COOLABAH METALS

BROKEN HILL MINES

MATERIAL TRANSACTION

ASX Release 17 September 2024

Coolabah Metals to Acquire the Operating Rasp Ag-Pb-Zn Mine & 70% Joint Venture Interest Option in the Pinnacles Ag-Pb-Zn Mine

Strategic consolidation transaction bringing together two of the three mining companies that control all current Ag-Pb-Zn operations in Broken Hill, one of Australia's great mining jurisdictions

Highlights

- **Acquisition of 100% of issued capital in Broken Hill Mines Pty Ltd (BHM), which is party to:**
  - Rasp Ag-Pb-Zn Mine Agreement: Acquisition of the Rasp Mine in Broken Hill, NSW from CBH Resources Limited (wholly owned subsidiary of Toho Zinc Ltd)
  - Pinnacles Ag-Pb-Zn JV Agreement: Option over a 70% profit sharing interest in the development and operation of the Pinnacles Mine, located 15km from the Rasp Mine
- **Existing JORC 2012 Mineral Resource (MRE) with Exploration Target upside:**
  - Rasp MRE: 10.1Mt at 9.4% ZnEq (5.7% Zn, 3.2% Pb and 49g/t Ag)
  - Pinnacles MRE: 6.0Mt at 10.9% ZnEq (4.7% Zn, 3.3% Pb, 133g/t Ag & 0.5g/t Au)
    - Inc. Perseverance Deposit: 3.5Mt at 12.3% ZnEq (4.5% Zn, 4.1% Pb, 166g/t Ag & 0.5g/t Au)
  - Pinnacles Exploration Target[1]: 6.0 - 15.0Mt at 2.0 - 4.0% Zn, 3.0 - 6.0% Pb & 40 - 125g/t Ag

  The potential quantity and grade of Exploration Targets are conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. Further information on the exploration target, including the basis for the exploration target and the proposed exploration activities designed to verify the exploration target are set out in section 16.11.
- **Rasp Mine Currently Operational & Pinnacles Mine on C&M:**
  - Strategy to consolidate operational Rasp infrastructure with Pinnacles mineral resource base
  - Rasp Mine net cashflow from current operations 1H CY2024 A$8.3 million
  - Rasp current throughput ~400,000tpa, with plant design capacity 750,000tpa
  - Rasp has been a consistent producer of low impurity zinc and lead-silver concentrates since 2012, with established concentrate logistics supply chain to domestic and international smelters
  - Concentrate Offtakes: BHM has secured new offtake agreements for zinc inc. US$5.3 million (~A$8.0 million) financing (committed) & lead inc. US$10 million (~A$15 million) financing (conditional)
- **Transformational Transaction for Coolabah Metals:**
  - ***New Team:*** Coolabah Board & management changes, adding significant operational and commercial experience in base metals operations, inc: Patrick Walta (proposed Executive Chairman), Mark Hine (proposed NED), Brent Walsh (proposed NED), Steve Woodham (current Chair transitioning to NED)
  - ***Strong Cash Position:*** Coolabah to hold cash and committed undrawn financing estimated between A$16.5 million to A$17.5 million (excludes ~A$15 million in conditional lead offtake financing)
  - ***Environmental Bonding:*** Coolabah to also hold A$16.9 million in restricted cash via fully cash backed environmental bonds in place for Rasp
  - Proposed Coolabah name change to '***Broken Hill Mines Limited***' & ASX Chapters 1 & 2 recompliance

1. *The Exploration Targets are separate to the reported Pinnacles MRE. See section 16.11 for further details.*

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- **Next Steps Toward Transaction Completion:**
  - A notice of meeting will be despatched shortly to seek shareholder approval of the proposed transaction at a general meeting targeted to be held in November 2024
  - The Company is also completing Independent Geological & Accounting Reports for inclusion in the public offer prospectus (**Prospectus**) as part of ASX Chapter 1 & 2 recompliance

Coolabah Metals Limited (ASX:CBH) (**Coolabah** or the **Company**) is pleased to announce that it has entered into a binding agreement to acquire 100% of the issued capital in Broken Hill Mines Pty Ltd (**BHM**) (the **Acquisition**), which in turn holds:

(a) a binding agreement to acquire the Rasp Mine and associated assets via the acquisition of 100% of the issued share capital in Broken Hill Operations Pty Ltd (**BHOPL**) (**BHOPL SPA**); and

(b) a binding heads of agreement for an option to acquire a Net Smelter Return (**NSR**) based 70% profit sharing operating arrangement to develop the Pinnacles Mine (**Pinnacles Option**).

The Acquisition will amount to a significant change to the nature and scale of the Company's activities and as such, the Company will be required to obtain shareholder approval under ASX Listing Rule 11.1.2 at a general meeting and re-comply with Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3 (**Re-compliance**). As part of this process, the Company intends to consolidate its securities on a 3 to 1 basis (**Consolidation**).

Completion of the Acquisition and Re-compliance (together, the **Transaction**) is conditional on the Company obtaining all necessary regulatory and shareholder approvals to give effect to the Transaction (amongst other things). Other than the ASX and shareholder approvals referred to in this announcement, the Company is not aware of any additional regulatory approvals required to give effect to the Transaction and that are required in order to continue operating the Rasp Mine as at the date of this announcement.

On completion of the Transaction (**Completion**), the Company will be reinstated as a minerals producer. In line with this new direction, the Company intends to seek shareholder approval to change its name to 'Broken Hill Mines Limited'.

Subject to shareholder approval, the Company will seek to raise $3,000,000 (before costs) (**Minimum Subscription**) via a public offer of 15,000,000 fully paid ordinary shares (**Shares**) at an issue price of $0.20 per Share (**Public Offer**). The Directors of Coolabah reserve the right to accept oversubscriptions of 5,000,000 Shares to raise an additional $1,000,000 (before costs) (**Maximum Subscription**). The Public Offer will be undertaken on a post-Consolidation basis.

Existing shareholders of the Company (**Shareholders**) will be given priority access to 50% of the Public Offer (up to 10,000,000 Shares on Maximum Subscription).

Indicative corporate and capital structures for the Company as shown on Page 3 of this Announcement.

Coolabah Chairperson Stephen Woodham, stated:

"On behalf of the Board of Coolabah Metals, it is my pleasure to advise shareholders that the Company has entered into a binding agreement to acquire Broken Hill Mines Pty Ltd, which holds agreements to acquire the Rasp Mine and an option to acquire a 70% profit share joint venture at the Pinnacles Mine in Broken Hill, NSW.

In addition, the proposed transaction brings together a strong team with significant experience in Australian brownfield base metal asset development and operations to drive the assets forward.

This innovative consolidation transaction is the result of extensive due diligence and negotiation, culminating in what is now a significant opportunity to bring Coolabah Metals into production status.

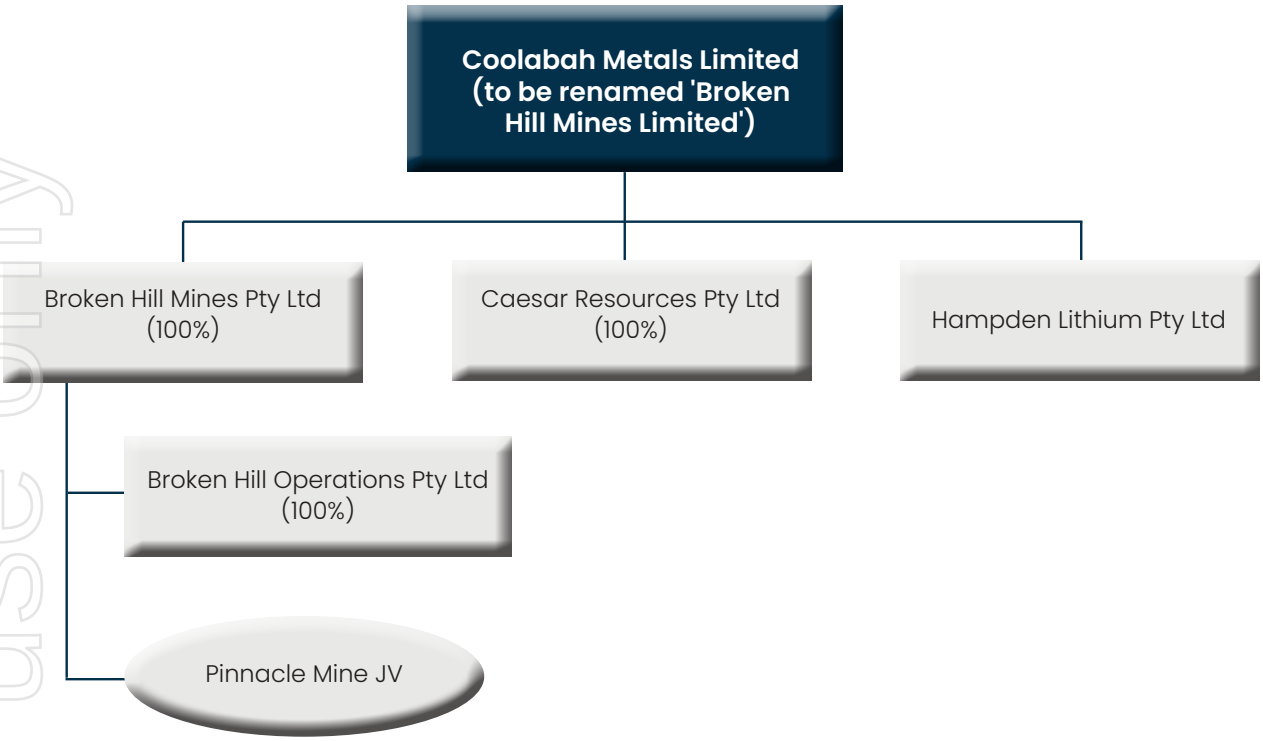
Rasp is an Ag-Pb-Zn mine that has been a consistent cashflow producer for well over a decade, delivering high quality silver-lead and zinc concentrates globally. The Pinnacles Mine, currently on care & maintenance, sits approximately 15km from Broken Hill, and holds enormous potential to be an additional source of high grade silver, lead and zinc to feed into the currently underutilised Rasp infrastructure.

Up until now, these Broken Hill assets have been operating as standalone projects. Merging these two assets for the first time in history will create strong synergies that will allow the material extension of mine life and production rates, creating significant operating cost advantages.

Coolabah Metals and the board of directors are delighted to announce the purchase of an Australian asset of this worth and quality."

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The indicative corporate structure, capital structure and funds available on Completion of the Transaction is outlined below:



Coolabah Pro forma Capital Structure[2] (post Consolidation)	Minimum Subscription		Maximum Subscription		Options	Performance Rights
	Shares	%	Shares	%		
Securities currently on issue (post consolidation)	44,718,759	18.8	44,718,759	18.4	23,392,194	1,666,667
Securities to be issued as part of the BHM Acquisition	178,000,000	74.9	178,000,000	73.3	73,375,000	-
Securities to be issued as part of the Public Offer	15,000,000	6.3	20,000,000	8.2	-	-
Total Securities	**237,718,759**	**100.0**	**242,718,759**	**100.0**	**96,767,194**	**1,666,667**

Coolabah Estimated Funds Available (on Completion)[3]	Minimum Subscription (A$)	Maximum Subscription (A$)
Estimated cash on Completion (Coolabah)	3,500,000	3,500,000
Estimated cash on Completion (BHM)	4,000,000	4,000,000
Estimated cash on Completion (BHOPL)	5,000,000	5,000,000
Environmental Bond Cash Injection (CBH Resources)	5,252,000	5,252,000
Zinc Offtake Facility	8,000,000	8,000,000
Funds raised under IPO	3,000,000	4,000,000
Available Cash & Committed Facilities *(prior to environmental bond cash backing)*	**28,752,000**	**29,752,000**
Environmental bond cash backing[4]	*(12,216,000)*	*(12,216,000)*
Total Available Cash & Committed Facilities	**16,536,000**	**17,536,000**

2. *See Section 10 of this announcement for full details of the proposed changes to the capital structure.*
3. *See Section 9 of this announcement for full details of the sources and use of funds.*
4. *Total of fully cash backed environmental bonds is A$16,964,000 (with A$4,748,000 already in place).*

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1. RASP MINE OVERVIEW & HISTORY

1.1 Background

The Rasp Mine is an operating silver-lead-zinc mine located in Broken Hill, NSW. The mine hosts a Mineral Resource estimate of 10.1Mt at 9.4% ZnEq (5.7% Zn, 3.2% Pb and 49g/t Ag) (**Rasp MRE**) reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**), with a plant capacity of 750,000 tonnes per annum. The Rasp Mine is composed of the tenements listed in Annexure 4. There are presently ~118 employees and contractors engaged at the Rasp Mine.

Refer to section 17 for further details of the Rasp MRE.



Plan view of the Rasp Mine Mining Lease and outline of surface infrastructure.

1.2 Geology

The ore deposits at Rasp Mine are hosted by a sequence of Proterozoic meta-sedimentary rocks. Current mining operations are primarily focused on the extraction of the Western Mineralisation (**WM**) and the original Main Lode mineralisation.

The WM extends from approximately 100m below the surface to a depth of near 900m, where the deposit terminates against the Globe Vauxhall Shear. Mineralisation identified below this structure is associated with the Centenary Deposit which still remains open at depth.

1.3 Mining

Mining operations are undertaken predominantly by an owner/operator workforce, with contractors being utilised to undertake specialised support services including fibrecrete and diamond drilling. Current mining rates are approximately 30,000t per month for a 100% trucking operation to the surface.

Mining involves development drives similar to a tunnel to access the orebody and ore is extracted by the excavation of large underground voids called stopes. Underground stoping production is dependent on the ore geometry and geotechnical parameters. Stope techniques employed at Rasp Mine include longhole open stoping, modified avoca, cut-and-fill and room-and-pillar. Approximately 60 stopes are extracted per annum with mining depth at approximately 500 metres below the surface.

