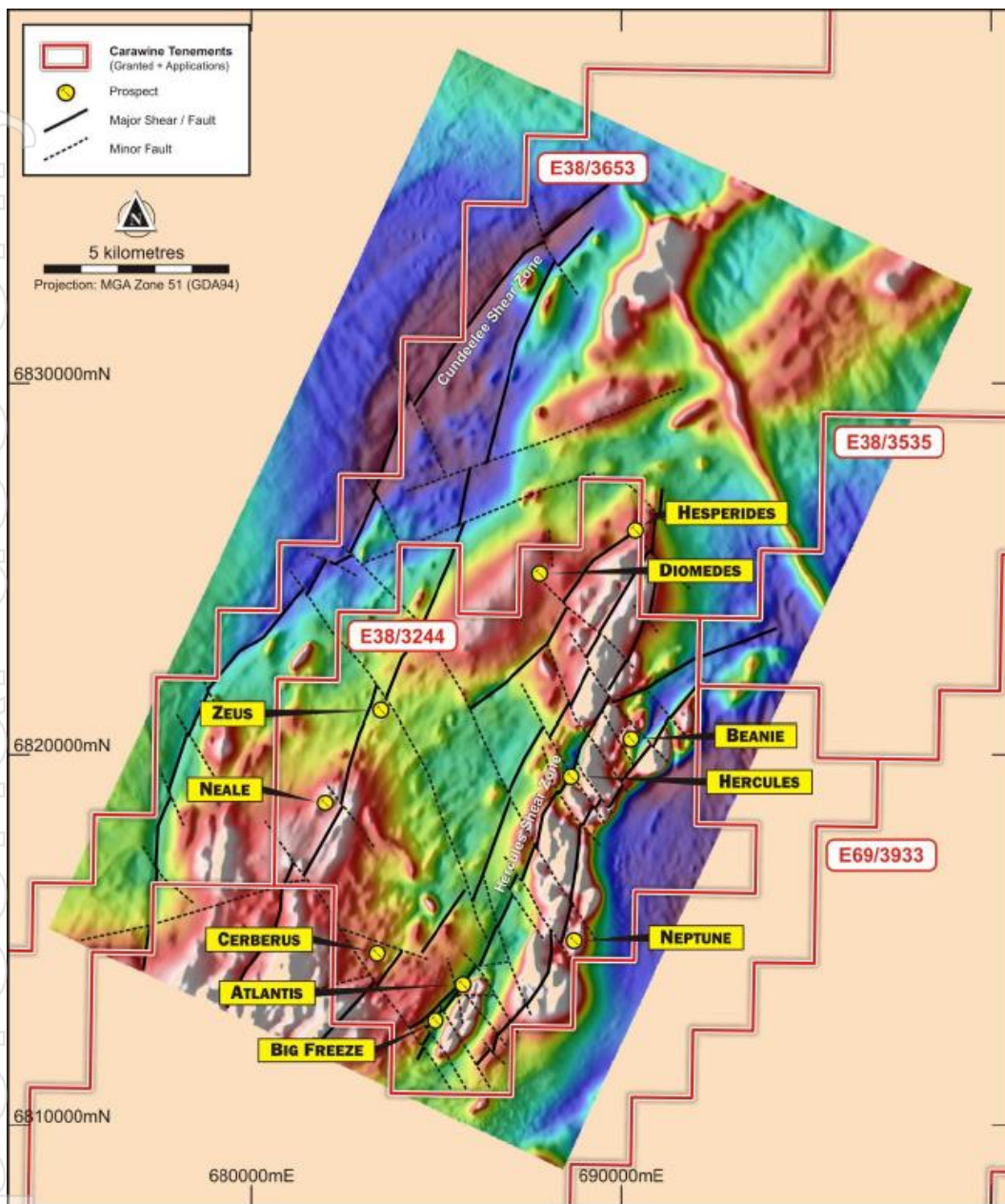


Figure 10: Aeromagnetic interpretation over the Neale and adjacent tenements (RTP magnetics)

(Source: ASX: CWX 1 November 2021)

### VRM Comment

VRM considers that the Regional Prospects described in Section 3.4.4 are all at very early stages of development and geological controls on mineralisation are not well understood. Carawine's current understanding is based mainly on historic drilling and shallow AC drilling results, which have identified the extent of near-surface anomalies. Additional work and drilling, integrated with geophysics, must focus on identifying specific bedrock controls on mineralisation, especially those associated with any potential IOCG and magmatic sulphide systems, which are less well documented in the region.

### 3.4.5 Mineral Resources

The Hercules Gold Deposit is the only project in the Tropicana North Project with a MRE (Table 2), as reported by Carawine in ASX Release 'High Grade Gold Mineral Resource for Hercules' dated 19 October 2022. The geological features and controls on mineralisation are summarised in Section 3.4 and Figure 3.

The Mineral Resource was estimated across seven domains (Figure 5) along a 400m strike and to a vertical depth of approximately 330m below surface. Different cut-off grades were used to define the potential open-pit and underground resources, as shown in Figure 11 below and described in the footnote.

Table 2: Hercules Gold Deposit MRE, October 2022\*

Assumed Mining Method*	Cut-off grade (Au g/t)*	Resource Category	Tonnes (x 1,000)	Grade (Au g/t)	Contained Au (koz.)
open pit	0.4	Indicated	84	5.3	14
		Inferred	162	4.7	24
		Sub-total	246	4.9	39
underground	1.6	Indicated	9	3.6	1
		Inferred	208	4.6	31
		Sub-total	217	4.6	32
Total	Variable	Indicated	93	5.1	15
		Inferred	370	4.7	56
		Total	463	4.8	71

Source: ASX Release 19 October 2022, High Grade Gold Mineral Resource for Hercules

\*The Mineral Resource has been classified in accordance with the guidelines of the JORC Code (2012) and has been reported above a cut-off of 0.4 g/t Au for material that could reasonably be extracted to a depth of 170m using open pit mining methods, and above a cut-off grade of 1.6 g/t Au for material below 170m that could reasonably be extracted by underground mining methods. Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate. It is reported on a 100%-ownership basis. Carawine's interest 90%.

Seven mineralised domains were interpreted from the data, striking northeast-southwest and dipping steeply to the southeast and vertically. Individual mineralised lodes vary between 0.5m and 11.4 m thick, with an average thickness of 1.8m and mineralisation is open at depth and to the southwest (Figure 11).

The Mineral Resource has been classified as Indicated and Inferred on the basis of confidence in geological and grade continuity and by taking into account the quality of the sampling and assay data and confidence in grade estimation. Domains 1, 4, 5, 6 and 7, which are based on sparse data (less than 40 samples) have been classified as Inferred. Portions of domains 2 and 3 (which have higher sample numbers) with a drilling density of up to 40m along strike by 30m down dip, where the majority of the block grades were estimated in the first search pass and which have strong geological support, have been classified as Indicated. Areas of domains 2 and 3 that do not meet these criteria have been classified as Inferred. Blocks that have been estimated using data from drillholes that have not been surveyed using Differential Global Positioning System (DGPS), and thus have lower confidence in the drillhole locations, were classified as Inferred.

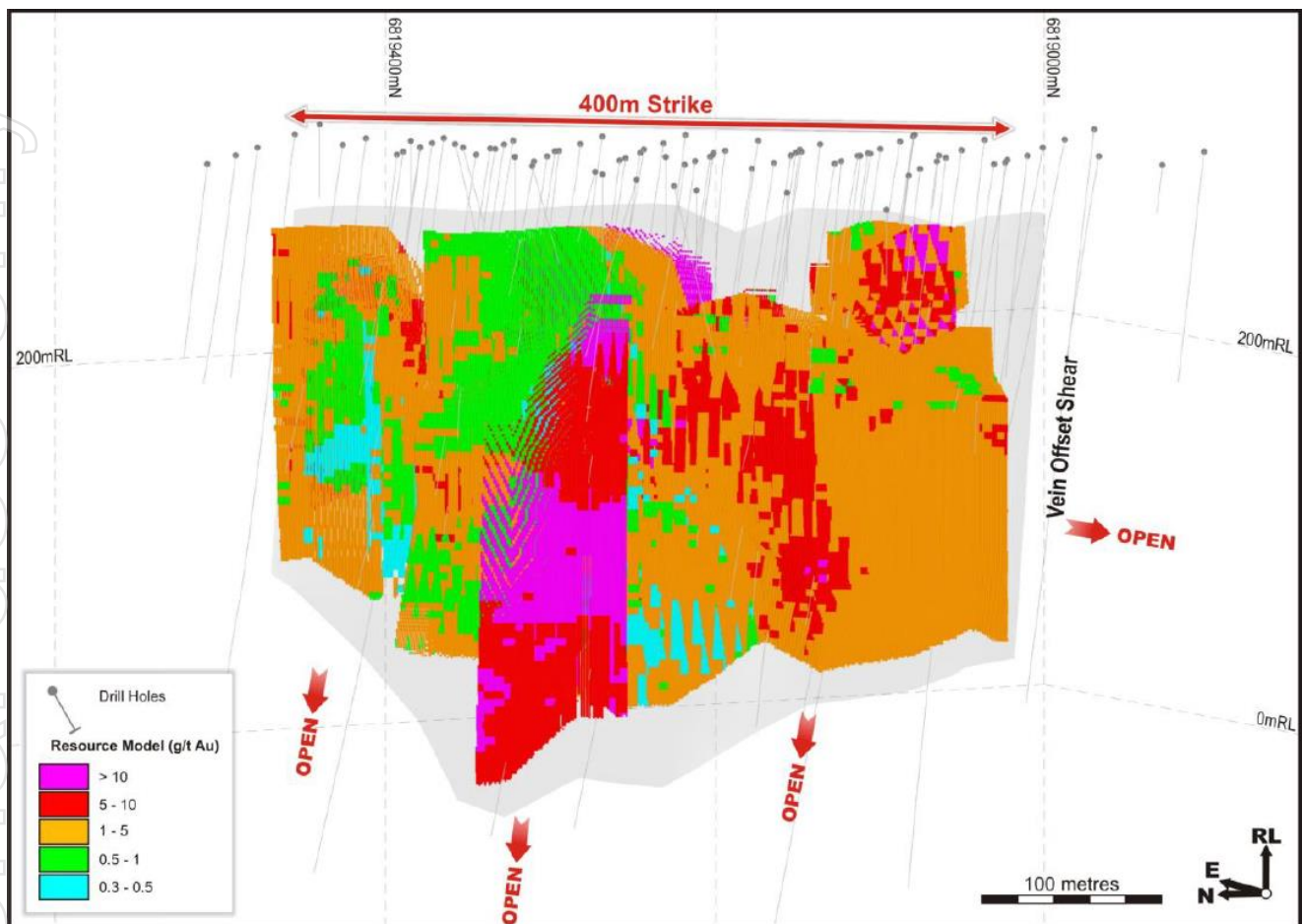


Figure 11: Hercules Mineral Resource block model, view from above towards the southwest.

Source: ASX Release 19 October 2022, High Grade Gold Mineral Resource for Hercules

## Informing Data

The MRE was completed by Christine Standing, a Competent Person at Snowden Optiro. The MRE was estimated from drill hole assay information from 8,157m of RC and 6,524.6m of diamond core drilling, completed by Carawine between November 2020 and May 2022, and historically by Beadell Resources Ltd between 2009 and 2011. Details of these drill holes are reported in ASX Releases 'Latest Assay Results Extended Parallel Gold Zone at Hercules' dated 26 July 2022 and 'Carawine Acquires New Gold Project in Western Australia' dated 3 September 2020.

## Sample Preparation and Analysis

RC drillholes were sampled on one metre intervals. A nominal 3kg sample was collected from a rig mounted cyclone and cone splitter and pulverised to produce a 50g charge for fire assay. Diamond drillhole samples were half sawn "HQ" sized diamond core on nominal one metre down hole and/or to geological intervals. Samples were pulverised to produce a 50g charge for fire assay.

All RC samples were sent to Intertek Genalysis Laboratories for low level gold assay (5ppb) using a 50g fire assay with AAS finish. Diamond core samples were sent to Intertek Genalysis Laboratories for low level gold assay (5ppb) using a 50g fire assay with AAS finish and additional multi-element analysis. Samples from two diamond drillholes were sent to Intertek Genalysis Laboratories for low level gold assay (5ppb) using a 50g fire assay with AAS finish and samples from three diamond drillholes were sent



to ALS Laboratories for low level gold assay (10 ppb) using a 50 g fire assay with AAS finish and additional multi-element analysis.

### **QA/QC**

For RC drilling, standards and blanks were inserted at a rate of 1 in 50 and duplicate samples taken at a rate of 1 in 50. For diamond drilling samples, standards and blanks were inserted at a rate 1 in 40 m (approximately 1 in 40 samples) and duplicate samples were taken at a rate of 1 in 40 m (approximately 1 in 40 samples).

### **Bulk Density**

A bulk density of 2.79t/m<sup>3</sup> has been applied inside the mineralised domains for tonnage estimation. Over 97% of the mineralisation is within fresh rock. Bulk density was measured for 2,459 core samples from the diamond drillholes using the Archimedes method.

### **Estimation Methodology**

The resource model for the Hercules deposit was constructed using a parent block size of 5mE by 5mN on 4m benches and the parent blocks were allowed to sub-cell down to 1mE by 1mN by 1mRL to more accurately represent the geometry and volume of the mineralised domains. Gold (ppm) block grades were estimated using ordinary kriging.

The mineralisation at depth extends from below the base of cover sediments and preliminary pit optimisation indicates that there are reasonable prospects for eventual economic extraction (RPEEE) for open pit mining to a depth of 170m and potential underground mining below this. The Mineral Resource has been reported above a cut-off grade of 0.4 g/t gold for material that is within the RPEEE pit shell and at a cut-off grade of 1.6 g/t gold for material below the pit shell that may have RPEEE by underground mining. These cut-off grades were selected by Snowden Optiro and are commensurate with the cut-off grades (0.4 g/t gold for open pit and 1.56 g/t gold for underground) that have been reported for the Tropicana Gold Mine (Regis Resources Ltd, 2021). It is considered that there are no mining factors which are likely to affect the assumption that the deposit has reasonable prospects for eventual economic extraction.

### **Metallurgy**

Metallurgical test work has not been undertaken on samples from the Hercules gold deposit. Mineralisation is analogous to that at the Tropicana Gold Mine, and it is expected that similar processing options could be applied.

### **VRM Comment**

VRM has conducted a review of the reasonableness of the 2022 Hercules MRE and has not identified any material areas of concern. Summaries of the MRE interpretations, workflows, and methods, including drilling, sampling and analytical techniques, as listed in Table 1 of ASX Release 'High Grade Gold Mineral Resource for Hercules' dated 19 October 2022, are reasonable for this style of gold mineralisation and MRE classification, where ~80% of the tonnes and ounces are Inferred.

Concerns for ongoing work that will influence the Hercules MRE include 1) the potential for interpreting different dip directions of the narrow lodes and structural controls on mineralisation, which may vary along the Hercules Shear Zone, 2) increasing the understanding of the location, nature and orientation of the 'Vein Offset Shear' that truncates lodes at depth, and 3) interpreting the orientation and continuity of narrow lodes with coarse, visible gold.

Future resource drilling at Hercules should include a significant amount of oriented diamond core to address these concerns. In addition, there should be a focus on closer spaced drilling in specifically selected areas to increase confidence in 1) controls on short-range variability in gold grades (i.e., nugget effect) and 2) resource classifications and potential early production areas in both open pit and underground mining scenarios. Also, there is an assumption that gold mineralisation at Hercules is analogous to that at the Tropicana Gold Mine. A metallurgical program should be designed for future drilling to test this assumption.

Additional in-fill drilling with oriented diamond core will be required to improve the confidence in structural interpretations and resolve these differences. Diamond core drilling will also be important in all prospects along the Hercules Shear Zone because of the occurrence of coarse, visible gold at Hercules. Assay results in all projects along the shear zone are highly variable, which is expected with coarse gold.

This uncertainty regarding lode orientations is acknowledged by Carawine. Additional drilling and structural interpretations may indicate that the lodes in the three areas are sub-parallel, or, alternatively, that there are multiple structural controls on gold mineralisation along the shear zone in this part of the Tropicana North Project. It is important this is resolved for future drill planning and updates of MRE's.

### 3.5 Tropicana North 100%

Carawine's Tropicana North Regional tenements form several groups.

- The Tropicana Zone tenements surrounding the Neale (Thunderstruck JV) tenements including the Boddies, Naries targets.
- The Chicago projects containing an IOCG target.
- The Pleiades Tenements 20km east of Tropicana Gold Mine
- Python (south of Pleiades) with the Area 1 2 and 3 gold targets
- Blue Bell South and Tallow in the South Yamarna Belt

#### 3.5.1 Tropicana Zone

A regional aeromagnetic survey was flown in August 2021 over Neale and surrounding 100% Tropicana Zone tenements. The data was interpreted by Carawine who placed new and historic assay results into a local structural and geological context, and to generate new target areas (Figure 10). This work has defined spatial relationships between magnetic bodies, the north-northeast striking Hercules Shear Zone, adjacent north northwest-south southeast striking faults and known mineralisation (ASX Release 'Multiple New Gold Targets Identified at Tropicana North, 1 November 2021).

#### 3.5.2 Chicago

Carawine's Tropicana North tenements also include interpreted bullseye magnetic anomalies, which may be prospective for magmatic related IOCG Au-Cu deposits and Ni-Cu-Co deposits.

The Chicago tenement (E69/3756) is located about 70km northeast of the Tropicana gold mine, with basement geology interpreted as Proterozoic to Archaean aged Biranup Zone rocks masked by transported Paterson Formation cover (Figure 2). A north-west trending gravity ridge runs through the southern part of the tenement, and in the centre of the tenement a prominent magnetic high provides a conceptual target with potential for an intrusion-related mineral system target (e.g. IOCG) (Figure 12).

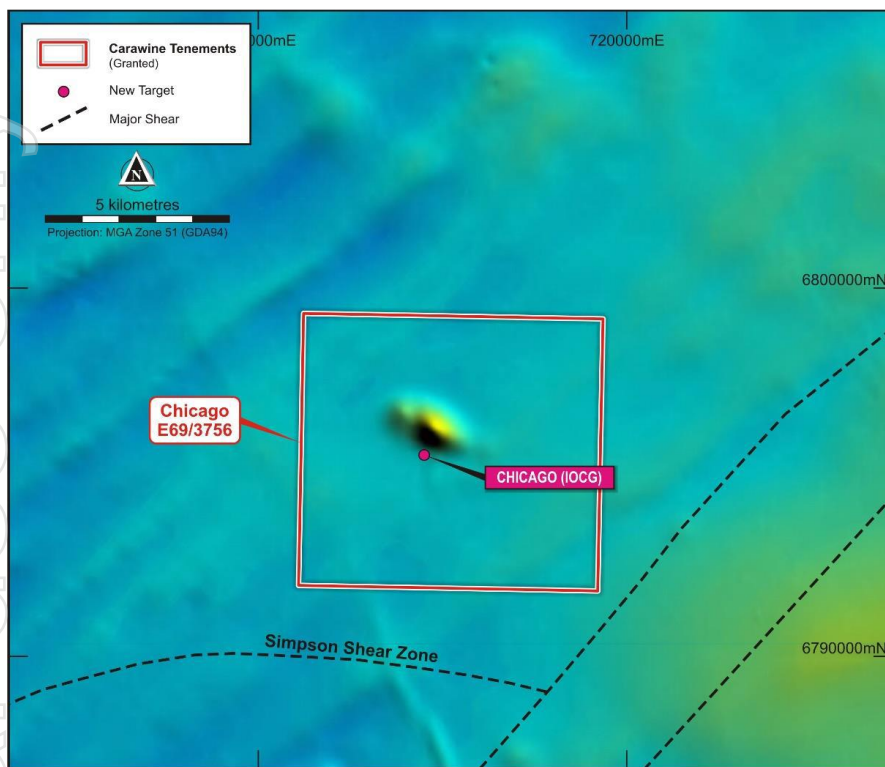


Figure 12: Chicago magnetic target

(Source ASX: CWX 4 March 2022)

Previous exploration is limited to regional government and company aerial geophysical surveys, including an east-west Tempest electromagnetic survey line about 4km north of the northern tenement boundary which indicates the depth of transported cover in the area is relatively shallow at approximately 100m.

The isolated, prominent magnetic high represents a conceptual exploration target, with potential mineralisation styles including intrusion-related gold and copper, iron-formation hosted gold, or ultramafic layered platinum group element (**PGE**) deposits. Prospect-scale magnetic and gravity surveys aimed at accurately locating the anomaly and its extents will be required prior to any drill-testing.

### 3.5.3 Pleiades

The Pleiades tenements are located 20km east of the Tropicana gold mine. Two major shear zones and strongly foliated Biranup Zone syenite and granitoids, and gabbroic intrusions of the Salt Creek Group dominate the tenement's geology.

An extensive gold anomaly defined above 10ppb Au in historic AC drill holes has been identified at Pleiades, trending east-northeast and extending over more than 7km (Figure 13). The anomaly is sub-parallel to major structures and includes one significant interval in wide-spaced 500m x 200m drilling of 1m at 0.59g/t Au from 10m in drill hole PL00370 (Figure 13).

The gold anomaly is defined by three wide-spaced drill lines and is larger than gold anomalies associated with the Hercules or Atlantis/Big Freeze prospects along the Hercules Shear zone on the Neale tenement (ASX: CWX 23 September 2021). Additional AC drilling to better define the anomaly between drill lines, and closer-spaced drilling along drill lines, is required to advance this prospect.

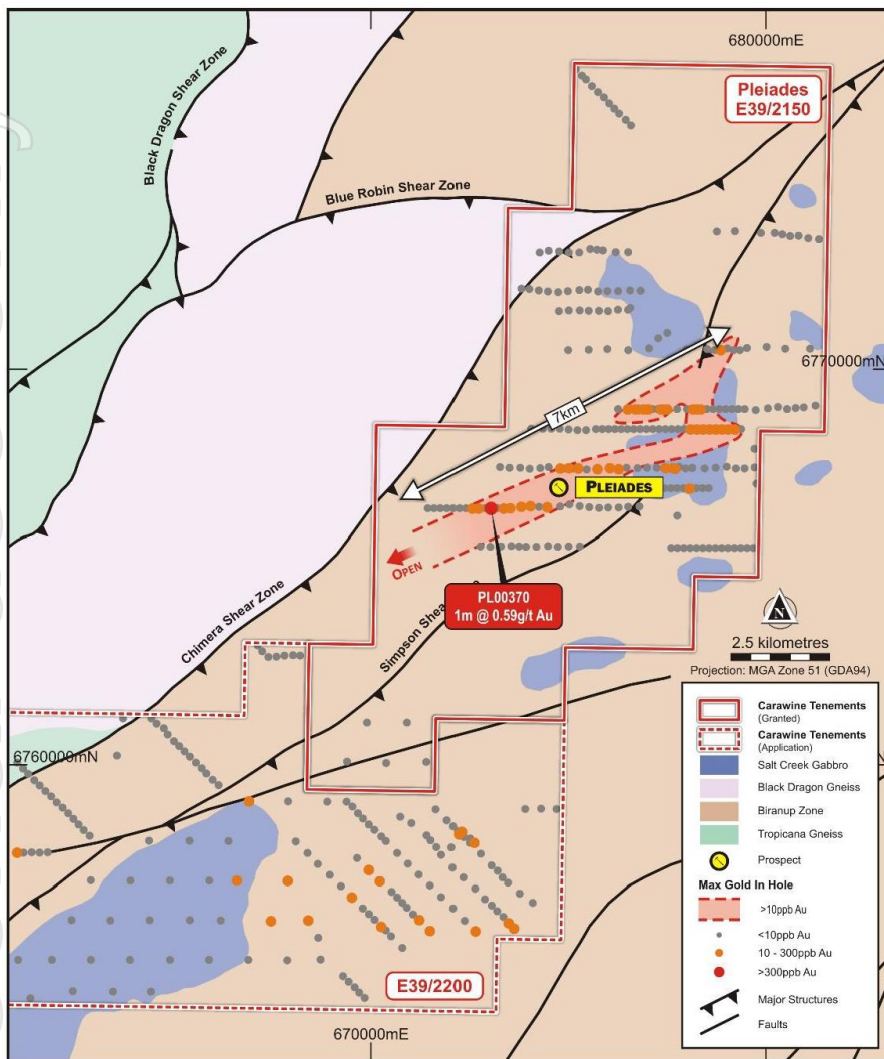


Figure 13: Pleiades geology, drilling, and exploration results.

(Source: ASX: CWX 4 March 2022)

### 3.5.4 Python

Python is located in the southern extent of the Tropicana Belt, approximately 30km south of the Tropicana gold mine (Figure 2). Bedrock units include Tropicana Gneiss, Biranup Zone syenite and granitoids, Salt Creek Group intrusive units, and metamorphosed granites, mafic and sedimentary rocks. The Thorny Devil Shear zone, which runs immediately east of the Tropicana gold mine extends south, onto the tenement (Figure 14).

Much of the tenement has been drilled by previous explorers as regional, 1km-spaced AC holes. Carawine has identified two gold targets and one magmatic nickel-copper target at three areas of interest for follow up exploration from this drilling, as follows.

**Python Area 1**, in the southeast corner of the tenement comprises a 2.5km x 1.5km area of gold anomalism with maximum gold in hole values ranging from 10ppb to 612ppb (0.61 g/t) Au. Two significant intervals are reported from historic drilling (WAMEX A122352 Independence Group NL, 2020).

- 18AFAC10887 4m at 0.61 g/t Au from 42m

- SCAC0092 1m at 0.36 g/t Au from 32m

Field investigations indicate that much of the gold anomalism sits at or near the base of transported cover. This could relate to either geochemical dispersion from a bedrock gold source, or paleochannel/placer gold mineralisation. Importantly, geological logs associated with the intervals in drill holes 18AFAC10887 and SCAC0092 indicate a primary, bedrock gold source. The nearest drillholes to 18AFAC10887 are more than 200m away, with no drilling along strike to the northeast.

Follow-up work to test under and around the interval in 18AFAC10887 is warranted and is likely to comprise deeper RC drilling and potentially further AC drilling along strike.

In 2022 and 2023 AC drilling by Carawine at Python identified potential strike extensions of gold mineralisation from historic drill results and highlighted targets for additional drilling. However, geological controls on mineralisation are not well understood at this stage.

Significant intervals returned from Area 1 include 1m at 1.57g/t Au from 30m in drill hole PYAC038 (1m resample result), and 4m at 0.21g/t Au from 32m in drill hole PYAC037. The results delineate a potential second-order mineralised structure with a strike of more than 1.5km which requires additional, closer-spaced and deeper drilling to determine its extent (Figure 14) (ASX: CWX 18 May 2023 and 4 March 2022).

**Python Area 2** is in the north of the tenement and comprises a single gold anomalous end-of-hole assay result from historic AC hole TTA109 drilled by Independence Gold NL in 2006 (WAMEX A116751).

- TTA109 1m at 0.50g/t Au from 59m (EOH)

The closest drill holes are 200m away on the same drill line, and 800m away to the south, leaving a large area untested (Figure 14). Closer-spaced AC drilling in the area around TTA109, and deeper RC drilling beneath it is required to follow-up this highly anomalous gold result.

**Python Area 3** is in the west of the tenement and is centred on an ultramafic ortho-cumulate intrusive body (picrite/peridotite) identified from three AC holes drilled by AGA in 2015 (Figure 14). These drill holes returned high nickel (0.17% to 0.81% Ni), copper (<30ppm to 572ppm Cu) and MgO assay values (<1% up to 34.3%) from the intrusive body, consistent with its ultramafic composition and therefore its potential as a source/host rock for Nova-style magmatic nickel-copper sulphides. Transported cover in the area is relatively shallow at approximately 55m.

A broad-spaced moving loop electromagnetic ("MLEM") survey conducted by IGO in 2017 over the area reported a "strike-extensive, low conductance conductor deemed to represent a sedimentary/lithological horizon which was ruled out for drill testing" (no other details of the anomaly or survey were reported). Despite this, later that same year IGO attempted two diamond drill holes to test the conductor, with both holes terminated before reaching bedrock within 40m of surface. The conductor therefore remains untested.

The high nickel and MgO values of the Area 3 intrusive are uncommon compared with other interpreted intrusive bodies with similar magnetic signatures in the region. Further work including a detailed MLEM survey and/or drilling is required to test its mineralisation potential (ASX: CWX 4 March 2022).