Once the ore has been extracted, waste material from the mining operation is used to backfill these voids. Currently this is in the form of unconsolidated waste material (rockfill) with the aim to utilise the existing sandplant in the manufacture of hydraulic fill in the future.

The Rasp Mine net cashflow from current operations 1H CY2024 A$8.3 million. This figure is based on unaudited figures from BHOPL's monthly operational reports and comprises Cash Inflows[5] less Cash Out Flows from Operations (**Net Cashflows**).[6] The cashflow figures will be subject to an audit review which will be finalised prior to the lodgement of the Prospectus, and are therefore subject to changes that may arise as part of the review process.

5. *Cash Inflows is comprised of net revenue and sale proceeds (equipment).*
6. *Cash Out Flows from Operations is comprised of extraction and processing costs (including royalties), capitalised development, stockpile valuation, exploration and capital.*

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1.4 Processing

The Rasp concentrator is designed to process up to 750,000 dry metric tonnes per annum of silver-lead-zinc ore. A single stage jaw crusher and two stage grinding circuit are used to liberate the valuable minerals from the waste rock. These minerals are then separated from the waste using the traditional, sequential flotation process.

Two concentrates are produced - a lead-silver concentrate and a zinc concentrate. Tailings from the process are placed in the surface tailing storage facilities in the Blackwood's Pit (TSF 2) and the Kintore Pit (TSF 3).

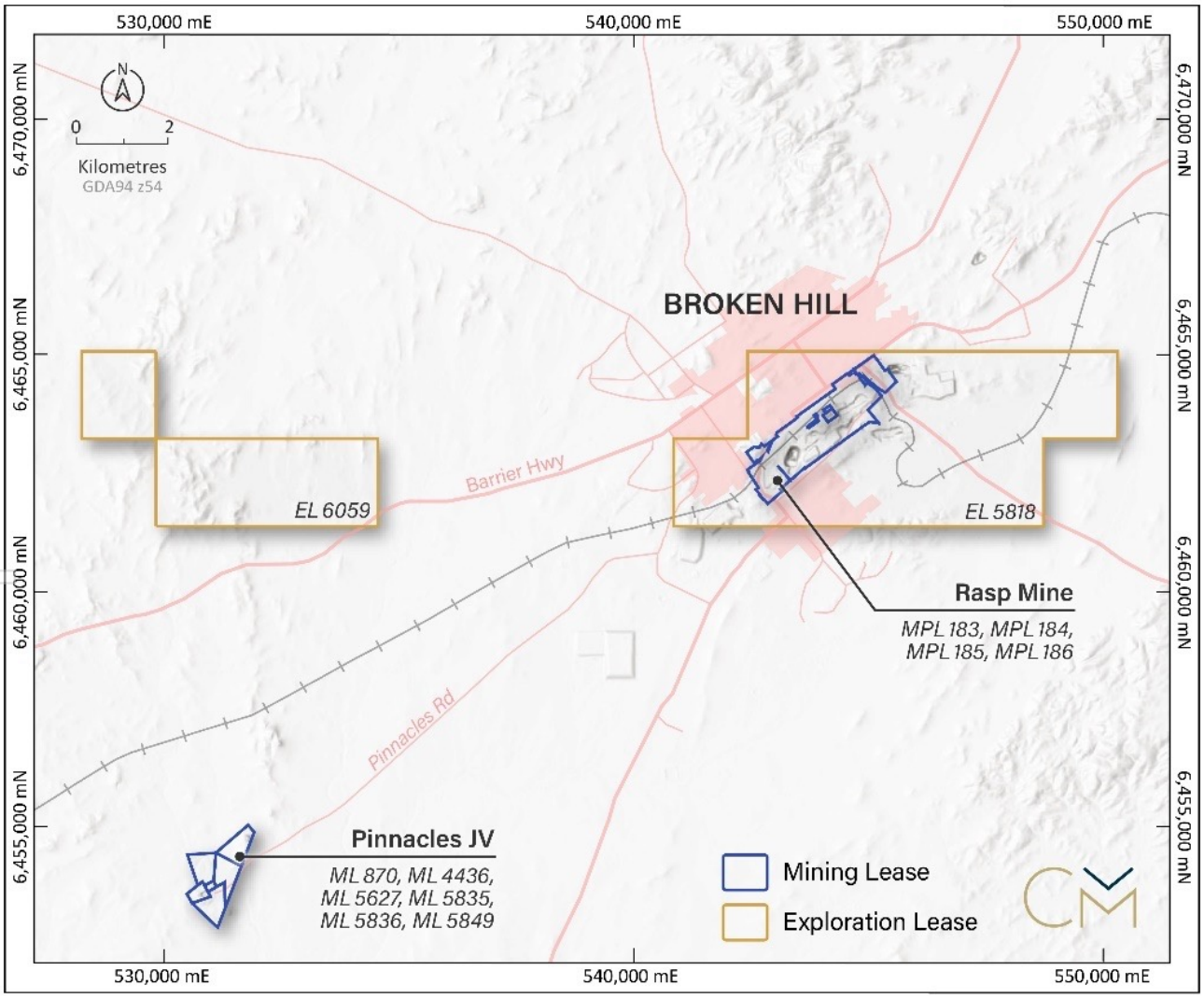
The concentrates are thickened and then filtered. The filtered concentrate is discharged directly into sealed concentrate containers which are then trucked less than a kilometre to the Rasp rail siding. The lead concentrate is railed directly to the Port Pirie smelter (or can also be exported) and the zinc concentrate railed to the Port of Adelaide where it is unloaded and ultimately shipped to smelter facilities globally.

2. PINNACLES MINE OVERVIEW & HISTORY

2.1 Background

The Pinnacles Mine, located 15km south-west of the Broken Hill township, is considered to contain one of the highest grade and shallowest known deposits in Broken Hill. The Pinnacles Deposit remains relatively undeveloped, with only small-scale historical mining targeting the rich Galena (lead ore) lodes occurring since it was originally opened in the 1880s as an underground lead-silver mine.

The Pinnacles Mine is composed of the tenements listed in Annexure 4.



Location of the Pinnacles Mine and Rasp Mine

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For over 70 years the Williams family have owned the Pinnacles Mine, following its initial acquisition by Edward Williams in 1952. The Pinnacles Mine has been progressively developed and operated by the Williams family since this time under the leadership of Edward, his son Teddy and eventually his grandson Craig, with the later remaining the current Chairman of Pinnacle Mines Pty Ltd.

Over 55,000m of drilling has been completed at the Pinnacles Mine to date, with approximately 33,000m occurring since 2001. In addition, approximately 22,000m of trenching has been completed at the Mine.

Operations from the Edwards Pit at the Pinnacles Mine began in early 2007, producing lead oxide ore which was transported from the Mine's rail siding to Port Pirie for smelting. The Mine was then progressively expanded to include on site production of zinc and lead concentrate.

Operations were placed on care and maintenance in 2020 due to Covid, however drilling has continued on site, expanding the known resource base.

The Edwards Pit borders five other potentially significant deposits which make up the overall Mineral Resource for the Pinnacles Mine, including the most recent discovery of the high-grade Perseverance Deposit.

2.2 Mineral Resource

A Mineral Resource estimate of 6.0Mt at 10.9% ZnEq (4.7% Zn, 3.3% Pb, 133g/t Ag & 0.5g/t Au) was reported for the Pinnacles Mine in accordance with the JORC Code in June 2024 (**Pinnacles MRE**).

Refer to section 16 for further details of the Pinnacles MRE.

The Pinnacles MRE includes the Perseverance Deposit which lies north-east of the Edwards Pit, representing a significant opportunity to extend the scale of the Pinnacles Mine. Like the Edwards Pit, the Perseverance Deposit contains high grade silver, lead and zinc, alongside gold and anomalous copper.

The Mineral Resource estimate for the Perseverance Deposit (included within the overall Pinnacles MRE) is currently 3.5Mt at 12.3% ZnEq (4.5% Zn, 4.1% Pb, 166g/t Ag & 0.52g/t Au).

With the close proximity to the Edwards Pit, potential exists to access to the Perseverance Deposit (and other ore bodies) from the base of the existing pit.

Drilling of Perseverance remains limited to date, with the Deposit open in all directions. The Company intends on continuing drilling at Perseverance (in conjunction with other ore bodies at Pinnacles) as part of its strategy to define a large high grade ore body with scope for development into a significant operation.

2.3 Exploration Target

The Pinnacles Mine has a current Exploration Target reported in accordance with JORC 2012 of approximately 6.0 - 15.0Mt at 2.0 - 4.0% Zn, 3.0 - 6.0% Pb, 40 - 125g/t Ag. The Exploration Target is separate to, and does not form part of, the current Pinnacles MRE.

Investors are cautioned that the potential quantity and grade of Exploration Targets are conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Refer to section 16 for details of the Exploration Target.

3. TRANSACTION AGREEMENTS

3.1 BHM Share Purchase Agreement

The Company has entered into a binding share purchase agreement dated 10 August 2024, as varied pursuant to a variation deed dated 16 September 2024 for the acquisition of 100% of the issued capital in Broken Hill Mines Pty Ltd (**BHM SPA**).

The key terms of the BHM SPA are summarised below:

(a) Consideration

The consideration to be provided by the Company under the terms of the BHM SPA comprises the issue of the following securities (on a post-Consolidation basis):

(i) 125,000,000 Shares in the Company (**Consideration Shares**);

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(ii) 65,000,000 unquoted options in the capital of the Company with an expiry date of 5 years from the date of issue (**Consideration Options**), comprising:

(A) 25,000,000 Consideration Options with an exercise price of $0.24 each; and

(B) 40,000,000 Consideration Options with an exercise price of $0.40 each,

(together, the **Consideration Securities**).

In addition to the Consideration Securities, the Company has agreed to issue further Shares (**Cash Conversion Consideration Shares**) to the value of cash generated from 1 July 2024 and retained in BHOPL[7] as at Completion, up to a maximum value of $5,000,000.[8] The number of Cash Conversion Consideration Shares is to be determined based on a deemed issue price of $0.25 per Share for a maximum issue of 20,000,000 Cash Conversion Consideration Shares.

(b) Royalty

A 2% net smelter royalty will be granted to BHM RoyaltyCo Pty Ltd in respect of BHM's interests in the Rasp and Pinnacles Mines.

(c) Conditions Precedent

The BHM SPA is subject to certain conditions precedent, including:

(i) Company Shareholders approving:

(A) the issue of the Consideration Securities and Cash Conversion Consideration Shares under Listing Rule 7.1;

(B) the issue of Shares for the Public Offer under Listing Rule 7.1;

(C) the issue of the Convertible Note Conversion Securities under Listing Rule 7.1;

(D) the change in nature and scale for the purpose of Listing Rule 11.1.2; and

(E) shareholder approval for the consolidation of Coolabah's issued capital on a 3 to 1 basis;

(ii) the Company raising a minimum of $3,000,000 (before costs) under the Public Offer;

(iii) payment of the First Option Fee (which has been paid) under the Pinnacles HOA and the Pinnacles HOA remaining in full force and effect;

(iv) completion of all transactions contemplated under the BHOPL SPA occurring on terms acceptable to Coolabah (acting reasonably); and

(v) receipt of a letter from the ASX confirming that the Company's securities will be reinstated to quotation following completion of the Transaction, subject to satisfying certain conditions precedent, with such terms being acceptable to the Company and BHM, acting reasonably (**ASX Letter**),

(together, the **BHM Conditions Precedent**).

In the event that the BHM Conditions Precedent are not satisfied within 4 months of the date of the BHM SPA, any party may terminate the BHM SPA by giving two business days' written notice.

(d) Convertible Notes

BHM has 200 existing convertible notes on issue with a face value of $5,000,000 (before costs) (**Convertible Notes**). The Convertible Notes are held by various unrelated parties to BHM and the Company, other than $25,000 Convertible Notes subscribed for by the CDPVL Group Pty Ltd as trustee for the Provost Family Account, an entity controlled by Mr Cameron Provost, a director of the Company and $50,000 subscribed for by Tadji Investments Pty Ltd acting as trustee of Tadji Family Trust, an entity controlled by Mr Brent Walsh, a proposed director of the Company (**BHM Noteholders**).

The key terms of the Convertible Notes are summarised below:

7. *The Cash Conversion Consideration Shares will be issued at $0.25 per shares (representing a premium to the $0.20 price under Public Offer), such that the maximum number of Cash Conversation Consideration Shares could be $5,000,000/$0.25 = 20,000,000 shares.*
8. *Under the terms of the BHOPL Acquisition, BHM takes an economic interest in BHOPL, and therefore cash generated at the Rasp Mine, from 1 July 2024.*

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(i) (**Conversion**): upon Coolabah receiving the ASX Letter, the Convertible Notes automatically convert into:

(A) Coolabah Shares at a conversion price of $0.20 per Share (**Conversion**), resulting in the issue of an aggregate total of 25,000,000 Shares (**Convertible Note Conversion Shares**); and

(B) one free attaching unquoted option in the capital of Coolabah for every 10 Convertible Note Conversion Shares received, with an exercise price of $0.24 and an expiry date of 5 years after the date of issue, resulting in the issue of an aggregate total of 2,500,000 Options (**Convertible Note Conversion Options**),

(together, **Convertible Note Conversion Securities**),

(ii) (**Interest**): the Convertible Notes bear a 10% per annum interest rate payable in cash on Conversion;

(iii) (**Cash Conversion Consideration Shares**): in the event that BHOPL has a positive Net Cashflow between 1 July 2024 and Completion, the BHM Noteholders will be entitled to a pro-rata allocation of the Cash Conversion Consideration Shares. Each individual Convertible Note will receive approximately 0.0835% of the total number of Cash Conversion Consideration Shares. Refer to section 3.1(a) above for further details of the Cash Conversion Consideration Shares; and

(iv) (**Unsecured**): the Convertible Notes are unsecured.