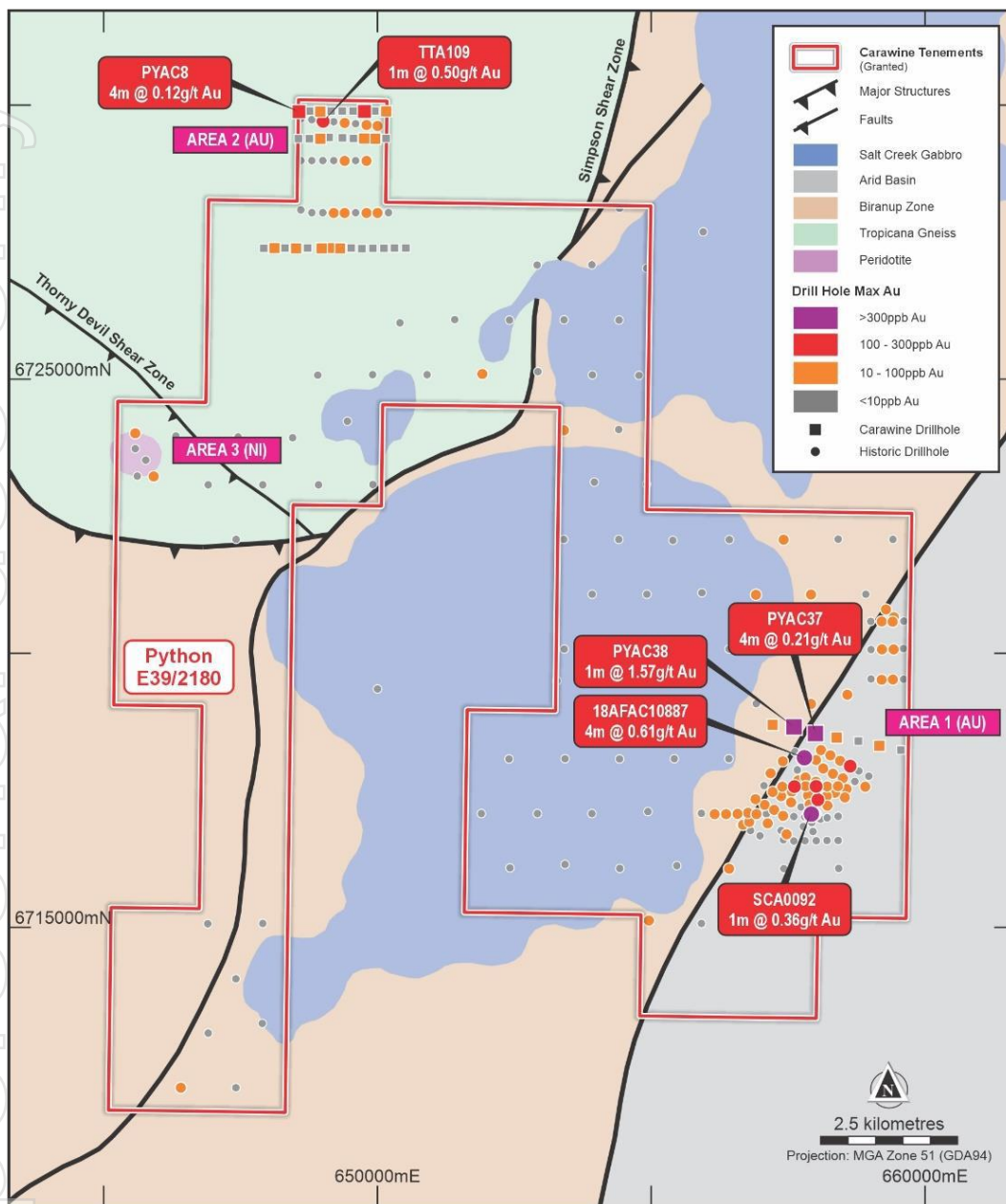


Figure 14: Python Project geology and drilling results

(Source ASX: CWX July 28 2023)

### 3.5.5 Blue Bell South E38/3521 and Tallow E38/3712 (Southern Yamarna Belt)

Blue Bell South is located in the southern extent of the northwest trending Yamarna greenstone belt, approximately 90km south of the Gruyere gold mine (Figure 2). Bedrock units include Archean granitoid, syenite, monzogranite, high biotite monzogranite, sedimentary units and mafic to felsic volcanic and volcanoclastic rocks, covered by 2m to 40m thick Permian sediments. The Yamarna Shear Zone runs through, and near the western edge of the tenement just north of where it joins the Dexter Shear Zone. A number of historic gold prospects are within and nearby the tenement, including Tallows and Three Bears, identified by Breaker in their Dexter Project (WAMEX A109513), and Bluebell (identified by WMC and later expanded by Gold Road Resources) (Figure 15) (WAMEX A60236).

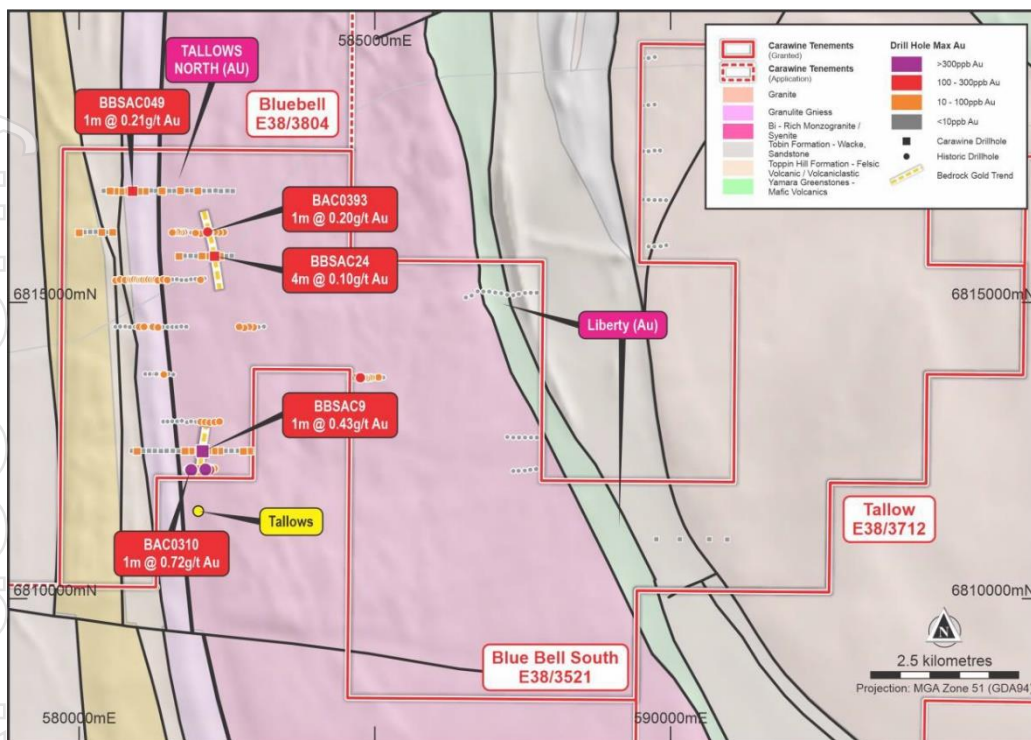


Figure 15: Blue Bell and Tallow Geology and previous drilling and exploration results.

(Source ASX: CWX 18 May 2023)

"Tallows North" centres on the Yamarna Shear Zone in the west of the tenement comprising a large 5km x 0.5km to 3km, 7ppb to 130ppb Au auger soil anomaly discovered by Breaker in 2012, with wide-spaced AC drilling by Breaker defining the "Tallows" prospect which trends onto the Blue Bell South tenement from the south.

At Tallows North a significant interval of 1m at 0.43g/t Au from 64m in Carawine drill hole BBSAC009, associated with quartz veins at the base of residual saprolite above biotite-altered granite, is 300m north of historic drill hole BAC0310 which returned 1m at 0.72g/t Au from 54m. Together these two intervals define a north to northeast oriented trend which extends more than 600m on the tenement, with additional closer spaced and deeper drilling required to determine the potential of this trend (refer ASX announcements 18 May 2023 and 4 March 2022).

Given the large size and tenor of the soil gold anomaly at Tallows North, and the associated redox-boundary gold anomaly defined in drilling, above prospective bedrock along a major structure in the Yamarna Shear Zone, follow-up exploration is warranted.

The "Liberty" target area comprises the southern strike extension of a fault-bounded section of mafic volcanic, sediment and felsic volcanic and volcanoclastic rocks of the Yamarna Terrane which extend south from the historic Bluebell gold prospects. Previous drilling along this trend is wide spaced, limited to sampling the base of transported over ("interface sampling") and is therefore largely untested. AC drilling to map and sample bedrock along this trend will be required as a first-pass exploration program.

## 4. Fraser Range Project (Ni-Cu, Au) Western Australia

### 4.1 Location and Access

The Fraser Range Projects are located south of the Tropicana North Project described above in Section 3, in the Albany-Fraser Province in Western Australia (Figure 16), approximately 200km southeast of Kalgoorlie. Access is via unsealed roads.

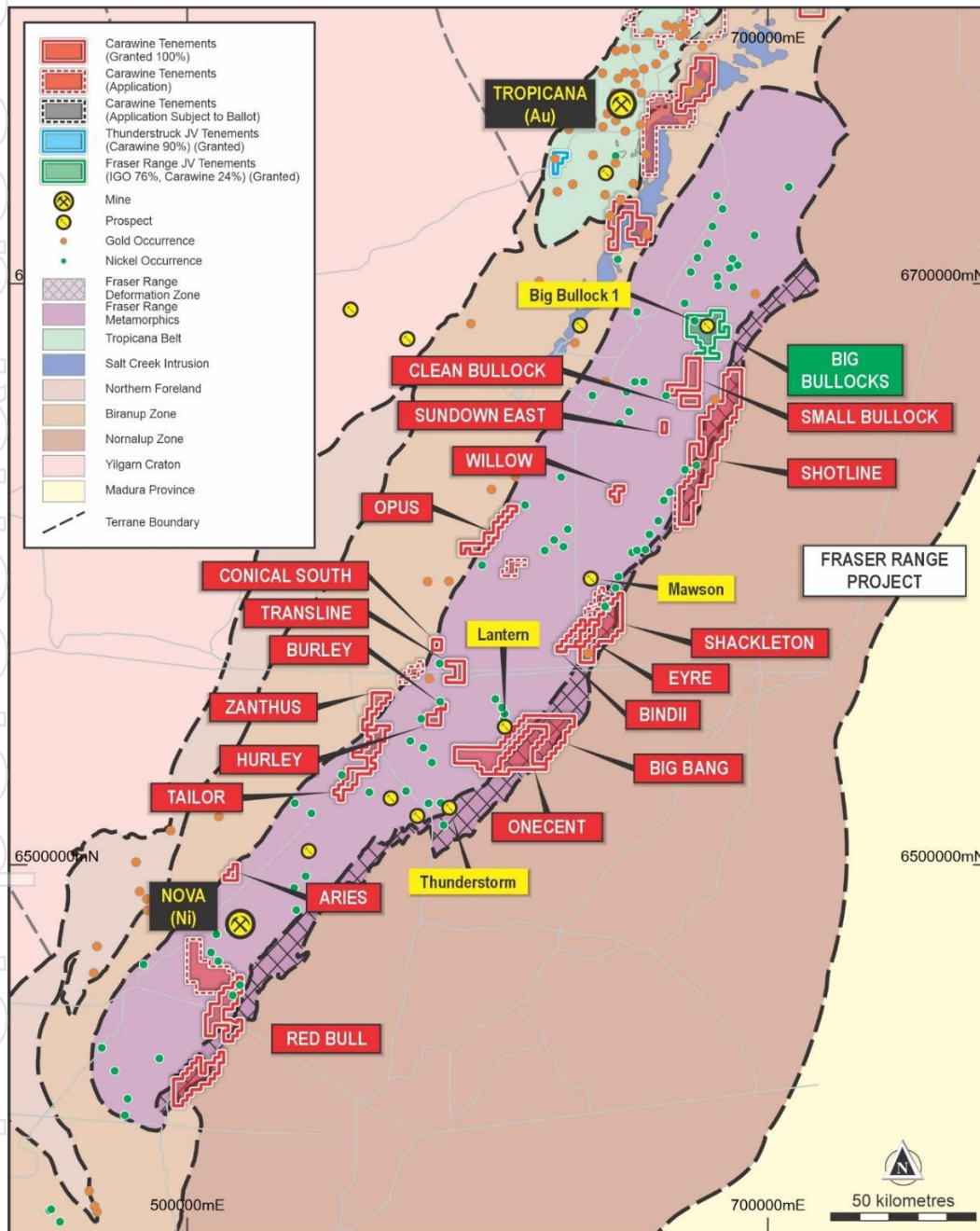


Figure 16: Fraser Range Tenements and Geology

(Source ASX CWX 29 January 2024)



## 4.2 Regional Geological Setting

The Fraser Range Projects are located in the Proterozoic Albany-Fraser Province, on the eastern margin of the Archean Yilgarn Craton (Figure 16). The two main prospective tectono-stratigraphic domains are the Fraser Range Metamorphics (FRM) and the Fraser Range Deformation Zone (FRDZ), which contain deformed remnants of FRM rocks. This is a structurally complex zone with distinct magnetic and gravity anomalies and is considered prospective for both magmatic Ni-Cu sulphide deposits like Nova and structurally controlled gold and base-metal IOCG mineralisation, Legend Mining's recent Mawson discovery and Galileo Mining Limited Lantern prospects.

## 4.3 Fraser 100%

Carawine is primarily targeting Ni-Cu sulphide deposits in the Fraser Range Project, in the Regional Project tenements (Carawine 100%) and the FRJV between IGO Limited (76%) and Carawine (24%).

### 4.3.1 Big Bang

The Big Bang tenement package is located on the eastern margin of the FRM complex and is considered prospective for magmatic Ni-Cu and IOCG styles of mineralisation. The FRM complex hosts the IGO Nova Nickel Mine and several advanced Ni-Cu projects, including Legend Mining's recent Mawson discovery and Galileo Mining's Lantern prospects, directly west of the Big Bang tenements (Figure 17).

Carawine identified nine target areas at Big Bang with seven considered prospective for nickel-copper (ASX: CWX 15 September 2020). MLEM was conducted on three of these targets in 2022 (ASX: CWX 6 September 2022), BB1-A, BB1-B and BB2-A (Figure 17).

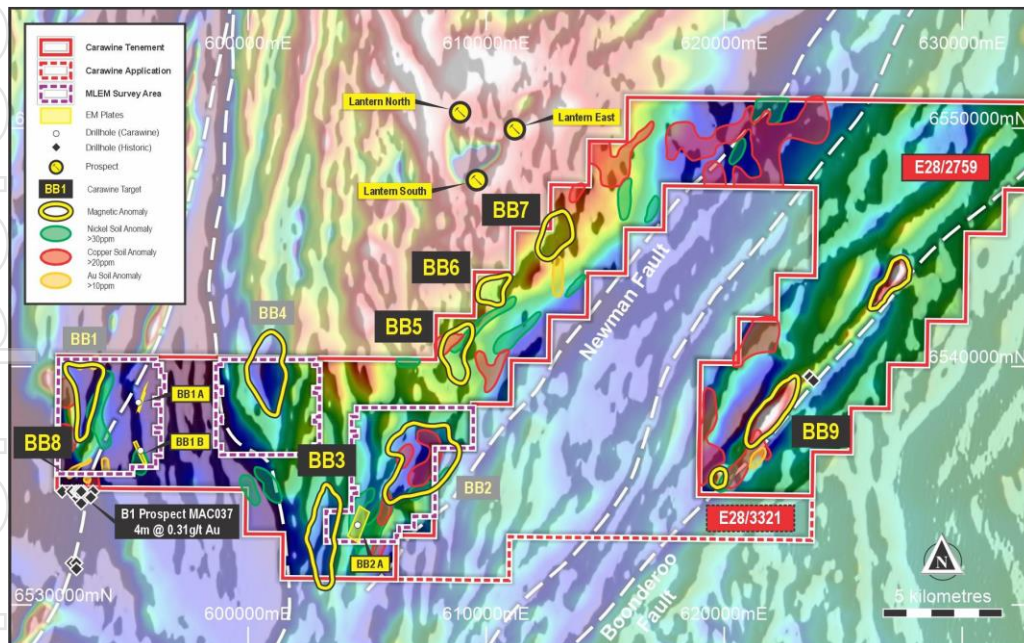


Figure 17: Big Bang tenements with magnetic and soil anomalies. Background is RTP magnetics.

(Source: ASX: CWX 25 October 2023)

Drilling of three holes for 964.2m was conducted in the September quarter of 2023. The drilling revealed the sources of targets BB1-A, BB1-B, and BB2-A were graphite in sediments and a graphitic met-granulite which downgrades these targets.

### 4.3.2 Red Bull

The Red Bull Project area is located 25-50km south of Nova Nickel Mine within the Fraser Range metamorphics and along the Fraser Range Deformation Zone.

Previous work has consisted of moving loop electromagnetic (EM) conducted by IGO in 2021. Drilling to test three targets (Figure 18) and a downhole EM target returned graphitic and sulphidic sediments as the sources of the conductors. The initial drillhole testing target RB-C contained prospective ultramafic hosts. Data review has identified a fourth target RB-D shown on Figure 18, which is poorly defined and untested. Given the host rock and location close to Nova Nickel Mine, this project is still considered highly prospective.

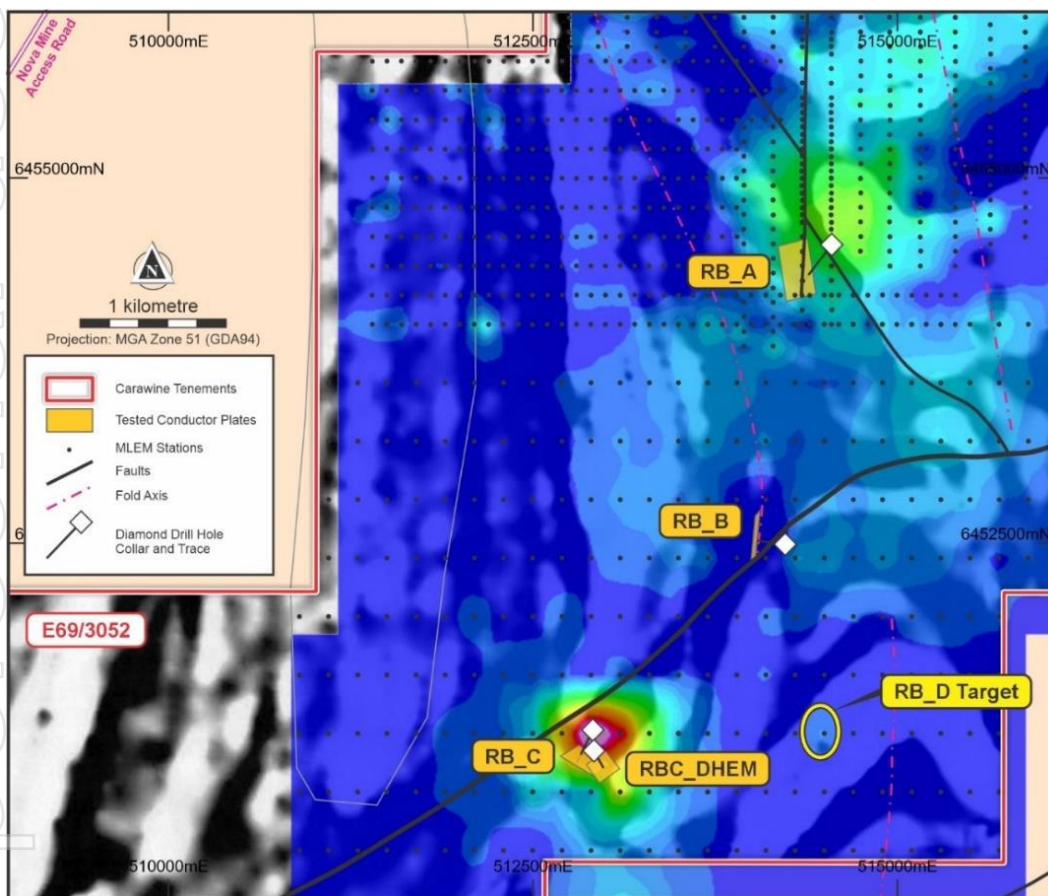


Figure 18: Red Bull MLEM survey showing EM conductors, modelled plates and drillhole locations.

### 4.3.3 Aries

AC drilling by Australian Mineral Fields ("AMF") in 2008 returned two anomalous gold intervals adjacent to and along strike from the linear magnetic high, as follows:

- FRA211 4m at 1.71g/t Au from 48m (4m composite), including 1m at 1.38g/t Au from 49m and 1m at 0.21g/t Au from 50m.
- FRA233 4m at 0.30g/t Au from 52m (4m composite), including 1m at 1.19g/t Au from 53m.

In 2013 the two AMF drill hole intervals were followed up with deeper RC drilling by Matsa Resources Ltd (**Matsa**). Matsa drilled 13 close-spaced RC holes in four fences between 500m and 700m apart along the southwestern half of the magnetic high. The best result from this drilling, reported near FRA211, was 4m



at 0.14g/t Au from 100m (4m composite) in drill hole 13FRRC001 (collared 87m to the southeast of FRA211).

More recent AC drilling by IGO for the FRJV returned an anomalous gold interval in drill hole 22AFAC10183, further along strike from FRA233, as follows:

- 22AFAC10183 1m at 0.23g/t Au from 47m (EOH)

Carawine considers Matsa's limited deeper drilling along the magnetic high trend has not sufficiently tested the potential of the magnetic feature or its immediate along-strike extents for significant gold mineralisation indicated by the AMF and IGO drilling (Figure 19).

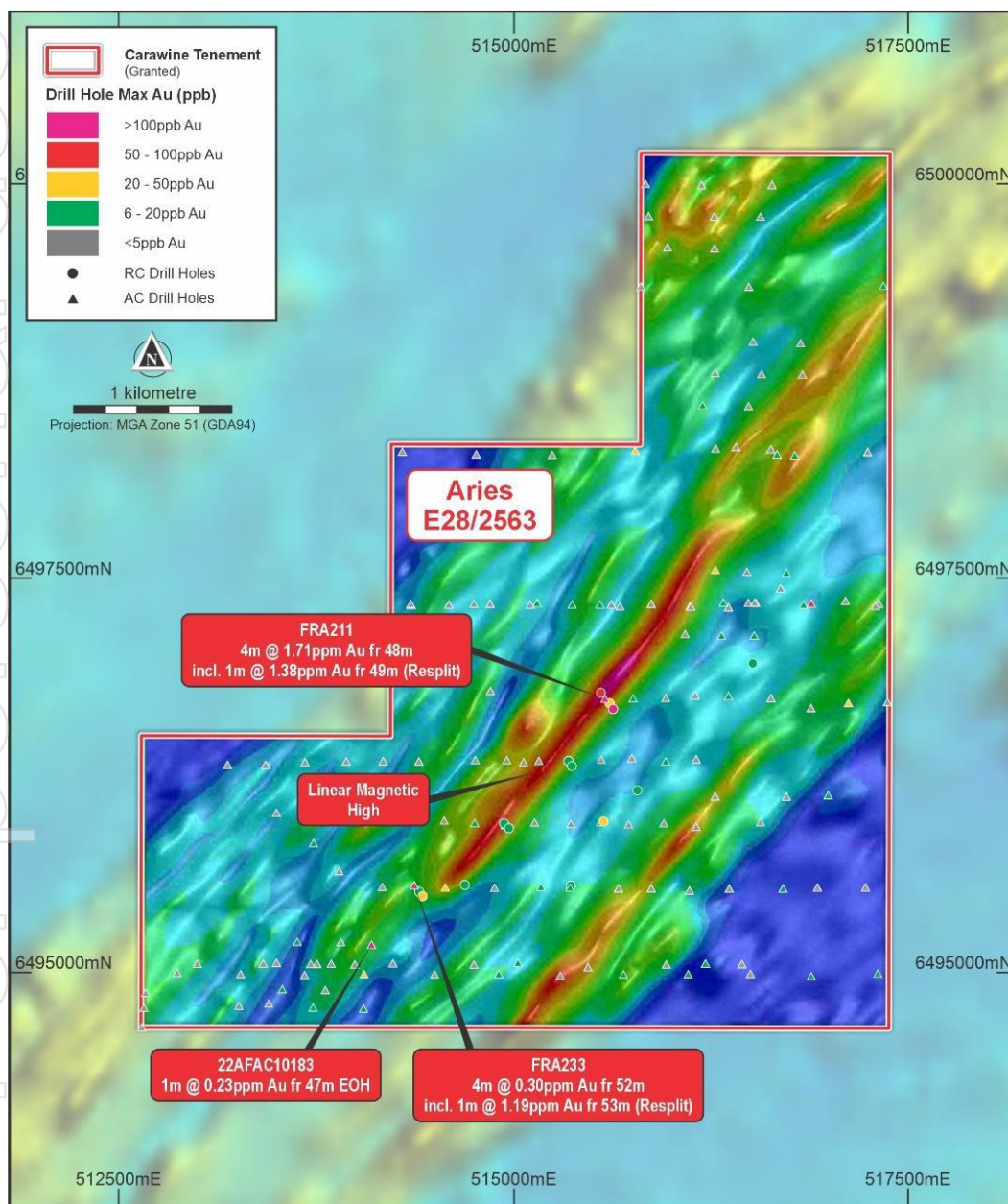


Figure 19: Aries magnetic image with previous drilling results

(Source ASX: CWX 29 January 2024)

#### 4.3.4 Fraser Range Joint Venture

The Fraser Range JV (FRJV) between IGO (76%) and Carawine (24%) comprises the Big Bullocks tenement (Figure 16), which is considered prospective for magmatic Ni sulphide mineralisation similar to Nova Nickel Mine.

Recent AC drilling by IGO (operating partner) at the Centennial target in Big Bullocks targeted prospective mafic-ultramafic intrusive rocks and recovered weakly anomalous Ni-Cu-Co mineralisation associated with chlorite and serpentinite alteration (ASX: CWX 29 January 2024).

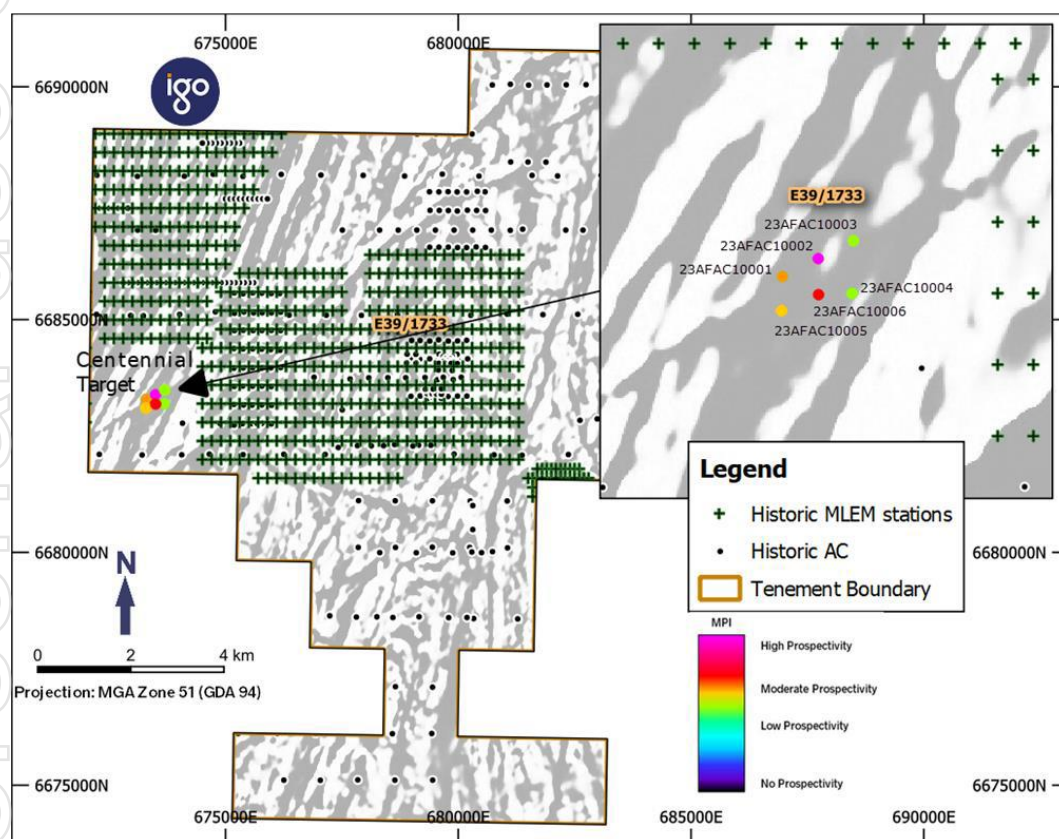


Figure 20: Big Bullocks - Centennial Target

(Source ASX: CWX 29 January 2024)

A follow-up MLEM survey is being planned to target Ni-Cu sulphide mineralisation.

## 5. Paterson Region (Cu, Au, Mn, Zn) Western Australia

The Paterson Region projects consists of the Paterson Project, the Oakover JV and Oakover Projects along with the Coolbro JV.

The Paterson Project comprises ten granted exploration licences and six active exploration licence applications (six subject to ballot) over an area of about 1,628km<sup>2</sup>. The region is subject to three separate joint ventures and some 100% owned projects as described below.

Carawine has a farm-in and joint venture agreement with RTX, a wholly owned subsidiary of Rio Tinto, whereby RTX has the right to earn up to an 80% interest in the Baton and Red Dog tenements by spending \$5.5 million in six years from November 2019 to earn a 70% interest and then sole funding to a prescribed milestone.

The Oakover Project consists of six exploration tenements that are 100% owned by Carawine and five tenements that comprise the Oakover JV Project (four exploration licences and one mining lease application) The Oakover JV Project is a farm-in and joint venture agreement with Black Canyon, giving Black Canyon the right to earn up to a 75% interest in eight Oakover Project tenements by spending \$4 million in two stages in five years period from May 2021. The joint venture is now at 75% Black Canyon and 25% Carawine with both parties contributing.

On the 13th of November 2019, Carawine announced a joint venture with FMG Resources Pty Ltd, a wholly owned subsidiary of Fortescue. This JV has been termed the Coolbro JV. Fortescue has now earned a 51% interest in the Lamil Hills, Trotman South and Eider tenements, and has elected to sole fund an additional \$4.5 million in exploration expenditure to earn a further 24% interest by November 2026.

Carawine retains 100% interest in its remaining Paterson Project tenements (ASX: CWX 12 September 2023).

### 5.1 Location and Access

The Projects are situated in and around the Woodie Woodie manganese (Mn) mine, the Nifty copper mine, and the Telfer gold mine in the Southern Paterson Province and the Eastern Oakover Basin (Part of the Hamersley Basin) in north west Western Australia. Access is via the Ripon Hills Road south from Marble Bar to the Woodie Woodie Manganese Mine, east from Nullagine along the Skull Springs Road, or north from Newman to Balfour Downs. East of Ripon Hills, access is via the Telfer access road which passes to the north of Woodie Woodie and Nifty (Figure 1 and Figure 21). The tenements are located on pastoral land and further to the east on vacant crown land.



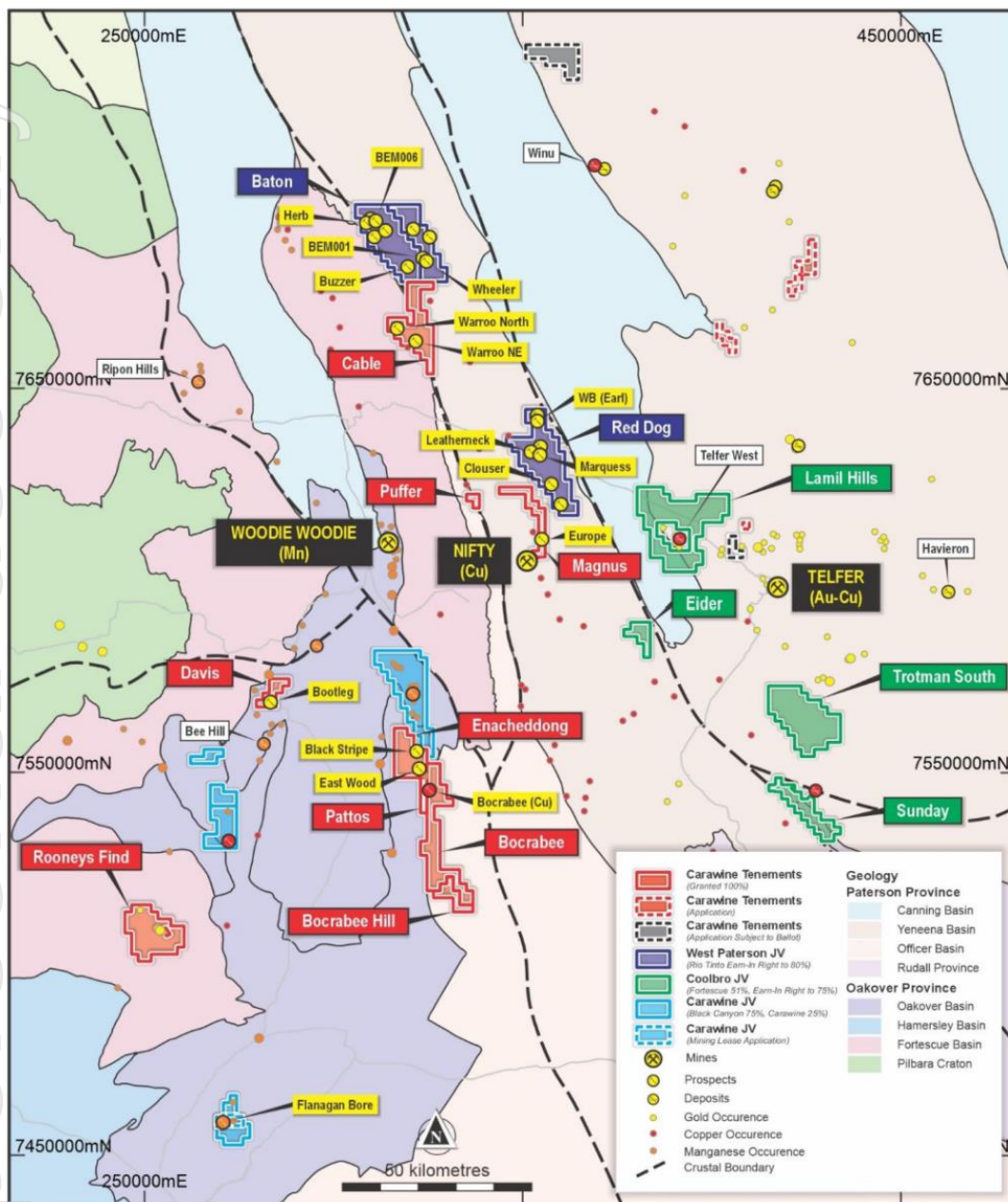


Figure 21: Paterson Project Tenements and Prospect locations

(Source: ASX: CWX 12 September 2023) (Note Sunday is now 100% CWX)

## 5.2 Regional Geological Setting

Figure 22 below shows the lithological subdivisions, structures and mineralisation of the East Pilbara and Paterson Orogen. The region shows a dominance of manganese occurrences in the west, associated with the Oakover Basin, copper in the central zone associated with the Throssel Group sediments part of the lower Yeneena Group, and gold /copper associated with the Crofton granite suites and Lamil Group sediments part of the upper Yeneena Group.

The Oakover Basin is a late Mesoproterozoic part of the broader Collier Basin dated around 1.1Ga and part of the Bangemall Supergroup (Brown et al 2022). The Basin lies unconformably on Archean

Fortescue Group and is described by Jones (2017) as a local half graben with geometry inherited from a Neoproterozoic rifting event.

To the east a series of regional faults and thrusts separate this sequence from the younger Yeneena Group sediments which formed the Yeneena Basin deposited between 910 and 810Ma (Bagas and Nelson 2007) with initial deposition in a strike slip basin which later evolved into a deepening shelf environment. The area has been subject to multiple stages of tectonism, the most important to the area under investigation is the Miles Orogeny around circa 750 to 640Ma producing a north westerly trending fold and fault system of tight to overturned folds and thrust faults (Ferguson et al 2005). Granite intrusion around 654 to 640Ma is associated with gold and gold/copper, tungsten/molybdenum mineralisation further east at Telfer, Haviron, O'Callaghans and the circa 550Ma Paterson Orogeny overprints and refolds Miles Orogeny folds.

Permian to Jurassic Canning Basin sediments and Gunbarrel sediments unconformably cover some of the areas in addition to Quaternary alluvium and eolian sand dunes which form very long seif dunes up to 50m high and many kilometres long making land access by vehicle problematic.

The descriptions below are for each of the three distinctive metallogenic areas from west to east.

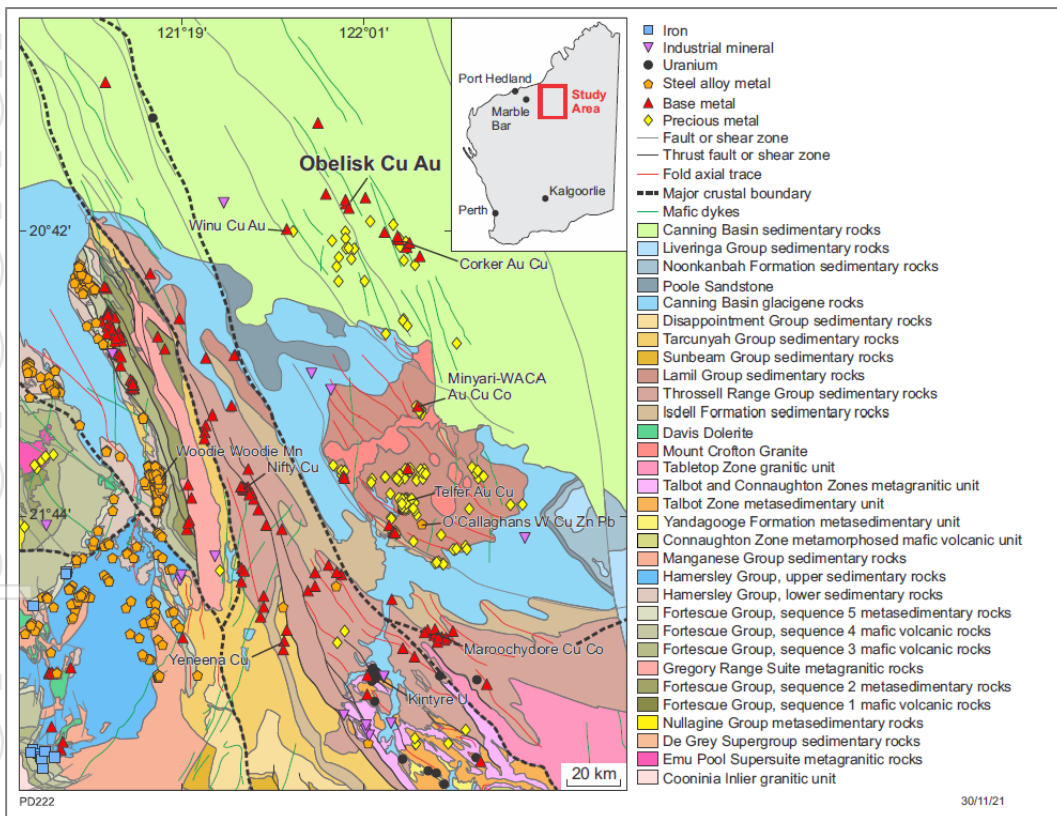


Figure 22: Geological Setting of the Paterson Projects, showing Mn occurrences in the East Pilbara, Cu in the West Paterson and Au, Au/Cu in the Paterson

(Source: Duuring et al 2022)

## East Pilbara

Manganese deposits and occurrences are located on the east and west sides of the Oakover Basin. The Oakover Basin is a late Mesoproterozoic part of the broader Collier Basin dated around 1.1Ga and part of

the Bangemall Supergroup (Brown et al 2022). The Basin lies unconformably on Archean Fortescue Group and is described by Jones (2017) as a local half graben with geometry inherited from a Neoarchean rifting event. Fault hosted manganese deposits occur along the faulted 'active' eastern margin and flat lying sedimentary deposits occur along the western more 'passive' margin. The basin is considered by Jones (2017) and Spinks et al (2018) to be restricted to open ocean circulation and anoxic which resulted in the development of a large reservoir of  $Mn^{2+}$  and  $Fe^{2+}$ .

The sedimentary source host rock stratigraphy to the mineralisation is considered to be the eponymous Manganese Group within the Oakover Basin and are a likely correlative of the Ilgarari Formation in the broader Collier Basin (Spinks et al 2018). The sediments have variable 'episodic' high concentration of manganese carbonates which are considered to reflect varying oxidation states and precipitation of manganese oxides due to pulses of oxygenation.

The Oakover Basin deposits although recognised as sedimentary also form many other styles, such as supergene enriched stratiform deposits, fault hosted and lateritic accumulations.

The fault hosted mineralisation within the Archean Carawine Dolomite which lies unconformably below the Oakover Basin Manganese Group is also now considered to be the same age as the sedimentary deposits with the same source (Spinks et al 2018). The overlying Pinjian Chert Breccia is considered to represent a paleokarst surface or forms paleokarst features in the Carawine Dolomite where the dolomite has been dissolved away (Williams, 1989).

Economic manganese mineralisation has been mined from Woodie Woodie, Ripon Hills, and Mt Sydney. Consolidated Minerals' Woodie Woodie mine is a world-class high-grade manganese producer, well-known for its premium high-grade low-impurity Manganese product for the last 50 years. In 2007, it was sold to Ukrainian owned Palmary Group company for \$A1.3 billion. Current owner since 2017 is the Chinese owned TMI Group.

The orebodies range in size from 0.2 Mt to 5.5 Mt with an average of 0.5 Mt. Historically, more than 56 deposits and over 35 Mt of high-grade manganese have been mined within the Woodie Woodie Mine Corridor (Jones *et al*, 2013) with a spatial association with north west trending fault corridors.

### **West Paterson**

The West Paterson consists of Lower Yeneena Basin sediments located between the regional Vines-Southwest-McKay Fault Zone and the Camel-Tabletop Fault Zone. The Basin sediments consist of Throssel Range group, basal conglomerate, fluvial sandstone, and fine-grained sedimentary rocks including the dolomite, carbonaceous siltstone and carbonaceous shale of the Broadhurst group the host to the Nifty Copper deposit (Figure 23).

Anderson (1999) proposed the Nifty copper deposit was syn-deformational, and resulted from structurally controlled, stratabound, chalcopyrite quartz-dolomite replacement of the carbonaceous and dolomitic shale of the Broadhurst Formation. Hickman (2023) has further observed that the copper mineralisation "oversteps" the zone of silica-dolomite alteration indicating the mineralisation was generated from a different/separate fluid source. The silica-dolomite alteration forms an important control in ground preparation for the ore zone which is similar to Mt Isa style copper mineralisation. High grade mineralisation is documented in the hinge of a parasitic anticline where bedding parallel thrusts have occurred along the fold limbs these bedding parallel thrusts occur where there is a significant mechanical strength contrast within the units and are controlled by the variation of intensity of silica-dolomite alteration between adjacent units.



The shale beds within the Broadhurst Formation commonly have sulphide up to 10% pyrite and pyrrhotite which may result in magnetic highs and conductivity anomalism which is useful for targeting base metal mineralisation.

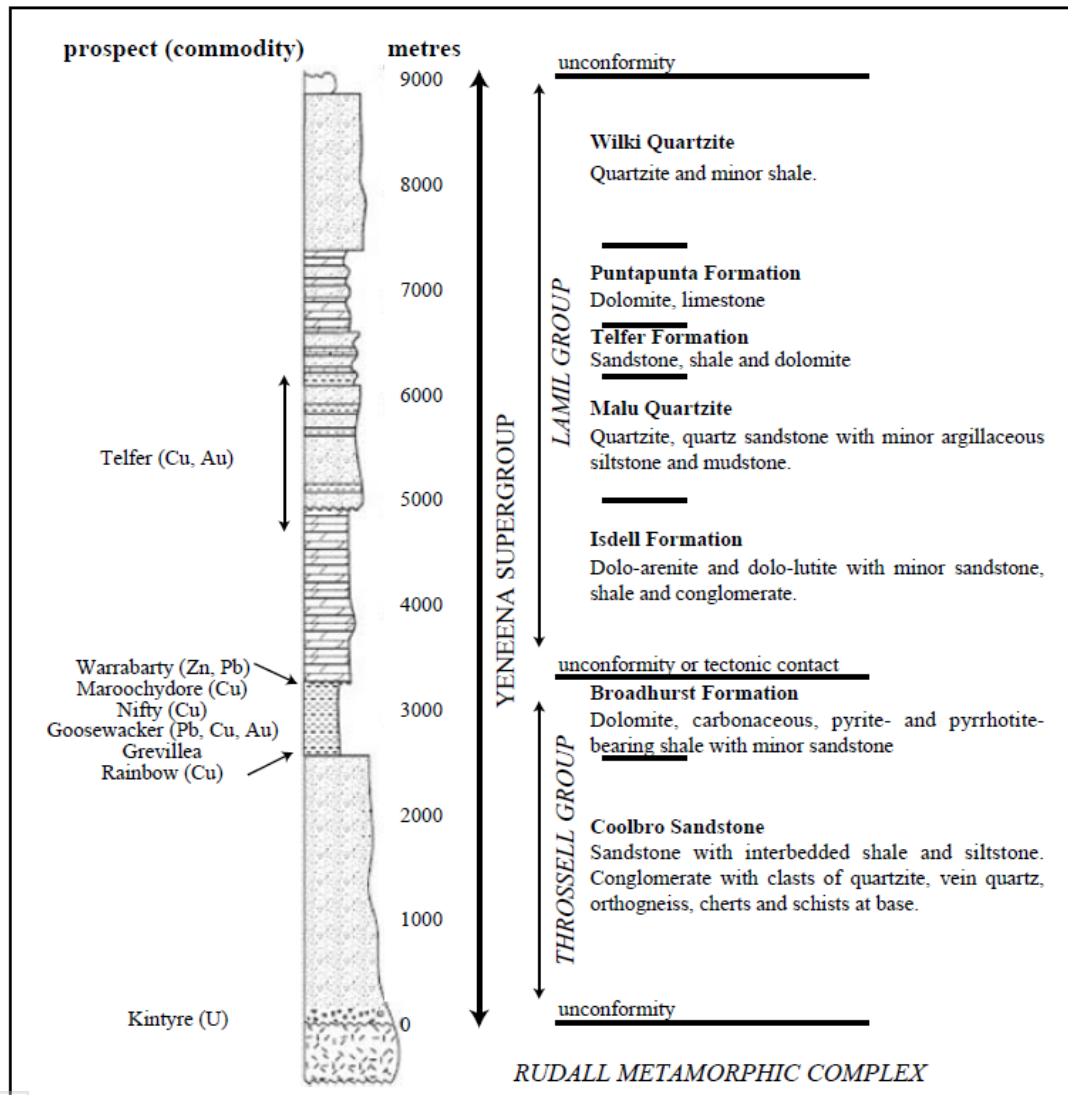


Figure 23: Stratigraphy of the Yeneena Supergroup and location of selected mineral deposits

(Source: Anderson 1999)

## Paterson

East of the Camel-Tabletop Fault, Yeneena Group sediments comprising Isdell, Malu, Puntapunta and Wilkie Formations are intruded by oxidised, magnetic Mount Crofton Granites and reduced ilmenite bearing O'Callaghan's Granites which have a subdued magnetic signature.

The Miles Orogeny resulted in northeast to north-northwest trending fold and thrusts and greenschist facies metamorphism (Czarnota et al 2009). The overprinting Paterson Orogeny produced east west trending open folds which may re-fold the earlier Miles Orogeny structures.

Gold and gold-copper mineralisation is hosted in range of units from sediments at Telfer, Winu (Dalstra 2021) and dolerites at Magnum (ASX: AZY 10 September 2012) but all mineralisation appears to be structurally controlled often localised in fold hinges and limbs.

At Winu, Dalstra (2021) describes the mineralisation situation within a Miles Orogeny (event) monocline which was refolded during the Paterson Orogeny to form a half dome. The mineralisation occurs in a series of en-echelon lodes between 350-750m long, trending north and dipping east, with an extensive halo of low-grade mineralisation. Two gold rich lodes in the south east part of Winu strike east-west.

At Telfer, Ackerman (2021), describes, mineralisation as multistage bedding parallel and discordant quartz, dolomite-pyrite-chalcopyrite reefs, and veins and stockworks emplaced into two northwest striking doubly plunging domes or anticlines. Mineralisation is synorogenic and is dated around 645 Ma to 620Ma (Wilson et al 2020).

At Havieron, Ackerman et al (2021) describes the alteration as an 800m by 500m breccia hosted mineralisation zone. The zone is multiphase and the breccias are nested and occur along the margins of a diorite dyke complex. The deposit is sediment hosted; however, the host is variably to totally replaced by alteration albite, carbonate, quartz, actinolite, biotite. The observed alteration and abundant hydrothermal actinolite, together with the zoned morphology imply a high temperature magmatic fluid source. Around 450°C with age dating overlapping with ages obtained for the earliest formation of Telfer.

The Havieron deposit geophysical signature of a partially coincident gravity and magnetic high and also the understanding of the Winu deposit geophysical signature (albeit much later due to company confidentiality) has been a catalyst for a new cycle of exploration in the Paterson province,

## 5.3 West Paterson JV (Rio Tinto)

### 5.3.1 Local Geology

The Baton tenement is located approximately 100km northwest of the Nifty copper mine and consists of northwest trending Throssel Range sediments with a dominance of Broadhurst Formation sediments considered equivalent to the Nifty host rocks. To the north east, cover sediments of the Canning Basin and Quaternary sand dunes cover the prospective host stratigraphy.

The Red Dog tenement is located approximately 16km north of the Nifty copper mine and covers north west trending Broadhurst, Isdell, Malu and Puntapunta stratigraphy.

The tenement is considered prospective for stratiform Cu-Co deposits e.g. Nifty and Maroochydore, sediment-hosted Pb-Zn deposits e.g. Warrabarty within the upper Broadhurst and Isdell Formations and intrusion-related gold and copper mineralisation (e.g. Havieron, Telfer).

### 5.3.2 Exploration History

#### **Baton**

The tenement historically has been targeted for base metal mineralisation similar to the Nifty copper mine with dolomitic breccia hosted copper, lead, zinc mineralisation identified by previous workers within Broadhurst sediments. Carawine conducted a detailed magnetic and ground gravity survey over the tenements in 2019 and identified three priority targets which contained co-incident magnetic and gravity anomalism (ASX: CWX 27 August 2019) (Figure 24).

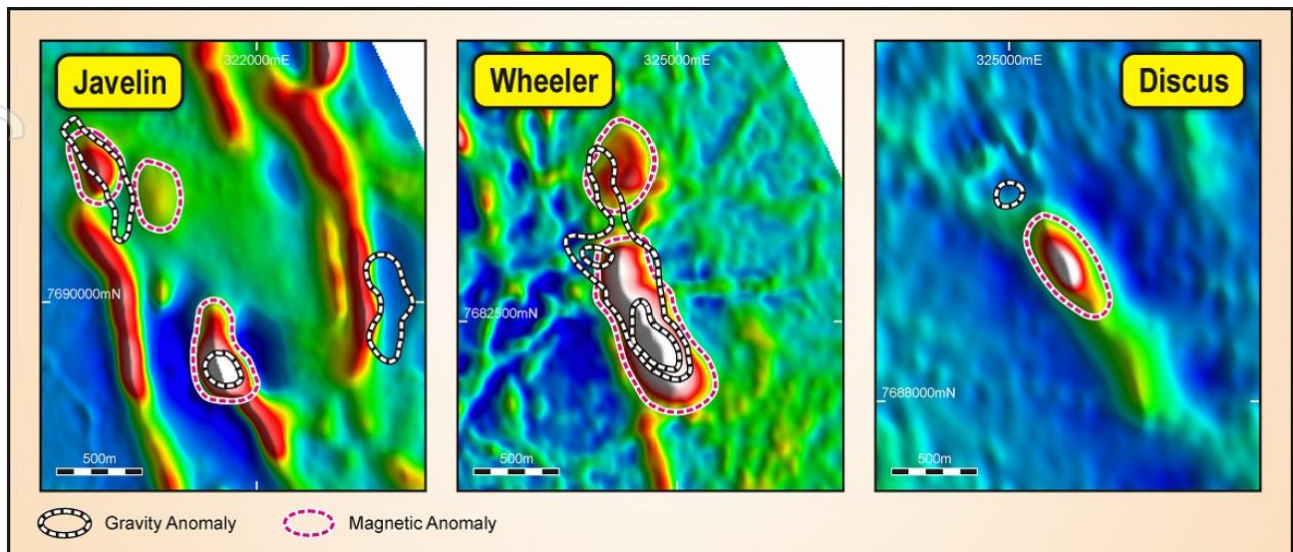


Figure 24: West Paterson Priority Gravity and magnetic targets

(Source: ASX: CWX 27 August 2019)

In December 2019 RTX completed an airborne gravity gradiometer (**AGG**) survey over the Baton tenements to further resolve prospective stratigraphy and structure and add to the understanding of mineralising systems in the project area, as an input to review and targeting of exploration programs. In 2021, RTX completed a helicopter-borne electromagnetic survey utilising New Resolution Geophysics (NRG) Xcite™ system over the Baton tenements. An initial interpretation of the data from this survey by RTX highlighted six conductive anomalies outside of typically conductive Broadhurst Formation stratigraphy. Two of these anomalies (BEM001 and BEM006) are associated with gravity highs (refer ASX announcement 27 October 2021) (Figure 25).

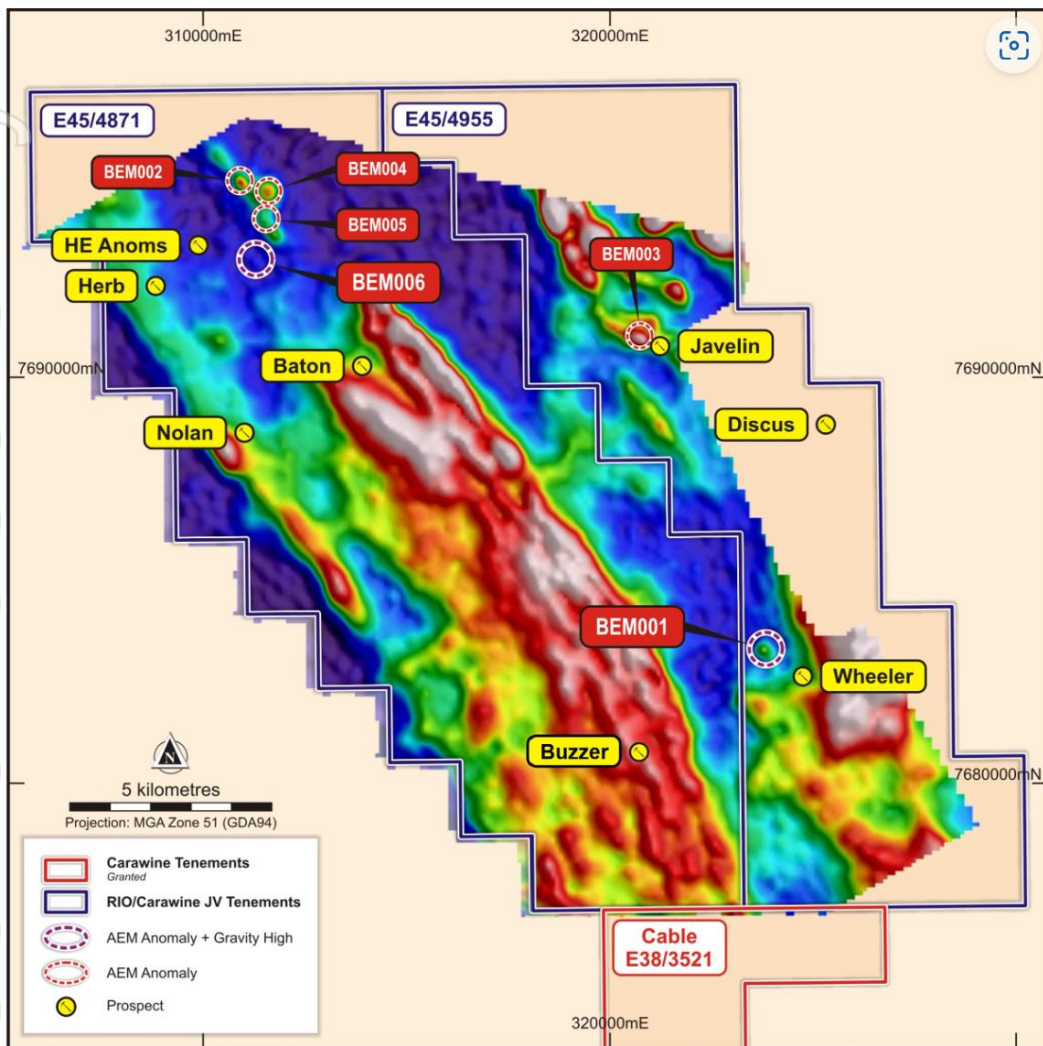


Figure 25: Baton Geophysical Targets

(Source: CWX Web Site)

RC drilling tested several of these targets in two campaigns with final results announced (ASX: CWX 29 January 2024). Some untested targets at Red Dog remain, however the targets tested (Figure 26) returned no results considered to be of significance.



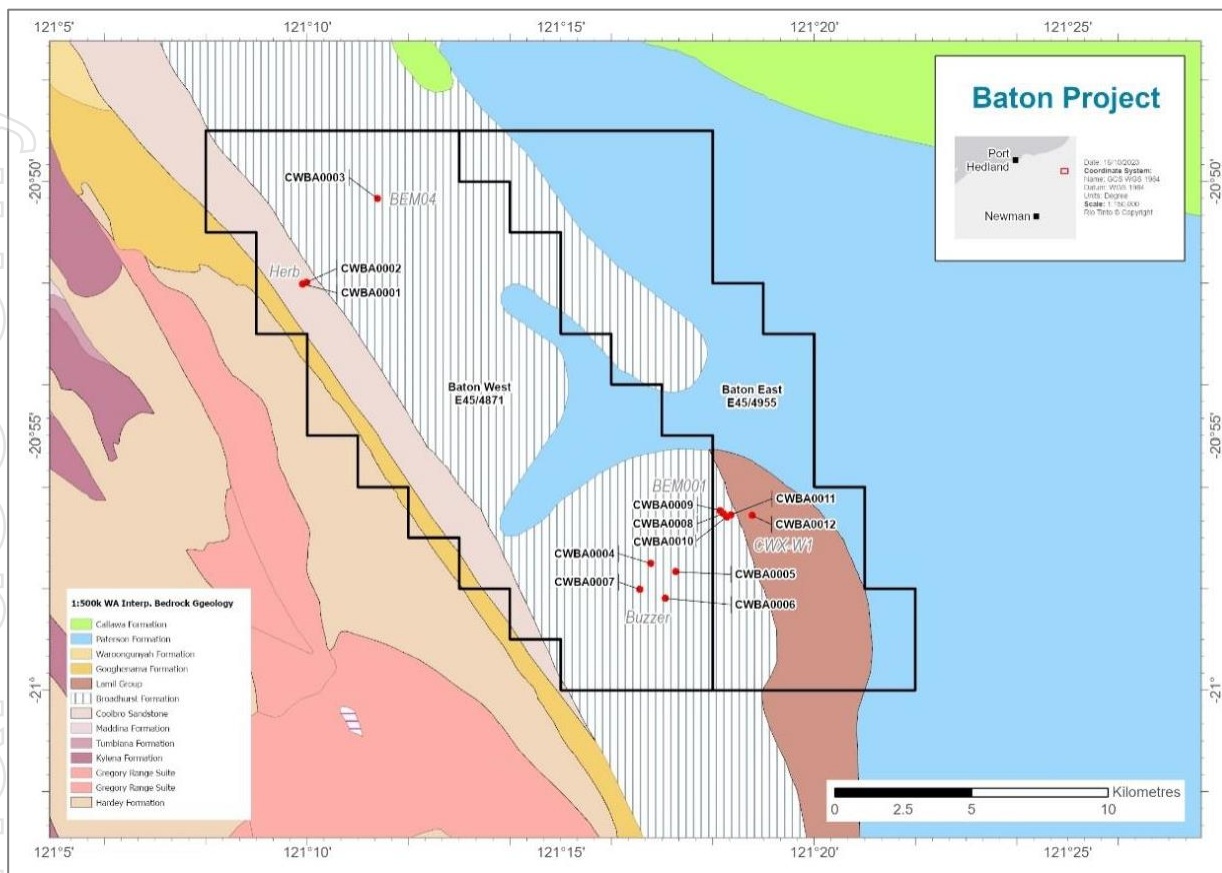


Figure 26: Drillhole Locations Baton

(Source: RIO, ASX: CSX 29 January 2024)

## Red Dog

In addition to targets generated from the work of previous explorers, Carawine completed a detailed VTEM™ Max helicopter-borne electromagnetic ("VTEM") survey with the aim of delineating discrete conductive anomalies associated with sulphide mineralisation and was successful in identifying twelve conductive and four resistive anomalies in new areas and at previously identified prospects.

RTX's review of the Red Dog tenement confirmed the targets and defined new targets such as magnetic and VTEM anomalies located proximal to interpreted intrusives and/or within favourable structural locations in the Earl, Duke, Bravo and Leatherneck areas were confirmed as warranting further screening and testing. New targets defined by RTX included Clouser and Marquess, discrete, resistive AEM anomalies within Broadhurst Formation shale, interpreted as potential analogues to the Nifty copper deposit (located within the Flying Tiger and Leatherneck prospect areas respectively); and WB (Earl) within a broad, resistive AEM anomaly on the edge of a large interpreted felsic intrusion within the Malu and Puntapunta Formations.