(e) Board Nominees

On Completion, Coolabah's board of directors will comprise:

(i) one director from the existing Board as at the date of the BHM SPA; and

(ii) up to three directors nominated by the vendors of BHM (refer to section 12 for details of the vendors).

3.2 BHOPL Share Purchase Agreement

BHM and CBH Resources Limited (**CBH Resources**) are party to the BHOPL SPA dated 25 July 2024, pursuant to which BHM will acquire 100% of the issued capital of BHOPL, being the owner of the Rasp Mine and its associated assets, subject to the satisfaction of various conditions precedent.

The key terms of the BHOPL SPA are summarised below:

(a) Consideration

The purchase price is $1.

(b) Capital injection

Prior to Completion, CBH Resources must contribute an additional capital injection to BHOPL of approximately $10,000,000 towards cash backing the Environmental Bonds (see (c) below) (less any amount that has been paid by CBH Resources on behalf of BHOPL in advance of Completion, which at the date of this announcement is $4,748,000) (**Cash Injection Amount**). CBH Resources will also make a contribution of $7,166,613 towards agreed BHOPL's liabilities as at 1 July 2024.

(c) Environmental Bond

(i) CBH Resources has provided an environmental bond in the amount of $16,964,000 on behalf of BHOPL in favour of the Minister of the Government of New South Wales pursuant to the terms of the tenements to meet environmental obligations of BHOPL in respect of the Rasp tenements (**Environmental Bond**).

(ii) On Completion, BHM and CBH Resources must procure that BHOPL pays an amount in cash equal to the amount of the Environmental Bond (**Replacement Bond Amount**) into a nominated Australian bank account (**Nominated Account**). If required, BHM must contribute sufficient additional capital required by the BHOPL to pay the Replacement Bond Amount.

(iii) BHOPL may utilise available cash of BHOPL (including the Cash Injection Amount) for the purposes of paying the Replacement Bond Amount.

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(iv) The Replacement Bond Amount is to be held in the Nominated Account solely for the purpose of replacing the existing Environmental Bond. BHM and CBH Resources shall each nominate a person to be a signatory to the Nominated Account (such that no transfer of funds from the Nominated Account can occur without the approval of both parties).

(v) At a time mutually agreed by the parties and in any event no later than 12 months after Completion, the Replacement Bond Amount shall be deposited with the Department of Regional NSW as a cash backed bond to replace the existing Environmental Bond.

(d) Proceeds from Seller Inventory

(i) Unless otherwise agreed in writing, CBH Resources retains the right to receive the proceeds (subject to certain deductions referred to below) from the sale of lead and zinc concentrate from the Rasp Mine owned by BHOPL as at 8.00am on 1 July 2024 (**Seller Inventory**).

(ii) After Completion BHM must, or must procure that BHOPL:

(A) procure the sale of any Seller Inventory not sold prior to Completion on a best endeavours basis and at a price no less than commercial rates (by refence to usual benchmark or spot prices) as soon as reasonably practicable;

(B) use reasonable efforts to collect payment for the sale of the Seller Inventory; and

(C) pay the proceeds to CBH Resources, less any costs actually paid or incurred by BHOPL on or after 1 July 2024 which are directly attributable to and required for the processing and sale of that Seller Inventory.

(e) Conditions precedent

(i) The BHOPL Acquisition is conditional on CBH Resources obtaining the approval of each senior lender of CBH Resources and Toho Zinc Co. Ltd (the parent entity of CBH Resources) (**Toho**) for the transaction contemplated by the BHOPL SPA (**BHOPL Condition Precedent**) on or before 30 September 2024 (**BHOPL End Date**).

(ii) If the BHOPL Condition Precedent has not been satisfied by the BHOPL End Date, CBH Resources may extend the BHOPL End Date to 31 October 2024 by giving written notice to BHM.

(iii) Only CBH Resources may elect to waive the BHOPL Condition Precedent.

(iv) Completion will occur on the BHOPL End Date (as extended if applicable) subject to satisfaction of the Condition Precedent.

(f) Termination

(i) Any party may terminate the agreement if the BHOPL Condition Precedent has not been satisfied or waived, or otherwise becomes incapable of satisfaction, before the BHOPL End Date.

(ii) In the event that Completion does not occur due to a party failing to fulfil its obligations at Completion, the non-defaulting may give written notice to the defaulting party requiring such default to be rectified within a period of 5 business days. The non-defaulting party may terminate the agreement if the defaulting party fails to rectify the default in accordance with the default notice.

(g) Break Fee

(i) BHM must pay a break fee of $200,000 to CBH Resources if the BHOPL SPA is terminated by CBH Resources in accordance with the termination right referred to in section 3.2(f)(ii) above.

(ii) CBH Resources must pay a break fee of $200,000 to BHM if the BHOPL SPA is terminated:

(A) by either party in accordance with the termination right referred to in section 3.2(f)(i) above; or

(B) by BHM in accordance with the termination right referred to in section 3.2(f)(ii) above.

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3.3 Pinnacles Option

BHM has entered a binding Heads of Agreement (**Pinnacles HOA**) with Pinnacles Mines Pty Ltd and Broken Hill Pinnacles Pty Ltd (together, **Pinnacles**) for the exclusive right to undertake due diligence into the development and implementation of mining operations at the Pinnacles Mine and to negotiate a formal Standard Operating Agreement (**SOA**).

The key terms of the Pinnacles HOA are summarised below:

(a) Due diligence

BHM has the exclusive right to undertake due diligence on the Pinnacles Mine until 31 March 2025 (**Due Diligence Period**).

(b) Option Fees

(i) The following option fees are payable by BHM to Pinnacles:

(A) a $600,000 upfront cash fee (which has been paid) (**First Option Fee**); and

(B) a further $600,000 cash fee on or before 31 March 2025 (**Second Option Fee**).

(ii) The Second Option Fee is not payable in the event that BHM elects to terminate the Pinnacles HOA before expiry of the Due Diligence Period.

(iii) Subject to the ASX Listing Rules, the Company will issue 2,000,000 Shares to Pinnacles (or its nominee) upon the parties entering the SOA at a deemed issue price of $0.20 per share (**Deferred Consideration Shares**).

(c) Standard Operating Agreement

(i) Subject to BHM completing due diligence, the parties have agreed to fully document the future operational plans for the Pinnacles Mine under a Standard Operating Agreement, which the parties intend to finalise during the Due Diligence Period.

(ii) The SOA will provide Pinnacles with a right to appoint a member to the Board of BHM.

(iii) BHM will be the operator of the Pinnacles Mine pursuant to the terms of the SOA.

(iv) In the event that an SOA has not been entered at the conclusion of the Due Diligence Period, provided the Second Option Fee has been paid, the Pinnacles HOA will continue to bind the parties and the parties must take all actions necessary to enter into the operations contemplated in the Pinnacles HOA without delay.

(v) The SOA will initially cover mining licences ML4436, ML5627 and ML870, with the option for BHM to incorporate ML5835, ML5836 and ML5849 by paying a $1 option fee.

(d) Net Smelter Returns

The SOA will provide a profit sharing arrangement whereby BHM and Pinnacles will receive approximately 70% and 30% of net smelter returns, respectively (**NSR Royalty**). The NSR Royalty will be calculated via a variable net smelter return royalty structure based on the average grade of mined ore from the Pinnacles Mine each month.

(e) Infrastructure

BHM is permitted to use Pinnacles' plant and equipment, including without limitation, all yellow goods, mobile plant, fixtures to the mine, crushing plant and floatation plant, but excluding drilling rigs. Maintenance is to be carried out by BHM at its expense. In return, BHM is required to pay Pinnacles an annual rental fee of $600,000 commencing from the date of the Pinnacles HOA.

(f) Termination

The Pinnacles HOA may be terminated in the following circumstances:

(i) BHM may terminate the Pinnacles HOA at any time during the Due Diligence Period; and

(ii) if BHM has not paid the Second Option Fee on completion of the Due Diligence Period, the Pinnacles HOA will automatically terminate unless otherwise agreed by the parties.

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The SOA will contain a termination provision which provides Pinnacles with the right to terminate the SOA in the event that, after underground mining has commenced, BHM ceases mining activities at the Pinnacles Mine for a continuous period of 12 consecutive months.

3.4 Trafigura Prepayment / Loan Facility and Offtake Arrangement

BHM and Trafigura Asia Trading Pte Ltd (**Trafigura**) have entered a binding conditional term sheet for a proposed prepayment/loan facility and lead offtake arrangement (**Trafigura Prepayment and Offtake Agreement**). Subject to the satisfaction of various conditions precedent, including (without limitation) completion of the Acquisition, Trafigura board approval, the satisfaction of commercial, technical, environmental and legal due diligences and the parties entering into long form, transaction documentation, Trafigura proposes to provide a US$10,000,000 prepayment/loan facility to BHM at an interest rate of SOFR 3 month plus 3.5% per annum and a final repayment date of 30 June 2028 (with a 12 months grace period on principal repayments). The prepayment is proposed to be secured by a first-ranking pledge on all fixed and floating assets of BHM including a mortgage over all of the tenements legally owned by BHM in connection with the Rasp Mine (as listed in Annexure 4). The Company will guarantee BHM's obligations under the prepayment and grant security over its entire shareholdings in BHM which it would own post-Acquisition. Subject to entering into binding transaction documentation, Trafigura will purchase 200,000dmt of lead concentrate produced from the Rasp Mine under the offtake arrangement. If the proposed Trafigura Prepayment and Offtake Agreement is finalised, funds raised will be applied by BHM to mine development activities, ongoing operations at the Rasp Mine and working capital.

3.5 Ausinmet Offtake Facility

BHOPL and Ausinmet Pte Ltd (**Ausinmet**) have entered into a zinc concentrate offtake agreement for the sale and purchase of 15,000dmt (in 3 separate 5,000dmt parcels) of zinc concentrate produced from the Rasp Mine (or zinc concentrate of a comparable quality), with delivery between 1 September 2024 and 31 December 2024 (**Ausinmet Offtake Facility**).

The purchase price of zinc offtake will be based on zinc content of the offtake and the official London Metal Exchange cash settlement quotation for Special High-Grade Zinc, as published in the Fast Market $US.

The purchase price of silver offtake will be based on silver content of the offtake and the official LBMA Silver Price (subject to certain deductions).

An event of default occurs:

(a) in the case of BHOPL: a failure to deliver concentrate as required under the Ausinmet Offtake Facility;

(b) in the case of Ausinmet:

  (i) a failure to provide a letter of credit or make payments as required by the agreement; or

  (ii) a failure to take delivery of concentrate as required under the agreement; and

(c) in the case of either party:

  (i) a failure to make a payment due under the agreement (not otherwise in bona fide dispute), where such failure has not been rectified for 10 business days following written notice thereof; or

  (ii) a material breach of any other material obligation under the agreement where such failure has not been rectified for 20 business days following written notice thereof.

Upon an event of default with respect to a party (**Defaulting Party**), the other party (**Non-Defaulting Party**) may suspend performance of its obligations under the agreement until such event of default is rectified.

If the:

(a) event of default is a material breach of a material term of the agreement; or

(b) the Non-Defaulting Party has suspended performance of its obligations and the event of default has not been rectified for 90 consecutive days, or is not capable of being rectified,

the Non-Defaulting Party may terminate the agreement by giving not less than 20 business days written notice.

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4. PROPOSED ACTIVITIES

The Company intends to undertake the following activities in the 24 months following completion of the Transaction:

(a) Rasp Mine:

(i) restart development works with the assistance of a mining contractor;

(ii) complete underground development works to allow Main Lode high grade feed to the plant;

(iii) continue production and improve existing operations on WM ore feed to increase ore feed rates; and

(iv) finalise tailing management systems to increase throughput.

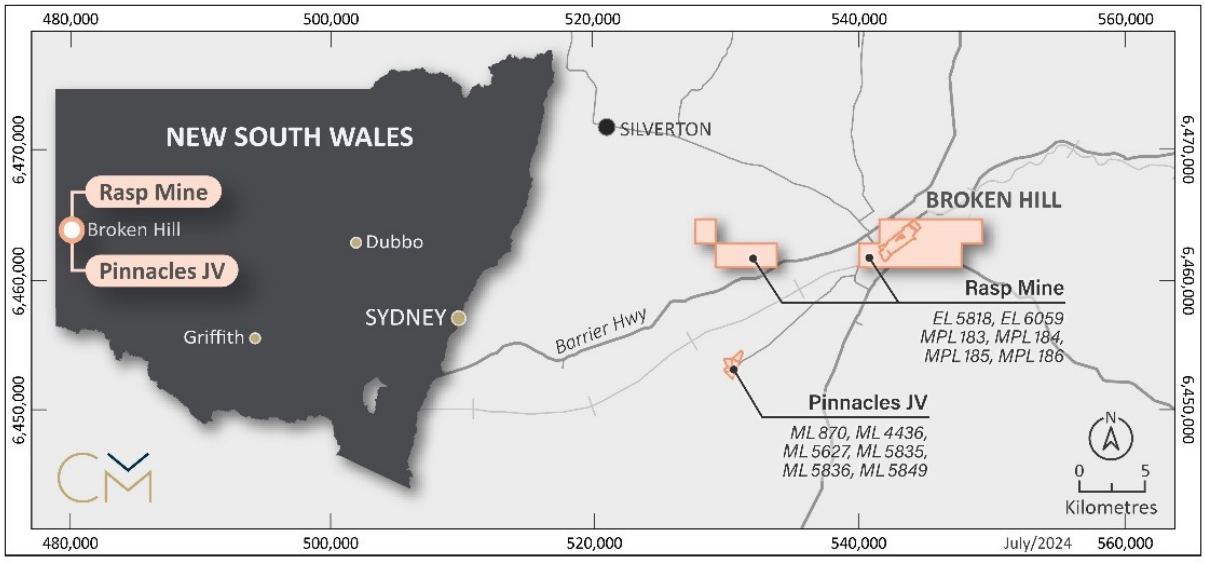
(b) Pinnacles Mine:

(i) undertake assaying of drilled but yet to be assayed core;

(ii) complete an infill drilling program to increase the size and confidence of the Pinnacles mineral resource;

(iii) assess near-term small scale production options utilising existing open pit mineralisation; and

(iv) complete a mining expansion study to assess the feasibility of transporting ore mined at Pinnacles to the Rasp Mine for processing.