Drilling of selected targets returned no significant results. The remaining untested targets at Red Dog include Clouser and Marquess (Adams), Nifty-analogue copper targets within interpreted Broadhurst Formation shale at the Flying Tiger and Leatherneck prospect areas respectively, and a potential intrusion related copper-gold target at WB (Earl), (Figure 21 and Figure 27).

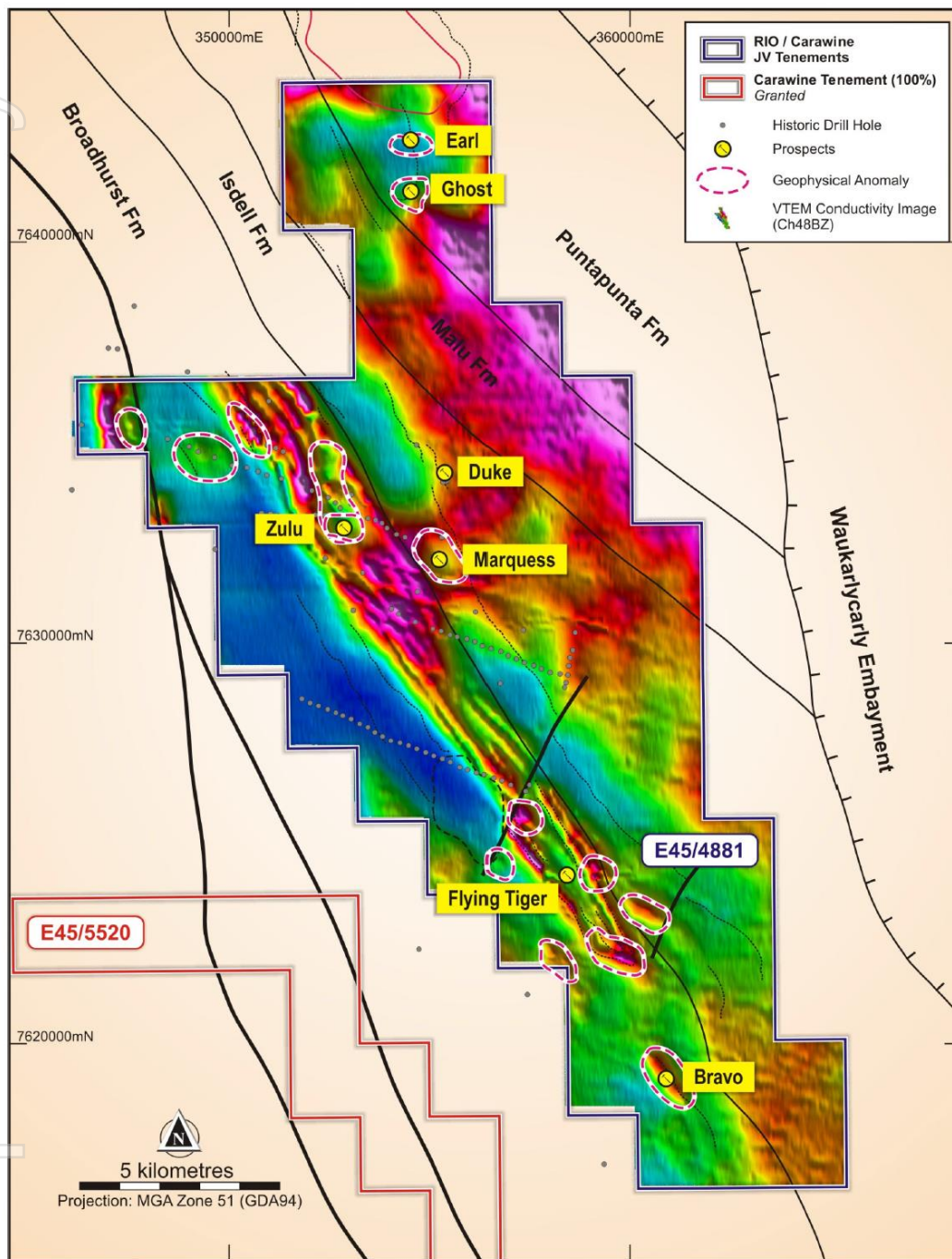


Figure 27: Red Dog geology, conductivity, and named geophysical anomalies.

(Source: ASX: CWX 6 October 2021)

### 5.3.3 Exploration Potential

Drilling of selected targets by RTX has downgraded the prospectivity with poor results, however untested targets remain and may be of merit.



## 5.4 Carawine/Oakover JV

### 5.4.1 Local Geology

The Fig tree tenement lies 25km along strike of the Woodie Woodie deposits immediately west of the Vines fault, prospective for fault hosted deposits typical of the eastern margin (See Section 5.2) The Shag Pool and Saddleback tenements, 50km further west within Oakover Basin sediments and together with the Flanagan bore tenement, 120km south of Woodie Woodie, contain the Mn rich shale horizon above the Carawine Dolomite, which is folded around north trending axes. The Flanagan Bore deposit is hosted in the shallowly dipping Mn shale stratigraphy (See Section 5.2)

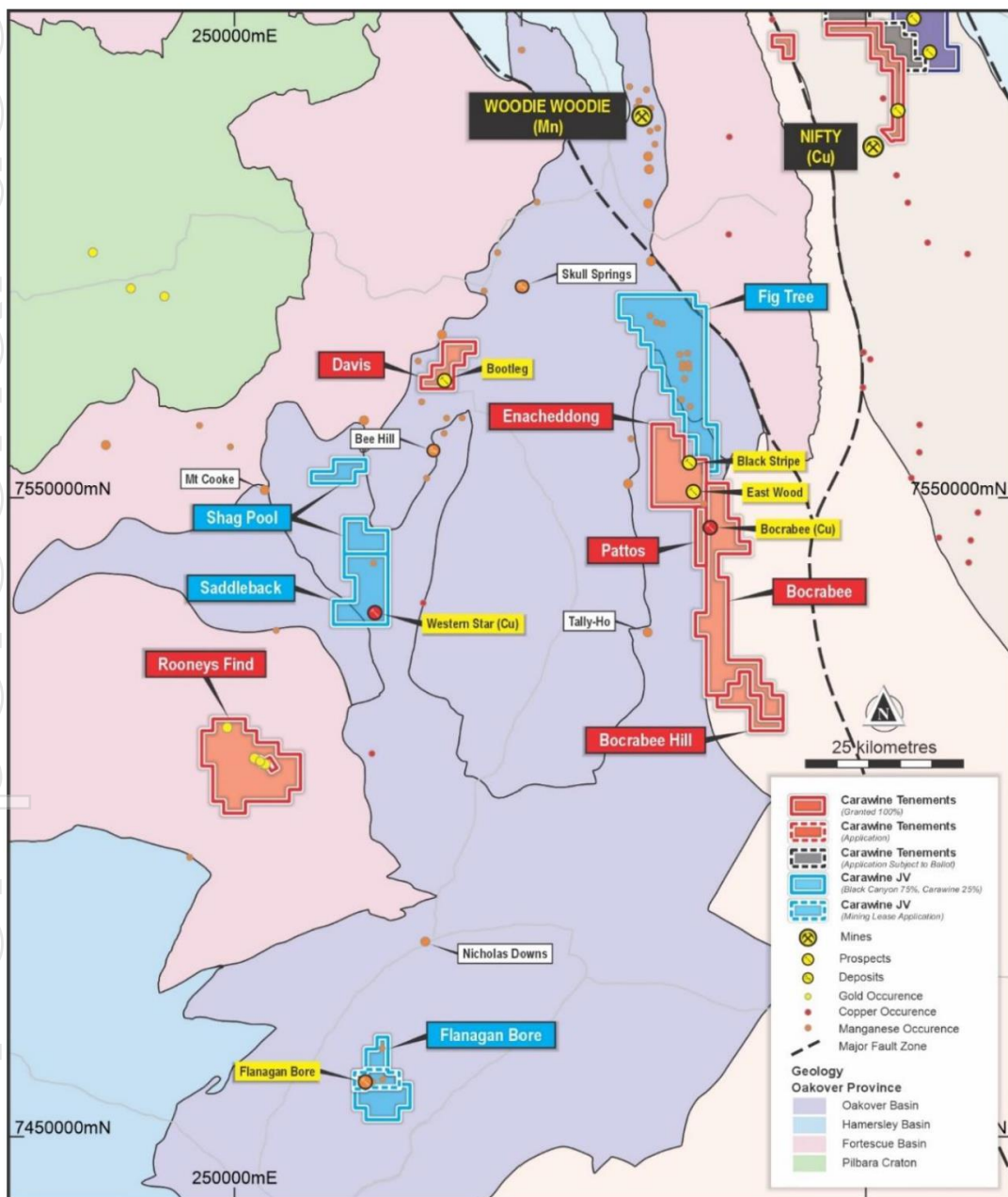


Figure 28: Location of Carawine/Oakover JV Manganese Tenements.

(Source: ASX: CWX 20 September 2023)

The LR1 and FB3 deposits at Flanagan Bore can be separated into three primary units, the upper unmineralised Balfour shale, the mineralised Balfour shale, and the lower basal shale unit. The unmineralised shale is brown grey in colour and the manganiferous shale unit contains a supergene enriched manganiferous horizon which exhibits thickness range between 5m to 50m depth. The manganese layers are confined to distinct banding within the Balfour shale and there are also minor occurrences of interbedded red/brown shales intermixed with minor saprolitic clay bands.

The northern extent of the current drilling demonstrates that the manganiferous deposits are structurally controlled. This geological structure is visible by satellite imagery showing what could be a large syncline structure. The mineralised zone generally strikes east-west forming a semi-basin like structure which outcrops on surface and gently dips to the south-south-east for the LR1 deposit. The FB3 deposit is located at the apex of the large geological synclinal structure providing a large continuous body of mineralisation (Figure 29).

#### 5.4.2 Exploration History

The focus of Black Canyon's work to date has been at Flanagan Bore, where an Indicated Mineral Resource for the LR1 and FB3 deposits of 104 million tonnes (Mt) at 10.5% Mn (above 7% Mn cut-off) and 40Mt at 13% Mn (above 11% Mn cut-off) (refer Black Canyon's ASX announcement 13 April 2022). Black Canyon subsequently reported a positive Scoping Study for Flanagan Bore (refer Black Canyon's ASX announcement 18 August 2022).

Following the scoping study result, Black Canyon continued to conduct metallurgical test work with an object of obtaining a reliable pathway to the production of a >30% Mn concentrate using Dense Media Separation (DMS). The results showed a consistent and positive trend in lump and fines manganese concentrate grades, ranging from 26.8% Mn to 33.2% Mn, associated with varying staged recoveries across lump and fine fractions and different heavy liquid densities. Fines-only test work returned concentrate grades ranging from 29.7% Mn to 33.0% Mn with high staged recoveries using moderate liquid densities, and overall recovery for fines-only material ranging between 63% and 76%.

Carawine has stated that the parties are yet to formally approve a current work program and budget for further activities, with disagreement on the work program scope in relation to the Flanagan Bore manganese project and the proposed exclusion of further high purity manganese sulphate monohydrate ("HPMSM") test work. To date this matter has not been resolved. Until the matter is resolved, Black Canyon will maintain the tenements in good standing and Carawine will contribute to this expenditure according to its 25% interest (ASX: CWX 29 January 2024).

#### 5.4.3 Exploration Potential

Potential to define further tonnages of manganese at similar grades of around 10% is considered high. The grade achieved by beneficiation to 30% is considered the minimum for direct shipping of ore with better values of around 50% achieved by world class deposits.

#### 5.4.4 Mineral Resources

On 24 November 2022, Black Canyon announced an upgraded MRE for the Flanagan Bore Resources to a total of 171Mt at 10.3% Mn at a cutoff of 7% Mn (Table 3). In addition, a shallow higher-grade resource was estimated at a cut off of 11% Mn resulting in an estimate of 40Mt at 13% Mn (Table 4). The mineralisation is within two deposits named FB3 and LR1 within the folded hosted stratigraphy (Figure 29: Drill holes and plan of Flanagan Bore Mn Mineralisation).

## Informing Data

The Mineral Resources defined at LR1 and FB3 have been estimated based on 516m of historic RC drilling from 2012, 4,312m (RC) drill program completed in December 2021 and a 7436m (RC) drill program completed in June 2022. The 2012 program only tested LR1. All holes were vertical as mineralisation is generally flat lying.

The MRE's are based on drill holes on traverses completed on 100m spaced lines and 100m drill hole centres, with some 200m spacings and some areas down to 50m spacings.

## Sample Preparation and Analysis

Samples were taken every metre via a cone splitter for the Black Canyon drilling and analysed via whole rock fusion X-ray Fluorescence (XRF). Earlier drilling was also sampled every metre, method unknown but assumed industry standard.

## QA/QC

QA/QC was conducted by inserting 2 certified reference samples every 100 samples, inserting 2 blanks every 100 samples, conducting field duplicates at a rate of 2 in every 100 and submitting a 200g pulped lab duplicate to a secondary laboratory for check XRF analysis at a rate of 2 in every 100 samples (for the 2021 drill program only).

## Bulk Density

A downhole geophysics program was completed by ABIM Solutions Pty Ltd who captured short (SSD) and long spaced density (LSD), calliper, magnetic susceptibility and natural gamma. Density measurements were collected using a down hole probe that provides bulk density readings at regular intervals along the length of a borehole.

A total of 85 holes representing approximately 28,000 density measurements (0.1 m recordings) were surveyed across the LR1 and FB3 deposits down RC holes drilled primarily in Dec 2021, which were spaced 200 x 100m apart.

The 0.1 m readings were composited to 1 m intervals for the grade interpolation process by which Nearest Neighbour was used to interpolate density values into the block model in the Measured area of FB3 deposit and for the Measured and Indicated areas of the LR1 deposit.

Average density values were applied to the Indicated areas of the FB3 model by domain where no down hole density values have been taken. This equates to 2.38 for Zone 1, 2.52 for Zone 2 and 2.69 for basement.

Tonnages were estimated on assumed dry basis. No account has been made nor current test work completed to determine moisture.

## Estimation Methodology

Inverse distance cubed (ID3) was used to interpolate grades and values into the block model. Part of the rationale for using ID3 is centred on the continuity of mineralisation for the manganese enriched Balfour shale both along strike, across strike and down hole.

Ordinary Kriging was also used to interpolate Mn grade into the block model to be used as a validation check against the inverse distance weighting technique. The parent cell size for this resource estimate is 50 x 50 x 1 (XYZ).

## Classification

The drill data shows manganese grades are strongly continuous downhole and across strike, which has significantly improved the confidence in the estimate and supports the Measured and Indicated Mineral Resource classification. High-grade manganese mineralisation is encountered from surface at FB3 and LR1 with zones of continuous mineralisation typically between 20 to 40m thick.

Variography has demonstrated current drill spacing supports a Measured and Indicated Mineral Resource classification.

## Metallurgy

Black Canyon completed scoping level metallurgical test work to beneficiate the ores on PQ drill core material from the LR1 and FB3 Mineral Resource areas (ASX: BCA 9 June 2022). The PQ core was drilled by Black Canyon during a December 2021 drill campaign. Composites were selected on the following basis with 2 samples from an upper and lower mineralogical domain from LR1 and a single composite from FB3. All the composites are from Zone 2 within each of the LR1 and FB3 orebodies.

The objectives of the scoping level sighter test work were to establish early-stage material characteristics, scrubbing and sizing analysis, variability, recoveries (where possible), potential flowsheet design options (ore-sorting and/or DMS) and product marketability. The learnings were to be applied to future test work to continually improve the grade of the manganese concentrates and to understand recoveries that might apply across the mineralised domains. Summary conclusions are as follows:

- Initial testing completed on three composite samples (two from the LR01 deposit and one from the FB03 deposit) achieves grades in excess of 30% Mn during early-stage sighter level work.
- Significant manganese grade uplifts from feed grades of 11.7% and 13.7% Mn upgraded to approximately 19% and 26% Mn through scrubbing and washing - an important first step for beneficiation.
- Further beneficiation tests on the scrubbed/washed manganese feed material result in additional manganese grade improvements:
  - Heavy Liquid Separation (HLS) (used to simulate dense media separation (DMS)) achieved grades up to 35.5% Mn from the FB03 composite sample.
  - Ore sorting achieved grades of up to 31.3% Mn from the FB03 composite sample.
- Preliminary discussions with marketing specialists indicate manganese concentrates with key characteristics similar to ores from Flanagan Bore would be suitable.



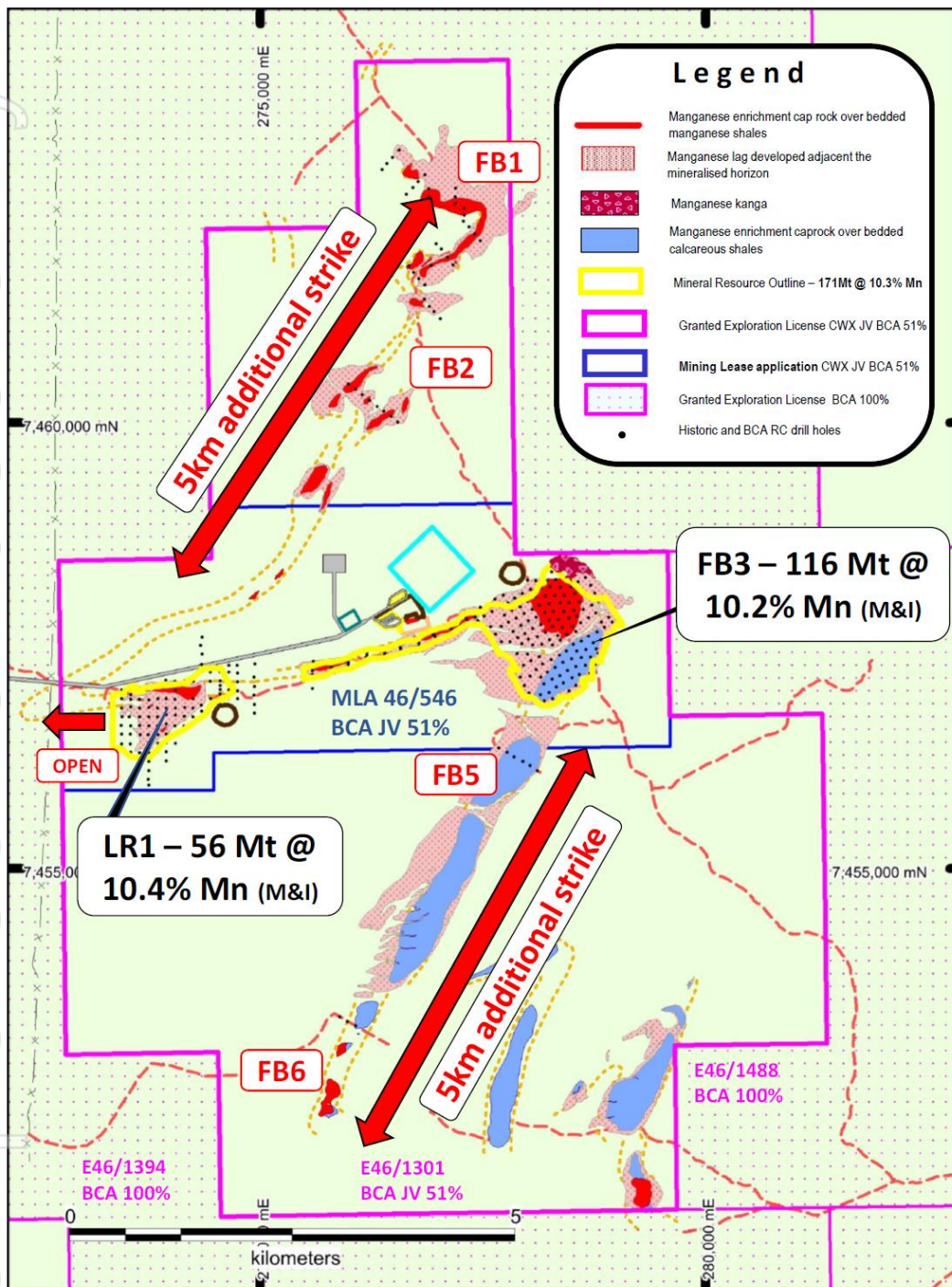


Figure 29: Drill holes and plan of Flanagan Bore Mn Mineralisation.

(Source: ASX: CWX 24 November 2022)

Note, BCA has earned its 75% equity in the project.

Table 3: Flanagan Bore MRE

Flanagan Bore Mineral Resource, Carawine Joint Venture, November 2022									
Flanagan Bore Project - Global Mineral Resource Estimate, reported above 7% Mn cut-off									
Carawine Interest	Cut-off (Mn %)	Deposit	Mineral Resource Category	Material (Mt)	In Situ Mn (Mt)	Mn (%)	Fe (%)	Si (%)	Al (%)
25%	7.0	FB3	Measured	52	5.5	10.5	10.4	16.9	4.3
		LR1	Measured	47	4.9	10.3	8.4	16.7	4.6
		Sub-total	Measured	100	10.4	10.4	9.4	16.8	4.4
		FB3	Indicated	63	6.3	10.0	9.6	16.8	4.4
		LR1	Indicated	8	0.9	11.3	9.4	6.9	1.8
		Sub-total	Indicated	72	7.3	10.1	9.6	15.7	4.1
		Total	Meas. & Ind.	171	17.7	10.3	9.5	16.4	4.3
Flanagan Bore Project - High-grade Zone Mineral Resource Estimate, reported above 11% Mn cut-off									
Carawine Interest	Cut-off (Mn %)	Deposit	Mineral Resource Category	Material (Mt)	In Situ Mn (Mt)	Mn (%)	Fe (%)	Si (%)	Al (%)
25%	11	FB3	Measured	14	1.9	13.2	11.5	18.2	4.5
		LR1	Measured	11	1.5	13.1	9.7	16.8	4.5
		Sub-total	Measured	25	3.3	13.1	10.7	17.5	4.5
		FB3	Indicated	10	1.3	12.7	10.8	18.1	4.8
		LR1	Indicated	5	0.6	12.9	9.9	6.1	1.6
		Sub-total	Indicated	15	1.9	12.8	10.5	14.5	3.8
		Total	Meas. & Ind.	40	5.2	13.0	10.6	16.4	4.3

(Source: ASX: BCA 24 November 2022)

Table 4: High grade MRE for Flanagan Bore

Summary of Mineral Resources <sup>(1,3)</sup>							
Deposit	Mineral Resource Category	Material (Mt) <sup>(2)</sup>	In Situ Mn (Mt)	Mn (%)	Fe (%)	Si (%)	Al (%)
FB3	Measured	14	2	13.2	11.5	18.2	4.5
LR1	Measured	11	1	13.1	9.7	16.8	4.5
Total	Measured	25	3	13.1	10.7	17.5	4.5
FB3	Indicated	10	1	12.7	10.8	18.1	4.8
LR1	Indicated	5	1	12.9	9.9	6.1	1.6
Total	Indicated	15	2	12.8	10.5	14.5	3.8
Grand Total		40	5	13.0	10.6	16.4	4.3

(Source: ASX: BCA 24 November 2022)

Flanagan Bore Mineral Resource Notes: Refer Black Canyon's ASX announcement 24 November 2022 for further details. Figures are reported on a 100%-ownership basis, separately above cut-off grades of 7% Mn and 11% Mn. The High-grade Zone Mineral Resource (reported above 11% Mn) is therefore a subset of the Global Mineral Resource (reported above 7% Mn). Tonnages and grades have been reported to a higher level of precision than previously, resulting in a non-material change to the Mineral Resource tabulation. Carawine Joint Venture, Black Canyon Ltd 75%, Carawine25%. No Ore Reserve has been reported from the Mineral Resource. The Competent Person for the Flanagan Bore Mineral Resource is Mr Greg Jones (FAuslMM), consultant to Black Canyon and Geological Services Manager for IHC Mining. Mr Jones has provided his consent to the Company for the inclusion of the information relating to the estimation and reporting of Mineral Resources for the Flanagan Bore Project in the form and context in which it appears.

## 5.5 Coolbro JV Project

In 2019 Fortescue entered a JV to earn up to 75% of the project tenements. Lamil Hills is within 30km to the northwest of Newmont's Telfer gold-copper mine. Trotman South is 30km to the south of the Telfer mine. Sunday is within 5km of the Maroochydore copper-cobalt deposit. The tenements are at an early exploration stage.



### 5.5.1 Local Geology

Geology consists of Upper Yeneena Basin sediments intruded by Mt Crofton granite and variably covered by Permian and Quaternary sediments and aeolian sand dunes.

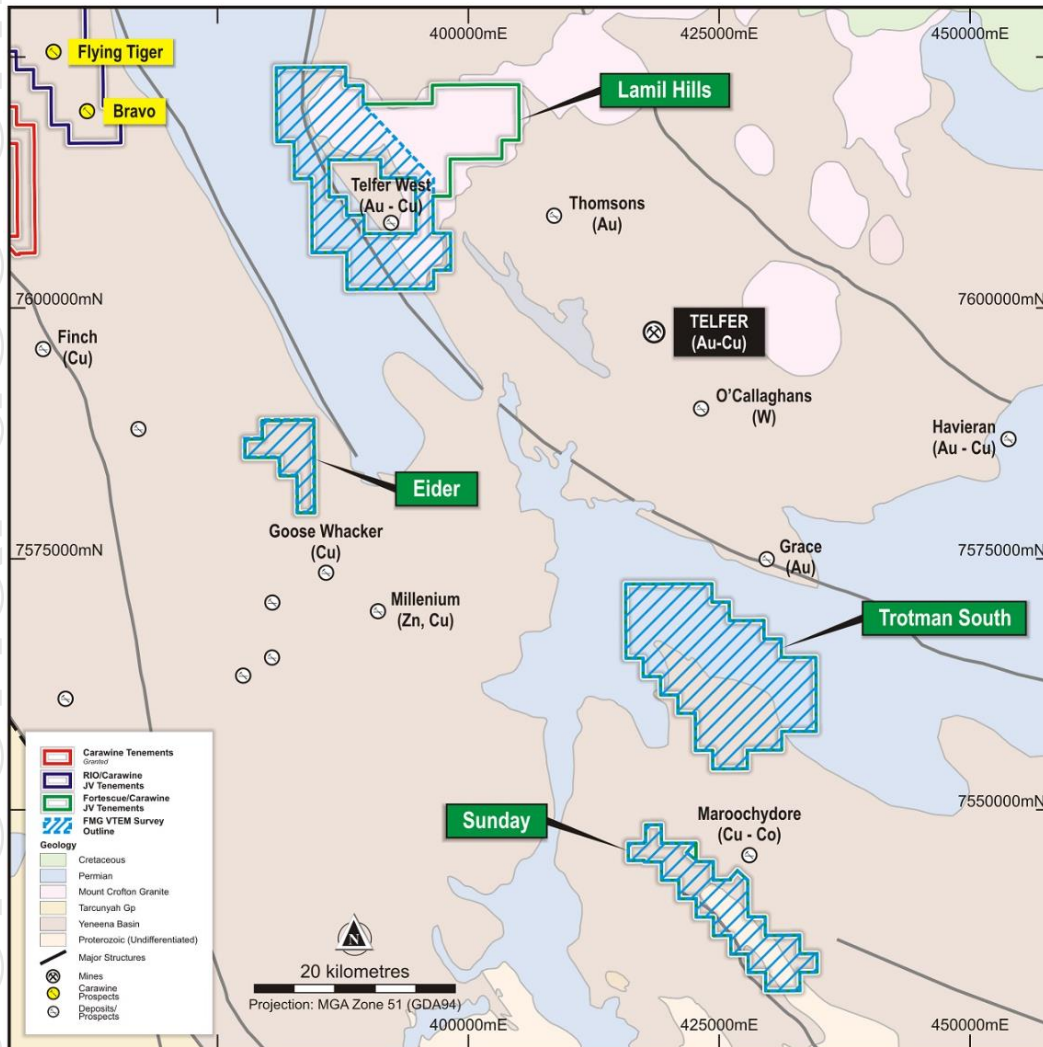


Figure 30: Coolbro JV tenements, mineral occurrences, and geology.

(Source ASX: CWX 31 May 2021)

Note the Sunday tenement is now 100% owned by Carawine.

### 5.5.2 Exploration History

During 2021, Fortescue completed a heliborne Versatile Time Domain Electromagnetic (**VTEM**) survey over the tenements. Fortescue has also completed a 4-hole drilling program on the Eider tenement, and advanced target generation and land access negotiations at Eider, Lamil Hills and Trotman South (ASX: CWX AR September 2023).

At Trotman South, several potential VTEM anomalies have been identified for further evaluation and RC drilling is planned for 2024. The Sunday tenement is now held 100% by Carawine having been excluded from the JV.

### 5.5.3 Exploration Potential

The potential of these tenements is for Telfer, Winu style blind copper/gold deposits which have an EM signature related to the sulphide content, hence the EM surveys employed by Fortescue.

## 5.6 Paterson Project

The 100% owned tenements cover a broad area in the district across both geological domains. Carawine's 100%-owned tenements within the Oakover Project include four tenements considered prospective primarily for Nifty style copper (Cable, Puffer, Magnus and Sunday), two tenements considered prospective primarily for manganese (Davis and Enacheddong), and one tenement considered prospective primarily for lode gold deposits (Rooney's Find) (Figure 21).

Local geology is covered in section 5.2.

### 5.6.1 Exploration History

#### Cable

Cable is located about 60km north of the Nifty copper deposit and contiguous with the West Paterson JV Baton tenement. The Vines Fault runs through the eastern half of the tenement, separating shale and siltstone units of the Proterozoic Broadhurst Formation from Tarcunyah Group sediments and Archaean Hardy Formation mafic to felsic volcanics and volcanic sediments (Figure 31). Targeted deposit types at Cable include sedimentary copper (e.g. Nifty) in the Broadhurst Formation, and polymetallic VMS in the Hardey Formation.

The Warroo Trend target area sits along a syncline in the Archaean Hardy Formation, located to the west of the Vines Fault. It was first discovered by WMC geologists in the 1980s, who mapped a rock sequence comprising interlayered chloritic phyllites, wackes, sedimentary carbonates, carbonate-altered intermediate to mafic volcanics, and felsic and mafic intrusives over a strike length of more than 10km considered prospective for polymetallic volcanic hosted massive sulphide deposits.

The trend is named after the historic "Warroo Prospect", which sits at the southern end of the trend, just outside the Cable tenement. Extensive rock chip sampling of outcropping volcanics, veining and gossan along the Trend within the Cable tenement returned anomalous Cu to 5.4%, Pb to 0.25%, Zn to 0.9%, Ag to 19.5 ppm, and As up to 3040 pm (ASX: CWX 18 October 2022).

Further east, Broadhurst Formation black shale, siltstone, sandstone, dolomite, and dolomitic siltstone are interpreted between 1km to 8km wide, along a 25km strike length within the Cable tenement, parallel to, and east of the Vines Fault. Regional-spaced drilling of the Broadhurst Formation has identified anomalous copper (e.g. 890ppm Cu from 134-136m in oxidised shale, WMC hole THRC546) and copper-zinc (e.g. 1,355ppm Cu and 977ppm Zn from 108-112m in Nifty hole TAC338) from two drill holes (Figure 31).

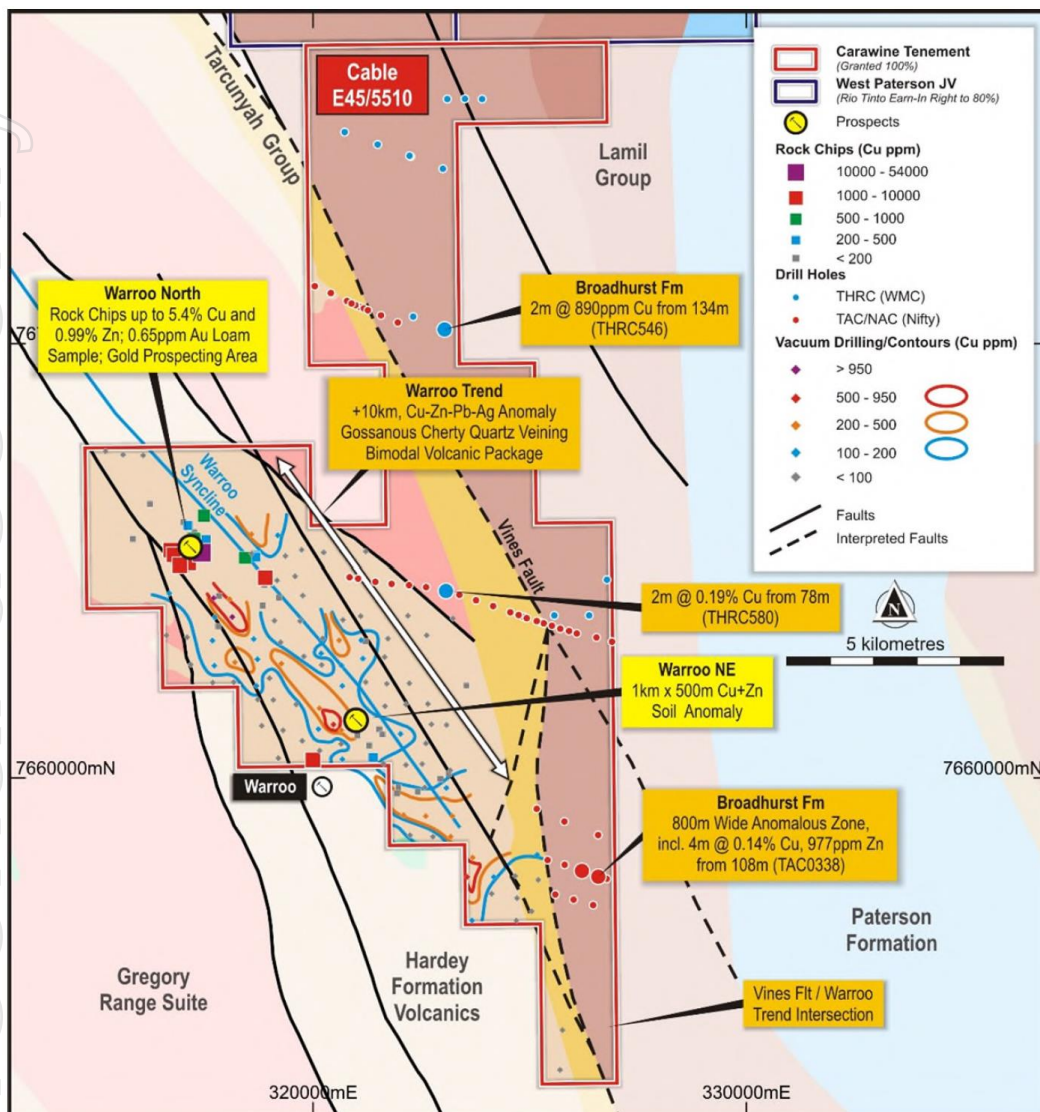


Figure 31: Cable Project Previous work and Targets.

(Source ASX: CWX 18 October 2022)

## Magnus

On the Magnus tenement, located within 600m of the Nifty Mine and extending 20km to the north, a conceptual copper target named "Europe" has been identified from historic geophysical and drill data as analogous to the style and setting of the Nifty copper deposit.



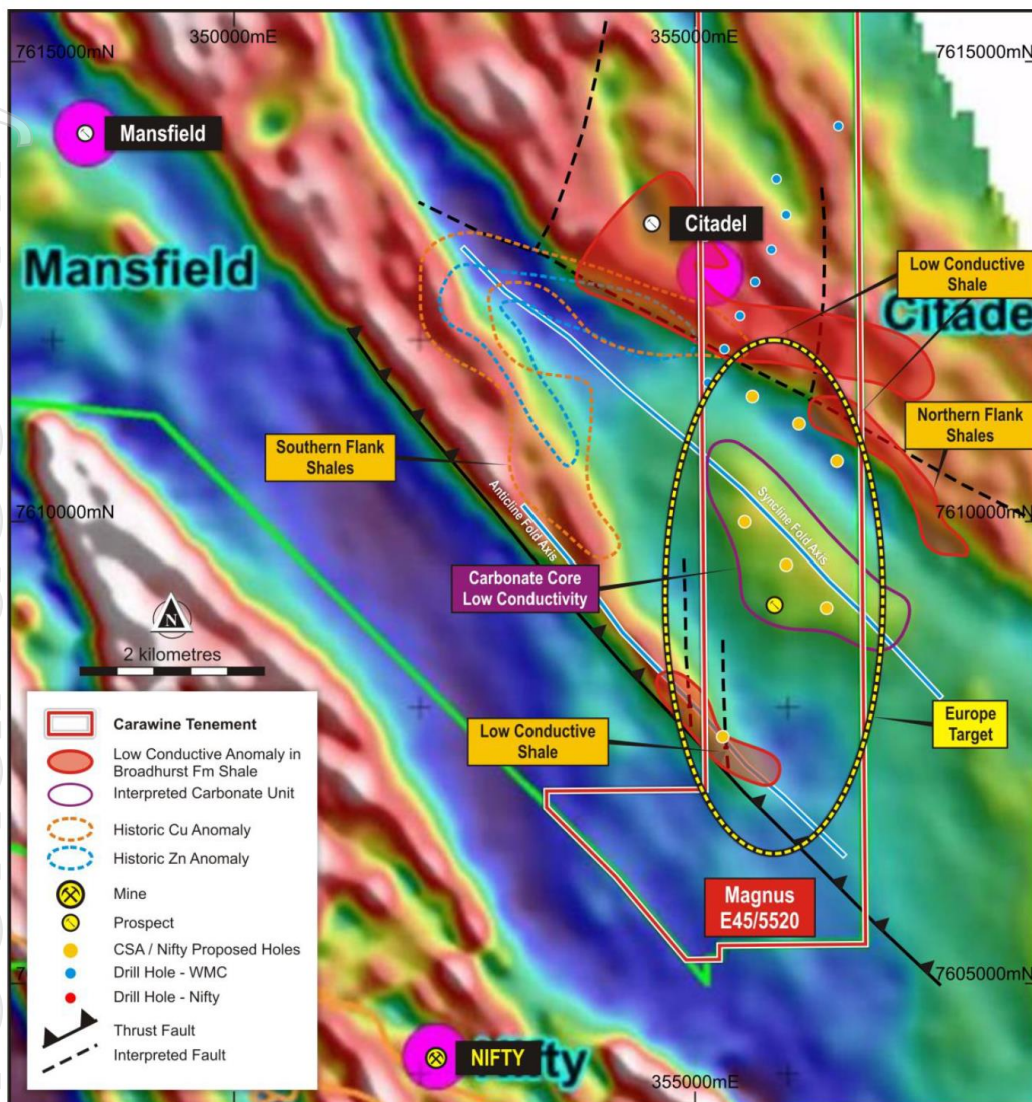


Figure 32: Magnus Project - Europe target on VTEM Image (modified from WAMEX report A103598)

(Source: ASX: CWX 18 October 2022)

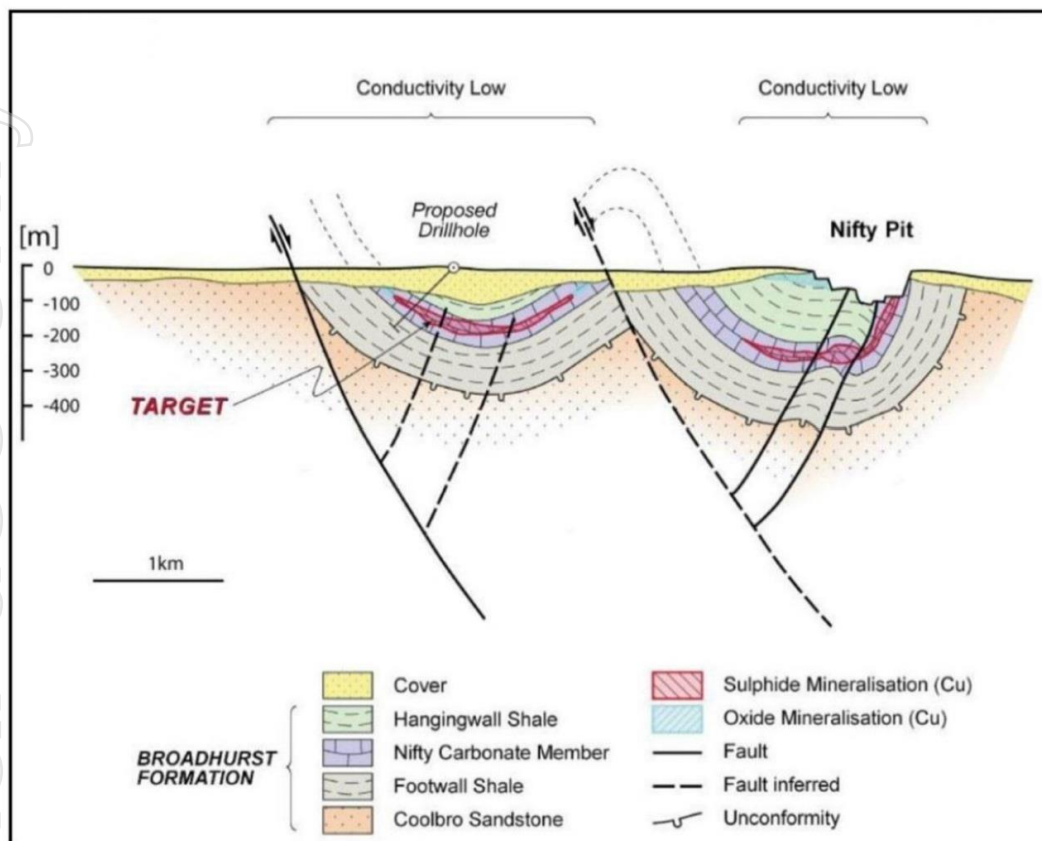


Figure 33: Schematic Cross Section of the Nifty Deposit, showing the conceptual target geology for Figure 25 Europe Target (modified from CSA 2014)

(Source: ASX: CWX 18 October 2022)

The target was further developed by Nifty Mine and CSA in 2013, incorporating new datasets, including drilling and VTEM data, into geological-structural interpretations (WAMEX A, 103598, A76782). Despite multiple drilling programs historically proposed, the target remains untested.

### Puffer

Puffer is a small (three-block) tenement located 20km northwest of the Nifty Operations over the Vines Fault (Figure 21). Historic exploration is limited to two lines of drilling completed by WMC in 1982 and Aditya-Birla in 2004-2005 targeting the Broadhurst Formation against the Vines Fault. Only low levels of copper and lead anomalism were returned. Puffer has limited exploration potential, however there is 3km of untested strike of the Vines Fault within the tenement which represents a valid exploration target.

### Davis Mn

Previous target generation activities comprising field reconnaissance and reviews of historic exploration data have identified one manganese prospect named "Bootleg" on the Davis tenement. The Bootleg prospect comprises multiple manganese outcrops in chert breccia above Carawine Dolomite, located on a low ridge along an arcuate trend extending over 500m. Six rock chip samples reported by previous explorers from the outcrop returned values ranging from 15.2% Mn to 56.4% Mn, with an average of 38.2% Mn (Figure 34).

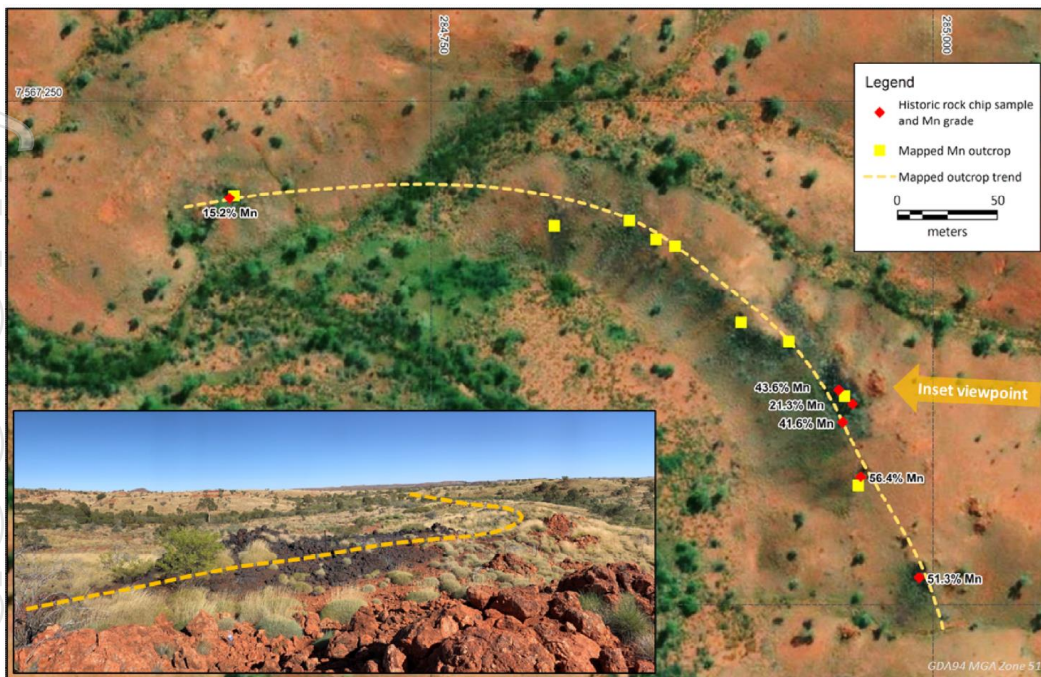


Figure 34: Bootleg Prospect Mn prospecting and mapping.

(Source: ASX: CWX 18 October 2022)

### Enacheddong

The Enacheddong exploration licence is in the eastern Oakover Basin, containing extensive outcrop of Carawine Dolomite, in-situ chert breccia, and manganese group siltstone and shale. The tenement adjoins Carawine's Fig Tree tenements (subject to the Carawine JV with Black Canyon Ltd) to the east.

There are five recorded manganese occurrences within the tenement at Black Stripe, Black Stripe East, and Black Stripe West, hosted by Carawine Dolomite; and Eastwood and Eastwood South hosted by Manganese Group siltstone and shale.

#### Black Stripe Prospect

Previous explorer Atlas Iron Pty Ltd (Atlas) completed 13 vertical RC holes at Black Stripe on 20m x 20m and 40m x 40m spacing over 170m of strike. This drilling intersected only narrow, near-surface manganese of low to medium grade.

- 4m at 23.2% Mn, 6.8% Fe<sub>2</sub>O<sub>3</sub> from 0m (EDRC0031)
- 2m at 10.8% Mn, 7.0% Fe<sub>2</sub>O<sub>3</sub> from 1m (EDRC0033)
- 3m at 11.6% Mn, 29.2% Fe<sub>2</sub>O<sub>3</sub> from 0m (EDRC0037)

(historic results, downhole widths, >10% Mn, 1m minimum width, refer Appendix 1 for details)

Given the limited drilling to date, there is potential to extend the mineralisation intersected at Black Stripe and explore for higher manganese grade material.



### Eastwood Prospect

Historic work at the Eastwood prospect, which comprises three extensive “manganese scree fields” includes mapping, and excavation and sampling of four costeans (now rehabilitated). Two costeans (EDCS001 and EDCS004) demonstrate the potential for good manganese grades in this shale-hosted style, with 10 samples taken at nominal 10m spacing across widths of 0.5 to 1.5m returning values in the range of 7.47% Mn to 35.7% Mn (average 22.5% Mn) and “hydrothermal” manganese veins reported. Further mapping is required to assess the potential for significant thickness of manganese mineralisation at Eastwood.

### Rooneys Find Au

Two historic gold workings, and two historic gold occurrences are recorded within the tenement, with the largest of the historic workings “Rooney’s Find” within one of two Prospecting Licences excised from the tenement. Gold occurrences at these old workings are reported as alluvial and eluvial, however local prospectors also report potential bedrock sources to these gold occurrences within the tenement.

## 5.6.2 Exploration Potential

### VRM Comment

The Carawine 100% Paterson Project comprise a range of Manganese and Nifty style copper targets in addition to the Archean orogenic Rooneys Find gold prospect. There is good potential to define resources within the manganese projects, however these projects are low grade, requiring beneficiation and are dependent on favourable commodity prices. There are several geophysical and conceptual copper targets within the tenements which warrant testing. The area is remote, and exploration is expensive compared to other locations within the state, further, hot summer conditions combined with cyclone risk from November to March restrict activity to the months of April to October in the absence of significant infrastructure support such as a mine camp and graded roads.

## 6. Jamieson (Au, Cu, Zn) Victoria

### 6.1 Location and Access

The Jamieson Project is located on unrestricted crown land comprising two granted exploration licences "Jamieson" (EL5523) and "Silvermine" (EL6622). The region was founded on gold mining in the 1850s, with several mines that have operated or are currently in production. Carawine is advancing two main prospect areas at the Jamieson Project: Hill 800 and Rhyolite Creek, and regionally searching for epithermal / porphyry-related gold-copper mineralisation (ASX: CRE 29 January 2024).

### 6.2 Geological Setting

The Jamieson Project geology consists of Cambrian Jamieson Volcanics (calc-alkaline) and Mt Useful Slates (Figure 35).

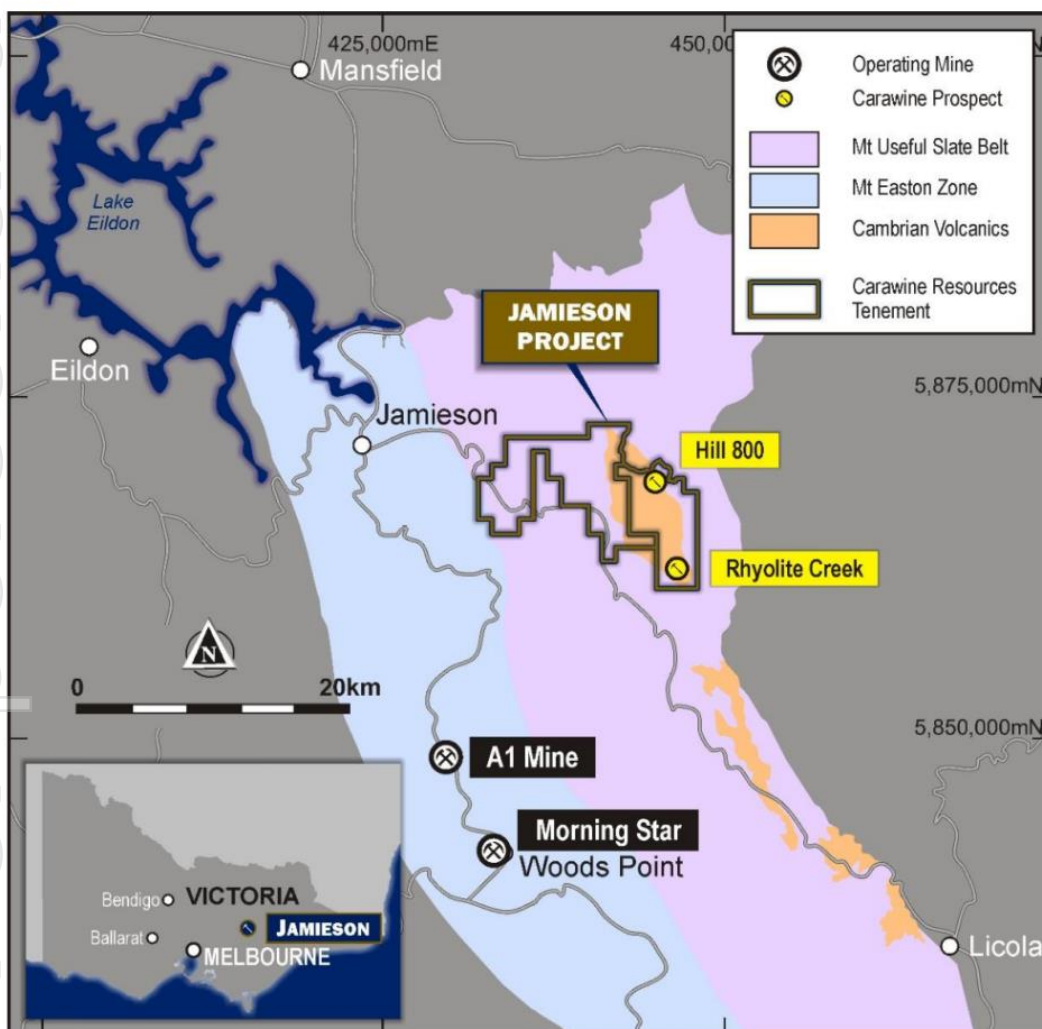


Figure 35: Regional location and Geological setting Jamieson Project

(Source: ASX: CWX 20 November 2023)

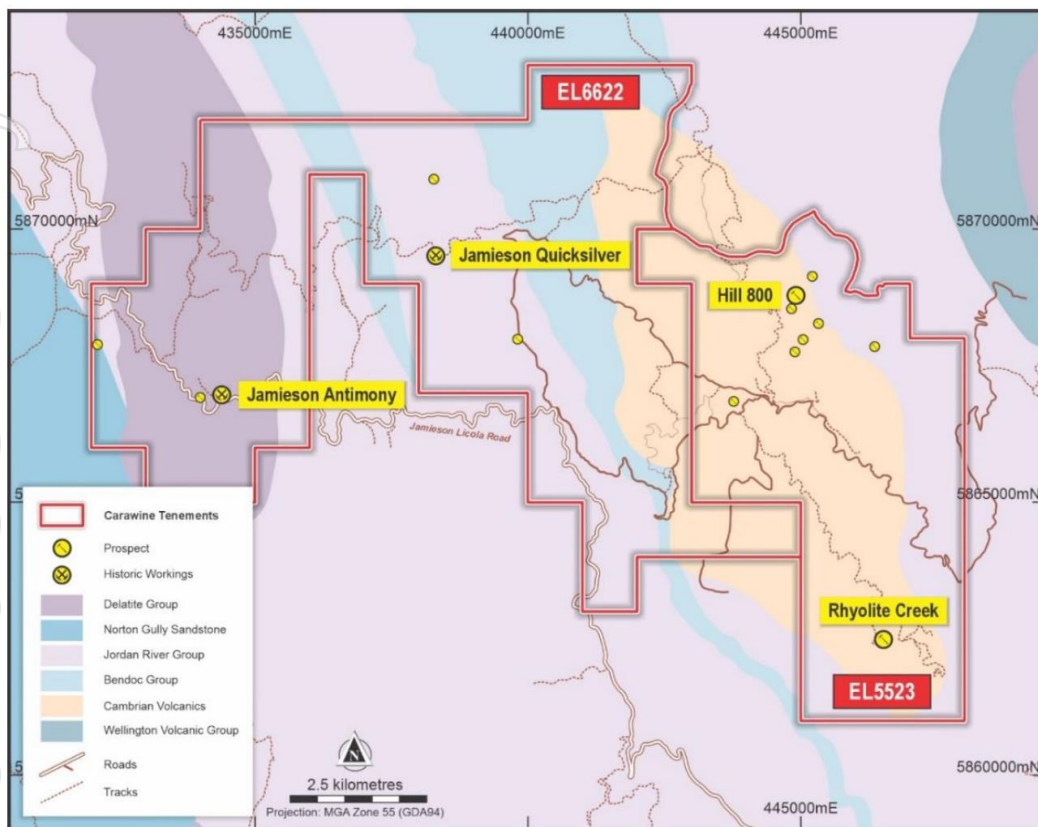


Figure 36: Jamieson Project geology and Prospects

(Source: ASX: CWX 29 January 2024)

### 6.3 Exploration History

Hill 800 is the most advanced prospect, with drilling to date returning widths and grades of gold and copper mineralisation, such as;

- H8DD006 with 93m at 3.25g/t Au from 2m, including 31m at 6.64g/t Au from 58m.
- H8DD022 67m at 2.94g/t Au from 231m, including 11m at 13.9g/t Au from 278m including 2m at 74.8g/t Au, 0.4% Cu from 290m.

The most recent drilling at Hill 800, targeting porphyry-related gold and copper mineralisation at and around the deposit, returned wide, low-grade gold intervals including.

- H8DD025 91m at 0.34g/t Au from 248m (including 22m at 0.49g/t Au from 248m and 19m at 0.55g/t Au from 320m (>0.3g/t Au cut-off)).

Hole H8DD025 is the deepest hole completed by Carawine at Hill 800 (Figure 37 and Figure 38). Relative concentrations of porphyry pathfinder elements in H8DD025 may be vectoring towards a potential copper-gold porphyry source at depth beneath Hill 800.

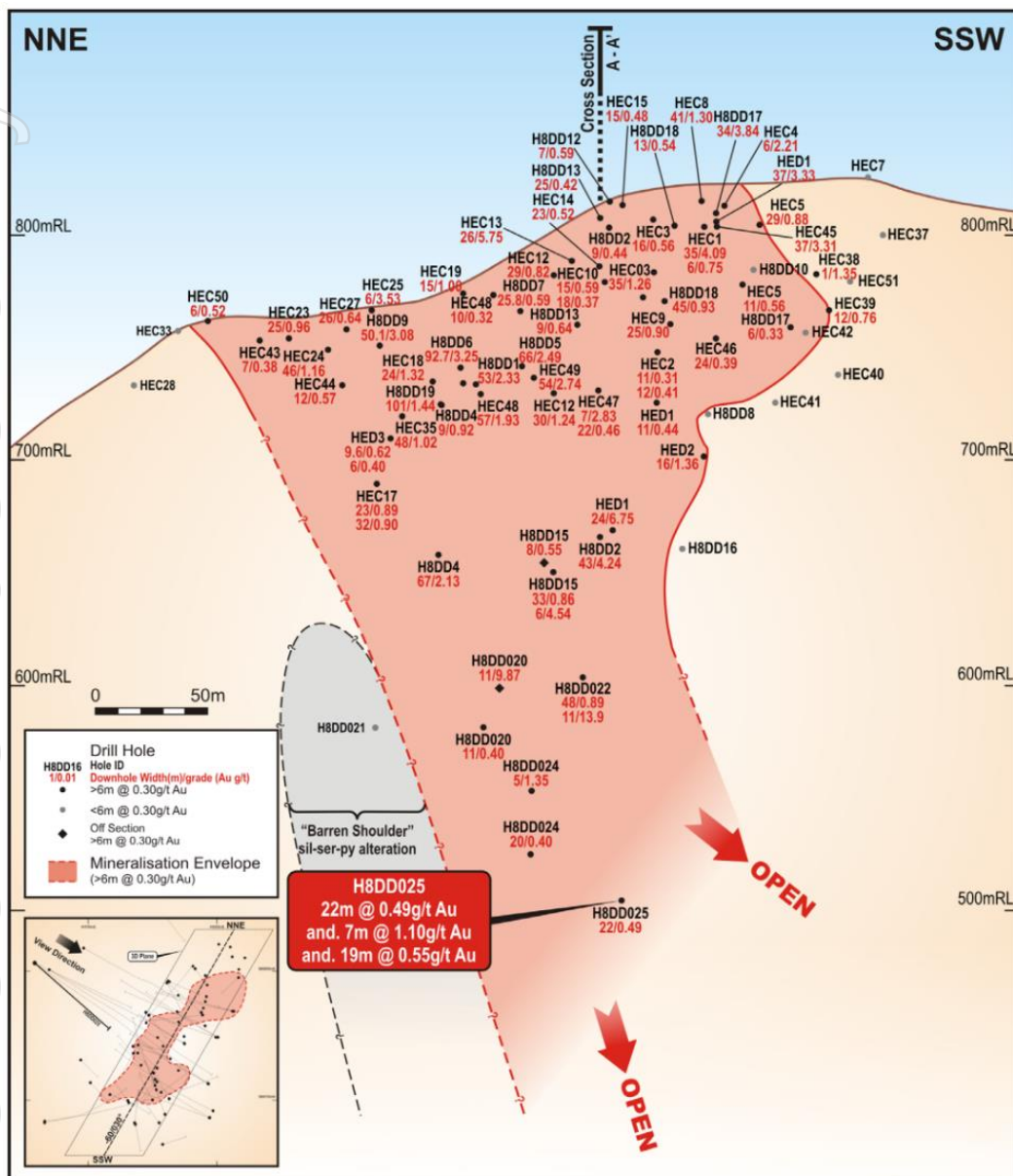


Figure 37: Hill 800 long section and inset plan of mineralisation.