Geographical location of the Rasp and Pinnacles Mines

(c) Existing Projects:

The Company intends to conduct a strategic review of its existing projects and evaluate the potential to advance the projects through joint venture opportunities.

The following exploration is planned at the Company's existing projects in the 24 months after Completion:

(i) **Coolabah Project:** regional 100m x 50m auger soil sampling, closer spaced sampling over identified electromagnetic anomalies;

(ii) **Nymagee Project:** infill auger soil sampling following up gold anomalism detected in historic regional sampling programmes;

(iii) **Cannington:**

(A) review legacy electromagnetics surveys conducted on the Brumby Prospect and evaluate the viability of other electrical geophysical methods to identify disseminated sulphide; and

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(B) reconnaissance mapping and sampling of select geophysical targets;

(iv) **Gunpowder Creek:** reconnaissance mapping and rockchip sampling of regional targets outside of the known workings to follow up previous low level base metal anomalism in the south-west of the tenement;

(v) **Mundi Mundi:** reconnaissance mapping and sampling of the historic Mount Eltie and Mount Robe fluorite mines; and

(vi) **Hampden and Ontario Properties:** review of existing remote sensing and evaluate additional remote sensing to determine further lithium targets for follow up reconnaissance sampling.

5. PUBLIC OFFER

To assist the Company to re-comply with Chapters 1 and 2 of the Listing Rules and to support the proposed activities following completion of the Transaction, the Company plans, subject to receipt of Shareholder approval, to conduct a public offer under a full form prospectus to raise $3,000,000 (before costs) through an offer of 15,000,000 Shares at an issue price of $0.20 per Share (on a post-Consolidation basis), with the Board reserving the right to accept up to $1,000,000 in oversubscriptions (5,000,000 Shares).

The minimum subscription under the Public Offer is $3,000,000 (before costs). The Public Offer will not be underwritten.

6. CHANGE OF NAME

The Company will seek Shareholder approval to change its name to 'Broken Hill Mines Limited' and apply for a new ASX code (ASX: BHM).

7. BOARD AND KEY MANAGEMENT PERSONNEL

The Company will seek Shareholder approval to change its name to 'Broken Hill Mines Limited' and apply for a new ASX code (ASX: BHM).

7.1 Overview of changes to the Board and Key Management Personnel

The Company will restructure its Board and Key Management Personnel to reflect the Company's shift from pure mineral exploration to focus on development, extraction and production. On and from Completion, the Company board shall be comprised of up to four directors, with up to three directors nominated by BHM and one director from the current Company board.

Subject to Shareholders approving each of the Transaction Resolutions (refer to section 8 below for details of the Transaction Resolutions), the following changes will be made in connection with the Transaction:

(a) Patrick Walta will be appointed as Executive Chair;

(b) Steve Woodham, current Non-Executive Chair, will be appointed as a Non-Executive Director;

(c) Brent Walsh will be appointed as a Non-Executive Director;

(d) Mark Hine will be appointed as a Non-Executive Director;

(e) Cameron Provost will resign as Managing Director; and

(f) David Ward will resign as a Non-Executive Director.

Alan Armstrong will continue as the Company Secretary.

7.2 Patrick Walta – Proposed Executive Chair

Mr Walta is a qualified metallurgist, mineral economist and board executive with experience across both technical and commercial roles within the mining and water treatment industries.

Graduating from Melbourne University with degrees in Chemical Engineering and Science, Mr Walta has gone on to complete postgraduate studies including an MBA, Masters of Science (Mineral Economics) and a Diploma of Project Management. In addition, Patrick is a graduate of the AICD's Company Directors Course.

Patrick has also been awarded the MNN Emerging Leader of the Year Award (2018) and the Young Achiever of the

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Year award (2015) at the Australian Mining Prospect Awards.

In 2017 Patrick founded New Century Resources and became Managing Director following the successful negotiation and acquisition of the Century Zinc Mine in QLD. Over the proceeding five years Patrick lead the growth of the Company though feasibility, mine restart, commissioning and eventually steady state operations. Through this process, the Century Mine became the 13th largest zinc producer in the world, has produced over 1,500,000t of zinc concentrate and was also a finalist for Mine of the Year at the 2021 Australian Mining Prospect Awards. The Company now exports zinc concentrate globally to over 12 smelters on 3 different continents. In 2023, New Century was acquired by Sibanye Stillwater Ltd.

Mr Walta has previously held roles as Managing Director of Carbine Resources Limited, Executive Director of Primary Gold Limited and CEO of Cradle Resources Limited. He also has a broad level of resource industry experience through management roles with Rio Tinto, Citic Pacific Mining, and Clean TeQ.

Mr Walta is currently Chairman of Future Metals Limited (ASX: FME).

7.3 Steve Woodham – Proposed Non-Executive Director

Mr Woodham has over 30 years' experience in the mining and exploration industry in Western Australia, New South Wales and overseas. His area of specialisation includes field logistics land access in rural and remote environments and company management. He also has an extensive track record of tenement acquisition, mining investment and commercial and cross-cultural negotiation. Mr Woodham was the founding director of LFB Resources (which subsequently merged with Alkane Metals), a founding director of Centaurus Resources and YTC Resources (Aurelia), and Managing Director of Kingwest (ASX:KWR) and Tellus Resources. Mr Woodham is currently the Managing Director of ASX listed Locksley Resources (ASX:LKY).

7.4 Brent Walsh – Proposed Non-Executive Director

Mr Walsh is an experienced executive with a career spanning two decades across the mining and financial sectors.

Mr Walsh is currently the General Manager of Strategy, Development and Projects at MMG Ltd, a global base metals mining company that is listed on the Hong Kong Stock Exchange. He oversees MMG's M&A and growth, corporate and capital markets strategy and project development functions. Most recently, he led the US$1.9b acquisition of the Khoemacau Copper Mine in Botswana.

Mr Walsh has extensive experience in Investor Relations, Equity Capital Markets and Chinese foreign investment in the mining sector.

He has also previously held senior roles at Bank of America Merrill Lynch, ANZ and Pitcher Partners.

Brent holds a Bachelor of Commerce, FCPA, Master of Applied Finance and Graduate Diploma in Mineral Exploration Geoscience.

7.5 Mark Hine – Proposed Non-Executive Director

Mr Hine is a mining engineer and experienced non-executive director. He has over 35 years domestic and international mining experience within senior management roles in both surface and underground mining operations across Australia, New Zealand, Turkey, and China.

Mark was previously held positions as Chief Operating Officer at Griffin Mining Ltd, Focus Minerals Ltd, Golden West Resources Ltd and Executive General Manager Mining at Macmahon Contractors Pty Ltd, Chief Executive Officer at Queensland Industrial Minerals Ltd, as well as General Manager at Pasminco (Broken Hill / Elura Mines), CSA Cobar, Consolidated Rutile Ltd and Yilgarn Star.

Mark is a graduate of the Western Australia School of Mines and is a member of the Australian Institute of Company Directors and the Australian Institute of Mining and Metallurgy. He is currently a Non-Executive Director for Spartan Resources Limited (ASX: SPR) and St Barbara Limited (ASX: SBM), and was previous a Non-Executive Director of Dynamic Group Holdings Limited (ASX: DDB) and Perenti Limited (ASX: PRN).

8. TRANSACTION RESOLUTIONS

The Company will despatch a notice of meeting to convene a meeting of Shareholders (**Notice of Meeting**) expected to be held in November 2024 (**General Meeting**).

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Shareholder approval will be sought for the following to give effect to the Transaction, each of these resolutions being inter-conditional, meaning that each resolution will only take effect if all are approved at the General Meeting (**Transaction Resolutions**):

(a) consolidate the Company's issued capital on a 3 to 1 basis;

(b) change the nature and scale of the Company's activities resulting from the Transaction;

(c) appoint Patrick Walta as Executive Chair;

(d) appoint Brent Walsh as a Non-Executive Director;

(e) appoint Mark Hine as a Non-Executive Director;

(f) change the Company's name to 'Broken Hill Mines Limited';

(g) issue up to 40,000,000 Shares under the Public Offer;

(h) issue the Consideration Securities pursuant to the BHM SPA;

(i) issue the Convertible Note Conversion Securities; and

(j) issue the Cash Conversion Consideration Shares.

The Company intends to rely on Listing Rule 10.12 exception 12 in respect of the issue of Consideration Securities and Cash Conversion Consideration Shares to proposed Executive Chair Patrick Walta on the basis that Mr Walta is not otherwise a related party to the Company but for the fact that he will become a related party as a result of the Transaction. Accordingly, the Company will seek Shareholder approval under Listing Rule 7.1 for the issuance of these securities.

9. PROPOSED USE OF FUNDS

The Company expects to have the following funds available on re-admission:

Funds available	Minimum Subscription ($)	Maximum Subscription ($)
Estimated cash on Completion (Coolabah)[1]	3,500,000	3,500,000
Estimated cash on Completion (BHM)[2]	4,000,000	4,000,000
Estimated cash on Completion (BHOPL)[3]	5,000,000	5,000,000
Zinc Offtake Facility[4]	8,000,000	8,000,000
Environmental Bond Cash Injection (CBH Resources)[5]	5,252,000	5,252,000
Funds raised under IPO	3,000,000	4,000,000
Total fund available[6]	**28,752,000**	**29,752,000**

Notes:

1. Estimated cash in Coolabah at time of Completion is based on 30 June 2024 cash at bank less estimated expenses to October 2024.
2. Estimated cash in BHM at Completion is based on $5 million Convertible Note raising less costs of the raising, Pinnacles First Option Fee of $600,000, and general expenses associated with the Transaction.
3. Estimated cash in BHOPL at Completion assumed to be $5 million. The actual figure will remain unknown until Completion due to the figure being based on Net Cashflow from 1 July 2024 to Completion.
4. US$5,250,600 relating to the existing Ausinmet Offtake Facility based on an assumed AUD/USD exchange rate of 0.65.
5. To be held in the Nominated Account from Completion of the Acquisition until the Replacement Bond Amount is deposited with the Department of Regional NSW. A payment of $4,748,000 has already been made to the Department of Regional NSW. Refer to section 3.2(b) and 3.2(c) for further information.
6. Excludes US$10 million (approximately A$15.4 million) that may become available under the Trafigura Prepayment and Offtake Agreement, which remains subject to various conditions precedent including (without limitation) completion of the Acquisition, Trafigura board approval, the satisfaction of commercial, technical, environmental and legal due diligences and the parties entering into long form, binding transaction documentation.

The Company intends to apply funds raised from the Public Offer towards the costs of the Acquisition and Proposed Activities as set out in the table below.

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Use of funds	Minimum Subscription ($)	%	Maximum Subscription ($)	%
Year 1				
Transaction Costs	500,000	1.7	500,000	1.7
Rasp Mine Development Activities	3,000,000	10.4	3,000,000	10.1
Pinnacles Mine Development Activities	1,000,000	3.5	1,000,000	3.4
Pinnacles 2nd Option Payment & Care and Maintenance (**C&M**) Rent	1,200,000	4.2	1,200,000	4.0
Existing Coolabah Projects[1]	400,000	1.4	400,000	1.3
Rasp Mine Environmental Bond Cash Backing	12,216,000	42.5	12,216,000	41.1
Rasp Mine – Operational Liquidity[2]	5,036,000	17.5	6,036,000	20.3
General Working Capital	500,000	1.7	500,000	1.7
Sub-total – Year 1	**23,852,000**	**83.0**	**24,852,000**	**83.5**
Year 2				
Rasp Mine Development Activities	2,000,000	7.0	2,000,000	6.7
Pinnacles Mine Development Activities	1,500,000	5.2	1,500,000	5.0
Pinnacles C&M Rent	600,000	2.1	600,000	2.0
Existing Coolabah Projects[1]	300,000	1.0	300,000	1.0
General Working Capital	500,000	17.0	500,000	1.7
Sub-total – Year 2	**4,900,000**	**18.0**	**4,900,000**	**16.5**
Total	**28,752,000**	**100.0**	**29,752,000**	**100.0**

Notes:

1. The Company intends to maintain minimum expenditure on its existing Australian and Canadian assets through reconnaissance and drill targeting programs, however, the Company will also conduct strategic reviews of its existing assets over the 24 month period following Completion. In the event that the Company identifies strategic partnership or divestment opportunities for its existing projects, it will divert any unused exploration expenditure to Rasp Mine – Operational Liquidity.
2. Operational Liquidity means funds that will be applied to ongoing costs associated with the operations of the Rasp Mine, including the payment of operational staff and contractors; reagent costs; operating consumables used in the production of zinc and lead concentrate; logistics and sales costs associated with the sale of zinc and lead concentrates.

The above use of funds is a statement of current intentions as at the date of the announcement. Investors should note that, as with any budget, the allocation of funds set out in the table may change depending on a number of factors, including market conditions, the development of new opportunities and/ or any number of other factors. Actual expenditure levels may differ from the above table.

10. PRO FORMA CAPITAL STRUCTURE

10.1 Effect of Consolidation

The approximate effect which the Consolidation will have on the Company's current capital structure is set out in the tables below. All numbers are subject to rounding.