(Source ASX: CWX 17 May 2021)

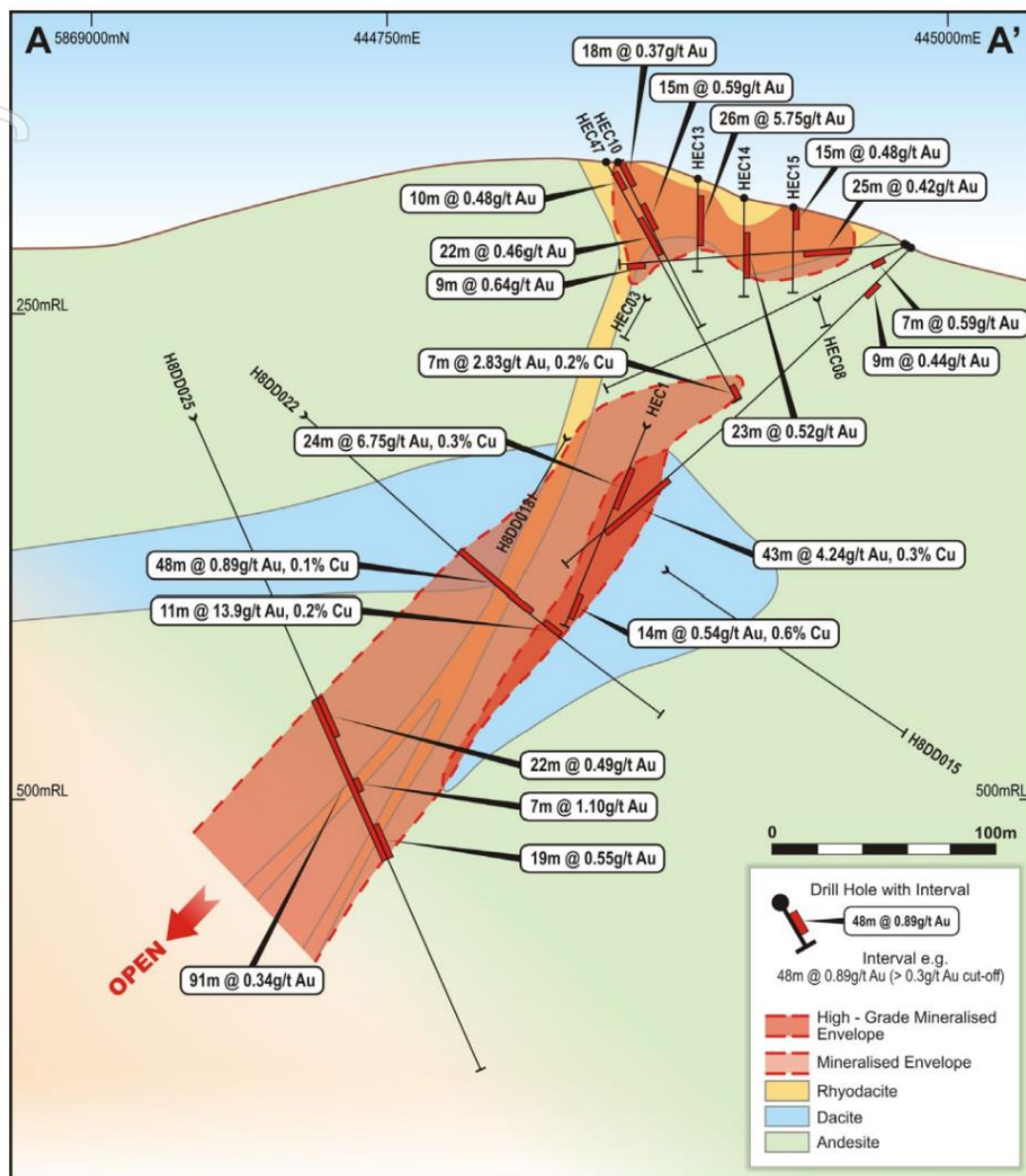


Figure 38: Hill 800 cross section A-A"

(Source ASX: CWX 17 May 2021)

Rhyolite Creek is a polymetallic target with a large gold/copper in soil anomaly with historic drilling results of up to

- RCK003 37m at 0.44g/t Au, 0.2% Cu, 44 g/t Ag from 67.5m

and a zinc/gold silver target with a drill result of up to.

- RCD001 46m at 1.11% Zn including 1m at 15.5% Zn, 7.4g/t Au, and 113 g/t Ag.

In 2021 one RC hole RCD006 was drilled by Carawine to test magnetic target M16 (Figure 39). A broad zone of anomalous zinc was intersected from 309m, assaying 32m at 0.4% Zn. The mineralisation is associated with white sphalerite and traces of chalcopyrite within sheared silica-sericite-pyrite ("SSP") altered andesitic volcanoclastics, occurring as stringer veins and disseminated blebs throughout. Several shear zones were recorded throughout the andesitic units, particularly between 300m and 375m depth,



with intense SSP alteration associated with the shear foliation. Above the zinc horizon are flow-banded rhyolite lava, volcanoclastic pumice breccia, sandstones, and siltstones of rhyolitic composition. Late magnetic porphyritic intrusions have stopped out the mineralisation and are considered to be the source of the anomalies.

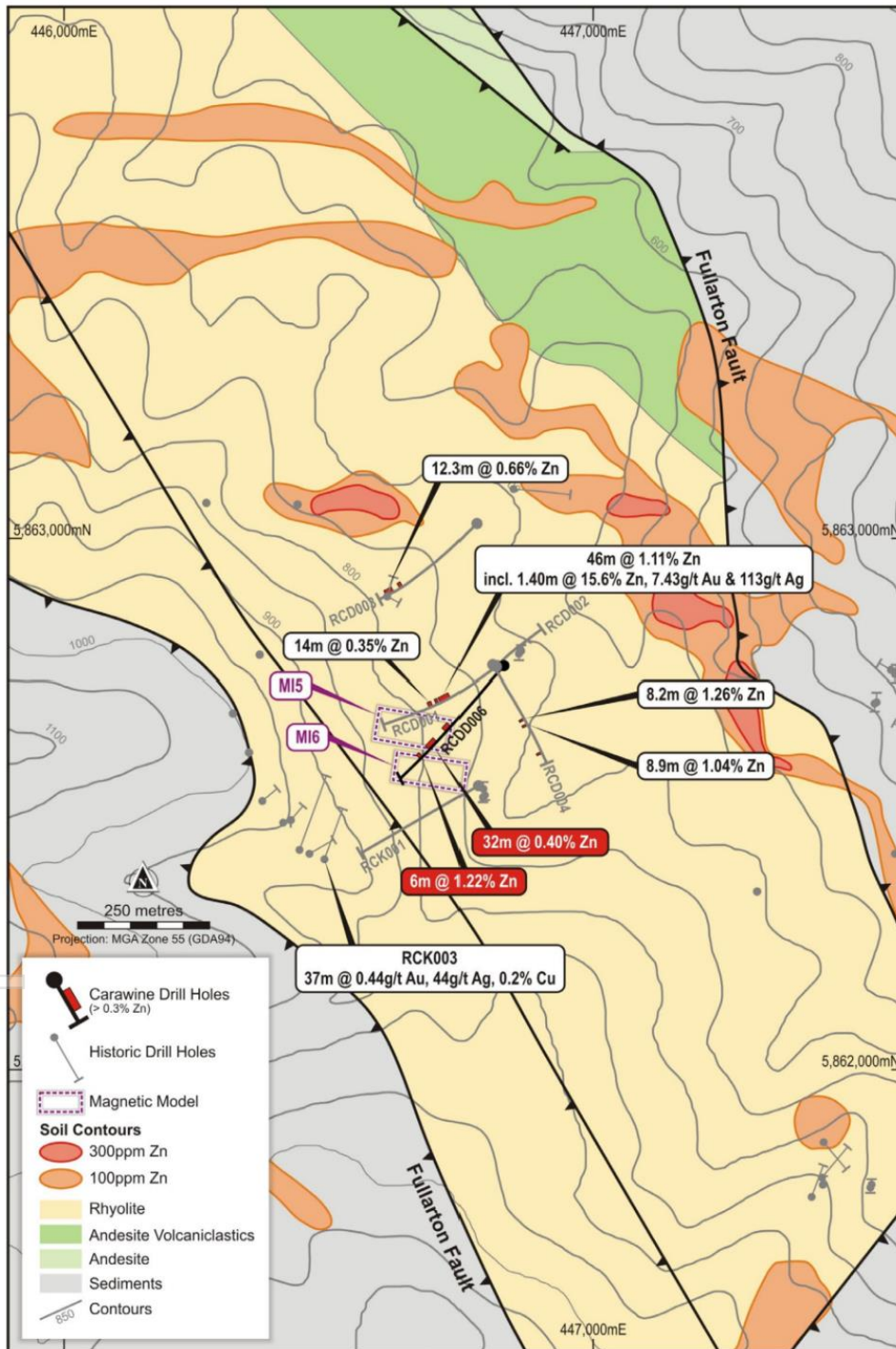


Figure 39: Rhyolite Creek zinc anomaly and drillhole plan

(Source ASX: CWX 17 May 2021)



Figure 40 below shows the regional gold in soil, topography, and a range of magnetic targets for the area.

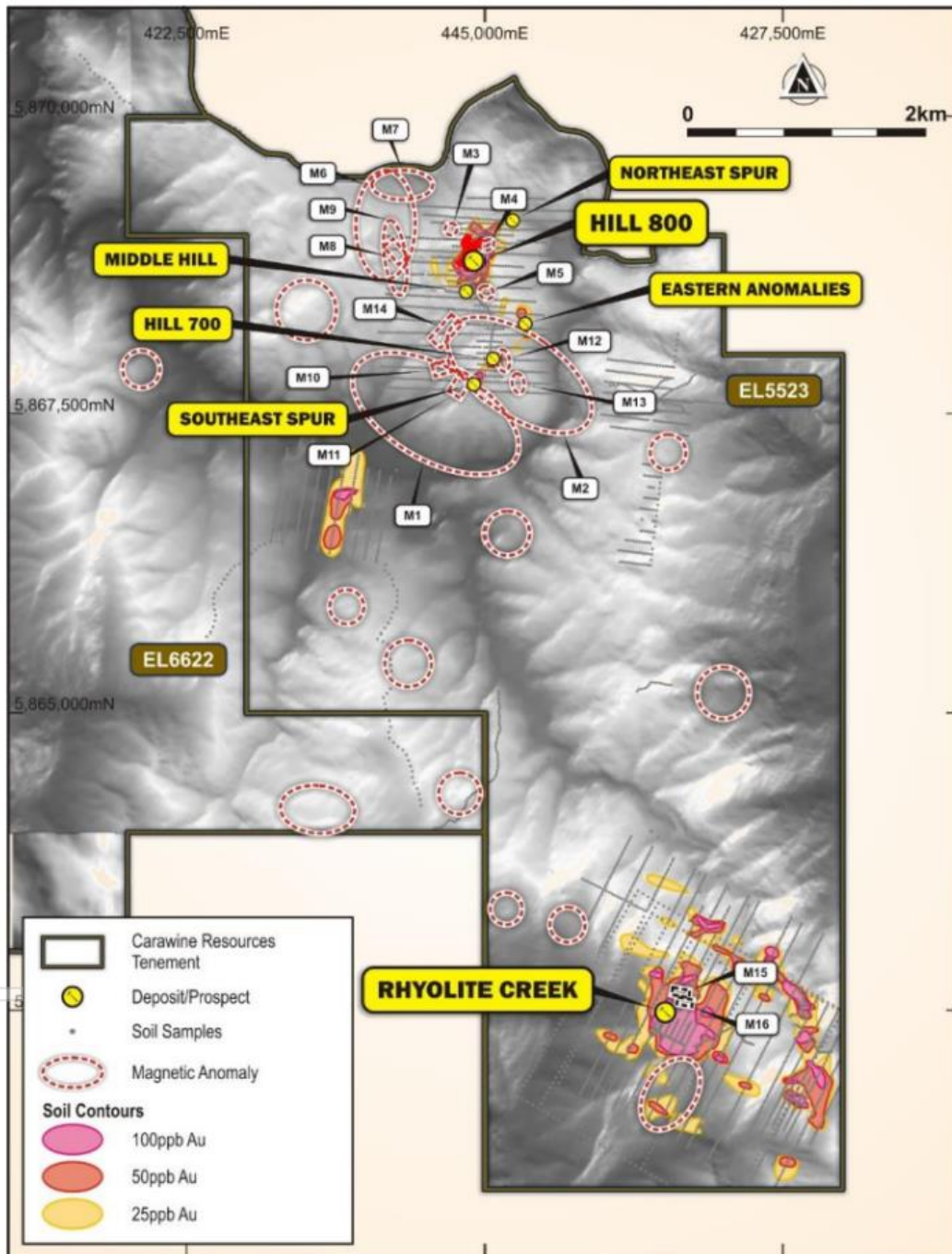


Figure 40: Jamieson Project, greyscale topography, gold in soil geochemistry and magnetic (M) targets

(Source ASX: CWX AGM Presentation 2023)

## 6.4 Exploration Potential

Conclusions from a geochemical study by Scott Halley (ASX: CWX 11 September 2019) indicate the gold-mineralised zone at Hill 800 has a strong gold (Au), tellurium (Te), bismuth (Bi) and selenium (Se) association which is most like that of magmatic fluids originating from a copper/gold porphyry intrusion.

Halley concluded that, Hill 800 is therefore best classified as a volcanic-hosted semi-massive sulphide deposit formed in a sub-sea floor environment above a fertile porphyry intrusive system. Interaction of hot porphyry-derived mineralising fluids and cold seawater is the mechanism most likely required to generate the observed geochemical data and mineral assemblage at Hill 800. Higher-grade gold and copper mineralisation at Hill 800 (previously described as “stringer” mineralisation) is most likely the result of local remobilisation during later regional metamorphism during the Devonian Tabberabberan Orogeny.

### **VRM Comment**

The very high-grade gold intercepts are of limited extent and depth. The potential is for more of these small but high-grade zones close to the surface and for deeper low grade polymetallic porphyry style mineralisation, which may by virtue of its geometry and depth be challenged economically. No drilling has been conducted since 2021.

## 6.5 Mineral Resources

There are no mineral resources calculated for these projects.

## 7. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 5 and provides a guide as to the most applicable valuation techniques for different assets.

Table 5: VALMIN Code 2015 valuation approaches suitable for mineral Properties.

Valuation Approaches suitable for mineral properties				
Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

In accordance with the definitions used in the VALMIN Code the Hercules Gold Project part of the Thunderstruck JV and the Flanagan Bore Mn Project part of the Oakover JV are best described as Advanced Exploration projects while the remaining Projects and tenements surrounding these areas are considered Early Exploration to Exploration Projects.

There are MRE's within two Projects which are reported under JORC 2012.

In VRM's opinion, the Hercules Gold Project and the Flanagan Bore manganese project should be valued using a comparable transaction method based on Resource Multiples as a primary valuation method (with appropriate discounts applied), with a secondary valuation being a yardstick approach. Additional valuations, being a Geoscientific or Kilburn approach and a PEM have been used to determine the value of the exploration potential within the tenements but distal from the currently estimated Mineral Resources.

### 7.1 Previous Valuations

VRM is not aware of any previous valuations for the Mineral Assets owned by Carawine.

### 7.2 Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 31 January 2024 being the valuation date of this Report and considering information up to 20 February 2024. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of several key

technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

### 7.3 General Assumptions

The Mineral Assets of Carawine are valued using appropriate methodologies as described Table 9 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

That all information provided to VRM is accurate and can be relied upon.

- The valuations only relate to the Mineral Assets located within the tenements controlled by the respective Companies, and not the Companies, their shares or market value.
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral license will remain active.
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe.
- That the owners of the mineral assets can obtain the required funding to continue exploration activities.
- The gold and manganese prices assumed (where they are used / considered in the valuation) is as of 31 January 2024, being USD\$2048.35 for gold and AUD\$6.21/dtmu for Manganese. This is the latest monthly reported price. (source S&P Capital IQ)
- The US\$ - AUS\$ exchange rate of 0.6565 (www.xe.com).

All currency in this report are Australian Dollars or AUS, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

### 7.4 Commodity Market Analysis

#### 7.4.1 Manganese Market Analysis

The primary use (85-90%) for manganese is in the production of steel alloys, therefore the market is tied to iron ore demand. A secondary use which is predicted to increase in demand is in the production of nickel-manganese-cobalt (NMC) batteries which are commonly used in hybrid and electric vehicles (EVs). Increased EV production is why manganese demand is predicted to rise over the next few years. However, production from giant high-grade mines such as in South Africa, Gabon, and Australia has historically kept up with demand keeping a cap on higher prices.

New uses such as micronutrients and downstream production of High Purity Manganese Sulphate Monohydrate (HPMSM) for batteries as being investigated by companies such as Firebird Metals and Accelerate using lower grade ores are some of areas of growth outside the direct shipping of ore at around 32-44% Mn to China.

A number of studies by companies such as Firebird Metals Limited (ASX: FRB 30 August 2023), Black Canyon (ASX: BCA 17 April 2023) and RDG Technologies (ASX: RDG 1 June 2021) have published plans to produce an onsite concentrates of around 30% Mn using Dense Media Separation (DMS) which then

would be used to manufacture precursor chemicals such as  $\text{MnSO}_4$  for battery production. So far, no onshore production has eventuated in Australia, with the more likely outcomes being sales on concentrate in China's battery production supply chain.

The potential ores from the Oakover district are likely to be suitable for the direct shipping of a beneficiated DMS concentrate or the production of high purity Mn sulphate for use in the lithium-ion battery market. It is for this reason that the price used was a beneficiated tonnage for direct shipping Manganese Ore Mn32% Fe20%, Tianjin-SA (\$/DMTU) (Figure 25).

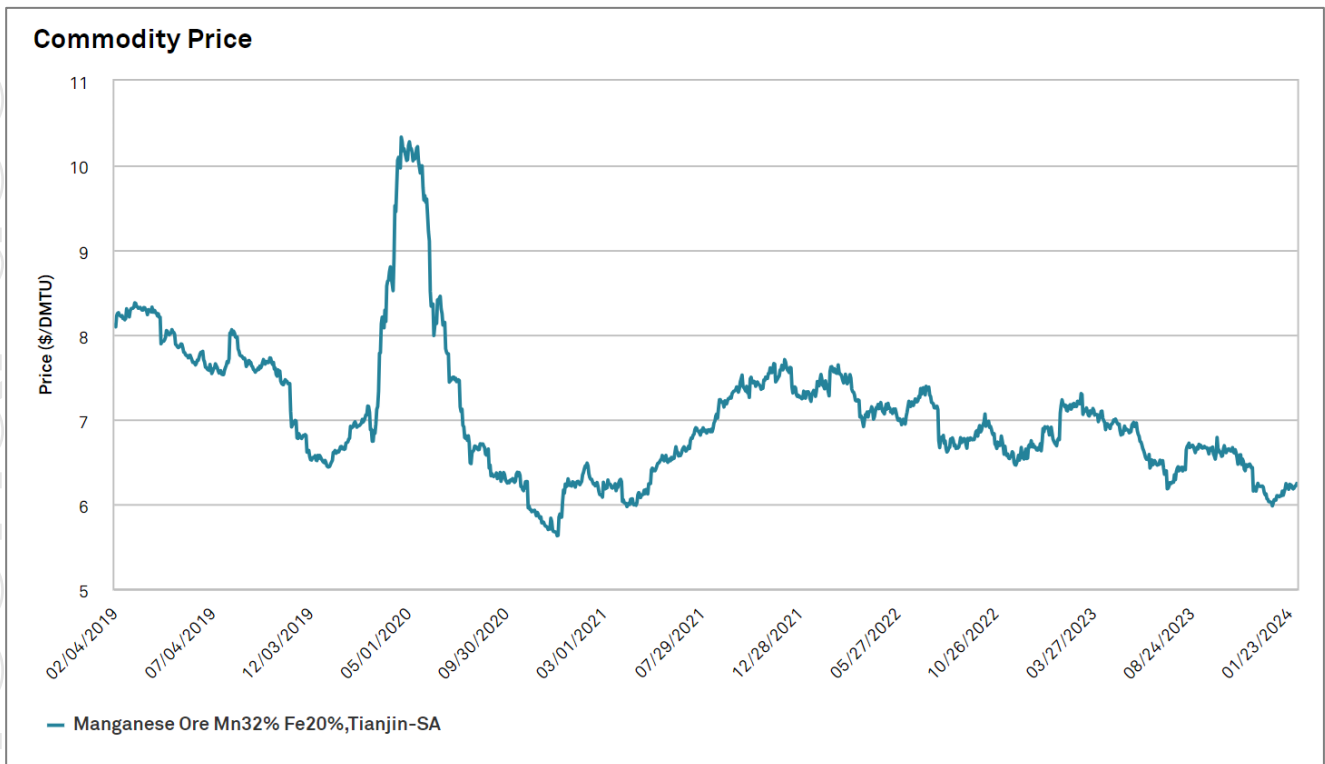


Figure 41: Five-year Manganese Ore 32% price (US\$) from February 2019 to January 2024.

(Source: S&P Capital IQ)

#### 7.4.2 Gold Market Analysis

Several Projects being valued in this Report are dominantly prospective for gold. The current market conditions and supply and demand fundamentals of the precious metal markets are summarised here.

The gold price is fundamentally different to many of the other commodities as the gold price is frequently seen as a pseudo currency and is considered by many as a safe-haven investment option, especially in the current monetary policies of many of the major countries reserve banks. Global uncertainty in regard political instability in Europe and the Middle East and following the COVID-19 pandemic, has had a resulting impact to the world economy has driven an increase in the gold price since early 2020. Figure 42 shows the gold price in AUD over the last five years and Figure 43 shows the gold price in USD for the same period.

While the gold price is high in Australian dollars there is a strong bias toward advanced projects obtaining funding and the earlier stage projects being difficult to attract investment money. The US

dollar price has flattened in the past few months however, the weakening AUD/US exchange rate has shown the AU price to steadily increase.

VRM considers that the overall gold market, to be strengthening part due to the weak dollar and partly as a consequence of other weaker commodities such a nickel and lithium dropping out of favour for investors.

When normalising the transaction valuation to the gold price VRM has elected to use the spot US dollar gold price for normalisation of the Hercules resource multiples due to the highly variable movements in both the US dollar gold price and the US: AUS exchange rate as the spot price approximates the six month average US dollar price.



Figure 42: Five Year Spot Price for gold \$AUD

Source: S and P Capital IQ



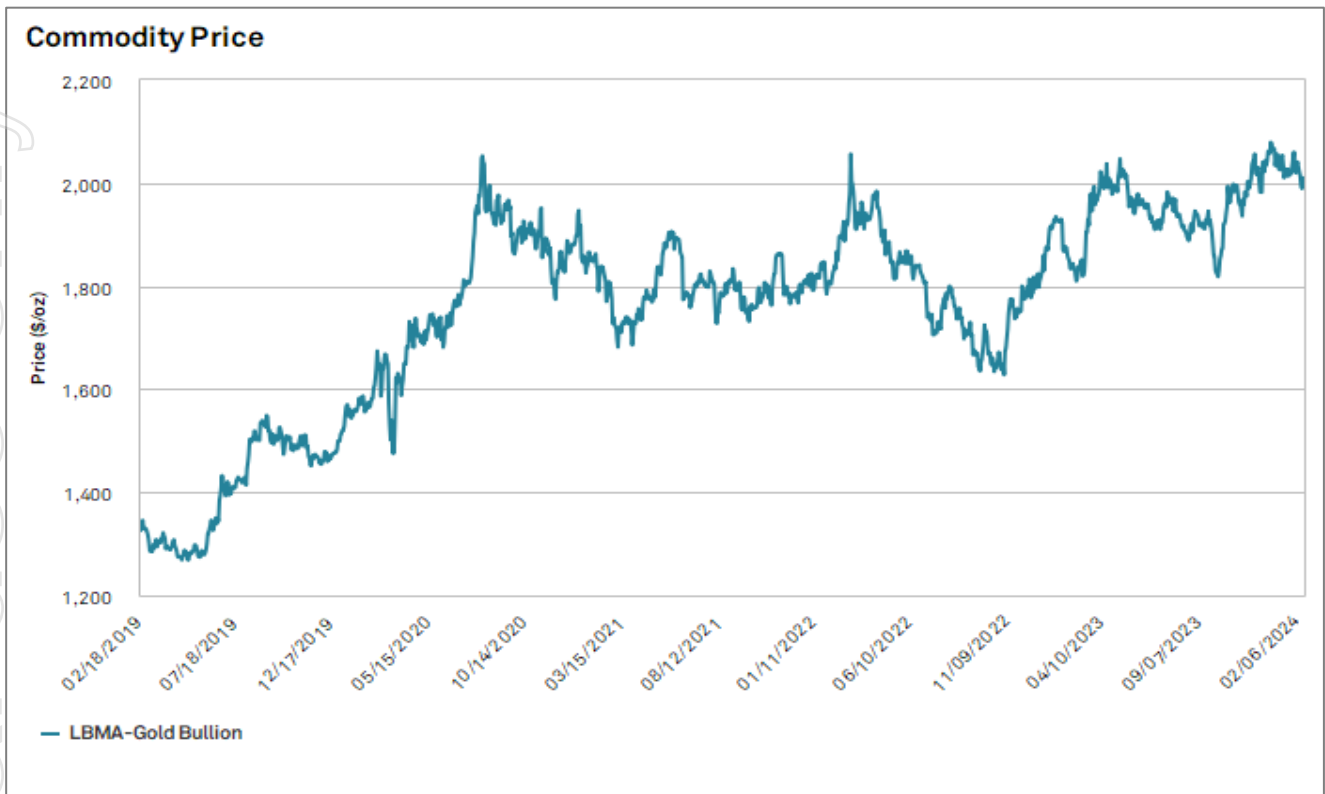


Figure 43: Five Year Spot Price for gold \$USD

Source: S and P Capital IQ

## 7.5 Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:

- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

At the Valuation Date there are no current Ore Reserves estimated for the Project, therefore income-based valuation techniques are not considered appropriate.

### 7.5.1 Comparable Market Based Transactions – Resource Based

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with MRE's reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, it is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated. More advanced projects would typically be valued using an income approach due to the modifying factors for a mining operation being better defined.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to five years but can be up to ten years in either the same geopolitical region or same geological terrain. The comparable transactions have been compiled where Mineral Resources have been estimated. Appendix A details the Resource Multiples for a series of transactions that are considered at least broadly comparable with the Flanagan Bore manganese Project and the Hercules gold project.

### 7.5.2 Yardstick Valuation

A yardstick valuation was undertaken as a check of the comparable transactions. This yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot commodity price. The yardstick valuation factors used in this report are in line with other yardstick valuation factors commonly used by other independent specialists and used in other VALMIN reports (Table 6). The US\$-AUS\$ exchange rate and manganese and gold prices as of 31 January 2024 and documented above have been used to determine the yardstick valuation.

Table 6: Typical Yardstick Multiples used for Projects

Resource or Reserve Classification	Lower Yardstick Multiple (% of Spot Price)	Upper Yardstick Multiple (% of Spot Price)
Ore Reserves	5%	10%
Measured Resources (less Proved Reserves)	2%	5%
Indicated Resources (less Probable Reserves)	1%	2%
Inferred Resources	0.5%	1%

## 7.6 Exploration Asset Valuation

To generate a value of an early-stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation.
- Comparable transactions (purchase) based on the Properties' area or MRE's (both current and historic).
- Joint Venture terms based on the Properties' area; and
- A prospectivity enhancement multiplier (PEM).

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore Reserves. The Joint Venture terms valuation is similar to the comparable transactions based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The area based comparable transaction multiples can also be useful in valuations but are strongly related to the projects tenement area so can be conservative for small areas and overstated for large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

### 7.6.1 Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological

prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 7 documents the ranking criteria that were used in conjunction with the base acquisition cost (BAC) for the project tenements to determine the technical valuation of the project.

VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. For the Carawine tenements the BAC has been determined using the exploration commitments for the tenement. These commitments were confirmed from DMIRS for the tenements in Western Australia and from Carawine for the Victorian tenements.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks and or execution risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 7 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

Table 7: Ranking Criteria used to determine the geoscientific technical valuation

Geoscientific Ranking Criteria				
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	Favourable geological setting
2.0	Resource targets identified	Exploration targets identified	Significant intersections – not correlated on section	
2.5			Several significant ore grade intersections that can be correlated	Mineralised zones exposed in prospective host rocks
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production		
3.5				
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

The total technical valuation was adjusted to derive a market valuation by making a market factor adjustment and a locational adjustment. A market factor was derived to account for the status of the market which is currently considered to be elevated for gold and neutral for Mn as shown in Figures 39 to 41. On that basis, the technical valuations were adjusted up by 20% for the gold projects while no premium or discount was applied for the manganese projects.

A 20% reduction or locational discount was applied for projects in the Paterson and in the Fraser Range due to remoteness and lack of infrastructure.

For early-stage Projects (where there are no Mineral Resources estimated), VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used for the surrounding exploration potential.

### 7.6.2 Prospectivity Enhancement Multiplier (PEM) Valuation

As outlined in Table 5 and in the VALMIN Code a cost – based or appraised value method is an appropriate valuation technique for early-stage exploration Properties. Under this method, the previous exploration expenditure is assessed as either improving or decreasing the potential of the Property. The prospectivity enhancement multiplier (PEM) involves a factor which is directly related to the success of the exploration expenditure to advance the Property. There are several alternate PEM factors that can be used depending on the specific Property and commodity being evaluated. Onley, (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this report are outlined in Table 8 below. VRM considers the PEM valuation method as a secondary valuation method. In the opinion of the author, it is preferable to use resource multiples for comparable transactions once a JORC 2012 resource has been estimated however if there are no comparable transactions then a PEM is a viable valuation method.

Table 8: Prospectivity Enhancement Multiplier (PEM) ranking criteria

PEM Ranking Criteria	
Range	Criteria
0.2 – 0.5	Exploration downgrades the potential
0.5 – 1	Exploration has maintained the potential
1.0 – 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting, mineralised intersections
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at an Inferred category



## 8. Valuation of the Mineral Assets

The mineral assets valued as a part of this ITAR are Projects in the Paterson Province in the East Pilbara and Projects in the Fraser Range including Tropicana North prospective for gold and Fraser Range prospective for gold, and base metals. In Victoria, the Jamieson Project is prospect for gold and copper.