(a) **Shares**

	Pre-Consolidation	Post-Consolidation
Shares currently on issue	134,156,276	44,718,759

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(b) **Quoted Options**

Expiry date	Pre-Consolidation		Post-Consolidation	
	Number	Exercise Price ($)	Number	Exercise Price ($)
12 December 2025	37,475,000	$0.20	12,491,667	$0.60
16 May 2029	11,179,704	$0.12	3,726,568	$0.36

(c) **Unquoted Options**

Expiry date	Pre-Consolidation		Post-Consolidation	
	Number	Exercise Price ($)	Number	Exercise Price ($)
31 March 2025	7,550,000	$0.25	2,516,667	$0.75

(d) **Performance Rights**

Expiry date	Pre-Consolidation		Post-Consolidation	
	Number	Exercise Price ($)	Number	Exercise Price ($)
20 July 2025	5,000,000	Nil	1,666,667	Nil

10.2 Indicative Capital Structure

The indicative capital structure of the Company on completing the Transaction is set out below:

Pro forma capital structure[1]	Minimum Subscription ($)		Maximum Subscription ($)		Options	Performance Rights
	Shares	%	Shares	%		
Securities currently on issue	44,718,759	18.8	44,718,759	18.4	23,392,194[(2)]	1,666,667
Shares offered under the Public Offer	15,000,000	6.3	20,000,000	8.2	-	-
Consideration Securities[3]	125,000,000	52.6	125,000,000	51.5	65,000,000	-
Convertible Note Conversion Securities[4]	25,000,000	10.5	25,000,000	10.3	2,500,000	-
Cash Conversion Consideration Shares[5]	20,000,000	8.4	20,000,000	8.2	-	-
Facilitator Securities[6]	8,000,000	3.4	8,000,000	3.3	5,875,000	-
Total Securities	**237,718,759**	**100.0**	**242,718,759**	**100.0**	**96,767,194**	**1,666,667**
Indicative market capitalisation		**$47.5 million**		**$48.5 million**		

Notes:

1. Post-Consolidation.
2. Inclusive of:
   (a) 3,166,667 quoted options exercisable at $0.36 per option on or before 16 May 2029 (**CBHOA Options**) to be issued to CPS Capital Pty Ltd for services as lead manager to the entitlement offer announced 9 April 2024, subject to the receipt of shareholder approval; and
   (b) 1,490,625 CBHOA Options to be issued under the placement announced on 9 April 2024, subject to the receipt of shareholder approval.

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3. Excluding the 2,000,000 Deferred Consideration Shares to be issued to Pinnacles (or its nominee) upon the parties entering an SOA. Refer to section 3.3(b) of this announcement for further details of the Deferred Consideration Shares.
4. Refer to section 3.1(d) of this announcement for further details of the Convertible Notes.
5. Refer to section 3.1(a) of this announcement for further details of the Cash Conversion Consideration Shares.
6. Refer to section 15.5 of this announcement for further details of the Facilitator Securities.

11. PRO FORMA STATEMENT OF FINANCIAL POSITION

A pro forma consolidated statement of financial position of the Company following Completion of the Transaction is detailed in Annexure 2.

12. DETAILS OF THE VENDORS

12.1 BHM

BHM was incorporated in Victoria as a special purpose vehicle on 6 May 2024 for the purpose of acquiring BHOPL and the Pinnacles Option.

The Consideration Securities will be issued to the shareholders of BHM, consisting of Patrick Walta (28.3%) and various unrelated parties to the Company (71.7%) (together, the BHM Vendors), in proportion to their respective interests in BHM.

None of the BHM Vendors or their associates are a related party of Coolabah.

The issue of Consideration Securities and the Cash Conversion Consideration Shares (assuming the maximum number is issued) will result in Patrick Walta having a voting power of 16.9% in Coolabah on completion of the Transaction on a Minimum Subscription basis.

In addition to the Consideration Securities and Cash Conversion Consideration Shares, Coolabah will issue 25,000,000 Shares to the holders of Convertible Notes in BHM (BHM Noteholders) (see section 3.1(d) for further details of the Convertible Notes). An entity controlled by existing Director Cameron Provost holds 1 Convertible Note with a face value of $25,000 and an entity controlled by incoming Director Brent Walsh holds two Convertible Notes with a face value of $50,000. The Convertible Notes are otherwise held by unrelated parties of Coolabah.

The BHM Vendors and BHM Noteholders will collectively hold up to 71.5% of the Company's Shares on issue on completion of the Transaction (on a Minimum Subscription basis), as set out in the table below.

	Shares	% of Coolabah Shares
BHM Vendors[1]	141,660,000	59.6%
BHM Noteholders[2]	28,340,000	11.9%
Total	**170,000,000**	**71.5%**

Notes:

1. Inclusive of the maximum of 16,660,000 Cash Conversion Consideration Shares that may be issued to the BHM Vendors.
2. Inclusive of the maximum of 3,340,000 Cash Conversion Consideration Shares that may be issued to the BHM Noteholders.

12.2 BHOPL

CBH Resources has a 100% interest in BHOPL. CBH Resources is not a related party or existing shareholder of Coolabah or BHM.

12.3 Pinnacles

Craig Williams is the sole director and shareholder of both Pinnacles entities, being Pinnacles Mines Pty Ltd and Broken Hill Pinnacles Pty Ltd. Mr Williams is not a related party or existing shareholder of Coolabah or BHM, nor is Mr Williams expected to hold any securities on completion of the Transaction.

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13. KEY RISK FACTORS AND KEY DEPENDENCIES

13.1 Key Dependencies

The key dependencies influencing the viability of the Transaction and the Company's business model include:

(a) the Company's ability to re-comply with Chapters 1 and 2 of the ASX Listing Rules to enable re-in statement of the Company's securities on the ASX;

(b) completion of the Acquisition and BHM's acquisition of BHOPL;

(c) the Company's ability to raise the Minimum Subscription amount under the Public Offer;

(d) the Company's ability to secure prepayment offtake financing;

(e) commodity price volatility and exchange rate risk;

(f) operational and cost risk; and

(g) exploration success.

13.2 Key Risk Factors

This section identifies the key dependencies and areas of risk associated with the Transaction but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed.

(a) **Re-Quotation of Shares on ASX**

The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will likely remain in suspension and not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the Listing Rules.

(b) **Dilution risk**

The Company currently has 44,718,759 Shares on issue (on a post-Consolidation basis).

Assuming that the Maximum Subscription is raised under the Public Offer, on Completion:

(i) the existing Shareholders will retain approximately 18.4% of the Company's issued Share capital on an undiluted basis and 13.1% of the Company's issued Share capital on a fully diluted basis;

(ii) the Shares to be issued under the Acquisition (including the Convertible Note Conversion Securities, Cash Conversion Consideration Shares and Facilitator Securities) will represent approximately 81.6% of the Company's issued Share capital on an undiluted basis and 58.0% of the Company's issued Share capital on a fully diluted basis; and

(iii) the investors under the Public Offer will hold approximately 8.2% of the Company's issued Share capital on an undiluted basis and 5.9% of the Company's issued Share capital on a fully diluted basis.

The number of Shares in the Company will increase from 44,718,759 to 242,718,759 (on a post-Consolidation basis) if the Maximum Subscription is raised. This means that on reinstatement to official quotation, the number of Shares on issue will be increased by approximately 442.8% of the number on issue as at the date of this announcement.

On this basis, existing Shareholders should note that if they do not participate in the Public Offer (and even if they do), their holdings may be considerably diluted (as compared to their holdings and number of Shares on issue as at the date of this announcement.

(c) **Completion, counterparty and contractual risk**

The BHM SPA, BHOPL SPA and Pinnacles Option (together, the **Acquisition Agreements**) are subject to the fulfilment of certain conditions precedent. There is a risk that the conditions precedent to the

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Acquisition Agreements will not be fulfilled and, in turn, that completion of the Acquisitions and the Transaction will not occur.

The ability of the Company to achieve its stated objectives will depend on the performance by each of the vendors and certain third parties under the Acquisition Agreements. If any vendor or any other counterparty defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly and without any certainty of a favourable outcome.

(d) **Product sales and commodity price risk**

The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of zinc, lead and silver. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any offtake agreements that the Company enters into.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for zinc, lead and silver that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Metals are principally sold throughout the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

(e) **Resource estimation risk**

Mineral resource estimates (inferred, indicated and measured) have been reported at the Rasp Mine and Pinnacles Mine. Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates of mineral resources that were valid when originally made may alter significantly when new information or techniques become available or when commodity prices change.

In addition, by their very nature, mineral resource estimates are imprecise and depend on interpretations which may prove to be inaccurate, and whilst the Company employs industry-standard techniques including compliance with the JORC Code 2012 to reduce the resource estimation risk, there is no assurance that this approach will alter the risk.

As further information becomes available through additional fieldwork and analysis, mineral resource estimates may change. This may result in alterations to mining and development plans which may in turn adversely affect the Company.

Whilst the Company intends to undertake further exploration and development activities with the aim of expanding the existing mineral resources and converting them to ore reserves, no assurances can be given that this will be successfully achieved. Notwithstanding that mineral resources have been identified, no assurance can be provided that these can be economically extracted. Failure to convert mineral resources into ore reserves or maintain or enhance existing mineral resources could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

(f) **Offtake and offtake financing risk**

The Company may seek to enter into offtake financing in the near future. Post-reinstatement the Company may also seek interest from global trading houses to acquire offtake as part of an offtake financing package. The Company's ability to enter into such agreements is not guaranteed and is dependent on several extrinsic and uncontrollable factors, including without limitation, the state of global commodity prices and market demand and supply.

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BHM has entered into a binding conditional term sheet for a proposed prepayment and offtake arrangement with Trafigura which is subject to various condition precedent including (without limitation) completion of the Acquisition, Trafigura board approval, the satisfaction of commercial, technical, environmental and legal due diligences and the parties entering into long form, binding transaction documentation. The Company will guarantee BHM's obligations under the proposed Trafigura Prepayment and Offtake Agreement. In the event the conditions precedent to the Trafigura Prepayment and Offtake Agreement are not satisfied, the proposed Trafigura Prepayment and Offtake Agreement may not enter into effect and Trafigura may not advance the prepayment. At this stage, the proposed Trafigura Prepayment and Offtake Agreement is highly conditional and there is no guarantee that the parties will satisfy the conditions precedent or enter into binding transaction documentation.

In the event that the Company, or an entity that the Company stands as guarantor to, is not able to satisfy its obligations under its offtake agreements generally, the Company may be liable for damages under the agreements (including any guarantee agreement) or the relevant counterparties may be able to terminate the agreements and/or enforce their security.

(g) **Metallurgy**

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

(i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;

(ii) developing an economic process route to produce a metal and/or concentrate; and

(iii) changes in mineralogy in the ore deposit, such as areas of increased oxidation, can result in inconsistent metal recovery, affecting the economic viability of the project.

(h) **Regulatory and environmental risks**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

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

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

(i) **Historical Liabilities**

If the Transaction completes, Coolabah will become directly or indirectly liable for any liabilities that BHM and BHOPL have incurred in the past, including liabilities which may not have been identified during its due diligence or which are greater than expected, for which insurance may not be adequate or available, and for which Coolabah may not have post-closing recourse under the relevant acquisition agreements. These could include liabilities relating to environmental claims or breaches, contamination, regulatory actions and health and safety claims. Such liabilities may adversely affect the financial performance or position of Coolabah.

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(j) **Major Shareholder**

Patrick Walta and his associates will, on completion of the Transaction, hold 40,137,000 Shares and 18,416,666 options in the Company. Mr Walta's Shareholding will represent 16.9% of the Company's issued capital on an undiluted basis in the event that the Minimum Subscription is raised.

As the holder of 16.9% of the Shares on issue, Mr Walta (and his associates) will have significant voting power on completion of the Transaction. The Company and its Directors will comply with all applicable laws and the Listing Rules in relation to any dealings between Mr Walta and the Company. However, there is a risk that investors will discount the Company's Shares as a result of the level of control being acquired by Mr Walta, and the decreased likelihood of a third party making a takeover bid for the Company.

(k) **Employees**

Coolabah may make offers of employment to certain employees at the Rasp Mine on terms and conditions that are the same or substantially similar to and, considered on an overall basis, no less favourable than the terms and conditions of their existing employment. However, there is a risk that not all employees will accept the offers of employment from Coolabah and there could be an associated workforce shortage at the Rasp Mine.

(l) **Securities investments**

Investors should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the issue price of the Public Offer and may fluctuate in response to a number of factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

14. INDICATIVE TIMETABLE

The below timetable is indicative and is subject to change without prior notice.

Description	Indicative timing
Despatch of Notice of General Meeting	14 October 2024
Lodgement of Prospectus with ASIC	4 November 2024
Opening of the Public Offer	12 November 2024
General Meeting held to approve the Transaction	13 November 2024
Closing of Public Offer	27 November 2024
Issue of securities under the Transaction	10 December 2024
Reinstatement of securities to trading on ASX	18 December 2024

15. GUIDANCE NOTE 12 – ANNEXURE A DISCLOSURE

The Company provides the following disclosure in accordance with ASX Guidance Note 12 - Annexure A, to the extent that the information has not been provided elsewhere in this announcement.

15.1 ASX Waivers and Confirmations

The Company has not obtained any in-principle waivers or confirmations as at the date of this announcement.

15.2 Issues in the previous 6 months

(a) **Coolabah**

The Company issued or agreed to issue the following securities in the previous six months (all figures are on a post-Consolidation basis).

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(i) Placement – issued 16 April 2024

The Company issued 5,962,500 shares on 16 April 2024 through a placement to sophisticated and professional investors to raise $715,500 (before costs) at $0.12 per share (on a post-Consolidation basis). The Company also agreed to issued 1,490,625 free-attaching CB HOA Options, subject to receipt of shareholder approval at the General Meeting.

Funds raised under the placement and entitlement offer announced on 16 April 2024 have been used for the following purposes:

(A) exploration activities at the Mundi Mundi Fluorite Project and the Company's other existing projects;

(B) future acquisitions;

(C) working capital; and

(D) costs of the of the placement and entitlement offer.

(ii) Entitlement Offer – issued 16 May 2024

The Company issued 14,906,259 Shares at $0.12 per Share on 16 May 2024, together with 3,726,568 free-attaching CBHOA Options, under a fully underwritten pro-rata entitlement offer to raise $1,788,750 (before costs). There was no minimum subscription applicable to the entitlement offer.

The entitlement offer was fully underwritten by CPS Capital Pty Ltd (**CPS Capital**). The under writing fees consist of a fee of 6% of the funds raised under the entitlement offer and the issue 3,166,667 CBHOA Options, subject to the receipt of shareholder approval at the General Meeting.

Coolabah has not issued any other securities in the past 6 months.

(b) **BHM**

(i) Founder Shares

BHM issued 1 founder share on 6 May 2024 at an issue price of $1 per share to raise $1 (which was issued to incoming Executive Chair, Patrick Walta).

BHM issued 3,849,999 founder shares on 13 May 2024 at an issue price of $0.0001 per share to raise $385 (of which 1,633,333 shares were issued to incoming Executive Chair, Patrick Walta).

BHM issued 1,075,000 founder shares on 31 July 2024 at an issue price of $0.001 per share to raise $1,075 (none of which have been issued to incoming Executive Chair, Patrick Walta).

BHM issued 600,000 founder shares on 18 July 2024 at an issue price of $0.001 per share to raise $600 (none of which have been issued to incoming Executive Chair, Patrick Walta).

BHM issued 475,000 founder shares on 5 September 2024 at an issue price of $0.001 per share to raise $475 (of which 66,667 were issued to incoming Executive Chair, Patrick Walta).

(ii) Founder Options

BHM issued 3,850,000 founder options on 16 July 2024 at an issue price of $0.0001 per option to raise $385 (of which 1,633,333 options were issued to incoming Executive Chair, Patrick Walta).

BHM issued 200,000 founder options on 31 July 2024 at an issue price of $0.0001 per option to raise $200 (none of which have been issued to incoming Executive Chair, Patrick Walta).

BHM issued 600,000 founder options on 2 August 2024 at an issue price of $0.0001 per option to raise $60 (none of which have been issued to incoming Executive Chair, Patrick Walta).

BHM issued 275,000 founder options on 5 August 2024 at an issue price of $0.0001 per option to raise $27.50 (none of which have been issued to incoming Executive Chair, Patrick Walta).

BHM issued 600,000 founder options on 18 August 2024 at an issue price of $0.0001 per option to raise $60 (none of which have been issued to incoming Executive Chair, Patrick Walta).

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BHM issued 475,000 founder options on 5 September 2024 at an issue price of $0.0001 per option to raise $47.50 (of which 66,667 were issued to incoming Executive Chair, Patrick Walta).

(iii) Convertible Notes

BHM raised $5,000,000 via the issue of the Convertible Notes. Refer to section 3.1(d) for further details of the Convertible Notes.

Funds raised through the issue of Convertible Notes will be used for the following purposes:

(A) to pay the First Option fee under the Pinnacle Option; and

(B) Rasp Mine critical path capital expenditure items (required prior to completion of the Acquisition by Coolabah) in order to maintain the current mine plan. In particular, BHM intends on committing Convertible Note capital toward underground development to gain access to the Blackwoods deposit at the Rasp Mine, which is required to be undertaken immediately to ensure the Blackwoods ore feed is available in 2025.

15.3 Control

It is not expected that any Shareholder will increase their voting power above 20% as a result of the Transaction.

15.4 Accounts

The Company's Half Year Report for the half year ended 31 December 2023 and its Annual Report for the year ended 30 June 2023 is available on the ASX announcements platform, accessible through the following link: https://www.asx.com.au/markets/company/cbh.

Audited accounts for BHM and BHOPL will be released on Coolabah's ASX announcements platform in due course.

The transaction based comparison table in Annexure 5 demonstrates the likely effect of the Transaction on the Company's consolidated total assets, total equity interests, annual revenue, annual expenditure and annual profit before tax.

15.5 Fees paid or payable to facilitators

The Company will issue 8,000,000 Shares and 5,875,000 unquoted options in the capital of the Company with an exercise price of $0.24 each and an expiry date of 5 years from the date of issue (**Facilitator Securities**) to various unrelated parties as a facilitation fee for facilitating the Acquisition. None of BHM Vendors or their associates will receive the Facilitator Securities as part of the Transaction.

15.6 Appropriate Enquiries

The Company has undertaken appropriate enquiries into the prospects of the Acquisition (including the Rasp Mine and Pinnacles Mine) to be satisfied that the Transaction is in the interests of the Company and its security holders.

As at the date of this announcement, the Company is in the process of completing legal and technical due diligence on the Acquisition. The Company intends to complete due diligence prior to lodging the Prospectus and seeking reinstatement of its Shares to official quotation. Due diligence conducted by the Company prior to the date of this announcement has not identified any matters that are materially adverse to the Company.

Further information will be outlined in the Notice of Meeting and Prospectus.

15.7 Reinstatement on ASX

The Company notes that:

(a) the Transaction requires shareholder approval under the ASX Listing Rule 11.1.2 and therefore may not proceed if that approval is not forthcoming;

(b) it is required to re-comply with ASX's requirements for admission and quotation and therefore the Transaction may not proceed if those requirements are not met;

(c) ASX has an absolute discretion in deciding whether to re-admit the Company to the official list and to quote its securities and therefore the Transaction may not proceed if ASX exercises that discretion; and

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(d) investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's securities.

Furthermore, the Company notes that:

(a) ASX takes no responsibility for the contents of this announcement;

(b) it is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1; and

(c) all material and accessible information available to the directors of the Company have been included in this announcement.

16. PINNACLES MINERAL RESOURCE ESTIMATE AND EXPLORATION TARGET

16.1 Mineral Resource

The Pinnacles Mine hosts a current Mineral Resource estimate of approximately 6.0Mt at 10.9% ZnEq (4.7% Zn, 3.3% Pb, 133g/t Ag & 0.5g/t Au). It is noted that gold is not currently included in the equivalents calculation, which remains an opportunity pending further testwork.

Further information on the metal equivalents calculation is set out in section 16.10.

Pinnacles Open Pit (OP) MRE - 1% Zn (or Pb) cut-off					
Category	**Kt**	**Zn %**	**Pb %**	**Ag ppm**	**Au g/t**
Measured	84	3.4%	2.2%	80	0.12
Indicated	450	3.1%	3.4%	136	0.15
Inferred	461	3.9%	2.4%	101	0.25
Total	**995**	**3.5%**	**2.9%**	**115**	**0.19**

Pinnacles Underground (UG) MRE - 4% Zn+Pb cut-off					
Category	**Kt**	**Zn %**	**Pb %**	**Ag ppm**	**Au g/t**
Measured	84	4.9%	2.6%	97	0.35
Indicated	397	6.5%	1.8%	64	0.61
Inferred	4,495	4.8%	3.6%	143	0.56
Total	**4,976**	**4.9%**	**3.4%**	**136**	**0.56**

Pinnacles Combined Mineral Resource Estimate					
Category	**Kt**	**Zn %**	**Pb %**	**Ag ppm**	**Au g/t**
Measured	168	4.2%	2.4%	89	0.24
Indicated	847	4.7%	2.7%	102	0.37
Inferred	4,956	4.7%	3.5%	139	0.53
Total	**5,971**	**4.7%**	**3.3%**	**133**	**0.50**

16.2 Regional & local geology

The Pinnacles Mine lies within the Broken Hill Group of the Palaeoproterozoic meta-sedimentary and meta-volcanic rocks of the Willyama Supergroup. The Broken Hill Group is host to the giant Broken Hill Silver-Lead-Zinc Deposit which has an estimated age of 1710-1640ma. The deposits have suffered intense deformation, with a metamorphic grade up to amphibolite/granulite facies.

The geology of the Pinnacle Mines' area comprises a series of tightly folded, lenticular, stratabound sulphide breccia bodies hosted within gneisses, psammopelites and amphibolites. Faults (retrograde shear zones) separate the deposits into various discrete blocks.

Several of the Pinnacles deposits are contained within various structural wedges. The Consols is bounded to the

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north by the Theta Shear and to the south by the Consols Shear. These shear zones dislocate the mineralised package, such that across the Theta Shear the mineralisation is downthrown by tens of metres to become part of the Fisher Synform. This pattern of offset fault blocks of mineralisation is repeated within a wide ~300m band over 1.2km of surface distance from the Consols in the south-west to Lady Bevis in the northeast.

Lead-silver-zinc mineralisation is typical of the Broken Hill area with stratabound lenses 1 to 9m thick, but locally these lodes can thicken up into a 20m package, particularly at structural hinge positions.

16.3 Drilling information

The Pinnacles MRE is based almost entirely upon geological and assay data from surface and underground diamond drill holes. Some 392 holes (375 of them diamond holes) have been drilled in the area covered by the Pinnacles MRE between 1917 (or earlier) and 2007, for a total of 55,102 m. Of those, 203 diamond holes (for 33,308m) were drilled in the period from 2001 to 2007. Of the 392 holes 87 were drilled from underground development in the Consols and Pinnacles area, between 1917 and 1972.

Period	Company	No of holes		Meters drilled		UG	Surface	Perc	RC
Pre-1918	Uncertain	9	2%	405	1%	6	2	-	-
1918-1928	Junction North (BH) Co.	25	6%	1,104	2%	19	6	-	-
1935	Aplite Syndicate	4	1%	565	1%	0	4	-	-
1946-1964	Enterprise Exploration	9	2%	3,463	6%	0	9	-	-
1960	Pinnacle Mines	30	8%	1,223	2%	30	0	-	-
1965-1966	Paul C Teas	33	8%	2,991	5%	4	19	10	-
1971-1972	Lone Star	31	8%	1,536	3%	28	3	-	-
1984-1986	CRAE	10	3%	2,902	5%	0	10	-	-
1986	Zinc Corp	4	1%	200	0%	-	-	-	4
1993-1998	Pasminco Exploration	31	8%	7,045	13%	-	31	-	-
2001-2007	Pinnacle Mines	206	53%	33,668	61%	-	203	3	-
Total		**392**	**100%**	**55,102**	**100%**	**87**	**288**	**13**	**4**

A detailed channel sampling program on all available underground level development, drive faces and sidewalls, was undertaken by Pasminco Exploration in 1993-1994. It utilised a jackhammer to generate 461 samples from 281 channels for 387.3m. The channel sampling was used in the Pinnacles MRE.

Short (<3m) sludge holes tested the immediate footwall and hanging wall of the MLL on the Consols 4 Level and were used to define the wireframes but were not part of the composite data used for grade interpolation. This is due to some uncertainty of the locations of the samples, the method of sampling and the fact that a lot of the work was localised to the 4 Level (possibly providing a bias) and was not widespread throughout the Consols Lodes, unlike the diamond drilling.

The majority of the recent drilling was in the Consols area with 67% of the holes (139 holes) being part of a major resource drill out in the period 2001-2007, prior to commencement of mining in the Edwards Pit.

A series of qualified surveyors have picked up all of the drillhole collars either by a differential global positioning system (**DGPS**) or optical surveying. The recent drilling has been located by Graham Howe, a Registered Surveyor from Broken Hill. The DGPS has a nominal accuracy of <1m with the grid projection being UTM Zone 54 (MGA) and the datum being GDA94. The data was then converted to the Pinnacles Mine local grid coordinate system. A high quality, detailed drone LIDAR topographic survey was undertaken in September 2021. This survey delineated the impacts of the 2007 to 2021 mining in the Edwards Pit for the Consols lode.

The 2005-7 down hole surveys for the Pinnacles drilling were done using an Eastman single shot downhole camera at 30m intervals. The historical downhole surveys have been a mixture of etched acid tubes, Tropari and downhole camera. Many holes only have collar layout data.

The underground workings have been surveyed by a triangulation method where the data has been transferred to hardcopy maps. The current 3D models of the old workings are based on digitising of some of these hardcopy maps from various sources. The stopes themselves have not been surveyed but shapes have been created based on the old drives and additional information supplied by Pinnacles Mines Pty Ltd (**PMPL**).

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16.4 Sampling & Sub-sampling Techniques

Early historical sampling of core was achieved using a core splitter. Core sampling of the lodes often would have involved large single samples rather than numerous smaller samples, the latter which are better suited for resource modelling. Later sampling for the diamond drilling was on nominal 1m intervals under geological control using sawn half core. For a short period in 2006 the core sampling reverted, by mistake, to the large, single sample method. This decision was reversed but it has an impact on the confidence of resource modelling of the metal grades. Some of the early historical sampling consisted of just sampling the high grade core material with no sampling between the lodes or any footwall/hanging wall background sampling. It should be noted that the amount of historical drilling for the resources is relatively minor compared to the recent phase(s) of drilling.

The 2001-2007 cut samples were generally of the order of 2-3kg, and were sent to a commercial laboratory, AMDEL in Adelaide, for sample preparation and analysis. For the recent PMPL drilling the samples were dried to a temperature of approximately 100°C (time interval unknown). The total sample was then jaw crushed and milled in a LM5 pulveriser to 90% passing 106 µm. An analytical pulp of 250g was taken from the pulverised material and the residue retained, where practical, in the original bag.

The sample preparation, sample size and analytical method are deemed appropriate for the recent drilling. This some uncertainty with the sample preparation for the historical drilling.

16.5 Sample Analysis Method

Following the sample preparation for the PMPL drilling, a 250g split was then sent for a further split (no details) to be followed by an aqua regia digest with an ICP finish for Pb, Ag, Zn, Cu, Cd, As Fe, Mn, Ni, S, Sb, Co, Bi. This method is regarded as a partial digest method but is appropriate for the economic mineralisation as it is designed to dissolve the base metal sulphides leaving behind undissolved minerals like gahnite (a zinc spinel). For gold a fire assay with a 20g charge was used with an aqua regia digest and an AAS finish (detection limit 0.01ppm). This method is regarded as a partial digest technique.