The Paterson Region has a JORC Compliant manganese resource at Flanagan Bore which is part of the Oakover JV with Black Canyon. The Tropicana North Project contains a JORC Compliant gold resource termed Hercules within the Neale tenement.

VRM has undertaken a valuation of the two resources based on several techniques, these being a Comparable Transaction (Resource Multiplier) and Yardstick method as a cross check for the reported Mineral Resources in the Flanagan Bore manganese, and Hercules gold Projects. The surrounding exploration tenure for the Projects and the other exploration projects have been valued considering a Kilburn or Geoscientific valuation method and a Prospectivity Enhancement Multiplier (PEM) method as described further below.

### 8.1 Comparable Transactions – Resource Multiples

#### 8.1.1 Oakover JV Projects – Resource Multiples

For the Flanagan Bore Manganese Resource in the Oakover JV project, an analysis of completed project-based manganese transactions was compiled for projects that are considered possibly comparable in geopolitical jurisdictions, of similar geology and possible development scenario assumed to be an open pit mining operation with an onsite processing facility producing a manganese oxide concentrate using Dense Media Separation (DMS). Typical operations that beneficiate ore achieve Direct Shipping grades of over 32% Mn. It is for this reason that the Mn price of Manganese Ore Mn32% Fe20%, Tianjin-SA (\$/DMTU) was used. There are very few comparable transactions in the past five years so VRM has had to increase the time frame of comparable transactions that could be used.

The final set of data used to derive the valuation included four transactions involving manganese resources, as detailed in Appendix A. The Ant Hill/Sunday Creek transaction which has the highest multiple as \$8.40 per tonne was a complicated related party transaction with associated loans greater than the price paid in shares back to the purchaser in order to get the project into production. This transaction has been retained but its importance diminished by using the average of the transactions as the upper end of the valuation range rather than using the average to inform the preferred valuation.

The comparable transactions used for the valuation are mostly compiled from projects with no feasibility studies. The resource multiples based on the comparable transactions have been normalised to the manganese price at the transaction date.

Applying this methodology, the median normalised multiple is \$0.62 per tonne and the average of the transactions is \$2.45 per tonne. VRM considers that the range that should be determined based on the comparable transactions with the minimum value of minus 25% of the mean to generate the lower end of the valuation range. The upper end of the range being 125% of the mean to generate the upper end of the valuation range.

The resource multiples detailed above and supported by the information in Appendix A have been used along with the MRE's in Table 2 to derive the value of the Mineral Resources within the tenements that contain Mineral Resources. The contained manganese in the Mineral Resources has been calculated by

VRM based on the reported Resource tonnage and grades, and results in a slightly different contained manganese for the Flanagan Bore Project compared to the declared MRE's. This variation is due to rounding in the estimates.

In determining the tonnage of direct shipping ore VRM has, due to the grade of the manganese MRE, divided the metal tonnes stated in the resource by 3 to arrive at a DSO product of 33%. No allowance has been made for moisture loss. The value of the exploration potential within the tenements away from the Flanagan Bore Mineral Resources, has been determined by a Geoscientific/Kilburn method. This is VRM's preferred valuation method.

Table 9 below summarises the valuation of the Inferred Manganese Mineral Resources owned by the Company.

Table 9: Comparable transaction valuation of the Flanagan Bore Mineral Resource estimates.

Comparable Transaction Valuation Mineral Resource estimates			
	Lower (-25%) (A\$M)	Preferred (Average) (A\$M)	Upper (+25%) (A\$M)
Flanagan Bore Mineral Resource estimates (contained MnO) 1.71Mt direct shipping material		\$2.45 per t	
Resource Multiple (MnO)	\$1.83	\$2.45	\$3.06
Value of the total MRE	\$3.15	\$4.20	\$5.26
Mineral Resource Valuation (Carawine 25%) (\$ million)	\$0.79	\$1.05	\$1.31

Note appropriate rounding has been applied to the valuation totals.

### 8.1.2 Hercules Gold Project Resource Multiples

For the Hercules Gold Project a search was made using S and P Capital IQ's data base for gold transactions within Australia with resources less than 100,000 ounces. The initial list of 72 projects was cut to 40 projects by conducting a correlation analysis of the data as the range was extreme from \$0.5 per ounce to \$682 per ounce. The transactions between \$10 and \$80 per ounce fall on a line with greater than 90% correlation so this subset of 40 transactions was used and is appended in Appendix B. In addition, a review of the dates of transactions were made to determine whether there were any trends over time for price per ounce paid. For this data set no trends were shown.

The average of the 40 transactions was \$39.65 per ounce and this figure was used as the Preferred resource multiplier for the valuation. To obtain a range the 25% percentile was used for the lower value and the 75% percentile used for the upper value.

Table 10: Comparable transaction valuation of the Hercules Mineral Resource estimates.

Project	Equity	Resources (oz) (Total)	Preferred Multiple (A\$/oz)	Lower Valuation (25th percentile) (A\$ M)	Preferred Valuation (A\$ M)	Upper Valuation (75th percentile) (A\$ M)
Hercules	90%	71,159	39.65	1.51	2.82	3.42

### 8.1.3 Comparable Transaction Summary

Table 11 below summarises the valuation of the Mineral Resources owned by Carawine.

Table 11: Comparable transaction valuation summary of the Mineral Resource estimates

Project	Method	Lower Valuation (\$M)	Preferred Valuation (\$M)	Upper Valuation (\$M)
Hercules Gold Resource	Comparable Transactions (A\$/ounce)	1.5	2.8	3.4
Flanagan Bore Mn Resource	Comparable Transactions (\$A per Conc tonne)	0.8	1.1	1.3
Total		2.3	3.9	4.7

Note appropriate rounding has been applied to the valuation totals. US\$ to A\$ exchange rate of 0.6565 has been applied.

Therefore, VRM considers that the Mineral Resources within the Carawine project have a market value, based on comparable transactions, of between **\$2.3million** and **\$4.7 million** with a preferred valuation of **\$3.9 million**.

## 8.2 Yardstick Method

As detailed above the yardstick method can also be considered as a valuation approach, particularly as a cross check or supporting valuation technique to support the valuation generated by a comparable transaction method. This method is typically used as a supporting approach for valuation of Ore Reserves and / or Mineral Resources and is based on a percentage of the current metal price.

For MRE's, a common yardstick value would be between 0.5% and 5% of the current commodity price, dependent on the Mineral Resource classification as at the valuation date. For lower classification levels such as Inferred Mineral Resources this percentage is lower reflecting the higher uncertainty compared to Indicated or Measured categories. The risks relating to the resources described above have been incorporated into the Yardstick approach. The yardstick multiples are commonly used for gold transactions and has been developed by the valuation industry as a basis of possible project valuations based on a large dataset of gold transactions.

VRM has applied a range of percentage values as detailed in Table 6, corresponding to the classification of the Manganese Mineral Resources within the Projects and the manganese price for concentrates at the valuation date in order to value the resources within the Projects. In determining the tonnage of

concentrates (direct shipping ore) VRM has divided the metal tonnes stated in the resource by 3 (due to the concentrate grade used to determine the value per tonne of material) to arrive at a DSO product of 33%. No allowance was made for moisture loss. The valuations are summarised in Table 12. In determining the value of the various classifications of the Mineral Resource the tonnes of material that is assessed as being able to generate a concentrate (at a 33% grade) is multiplied by the value of a 33% concentrate and the various yardstick multiples as detailed in Table 6.

Table 12: Yardstick Valuation Summary

Project	Method	Lower Valuation (\$M)	Preferred Valuation (\$M)	Upper Valuation (\$M)
Hercules Gold Resource	Yardstick	1.2	1.8	2.4
Flanagan Bore Mn Resource	Yardstick	0.7	1.2	1.7
Total		1.9	3.0	4.1

Note - Appropriate rounding has been applied to the Mineral Resource estimates and valuation.

Therefore, VRM considers the Mineral Resources estimates within the Carawine projects as detailed above to be valued, based on a yardstick approach, at between **\$1.9 million** and **\$4.1 million** with a preferred valuation of **\$3 million**.

### 8.3 Geoscientific Valuation

There are several specific inputs that are critical in determining a valid geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the project. In addition to ensuring the rankings are correct deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. In this case the BAC is derived by the exploration commitment to maintain the tenement in good standing. The costs of tenement applications and targeting have not been included.

The Geoscientific rankings were derived for each tenement using the ranking criteria with the Off-Property Criteria considered to be between 1 and 3.5, the On-Property Criteria between 1 and 2.5, the Anomaly Factor between 1.0 and 3.5 while the Geology Criteria are considered to be between 1.0 and 2.0. When these ranking criteria are combined with the base acquisition cost, as detailed in Appendix C, this has determined the technical value. A discount of 20% has been applied to the tenements that constitute the Paterson and Fraser Range projects due to remoteness and a premium of 20% applied to the for the Tropicana North projects has been applied to the technical value to account for the current market conditions. The Technical and Market Values are shown in Table 13. The technical valuation is the base acquisition cost multiplied by the ranking factors outlined in Appendix B while the Market Value is the Technical Value multiplied by the geopolitical risk and market adjustment.

Table 13: Geoscientific Fair Market Value valuation of the Carawine projects.

Project	Method	Lower Valuation (\$M)	Preferred Valuation (\$M)	Upper Valuation (\$M)
Fraser Range	Geoscientific	2.3	4.9	7.4
Fraser Range JV IGO	Geoscientific	0.0	0.1	0.1
Jamieson	Geoscientific	0.5	1.6	2.6
Oakover	Geoscientific	1.5	2.9	4.3
Paterson	Geoscientific	0.3	0.7	1.1
Oakover JV	Geoscientific	0.5	1.0	1.4
Coolbro JV	Geoscientific	0.24	0.50	0.8
West Paterson JV	Geoscientific	0.73	1.18	1.6
<b>Tropicana North</b>	Geoscientific	1.69	2.98	4.3
<b>Tropicana North Thunderstruck JV</b>	Geoscientific	0.09	0.15	0.2
<b>Exploration Combined</b>	<b>Geoscientific</b>	<b>8.01</b>	<b>15.91</b>	<b>23.80</b>

Appropriate rounding to the total valuation has been undertaken.

The Carawine exploration projects are considered by VRM to have a market value using the Geoscientific method of between **\$8.01 million** and **\$23.8 million** with a preferred value of **\$15.91 million**.

#### 8.4 Prospectivity Enhancement Multiplier (PEM) Valuation

VRM has undertaken a PEM valuation of the tenements based on the exploration expenditure either provide by the company or extracted from the DMIRS online tenement database Mineral Titles Online with the expenditure being limited to the exploration portion of the statutory annual tenement expenditure reports (Form 5) and multiplied by 70% to account for non-ground related expenses. In addition to the reported expenditures VRM has assumed that the exploration commitment for the current tenement year has already been spent. The 70% multiple (or a 30% reduction) is to remove claimed expenditure on administration, rent and rates which do not provide any exploration information or add to a project's value. Project acquisitions costs were excluded from the analysis as these are considered sunk costs and not contributing to geological / prospectivity knowledge. Mineral Resources are excluded from the analysis.

This expenditure has been multiplied by the PEM as detailed in Table 8. To generate a range in the PEM valuation VRM has assessed the effectiveness of the exploration expenditure and therefore used an upper and lower PEM multiple to generate a range of likely values of the Projects. The preferred valuation is the average of the upper and lower PEM valuation. Table 14 details the expenditure and the valuations for the Exploration Projects. The individual tenement expenditures and assigned PEM multiples are detailed in the Appendix D to this report.

Table 14: PEM Summary by Project

Project	Method	Lower Valuation (\$M)	Preferred Valuation (\$M)	Upper Valuation (\$M)
Fraser Range	PEM	1.79	2.80	3.81
Fraser Range JV IGO	PEM	0.34	0.39	0.44
Jamieson	PEM	2.31	2.50	2.69

Project	Method	Lower Valuation (\$M)	Preferred Valuation (\$M)	Upper Valuation (\$M)
Oakover	PEM	0.60	0.69	0.77
Paterson	PEM	0.27	0.35	0.43
Oakover JV	PEM	0.30	0.35	0.39
Coolbro JV	PEM	0.77	0.88	1.00
West Paterson JV	PEM	1.33	2.16	2.99
<b>Tropicana North</b>	PEM	1.32	1.47	1.63
<b>Tropicana North Thunderstruck JV</b>	PEM	1.33	1.47	1.62
<b>Exploration Combined</b>	<b>PEM</b>	<b>10.35</b>	<b>13.06</b>	<b>15.77</b>

Note Appropriate rounding has been undertaken.

For the Carawine projects, the fair market valuation as determined by the PEM valuation method has resulted in a value between **\$10.35 million** and **\$15.77 million** with a preferred valuation of **\$13.06 million**.



## 9. Risks and Opportunities

### 9.1 General Risks and Opportunities

There are JORC 2012 MRE's within the Carawine Projects.

Mineral exploration, by its very nature has significant risks, particularly for early-stage projects, of which many of the Project areas are considered. Based on the industry-wide exploration success rates it is possible that no additional significant economic mineralisation will be located within any of the Projects. Even in the event significant mineralisation does exist within the Projects, factors both in and out of the control of the Company may prevent the identification or development of such mineralisation.

There are often environmental, safety and regulatory risks associated with exploration. This may include, but is not limited to, factors such as community consultation and agreements, as well as environmental considerations. Once more advanced, Projects are assessed for risks associated with mining, metallurgical and processing facilities requirements and services, ability to develop infrastructure appropriately, and mine closure processes. Assessment of these risks would be addressed in successive technical-economic studies, which generally commence once a Project has initiated Mineral Resource definition drilling and estimation activities. A risk exists that fatal flaws may be identified during these studies, that impede project development.

The data included in this Report and the basis of the interpretations herein have been derived from a compilation of data included in annual and quarterly technical reports and ASX releases sourced from the companies and other public data. In addition, company presentations and academic literature has been utilised to evaluate the historic exploration data, and to ascertain the prospectivity potential and possible mineralisation systems present within the tenement holdings.

There are two potential sources of uncertainty associated with this type of information compilation; 1. significant material information may not have been identified in the data compilation, and 2. there is a potential risk associated with the timely release of the exploration reports related to the areas of interest. That is, under the current regulations associated with annual technical reporting, any report linked to a current tenement that is less than five years old remains confidential and the company can also make submissions to ensure the reports remain confidential for longer periods. In addition, historical reports are not all digitally available. Therefore, obtaining the historical reports often requires extremely time-consuming and costly searches. There could also be duplication and compilation errors associated with several of the publicly available data compilations; this is commonly associated with multiple reporting of the exploration activities by different tenement managers using different grid references for the exploration activities. As such, these data may not be available and may have material errors that could have a material impact on potential exploration decisions.

Often the historical exploration reports do not include or discuss the use of quality assurance and quality control (QAQC) procedures as part of the sampling programs. Therefore, it is difficult to determine the validity and reliability of much of the historical samples, even where original assays are reported. The inability to properly validate all the exploration data reported herein, which has an impact on the proposed exploration, increases the exploration risk.

Global economics such as changes to commodity prices and access to capital to fund exploration can be considered as both risks and opportunities. These are factors that are outside of the control of the Company, as are broader societal issues. There has also been a recent increase in the recognition of the

need for a rapid transition of the global energy requirements and there has been a significant push toward a change toward a lower carbon intensity power generation. This shift has dramatically changed the demand profile for several “green” or “future facing” commodities including lithium, nickel, copper in the electrification of vehicles and uranium in power generation.

## 9.2 Project Specific Risks and Opportunities

All the projects have additional exploration potential adjacent to or along strike of the current Mineral Resources and regional exploration targets that require additional evaluation and assessment. These Resource extensions are a material opportunity on each of the projects.

The most significant risk for the Oakover Manganese Projects, are associated with the likely processing flow sheet including a Dense Media Separation (DMS) to produce a concentrate that is currently assumed in the reasonable prospects for eventual economic extraction (RPEEE) assessment of the Mineral Resource. A significantly larger resource than the current inferred resource would be required in order to justify the capital needed to construct such a plant. The commercialisation route would then be to process the ore to concentrate stage using DMS to create a product over 30% Mn and then direct ship to China.

The most likely opportunity for the Hercules gold project is for a toll treatment option at the Tropicana mill 60km away. The risk for this resource is that the economics does not support a toll treatment option and that the resource (and any further resources discovered) are too small to justify a stand along mill.

For the regional Projects there are the typical risks associated with early-stage exploration projects. While there are risks that no additional material that may be exploitable would be delineated, VRM considers that these risks are minimal and that there is a significant opportunity associated with the potential to delineate additional mineralisation within the Projects.

## 10. Preferred Valuations

Based on the valuation techniques detailed above, Table 15 provides a summary of the valuations derived for the Mineral Resources and the exploration potential within the projects by the various techniques. Figure 44 graphically shows the valuation range and preferred valuation for the Mineral Resources and exploration potential within the projects and the combined valuation range and preferred valuation for the mineral assets.

VRM's preferred valuation is based on the comparable transaction approach for the resources. The comparable transaction valuation is supported by the yardstick approach.

The Geoscientific method is considered the preferable method to value the exploration potential adjacent to the Mineral Resources and the remainder of the exploration projects. The geoscientific method is supported by the PEM method where the expenditures are based on the last five years expenditure and the proportion of the minimum exploration expenditure since the last tenement anniversary.

Based on the rationale outlined in the body of this Report, VRM is of the view that the MRE's is most appropriately valued considering a comparable transaction approach, while the exploration potential is most appropriately valued applying a Geoscientific or Kilburn valuation method.

On this basis in VRM's opinion, as detailed in Table 15 the likely market value of the Carawine projects is between \$10.3 million and \$28.5 million with a preferred valuation of \$19.8 million. This range is determined based on the primary valuations of the Mineral Resources and the primary valuation of the Exploration potential as highlighted in bold in Table 15 below.

Table 15: Valuation Summary Projects by method

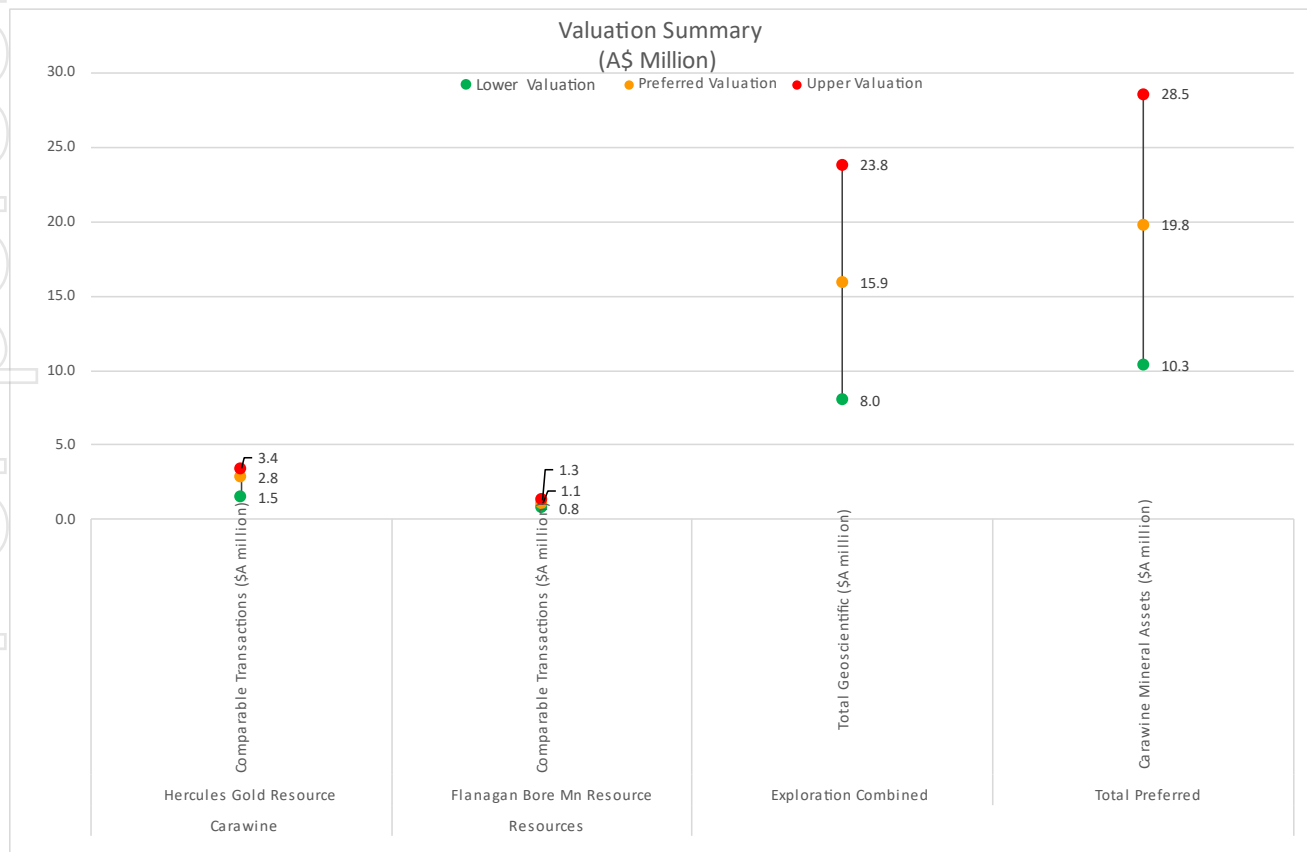
Project	Method		Lower Valuation (\$M)	Preferred Valuation (\$M)	Upper Valuation (\$M)
<b>Hercules Gold Resource</b>	<b>Comparable Transactions (A\$/ounce)</b>	<b>Primary</b>	<b>1.5</b>	<b>2.8</b>	<b>3.4</b>
	Yardstick	Supporting	1.2	1.8	2.4
<b>Flanagan Bore Mn Resource</b>	<b>Comparable Transactions (\$A per tonne)</b>	<b>Primary</b>	<b>0.8</b>	<b>1.0</b>	<b>1.3</b>
	Yardstick	Supporting	0.7	1.2	1.7
Fraser Range	Geoscientific	Primary	2.3	4.9	7.4
Fraser Range JV IGO	Geoscientific	Primary	0.0	0.1	0.1
Jamieson	Geoscientific	Primary	0.5	1.6	2.6
Oakover	Geoscientific	Primary	1.5	2.9	4.3
Paterson	Geoscientific	Primary	0.3	0.7	1.1
Oakover JV	Geoscientific	Primary	0.5	1.0	1.4
Coolbro JV	Geoscientific	Primary	0.24	0.5	0.8
West Paterson JV	Geoscientific	Primary	0.73	1.2	1.6
<b>Tropicana North</b>	Geoscientific	Primary	1.69	3.0	4.3
<b>Tropicana North Thunderstruck JV</b>	Geoscientific	Primary	0.09	0.1	0.2

Project	Method		Lower Valuation (\$M)	Preferred Valuation (\$M)	Upper Valuation (\$M)
<b>Exploration Combined</b>	<b>Geoscientific</b>	<b>Primary</b>	<b>8.0</b>	<b>15.9</b>	<b>23.8</b>
Fraser Range	PEM	Supporting	1.79	2.80	3.81
Fraser Range JV IGO	PEM	Supporting	0.34	0.39	0.44
Jamieson	PEM	Supporting	2.31	2.50	2.69
Oakover	PEM	Supporting	0.60	0.69	0.77
Paterson	PEM	Supporting	0.27	0.35	0.43
Oakover JV	PEM	Supporting	0.30	0.35	0.39
Coolbro JV	PEM	Supporting	0.77	0.88	1.00
West Paterson JV	PEM	Supporting	1.33	2.16	2.99
<b>Tropicana North</b>	PEM	Supporting	1.32	1.47	1.63
<b>Tropicana North Thunderstruck JV</b>	PEM	Supporting	1.33	1.47	1.62
<b>Exploration Combined</b>	<b>PEM</b>	<b>Supporting</b>	<b>10.35</b>	<b>13.06</b>	<b>15.77</b>

Note the totals may not add due to rounding in the valuations.

Figure 44 below summarises the information in Table 15 and shows in a graphical form the various valuations of the Mineral Assets.

Figure 44 Valuation Summary Preferred (Primary) Valuations



## 11. References

The reference list below includes public domain and unpublished company reports obtained either directly from the Company or ASX releases of previous Joint Venture holders or previous holders of the tenements.

The Annual Technical Reports lodged with the DMIRS and subsequently made public either after five years or when the tenement was surrendered are listed in the Project specific references section below.

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## Appendix A Comparable Transactions Gold

Date	Project	State	Buyer Name	Status	% Acquired	Deal Value	Gold Price (A\$/Oz) Trans Date	Normalising Factor	Total Ounces Acquired	Non-Normalised \$/Oz	Normalised \$/Oz
22/03/2021	Mt Ida	WA	Latitude Consolidated	Res Dev	100%	0.87	1740.01	1.18	96,536	\$9.01	\$10.61
18/01/2021	Burruga	NSW	Burruga Copper	Res Dev	100%	0.80	1837.23	1.11	78,000	\$10.22	\$11.40
16/10/2018	Kat Gap	WA	Classic Minerals		100%	0.30	1228.01	1.67	42,000	\$7.14	\$11.91
16/12/2020	Monument	WA	SI6 Metals	Adv Expl	100%	0.55	1862.49	1.10	50,000	\$11.00	\$12.10
3/11/2020	Xanadu	WA	Platina Resources	Res Dev	100%	1.13	1905.12	1.08	78,000	\$14.44	\$15.52
1/10/2014	Weerianna	WA	Artemis Resources	Res Dev	29%	0.19	1213.9	1.69	20,300	\$9.23	\$15.57
19/10/2020	Sunday Creek	VIC	Mawson Resources	Res Dev	100%	0.78	1906.81	1.07	47,000	\$16.62	\$17.85
30/11/2017	Livingstone	WA	Kingston Resources	Res Dev	75%	0.44	1279.13	1.60	37,432	\$11.88	\$19.02
8/10/2020	Horse Well	WA	Strickland Metals	Res Dev	37%	1.75	1889.49	1.08	95,090	\$18.40	\$19.95
30/11/2017	Norton	QLD	Undisclosed buyer	Construction Started	90%	0.53	1279.13	1.60	36,224	\$14.49	\$23.21
28/09/2020	Wiluna Calcine	WA	Blackham Resources	Prefeas.	100%	1.50	1869.9	1.10	65,778	\$22.80	\$24.98
31/12/2014	Frances Creek, Mt Porter	NT	Ark Mines	Target Outline	60%	0.30	1186.33	1.73	20,698	\$14.49	\$25.03
14/04/2014	Bendoc	VIC	Gladiator Resources	Target Outline	100%	0.28	1328.79	1.54	16,000	\$17.19	\$26.49
22/06/2015	Baden Powell, Bullabulling, Goongarrie Lady, Windanya	WA	Intermin Resources	Prefeas.	100%	0.38	1185.02	1.73	22,412	\$16.73	\$28.92
4/09/2020	Camel Creek	WA	Millennium Minerals	Res Dev	50%	1.26	1921.33	1.07	45,765	\$27.45	\$29.26
23/08/2018	Penny's Find	WA	Black Mountain Gold	Operating	50%	0.75	1189.55	1.72	40,000	\$18.75	\$32.29
31/08/2020	Penny's Find	WA	Black Mountain Gold	Operating	50%	1.50	1967.93	1.04	47,000	\$31.91	\$33.22

Date	Project	State	Buyer Name	Status	% Acquired	Deal Value	Gold Price (A\$/Oz) Trans Date	Normalising Factor	Total Ounces Acquired	Non-Normalised \$/Oz	Normalised \$/Oz
1/09/2016	Wilcherry Hill	SA	Alliance Craton Explorer	Prefeas	19%	0.73	1312.72	1.56	33,648	\$21.70	\$33.85
29/07/2020	Boorara	WA	MacPhersons Reward Gold	Res Dev	100%	2.90	1955.46	1.05	82,916	\$35.03	\$36.70
29/07/2014	Mt Dimer	WA	Twenty Seven Co.	Expl	100%	0.45	1298.85	1.58	18,000	\$25.00	\$39.43
16/10/2017	Penny West	WA	Zebra Minerals	Res Dev	100%	0.91	1303.8	1.57	36,000	\$25.38	\$39.87
23/04/2020	Beaconsfield	TAS	NQ Minerals Plc	Res Dev	100%	2.00	1737.64	1.18	57,060	\$35.05	\$41.32
24/03/2016	New Hope	QLD	Chinova Resources Cloncurry Mines	Res Dev	100%	0.73	1220.55	1.68	28,310	\$25.61	\$42.98
14/04/2020	Mt Dimer	WA	Beacon Minerals	Res Dev	100%	3.00	1731.06	1.18	82,000	\$36.59	\$43.29
5/05/2017	Coogee	WA	Ramelius Resources	Res Dev	100%	0.92	1227.71	1.67	35,000	\$26.26	\$43.81
14/04/2020	Camel Creek	WA	RSI (WA Gold)	Res Dev	50%	2.11	1731.06	1.18	52,750	\$39.91	\$47.22
20/06/2016	Broads Dam	WA	Phoenix Gold	Res Dev	95%	1.07	1285.38	1.59	33,250	\$32.07	\$51.11
2/04/2020	Wild-Viper	WA	Darlot Mining Company	Prefeas	100%	2.50	1606.88	1.27	62,100	\$40.26	\$51.32
17/12/2014	Black Cat	WA	Beacon Minerals	Res Dev	100%	0.62	1196.47	1.71	20,500	\$30.07	\$51.49
26/01/2016	Leonora	WA	Kingwest Resources	Res Dev	75%	0.69	1117.38	1.83	24,000	\$28.75	\$52.70
13/12/2018	Eureka	WA	Warriedar Mining	Preprod	100%	1.40	1242.65	1.65	43,100	\$32.48	\$53.54
23/03/2020	Wombola	WA	Silver Lake Resources	Satellite	90%	2.95	1543.67	1.33	72,000	\$41.03	\$54.45
23/05/2014	Tick Hill	QLD	Berkut Minerals	Prefeas	75%	0.57	1292.81	1.58	16,350	\$34.84	\$55.21
21/02/2020	Malmsbury	VIC	Novo Resources Corp.	Res Dev	50%	2.40	1642.4	1.25	52,000	\$46.21	\$57.63
10/02/2020	Eureka	WA	Tyranna Resources	Adv Expl	100%	3.06	1574.48	1.30	64,200	\$47.59	\$61.91
15/01/2018	Majestic	WA	Silver Lake Resources	Res Dev	15%	1.53	1340.92	1.53	37,545	\$40.67	\$62.13
3/02/2020	Gympie Eldorado	QLD	Undisclosed buyer	Res Dev	100%	2.52	1576.06	1.30	49,700	\$50.60	\$65.77
29/11/2016	Burbanks - Birthday Gift	WA	Kidman Resources	Operating	20%	1.50	1185.88	1.73	34,400	\$43.60	\$75.32

Date	Project	State	Buyer Name	Status	% Acquired	Deal Value	Gold Price (A\$/Oz) Trans Date	Normalising Factor	Total Ounces Acquired	Non-Normalised \$/Oz	Normalised \$/Oz
5/08/2019	Lefroy Goldfield, Mathinna	TAS	Nubian Resources	Exploration, Target Outline	100%	2.50	1457.49	1.41	45,300	\$55.19	\$77.56
22/03/2016	Albury Heath	WA	Big Bell Gold Operations.	Res Dev	100%	1.30	1252.28	1.64	27,000	\$48.15	\$78.76

Statistic	Non-Normalised (A\$/oz)	Normalised (A\$/oz)
Average	\$47.98	\$39.367
Median	\$25.49	\$39.649
Minimum	\$0.50	\$10.609
Maximum	\$681.95	\$78.756
25th Percentile	\$7.26	\$23.652
75th Percentile	\$47.24	\$53.333
Count	72	40

## Appendix B Comparable Transactions Manganese

Project	Country	Buyer / Target	Equity	Date	Deal \$M. (100% Basis)	Deal \$ M Normalised to Mn Price (\$/Dmtu)	Mn Price \$USD/ Tonne Concentrate 33%	Normalising Factor	Resources (T)	Mn Grade %	M Tonnes Con at 33% Mn	Non-Normalised \$ /T Con 33% Mn	Normalised \$ / T Con 33% Mn
Hendeka	Australia	Trek / Edge	100%	3/06/22	\$3.961	4.882	180.18	1.23	14,200,000	13%	5.593	0.71	\$0.87
Emang	South Africa	Emang / Mmogo Mining	70%	5/08/13	\$3.057	4.575	136.95	1.50	16,500,000	25%	12.400	0.25	\$0.37
Sunday Creek	Australia	RDG	100%	19/03/20	\$30.000	40.777	150.81	1.36	7,700,000	21%	4.853	6.18	\$8.40
Emily	USA		100%	20/04/20	\$0.666	0.651	209.88	0.98	6,463,087	19.6%	3.838	0.17	\$0.17

Statistic	Non-Normalised A\$/t	Normalised A\$/t
<b>Average</b>	1.83	2.45
<b>Median</b>	0.48	0.62
<b>Minimum</b>	0.17	0.17
<b>Maximum</b>	6.18	8.40
<b>25th Percentile</b>	0.19	0.22
<b>75th Percentile</b>	4.81	6.52
<b>Count</b>	4	4

## Appendix C Geoscientific

Note "L" in the column heading is the lower ranking, "H" is the higher ranking. Tenements with Mineral Resources are not valued by this method.