Sample analysis for the historical drilling is uncertain. Pasminco Exploration generally utilised Analabs in Brisbane, for the same suite of elements but with AAS determinations (and fire assay for gold – no indications of charge size). Mineralised intervals from the 1971-1972 surface and underground diamond drilling by Lonestar were resampled in 2004 and assayed at AMDEL Laboratories in Adelaide, using the same protocol described above. The original (1971-1972) assay data is incomplete and a comparison with the 2004 assays has not been undertaken. There is some uncertainty as to where the earlier assays were actually taken.

No records were viewed for any of the analyses of the historical drilling and hence the likelihood of ascertaining the degrees of accuracy of the assays reported is not possible. Most samples were only analysed for Pb, Ag and Zn, almost certainly using wet chemical methods. There was limited use of QAQC samples for the historic drilling, mainly Certified Reference Materials (Standards), blanks and duplicates (unspecified type) but outcomes are unknown.

Prior to 2007 no QA/QC protocols were in place. The PMPL 2007 diamond drilling had a more systematic use of standards, blanks and laboratory duplicates including four Certified Reference Materials ("standards") and a blank pulp. All of the standards were purchased as individual sachets from Geostats Pty Ltd of Perth, Western Australia. PMPL in their sample preparation process systematically nominated every 21st sample number as a standard, varying which standard was used. An additional high grade standard is occasionally inserted after noticeable high grade mineralisation. Blanks are submitted at the beginning of each batch and randomly inserted within the samples, generally close to high grade material.

Generally speaking, the QAQC procedures that were in place for 2007 had results that indicated no major issues with the sampling and assay data. The standards indicated minor under-reporting of the base metals with the blank standard indicating no significant contamination.

No second lab checks were completed.

There are no twinned holes per se, although some holes pass close to each other. The conclusion would be that, as expected, there are rapid changes in grade and thicknesses to the mineralisation.

16.6 Geological Interpretation

The lode interpretations are based on 15m spaced section lines for Consols, 25m spacing for Fisher and Pinnacles and 50m for Perseverance. Digitising of the shapes involved snapping to drillholes on the assay grade dividers or on logged lithology if no assays were present. A 1% zinc or lead cut-off grade was used in conjunction with

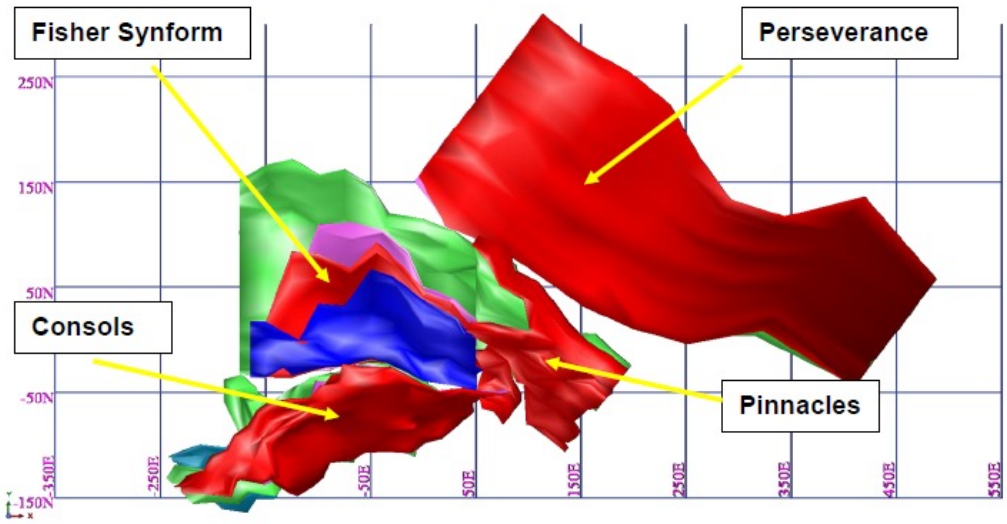
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logged geology, with an allowance for minor internal dilution (generally <2m) on condition it made geological sense. The excellent underground mapping by Hopwood was also used to guide the design of the mineral lodes. In some minor instances, the gold assays were used to aid the interpretation particularly for the zinc lodes, which tend to be more gold-rich.

The chosen grade threshold was used in an effort to establish geologically sensible domains and take into account the likelihood of either an open pit or underground method of extraction. The mineralisation boundaries were variable in their visual sharpness, with some contacts clear cut and others more diffuse. The wireframes were used as constraints for the composite selection and grade interpolation.

No oxidation surfaces were designed mainly due to a lack of data and a lack of penetrative oxidation impacting the lodes. The recent Consols mining directly shipped any oxidised material to the Port Pirie Smelter to be used as a flux.

The existing interpretation honours all the available data; an alternative interpretation is unlikely to have a significant impact on the resource estimates.



Pinnacles Mine Upper Lodes – Plan view

Dimensions of the Pinnacle MRE are set out in the table below. The strike and dip are plan measurements on account of the complexity of the folding and the depth is vertical depth below surface or from the top of the mineralisation in the case of Perseverance.

Deposit	Length (m)	Width (m)	Depth (m)	Outcrop
Consols	300	140	275	Exposed
Fisher	225	190	310	Exposed
Pinnacles	110-190	50-100	180	Exposed
Perseverance	180	550	480	Not exposed; 30m below surface

16.6 Estimation Methodology

Surpac mining software was used for the interpretation, block model creation and validation. Ordinary Kriging (OK) via the FSSI (Australia) GS3M software was used for the grade interpolation with the mineral wireframes acting as hard boundaries.

In some instances there is insufficient data for OK in which case the Inverse Distance Squared method ("ID2") in the Surpac software was used for the grade interpolation.

Sample compositing was to 1m, based on the dominant sample length, and was created by using the Surpac 'fixed length' option for each drillhole intersecting the mineral wireframe. A total of 3,573 sample composites were produced. The residual composite lengths were limited to a minimum of 0.2 to 0.3m (depending on the dataset) and were discarded. The number of data points for all lodes is considered small, except for the Main Lead Lode and Main Zinc Lode at Consuls.

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No grade top cutting was applied to the base metals or silver. The coefficients of variation (standard deviation/mean) for the relevant composite datasets were relatively low (<2) and suggest that the data is not sufficiently skewed or unstructured to warrant top cutting. Gold exhibited more variance in grades with a disproportionate number of extreme values and thus had variable top cuts applied in most cases, except for the Perseverance lodes.

Separate block models were created for each deposit with varying parent block sizes but with no sub-blocking. Block size was related to the areas of closer spaced drilling and likely open pit mining scenarios but also took into account lode geometry and possible underground mining scenarios.

Metal grade estimation incorporated OK in three search passes with increasing search radii and minimum number of data and octants. For each deposit different search radii and orientations were used to reflect the interpreted lode's geological continuity, orientation and the data distribution.

Drillhole spacing for Consols was 15m by 15m, for Fisher the spacing was 25m on section and 50m between sections with the occasional clustering of mainly underground data. At the Pinnacles the drillhole spacing was quite varied between 10 and 50m both along section and between sections with various orientations. At Perseverance the drillhole spacing was 50m by 100 to 200m with an occasional 50m infill hole on section as well as between sections. Downhole sampling was generally at 1m intervals but in some instances the sampling consisted of one sample covering the whole mineral interval.

Previous mining has occurred at the Consols and Fisher/Pinnacles prospects but mainly for the lead lodes. There is no data for reconciliation, but depletion was applied to the estimates using the block centroid inside the 3D stopes and development solids. PMPL has reported that the stopes developed for the Fisher and Pinnacles Limb were backfilled with jig tailings that is purported to run at an average grade of 7% Pb and 200ppm Ag (no information on Zn), much higher than average head grades of the Pinnacles MRE. Although the stopes have been backfilled, there is no allowance for this fill material in the Pinnacles MRE. For Consols some of the stopes (approximately 30%) were reported as being backfilled with low grade mine material. Depletion was also excluded for the recent 2007-2021 mining of the Edwards Pit using the LIDAR surface as control.

16.8 Classification Criteria

The Pinnacles MRE has been classified using the estimation search pass category subject to assessment of other impacting factors such as sample type, drillhole spacing (variography), core handling and sampling procedures, sample recoveries, QAQC outcomes, density measurements and geological model. It is assumed that the deposits will be mined by open pit and/or underground methods.

There are a number of blocks within each wireframe where the grade interpolation failed to assign a metal value. This is due to a lack of data associated with the search ellipse within an individual lode shape. These blocks were allocated the average metal values for the relevant lode and, based on the geological understanding and continuity of the lodes, were assigned to the Inferred Resource category.

Measured and Indicated Resources have been classified for Consols based primarily on the recent detailed diamond drilling and the previous underground mining. Some Indicated Resources were also reported for Fisher where there was more detailed recent diamond drilling and historic underground workings. Indicated Resources were also reported at Pinnacles where there was substantial underground channel sampling which was used in the estimates. The remaining majority of the mineralisation at all prospects has been classified as Inferred.

16.9 Cut-off Grades

The intention is to mine the deposits by both open pit and underground methods. A nominal pit has been designed with a floor at 175mRL. The reported open pit Mineral Resources for Consols, Fisher and Pinnacles are constrained to the mineral wireframe using the block centroid in/out method. The mineral wireframes have a nominal cut-off grade of 1% zinc (or lead) with the cut-off grade being advised by PMPL based on its previous mining experience of the deposit.

A cut-off grade of 4% combined Pb+Zn has been used for the underground Mineral Resources at Consols, Fisher, Pinnacle and Perseverance. The cut-off grade is applied to the centroids on an in/out basis with respect to the mineral wireframe. This cut-off was advised by BHM is based on a similar cut-off grade used by the Rasp mine in Broken Hill itself.

16.10 Mining, Metallurgical and Environmental Assumptions

Mining and processing at the Pinnacles Mine have been undertaken intermittently since 1884. Most recently mining of oxidised and fresh ore from the Edwards Pit began in 2007 through to 2022 when it was placed on care

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and maintenance. Mining was conducted using traditional small scale open pit drill and blast method at a rate of about 10,000t per month in oxide ore, reduced to 2,000-3,000t per month in fresh ore. Past underground mining has been completed at the Consols and Fisher/Pinnacles lodes.

For the current Pinnacles MRE, both open pit and underground mine scenarios have been considered. Ore material would be trucked to a ROM pad for subsequent on-site processing using industry standard technologies and in line with recent and historic mining. The model block sizes for the different deposits are effectively the minimum mining dimension for this estimate. Any internal dilution has been factored in with the modelling and as such is appropriate to the block size but excludes external dilution and mining losses. There are suitable areas for ROM pad and tailings dam construction within the general vicinity of the mine.

During the course of the recent mining (2007-2021) oxide ore from the Consols lode was direct shipped to the Port Pirie smelter for use as flux. Fresh ore was processed on site in a floatation plant to produce Pb (-Ag) and Zn concentrates which were sold to different smelters in Australia and overseas. This together with supporting metallurgical testwork show that the ore recovery is typically 88% Pb and 75% Ag (to the Pb concentrate), and 88% Zn to the Zn concentrate.

The open pit Mineral Resources are reported using the block centroid inside the mineral wireframe with a nominal 1% zinc (or lead) cut-off above the designed pit floor at 175mRL.

The underground Mineral Resources for the Consols, Fisher and Pinnacles Pb/Zn/Ag deposits are reported using the block centroid inside the mineral wireframe at a 4% Zn +Pb cut-off, below the designed pit floor at 175mRL.

The underground Mineral Resources for the Perseverance deposit is reported using the block centroid inside the mineral wireframe at a 4% Zn +Pb cut-off.

A zinc equivalent grade is reported with the Mineral Resources using the equation *Zinc Equivalent % = Zn% + (Pb%*0.754) + (Ag ppm*0.028)* with the following metal price and recovery assumptions:

Metal	Price ($)	Recovery (%)
Zn	2,650/t	88
Pb	2,000/t	88
Ag	27/oz	75

Recovery assumptions are based on metallurgical testwork which demonstrate that the ore recovery is typically 88% Pb and 75% Ag (to the Pb concentrate) and 88% Zn (to the Zn concentrate). Although most of the work to date is based on the Consols lode, the results are applicable to all other zones based on their identical stratigraphy and mineralogy. Recovery assumptions are consistent with the weighted average recoveries for the past 7 seven years at Rasp.

It is noted that gold is not currently included in the equivalents calculation, which remains an opportunity pending further testwork.

It is the Company's view that all elements in the metal equivalents calculation have a reasonable potential to be recovered and sold.

16.11 Pinnacles Exploration Target

An Exploration Target has been estimated for the Pinnacles Mine area of between approximately 6Mt to 15Mt at approximately 2-4% Zn, 3-6% Pb and 40–125ppm Ag. The Exploration Target comprises potential mineralisation below and adjacent to the current Pinnacles MRE.