Project	Sub Project	Tenement	Equity	Off Property		On Property		Anomaly		Geology		BAC (A\$)	Has MRE	Technical Valuation			Location Discount / Premium	Market Discount / Premium	Market Low	Market Mid	Market High
				L	H	L	H	L	H	L	H			Low	Mid	High			(A\$ M)	(A\$ M)	(A\$ M)
Fraser Range	Bindi	E28/2374-I	100%	1.5	2.0	1.0	1.2	1.5	2.0	1.5	2.0	70000		0.24	0.45	0.67	80%	100%	0.19	0.36	0.54
Fraser Range	Aries	E28/2563	100%	1.5	2.0	1.0	1.2	1.5	3.0	1.0	1.5	50000		0.11	0.33	0.54	80%	100%	0.09	0.26	0.43
Fraser Range	Big Bang	E28/2759	100%	1.5	2.0	1.0	1.2	1.5	2.0	1.0	1.5	160500		0.36	0.76	1.16	80%	100%	0.29	0.61	0.92
Fraser Range	Willow	E28/2964	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	15000		0.02	0.04	0.06	80%	100%	0.02	0.03	0.05
Fraser Range	Shackelton	E28/3043	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	70667		0.11	0.19	0.27	80%	100%	0.08	0.15	0.22
Fraser Range		E28/3119	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	15000		0.02	0.04	0.06	80%	100%	0.02	0.03	0.05
Fraser Range		E28/3146	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	26000		0.04	0.07	0.10	80%	100%	0.03	0.06	0.08
Fraser Range	Zanthus	E28/3160	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	20000		0.03	0.05	0.08	80%	100%	0.02	0.04	0.06
Fraser Range	Hurley	E28/3262	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	20000		0.03	0.05	0.08	80%	100%	0.02	0.04	0.06
Fraser Range	Opus	E28/3264	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	24000		0.04	0.06	0.09	80%	100%	0.03	0.05	0.07
Fraser Range	Burley	E28/3265	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	10000		0.02	0.03	0.04	80%	100%	0.01	0.02	0.03
Fraser Range		E28/3267	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5			0.00	0.00	0.00	80%	100%	0.00	0.00	0.00
Fraser Range	Transline	E28/3271	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	20000		0.03	0.05	0.08	80%	100%	0.02	0.04	0.06
Fraser Range	Clean Bullock	E28/3297	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	20000		0.03	0.05	0.08	80%	100%	0.02	0.04	0.06
Fraser Range	Sundown East	E28/3298	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	20000		0.03	0.05	0.08	80%	100%	0.02	0.04	0.06
Fraser Range	Sundown East	E28/3299	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	15000		0.02	0.04	0.06	80%	100%	0.02	0.03	0.05
Fraser Range		E28/3301	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	20000		0.03	0.05	0.08	80%	100%	0.02	0.04	0.06
Fraser Range	Bindi	E28/3303	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	20000		0.03	0.05	0.08	80%	100%	0.02	0.04	0.06
Fraser Range		E28/3306	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	20000		0.03	0.05	0.08	80%	100%	0.02	0.04	0.06
Fraser Range	Big Bang	E28/3321	100%	1.5	2.0	1.5	2.0	1.5	2.0	1.0	1.5	50000		0.17	0.38	0.60	80%	100%	0.14	0.31	0.48
Fraser Range	Tailor	E28/3322	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	41000		0.06	0.11	0.16	80%	100%	0.05	0.09	0.13
Fraser Range	Shotline	E28/3327	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	132000		0.20	0.36	0.51	80%	100%	0.16	0.28	0.41
Fraser Range	Bindi	E28/3332	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	20000		0.03	0.05	0.08	80%	100%	0.02	0.04	0.06
Fraser Range		E28/3343	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	34000		0.05	0.09	0.13	80%	100%	0.04	0.07	0.11
Fraser Range	Small Bullock	E39/2384	100%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	24000		0.04	0.06	0.09	80%	100%	0.03	0.05	0.07
Fraser Range	Red Bull	E69/3033	100%	1.5	2.0	1.5	2.0	1.5	2.0	1.0	1.5	135000		0.46	1.04	1.62	80%	100%	0.36	0.83	1.30
Fraser Range	Red Bull	E69/3052	100%	1.5	2.0	1.5	2.0	1.5	2.0	1.0	1.5	141000		0.48	1.08	1.69	80%	100%	0.38	0.87	1.35
Fraser Range	Red Bull	E69/4169	100%	1.5	2.0	1.5	2.0	1.5	2.0	1.0	1.5	60000		0.20	0.46	0.72	80%	100%	0.16	0.37	0.58
Fraser Range			100%									125316		2.89	6.09	9.28	80%	100%	2.31	4.87	7.42

Project	Sub Project	Tenement	Equity	Off Property		On Property		Anomaly		Geology		BAC (A\$)	Has MRE	Technical Valuation			Location Discount / Premium	Market Discount / Premium	Market Low	Market Mid	Market High
Fraser JV IGO	Big Bullocks	E39/1733	24%	1.5	1.8	1.0	1.2	1.0	1.2	1.0	1.5	144000		0.05	0.09	0.13	80%	100%	0.04	0.07	0.11
Jamieson			100%	1.5	2.0	2.0	3.0	2.5	3.5	1.0	2.0	34000		0.26	0.84	1.43	100%	120%	0.31	1.01	1.71
Jamieson			100%	1.5	2.0	1.5	2.0	1.5	2.0	1.0	2.0	46500		0.16	0.45	0.74	100%	120%	0.19	0.54	0.89
Jamieson			100%									80500		0.41	1.29	2.17			0.49	1.55	2.61
Oakover	Bocrabee Hill	E45/5145	100%	1.5	2.0	1.0	1.5	1.0	1.2	1.0	1.2	30000		0.05	0.09	0.13	80%	100%	0.04	0.07	0.10
Oakover	Bocrabee	E46/1099-I	100%	3.0	3.5	2.0	2.5	1.5	2.0	1.5	2.0	102000		1.38	2.47	3.57	80%	100%	1.10	1.98	2.86
Oakover	Pattos	E46/1245	100%	3.0	3.5	2.0	2.5	1.5	2.0	1.0	1.5	20000		0.18	0.35	0.53	80%	100%	0.14	0.28	0.42
Oakover	Davis	E46/1375	100%	2.0	2.5	1.5	1.8	1.0	1.5	1.0	1.5	20000		0.06	0.13	0.20	80%	100%	0.05	0.11	0.16
Oakover	Enacheddong	E46/1376	100%	3.0	3.5	1.5	2.0	1.5	2.0	1.0	1.5	28000		0.19	0.39	0.59	80%	100%	0.15	0.31	0.47
Oakover	Rooneys Find	E46/1408	100%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	49000		0.07	0.20	0.33	80%	100%	0.06	0.16	0.26
Oakover			100%									24900		1.92	3.64	5.35	80%	100%	1.54	2.91	4.28
Paterson	Sunday (ex	E45/5229	100%	1.5	2.0	1.0	1.2	0.9	1.0	1.0	1.5	43500		0.06	0.11	0.16	80%	100%	0.05	0.09	0.13
Paterson	Cable	E45/5510	100%	1.5	2.0	2.0	2.5	1.5	2.0	1.0	1.5	42000		0.19	0.41	0.63	80%	100%	0.15	0.33	0.50
Paterson	Magnus/Euro	E45/5520	100%	1.5	2.0	2.0	2.5	1.5	2.0	1.0	1.5	30000		0.14	0.29	0.45	80%	100%	0.11	0.23	0.36
Paterson	Puffer	E45/5526	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	30000		0.03	0.09	0.15	80%	100%	0.02	0.07	0.12
Paterson	Waucarly	E45/6557	100%	1.0	1.5	1.0	1.5	1.0	1.5	0.9	1.0			0.00	0.00	0.00	80%	100%	0.00	0.00	0.00
Paterson	Cable East	E45/6872	100%	1.0	1.5	1.0	1.5	1.0	1.5	0.9	1.0			0.00	0.00	0.00	80%	100%	0.00	0.00	0.00
Paterson	Red Dog NW	E45/6875	100%	1.5	2.0	1.0	1.5	0.9	1.0	1.0	1.2			0.00	0.00	0.00	80%	100%	0.00	0.00	0.00
Paterson	Red Dog SW	E45/6877	100%	1.5	2.0	1.0	1.5	0.9	1.0	1.0	1.2			0.00	0.00	0.00	80%	100%	0.00	0.00	0.00
Paterson	Red Dog SW	E45/6879	100%	1.5	2.0	1.0	1.5	0.9	1.0	1.0	1.2			0.00	0.00	0.00	80%	100%	0.00	0.00	0.00
Paterson	Red Dog NW	E45/6881	100%	1.5	2.0	1.0	1.5	0.9	1.0	1.0	1.2			0.00	0.00	0.00	80%	100%	0.00	0.00	0.00
Paterson			100%									145500		0.41	0.90	1.39	80%	100%	0.33	0.72	1.11
Oakover JV	Saddleback	E46/1069-I	25%	2.0	2.5	1.5	1.8	1.0	1.5	1.0	1.5	72000		0.05	0.12	0.18	80%	100%	0.04	0.09	0.15
Oakover JV	Fig Tree	E46/1116-I	25%	3.5	3.8	2.0	2.5	1.5	2.0	1.5	2.0	124000		0.49	0.83	1.18	80%	100%	0.39	0.67	0.94
Oakover JV	Shag Pool	E46/1119-I	25%	2.0	2.5	1.5	1.8	1.0	1.5	1.0	1.5	50000		0.04	0.08	0.13	80%	100%	0.03	0.07	0.10
Oakover JV	Flanagan	E46/1301	25%	2.0	2.5	2.0	2.5	2.0	2.5	1.5	2.0	33000		0.10	0.18	0.26	80%	100%	0.08	0.14	0.21
Oakover JV	Resource	MLA45/546	25%									175600	Yes	0.00	0.00	0.00	80%	100%	0.00	0.00	0.00
Oakover JV			25%									27900		0.68	1.21	1.74	80%	100%	0.54	0.97	1.40
Coolbro JV	Trotman	E45/4847	49%	1.5	2.0	1.5	1.8	0.9	1.2	1.0	1.5	138000		0.14	0.29	0.44	80%	100%	0.11	0.23	0.35
Coolbro JV	Lamil Hills	E45/5326	49%	1.5	2.0	1.5	1.8	0.9	1.2	1.0	1.5	133500		0.13	0.28	0.42	80%	100%	0.11	0.22	0.34
Coolbro JV	Elder	E45/5528	49%	1.5	2.0	1.5	1.8	0.9	1.2	1.0	1.5	30000		0.03	0.06	0.10	80%	100%	0.02	0.05	0.08
Coolbro JV			49%									301500		0.30	0.63	0.96	80%	100%	0.24	0.50	0.77
West Paterson	Baton West	E45/4871	100%	1.5	2.0	2.0	2.5	0.9	1.0	1.0	1.2	122000		0.33	0.53	0.73	80%	100%	0.26	0.42	0.59
West Paterson	Red Dog	E45/4881	100%	1.5	2.0	2.0	2.5	0.9	1.0	1.0	1.2	140000		0.38	0.61	0.84	80%	100%	0.30	0.49	0.67
West Paterson	Baton East	E45/4955	100%	1.5	2.0	2.0	2.5	0.9	1.0	1.0	1.2	78000		0.21	0.34	0.47	80%	100%	0.17	0.27	0.37



Project	Sub Project	Tenement	Equity	Off Property		On Property		Anomaly		Geology		BAC (A\$)	Has MRE	Technical Valuation			Location Discount / Premium	Market Discount / Premium	Market Low	Market Mid	Market High
West Paterson			100%									34000		<b>0.92</b>	<b>1.48</b>	<b>2.04</b>	80%	100%	<b>0.73</b>	<b>1.18</b>	<b>1.63</b>
Tropicana North	Blue Bell	E38/3521	100%	1.0	1.5	2.0	2.5	1.5	1.8	1.0	1.2	32000		0.10	0.18	0.26	80%	120%	0.09	0.17	0.25
Tropicana North	Dyno	E38/3535	100%	1.5	2.0	1.0	1.5	1.0	1.2	1.0	1.2	20000		0.03	0.06	0.09	80%	120%	0.03	0.06	0.08
Tropicana North	Rason	E38/3653	100%	1.5	2.0	1.0	1.5	1.0	1.2	1.0	1.2	132667		0.20	0.39	0.57	80%	120%	0.19	0.37	0.55
Tropicana North	Tallow	E38/3712	100%	1.0	1.5	1.0	1.5	1.0	1.2	1.0	1.2	35000		0.04	0.07	0.11	80%	120%	0.03	0.07	0.11
Tropicana North	East Neale	E38/3747	100%	1.5	2.0	2.0	2.5	1.5	1.8	1.0	1.2	20000		0.09	0.15	0.22	80%	120%	0.09	0.15	0.21
Tropicana North	Pleiades	E39/2150	100%	1.5	2.0	2.0	2.5	1.5	1.8	1.0	1.2	46000		0.21	0.35	0.50	80%	120%	0.20	0.34	0.48
Tropicana North	Python	E39/2180	100%	1.5	2.0	2.0	2.5	1.5	1.8	1.0	1.2	45000		0.20	0.34	0.49	80%	120%	0.19	0.33	0.47
Tropicana North	Chicago	E69/3756	100%	1.0	1.5	1.0	2.0	1.0	1.5	1.0	1.2	20000		0.02	0.06	0.11	80%	120%	0.02	0.06	0.10
Tropicana North	Bobbies	E69/3933	100%	1.5	2.0	1.0	1.5	1.0	1.2	1.0	1.2	69750		0.10	0.20	0.30	80%	120%	0.10	0.19	0.29
Tropicana North	Spackman	E69/3934	100%	1.5	2.0	1.0	1.2	1.0	1.2	1.0	1.2	119584		0.18	0.30	0.41	80%	120%	0.17	0.28	0.40
Tropicana North	Tallow	E38/3862	100%	1.0	1.5	1.0	1.2	1.0	1.2	1.0	1.2			0.00	0.00	0.00	80%	120%	0.00	0.00	0.00
Tropicana North		E38/3872	100%	1.5	2.0	1.0	1.2	1.0	1.2	1.0	1.2	20000		0.03	0.05	0.07	80%	120%	0.03	0.05	0.07
Tropicana North		E38/3908	100%	1.5	2.0	1.0	1.2	1.0	1.2	1.0	1.2	144000		0.22	0.36	0.50	80%	120%	0.21	0.34	0.48
Tropicana North	Pleiades	E39/2427	100%	1.5	2.0	2.0	2.5	1.5	1.8	1.0	1.2	77000		0.35	0.59	0.83	80%	120%	0.33	0.57	0.80
Tropicana North			100%									54000		<b>1.76</b>	<b>3.10</b>	<b>4.45</b>	80%	120%	<b>1.69</b>	<b>2.98</b>	<b>4.27</b>
Tropicana North Thunderstruck	Neale	E38/3244	90%	2.0	2.5	1.5	2.5	1.5	2.5	1.0	2.0	86000	Yes	0.00	0.00	0.00	80%	120%	0.00	0.00	0.00
Tropicana North Thunderstruck	Don King	E39/1845	90%	1.5	2.0	1.0	1.2	1.0	1.2	1.0	1.2	70000		0.09	0.16	0.22	80%	120%	0.09	0.15	0.21
Tropicana North Thunderstruck	Resource		90%									156000		<b>0.09</b>	<b>0.16</b>	<b>0.22</b>	80%	120%	<b>0.09</b>	<b>0.15</b>	<b>0.21</b>
Total Exploration Valuation																			8.0	15.9	23.8

Note appropriate rounding has been applied to the totals which may not add due to the rounding.

## Appendix D PEM Valuation

Note Tenements with Mineral Resources are not valued by this method.

Project	Sub Project	Tenement	Company Equity	Total Exploration Expenditure (A\$)	PEM Low	PEM High	PEM Valuation Low (A\$ M)	PEM Mid-Point (A\$ M)	PEM Valuation High (A\$ M)
Fraser Range	Bindi	E28/2374-I	100%	222324	1.0	1.3	0.22	0.26	0.29
Fraser Range	Aries	E28/2563	100%	320820	1.0	1.3	0.32	0.37	0.42
Fraser Range	Big Bang	E28/2759	100%	1129616	0.2	1.0	0.23	0.68	1.13
Fraser Range	Willow	E28/2964	100%	13655	1.0	1.3	0.01	0.02	0.02
Fraser Range	Shackelton	E28/3043	100%	58756	1.0	1.3	0.06	0.07	0.08
Fraser Range		E28/3119	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range		E28/3146	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range	Zanthus	E28/3160	100%	22135	1.0	1.3	0.02	0.03	0.03
Fraser Range	Hurley	E28/3262	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range	Opus	E28/3264	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range	Burley	E28/3265	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range		E28/3267	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range	Transline	E28/3271	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range	Clean Bullock	E28/3297	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range	Sundown East	E28/3298	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range	Sundown East	E28/3299	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range		E28/3301	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range	Bindi	E28/3303	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range		E28/3306	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range	Big Bang	E28/3321	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range	Tailor	E28/3322	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range	Shotline	E28/3327	100%	0	1.0	1.3	0.00	0.00	0.00

Project	Sub Project	Tenement	Company Equity	Total Exploration Expenditure (A\$)	PEM Low	PEM High	PEM Valuation Low (A\$ M)	PEM Mid-Point (A\$ M)	PEM Valuation High (A\$ M)
Fraser Range	Bindi	E28/3332	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range		E28/3343	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range	Small Bullock	E39/2384	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range	Red Bull	E69/3033	100%	577918	0.5	1.0	0.29	0.43	0.58
Fraser Range	Red Bull	E69/3052	100%	1270855	0.5	1.0	0.64	0.95	1.27
Fraser Range	Red Bull	E69/4169	100%	0	1.0	1.3	0.00	0.00	0.00
Fraser Range			100%	0			1.79	2.80	3.81
Fraser JV IGO	Big Bullocks	E39/1733	24%	1407955	1.0	1.3	0.34	0.39	0.44
Jamieson			100%	1668144	1.3	1.5	2.17	2.34	2.50
Jamieson			100%	143733	1.0	1.3	0.14	0.17	0.19
Jamieson			100%	0			2.31	2.50	2.69
Oakover	Bocrabee Hill	E45/5145	100%	72647	1.0	1.3	0.07	0.08	0.09
Oakover	Bocrabee	E46/1099-I	100%	344461	1.0	1.3	0.34	0.40	0.45
Oakover	Pattos	E46/1245	100%	50203	1.0	1.3	0.05	0.06	0.07
Oakover	Davis	E46/1375	100%	40567	1.0	1.3	0.04	0.05	0.05
Oakover	Enacheddong	E46/1376	100%	48546	1.0	1.3	0.05	0.06	0.06
Oakover	Rooneys Find Au	E46/1408	100%	39323	1.0	1.3	0.04	0.05	0.05
Oakover			100%	0	1.0	1.3	0.60	0.69	0.77
Paterson	Sunday (ex Coolbr0	E45/5229	100%	230482	0.5	1.0	0.12	0.17	0.23
Paterson	Cable	E45/5510	100%	82578	1.0	1.3	0.08	0.09	0.11
Paterson	Magnus/Europe	E45/5520	100%	73887	1.0	1.3	0.07	0.08	0.10
Paterson	Puffer	E45/5526	100%	0	1.0	1.3	0.00	0.00	0.00
Paterson	Waucarly	E45/6557	100%	0	1.0	1.3	0.00	0.00	0.00
Paterson	Cable East	E45/6872	100%	0	1.0	1.3	0.00	0.00	0.00
Paterson	Red Dog NW	E45/6875	100%	0	1.0	1.3	0.00	0.00	0.00
Paterson	Red Dog SW	E45/6877	100%	0	1.0	1.3	0.00	0.00	0.00

Project	Sub Project	Tenement	Company Equity	Total Exploration Expenditure (A\$)	PEM Low	PEM High	PEM Valuation Low (A\$ M)	PEM Mid-Point (A\$ M)	PEM Valuation High (A\$ M)
Paterson	Red Dog SW	E45/6879	100%	0	1.0	1.3	0.00	0.00	0.00
Paterson	Red Dog NW	E45/6881	100%	0	1.0	1.3	0.00	0.00	0.00
Paterson			100%	0			0.27	0.35	0.43
Oakover JV	Saddleback	E46/1069-I	25%	265061	1.0	1.3	0.07	0.08	0.09
Oakover JV	Fig Tree	E46/1116-I	25%	468368	1.0	1.3	0.12	0.13	0.15
Oakover JV	Shag Pool	E46/1119-I	25%	158717	1.0	1.3	0.04	0.05	0.05
Oakover JV	Flanagan Bore	E46/1301	25%	309901	1.0	1.3	0.08	0.09	0.10
Oakover JV	Resource	MLA45/546	25%	2789109	2.8	3.2			
Oakover JV			25%	0			0.30	0.35	0.39
Coolbro JV	Trotman South	E45/4847	49%	484452	1.0	1.3	0.24	0.27	0.31
Coolbro JV	Lamil Hills	E45/5326	49%	533131	1.0	1.3	0.26	0.30	0.34
Coolbro JV	Elder	E45/5528	49%	550084	1.0	1.3	0.27	0.31	0.35
Coolbro JV			49%	0	1.0	1.3	0.77	0.88	1.00
West Paterson JV	Baton West	E45/4871	100%	1444616	0.4	0.9	0.58	0.94	1.30
West Paterson JV	Red Dog	E45/4881	100%	1603914	0.4	0.9	0.64	1.04	1.44
West Paterson JV	Baton East	E45/4955	100%	276213	0.4	0.9	0.11	0.18	0.25
West Paterson JV			100%	0			1.33	2.16	2.99
Tropicana North	Blue Bell South	E38/3521	100%	419838	1.3	1.5	0.55	0.59	0.63
Tropicana North	Dyno	E38/3535	100%	66451	1.0	1.3	0.07	0.08	0.09
Tropicana North	Rason	E38/3653	100%	105681	1.0	1.3	0.11	0.12	0.14
Tropicana North	Tallow	E38/3712	100%	25212	1.0	1.3	0.03	0.03	0.03
Tropicana North	East Neale	E38/3747	100%	0	1.0	1.3	0.00	0.00	0.00
Tropicana North	Pleiades	E39/2150	100%	80425	1.0	1.3	0.08	0.09	0.10
Tropicana North	Python	E39/2180	100%	296803	1.0	1.3	0.30	0.34	0.39
Tropicana North	Chicago	E69/3756	100%	42579	1.0	1.3	0.04	0.05	0.06
Tropicana North	Bobbies	E69/3933	100%	54555	1.0	1.3	0.05	0.06	0.07

Project	Sub Project	Tenement	Company Equity	Total Exploration Expenditure (A\$)	PEM Low	PEM High	PEM Valuation Low (A\$ M)	PEM Mid-Point (A\$ M)	PEM Valuation High (A\$ M)
Tropicana North	Spackman	E69/3934	100%	99518	1.0	1.3	0.10	0.11	0.13
Tropicana North	Tallow	E38/3862	100%	0	1.0	1.3	0.00	0.00	0.00
Tropicana North		E38/3872	100%	0	1.0	1.3	0.00	0.00	0.00
Tropicana North		E38/3908	100%	0	1.0	1.3	0.00	0.00	0.00
Tropicana North	Pleiades	E39/2427	100%	0	1.0	1.3	0.00	0.00	0.00
Tropicana North			100%	0	1.0	1.3	1.32	1.47	1.63
Tropicana North Thunderstruck	Neale	E38/3244	90%	500895	2.5	3.0	1.13	1.24	1.35
Tropicana North Thunderstruck	Don King	E39/1845	90%	224734	1.0	1.3	0.20	0.23	0.26
Tropicana North Thunderstruck	Resource		90%	0			1.33	1.47	1.62
Total Exploration Valuation							10.35	13.06	15.77

## Glossary

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

The terms listed below are taken from the 2015 VALMIN Code ([The VALMIN Code - 2015 Edition](#)).

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

**Australasian** means Australia, New Zealand, Papua New Guinea, and their offshore territories.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Most Mineral Assets can be classified as:

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Petroleum Resources and Petroleum Reserves** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to [Society of Petroleum Engineers \(SPE\) | Oil & Gas Membership Association](#) for further information.

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

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

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

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

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

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

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

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

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

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

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

**Scoping Study** means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

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

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

**Technical Assessment** is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

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

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

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

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

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

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

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

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

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

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

**CORPORATIONS ACT  
PART 6A.2  
OBJECTION FORM**

QGold Pty Ltd  
PO Box 10630  
Brisbane Qld 4000  
(**QGold**)

Dear shareholders

**OBJECTION TO COMPULSORY ACQUISITION**

Pursuant to section 664E(1) of the Corporations Act 2001 (Cth) (**Corporations Act**), I/we of (insert name) \_\_\_\_\_ , being the holder of \_\_\_\_\_ ordinary shares in Carawine Resources Limited (**CWX**) covered by the notice of compulsory acquisition (**Notice**) hereby notify QGold that I/we object to the compulsory acquisition of the ordinary shares in CWX held by me/us and acknowledge that this objection:

- (a) relates to all securities of the above class that are covered by the Notice and are held by me/us as at the end of the objection period; and
- (b) cannot be withdrawn.

If this objection form is completed, signed and returned, I/we acknowledge and consent to a copy of this form being lodged with Australian Securities & Investment Commission (**ASIC**) and my/our name and shareholding in the Company being included in a list to be lodged with ASIC and CWX and for disclosure of this information to be made in a public announcement provided to the Australian Securities Exchange. This form can be returned by either:

- (a) mailing it to the above address; or
- (b) scanning and emailing to [notificationsqgold@qcoal.com.au](mailto:notificationsqgold@qcoal.com.au).

**Sign on page over**

Yours faithfully

\_\_\_\_\_

Signature of director

\_\_\_\_\_

Signature of director/company secretary  
*(Please delete as applicable)*

\_\_\_\_\_

Name of director *(print)*

\_\_\_\_\_

Name of director/company secretary *(print)*

OR

\_\_\_\_\_

Signature of shareholder

\_\_\_\_\_

Signature of second shareholder *(if applicable)*

\_\_\_\_\_

Name of shareholder *(print)*

\_\_\_\_\_

Name of second shareholder *(if applicable) (print)*

Date

\_\_\_\_\_

For personal use only

**INSTRUCTIONS:**

1. Please insert your name, address and number of shares where indicated on this Objection Form.
2. Please sign and date this Objection Form where indicated. This Objection Form will not be valid unless it is signed correctly in accordance with the specified signing instructions set out below.

**Individual:** Where the shareholding is in one name, the shareholder must sign.

**Joint Holding:** Where the shareholding is in more than one name, all of the shareholders must sign.

**Power of Attorney:** Where signing as Power of Attorney ("**POA**"), you must attach an original certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

- a sole director and sole company secretary; **OR**
  - two directors; **OR**
  - a director and a company secretary.
3. If you wish to object to the compulsory acquisition, this Objection Form must be returned to the address specified above by no later than one month after the Notice was given. Under the *Corporations Act 2001* (Cth), the Notice is deemed given 3 days after it is posted.