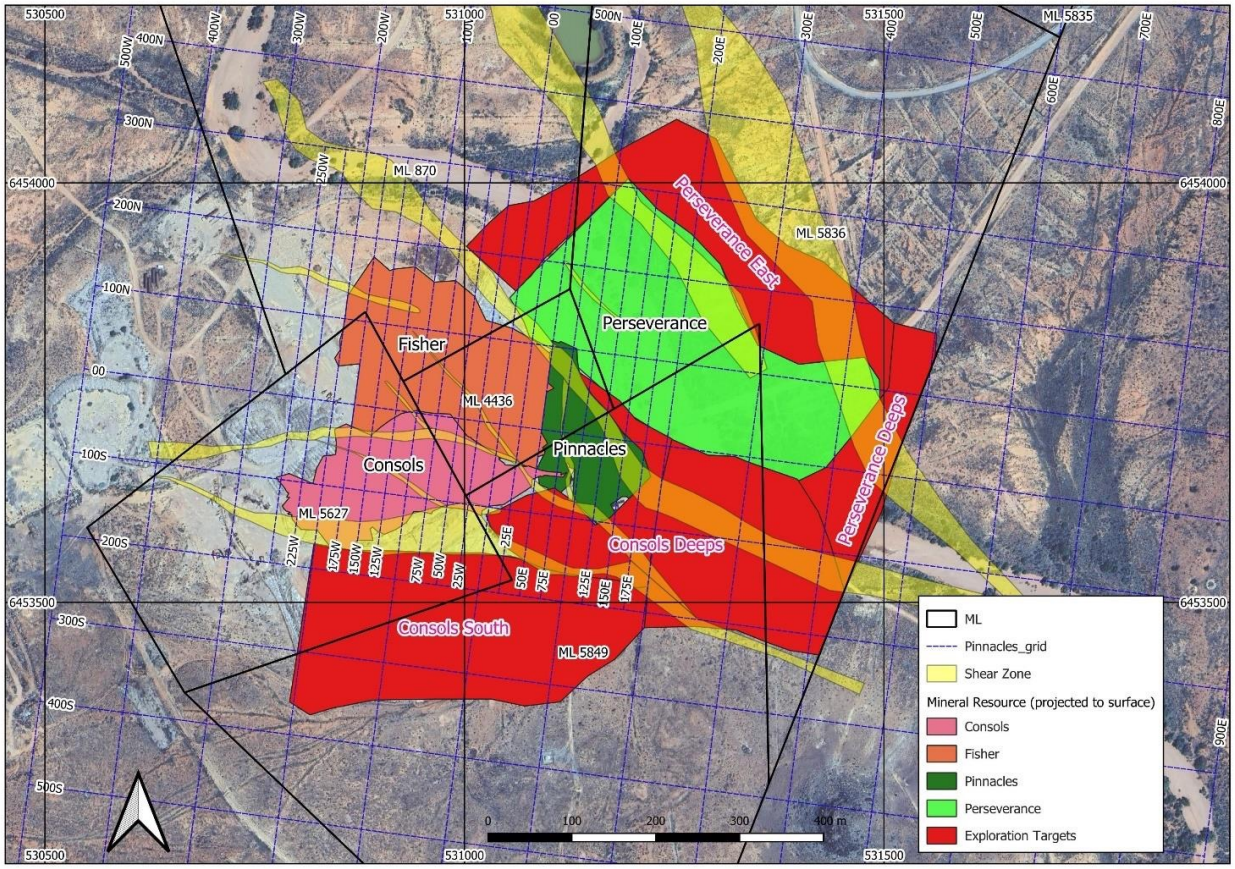
The potential quantity and grade of the Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target is derived from historical drilling which enabled extrapolation of the mineralised domains (Main Lead Lode and Immediate Footwall Zinc Lode only) beyond the limits of the Inferred Resource. This extrapolation is based on the latest geological modelling with an estimation of a potential grade range sourced from all the drilling data for the lode intersections.

The Exploration Target comprises four distinct mineralised areas, termed Consols Deeps, Consols South, Perseverance Deeps and Perseverance East. The historical drill holes show continuity of the mineralisation at

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depth and along strike, with similar overall grades to the existing resource. The Exploration Target is considered to be a medium term target. The intent is to continue exploration drilling along strike, down dip and down plunge from the current Mineral Resource to verify the Exploration Target.



Pinnacles Mine Exploration Targets

The Company intends to commence near mine exploration shortly after Completion, which will focus on extending the down dip and along strike extensions of the known deposit with the view to convert the Exploration Target into a Mineral Resource.

17. RASP MINERAL RESOURCE ESTIMATE

17.1 Mineral Resource

A Mineral Resource estimate for the Rasp Mine was completed during January and February 2024 (Rasp MRE). This comprised separate estimates for the Western Mineralisation, Centenary Mineralisation and Main Lode zones including Blackwood - Thompson, British Zone, North Boundary Pillar and Wilson.

Investors are cautioned that the Rasp MRE does not capture immaterial depletion caused through mining operations carried out since the completion of the Rasp MRE.

The Rasp MRE is a total of 10.1 Mt at 5.7% Zn, 3.2% Pb and 49g/t Ag. This includes 1,185 kt at 6.3% Zn, 3.9% Pb and 59.8 g/t Ag of Measured Resources, 2,610 kt at 5.0% Zn, 3.9% Pb and 58.3 g/t Ag of Indicated Resources and 6,260 kt at 5.8% Zn, 2.7% Pb and 42 g/t Ag of Inferred Resources.

Ordinary Kriging (OK) was the preferred estimation method and was carried out for lead, zinc and silver for each mineralised domain. Some smaller zones within the Western Mineralisation, Centenary Mineralisation and Wilson used an Inverse Distance Weighted (IDW) method. The total Mineral Resource is based on a 5% Pb+Zn cutoff. The Mineral Resources are listed in the table below.

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Rasp Mine Mineral Resource Estimate					
Category	**Kt**	**Zn %**	**Pb %**	**Ag g/t**	**Pb+Zn%**
Measured	1,185	6.3	3.9	59.8	10.2
Indicated	2,610	5.0	3.9	58.3	8.9
Inferred	6,260	5.8	2.7	42.3	8.5
Total	**10,055**	**5.7**	**3.2**	**48.5**	**8.8**
Western Mineralisation					
Measured	940	5.7	3.1	35.7	8.8
Indicated	2,260	4.4	3.2	39.0	7.6
Inferred	1,165	4.9	3.0	38.3	8.0
Total (Western)	**4,360**	**4.8**	**3.1**	**38.1**	**8.0**
Centenary Mineralisation					
Measured	-	-	-	-	-
Indicated	-	-	-	-	-
Inferred	4,830	6.0	2.4	39.3	8.4
Total (Centenary)	**4,830**	**6.0**	**2.4**	**39.3**	**8.4**
Main Lode					
Blackwood - Thompson					
Measured	245	8.5	7.0	152.2	15.6
Indicated	245	8.1	7.9	159.9	16.0
Inferred	-	-	-	-	-
Sub-total (B - T)	490	8.3	7.5	156.1	15.8
British Zone					
Measured	-	-	-	-	-
Indicated	-	-	-	-	-
Inferred	180	7.2	7.2	100.7	14.4
Sub-total (British Zone)	180	7.2	7.2	100.7	14.4
NBP					
Measured	-	-	-	-	-
Indicated	110	8.8	10.1	228.4	18.9
Inferred	30	6.3	6.9	197.5	13.2
Sub-total (NBP)	140	8.3	9.4	221.9	17.7
Wilson					
Measured	-	-	-	-	-
Indicated	-	-	-	-	-
Inferred	60	3.9	5.6	105.3	9.5
Sub-total (Wilson)	60	3.9	5.6	105.3	9.5
Main Lode Total					
Measured	245	8.5	7.0	152.2	15.6
Indicated	355	8.3	8.6	181.3	16.9
Inferred	270	6.3	6.8	112.3	13.1
Total (Main Lode)	**865**	**7.8**	**7.6**	**151.7**	**15.4**

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Notes:

1. Due to the effects of rounding, totals may not represent the sum of all components.
2. Tonnages are rounded to the nearest 5,000 tonnes, and grades are shown to one significant figure. The Mineral Resource does not account for immaterial depletion as a result of mining operations undertaken since the completion of the Rasp MRE.
3. Mineral Resource are defined as greater than 5% Pb + Zn block cutoff.
4. All resources are evaluated as having reasonable prospects of eventual economic extraction.

17.2 Geological interpretation and drilling data

The geological interpretation is based on geological and structural logging which is supported by underground geological mapping when available. Geological mapping and drilling have confirmed clear geological structure resulting in generally continuous, robust wireframes with high confidence with the interpretation. Areas of greater uncertainty, especially with respect to the location of historic workings, have been assigned the appropriate lower level of Mineral Resource classification.

The drilling data at the Rasp Mine comprises holes drilled from both surface and underground and are listed in the table below. These holes are those used for the Rasp MRE only. For most zones, early exploration was conducted from surface. Once underground infrastructure was established, the majority of the holes were drilled from underground. For the Centenary Mineralisation, British Zone and NBP, all holes were drilled from surface.

Zone	Holes	Meters
Western Mineralisation	2,153	21,102
Centenary Mineralisation	34	381
Blackwood - Thompson	134	710
Wilson	5	32
British Zone	14	73
NBP	22	371
Total	**2,362**	**22,669**

Although some RC holes have been drilled, all holes used to estimate the Rasp MRE were diamond holes. Holes drilled from surface generally have a HQ pre-collar through the weathered rock and changed to NQ when fresh rock was encountered. This was generally between 60 – 80m. HQ pre-collars were longer when wedges were required. Holes drilled from underground were all NQ size holes.

With exception of infill underground holes, areas of known poor ground conditions or where there was possibility of intersecting historic workings, most holes orientated using Reflex ACT 111TM digital core orientation system. The bottom of hole was marked as reference for taking structural measurements and only reliable measurements were used.

A complete list of all holes used for the Rasp MRE is not considered material. Modern drilling of the Rasp Mine commenced in early 2000's with mining commissioned in 2012. Since this time there has been many thousands of drill holes completed for the purposes of exploration, resource extension and grade control.

17.3 Sampling and sample analysis method

The standard sample interval is 1m but adjustments can be made in sample lengths to match grade and lithological changes and to achieve consistent sample lengths, however the sample interval is to be no longer that 1.2m and no smaller than 0.3m.

Core is sampled for 5m above the start of the mineralised zone and 5m below the end of mineralisation. If the mineralisation boundaries are diffuse, then the 5m distance can be extended if needed to ensure coverage of any mineralisation. Sample intervals are marked with a yellow marker, clearly indicating two items of information. The boundary of each sample interval, the start and end of the sample run and the depth of the sample. If the sample interval coincides with a metre mark that depth marker can be used.

Historically in the Broken Hill field there have been very few problems with the assaying of metal grades in the last

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115 years. The information collected by CBH Resources has been done within a framework of procedures and practices that are to industry standard but documentation for historical information is not available. There are clear procedures in place and evidence that these procedures have been followed.

QAQC data prior to 2010 was provided by the Assay laboratory and reviewed for quality.

Blanks are used to test the cleanliness and contamination within sample preparation. They are a material with a grade less than the practical detection limit. At the Rasp Mine, a white quartz rock is used and is inserted every 20 samples, generally within the higher-grade zones. A blank is also placed at the end of a batch.

Standards are used to assess the bias and accuracy of the Laboratory. They are inserted every 25 samples through the batch as well as at the end of the hole. The Rasp Mine uses a number of different certified standards (CRM) within its sampling process.

Duplicates are used to check the accuracy of the assay lab. For RC drilling, duplicates are taken approximately every 50 metres. For Diamond drilling, as the samples have already been cut in half, a quarter core sample of the remaining half is taken for the chosen interval. This is generally done within an ore grade sample.

17.4 Geological interpretation

Weathering surfaces were only required for the Browne Shaft mineralisation. All other mineralised zones at the Rasp Mine were in fresh rock. A triangulated surface for both the base of complete oxidation and the top of fresh rock were created based on visual analysis of texture, mineralogy and colour of drill core from holes passing through the weathering profile. The base of complete oxidation (BOCO) ranges from approximately one metre to a maximum of over 50m from the surface. Nearest the ore the BOCO is generally deeper averaging between 25-30m from the surface. The top of fresh rock (TOF) ranges from 30m to almost 100m from the surface but is restricted to between 60 and 80m nearest the ore. Deeper oxidation near the ore is likely attributed to a number of factors including; the permeability of lode lithologies to ground water, shear zones and the presence of historic workings.

The mineralised zones for the Western Mineralisation, Centenary Mineralisation and Main Lode have been interpreted using a combination of cross-sections and level plans. A nominal 4% PbZn cut-off grade has been used to define the boundary between mineralised and un-mineralised material, although some intercepts below 4% PbZn have been included for continuity purposes. Sectional polygons have been digitised at nominal 10m spacings (Northings) with these used to create 3-D mineralisation solids. A minimum downhole length of 2m has been used with internal dilution included if the combined length weighted average was greater than 4% PbZn. At times, narrower and lower-grade intercepts were included as to preserve the continuity.

Some mineralised zones within the Western Mineralisation, Blackwood - Thompson zones have mineralisation that is not striking north-south in the local mine grid. These zones have been modelling in section with the profile orthogonal to the strike of the mineralisation. In addition to this, an encompassing halo zone was created around all the mineralised zones so that an blocks surrounding the mineralised zones are populated with grade. These blocks were excluded from the Rasp MRE.

The mineralisation wireframes have been extended half the distance to the nearest drillhole up to a maximum of 20m. The extremities of the wireframes have also been extrapolated to a maximum of 20m along strike.

17.5 Estimation methodology

A block model was completed for each mineralised zone. For the Western Mineralisation, two block models were created. A model of the southern zone for the Western Mineralisation was provided to Conarco. This model (wm_20231127) was validated by Conarco and was accepted as a robust model with no changes necessary. For the zones north of this model, changes were required for domains 100,201, 301, 401 and 800. In addition, for the Siberia zone (1500 series domains), the area was re-interpreted with the number of domains increasing from three to five. This changes along with other domains which remained unchanged were used to create a second model (wm_20240124). Due to internal soft boundaries, some data could not be generated and are represented by N/A in the following tables.

The wireframes of all mineralised zones have been used to code the database to allow identification and independent analysis. With exception to the Wilson Zone and British Zone, all holes have been composited to 1m.

For the Wilson and British Zones, the compositing length was more difficult to determine as there were no clear modal distribution of the samples. For Wilson, a composite length of 0.7m was chosen from a common sense approach which is also close to the mean length of 0.6m. For the British zone a composite length of 0.6m was used.

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The composited data has been assessed independently and has then been imported into Snowden's Supervisor software for analysis with the comparison between the length weighted raw samples and the composited data for the Western Mineralisation.

A block model has been created in Maptek Vulcan V2023 and the parent block size has been selected based on the average drill spacing and where possible, by kriging neighbourhood analysis (KNA) to select a block with the best overall kriging efficiency, slope of regression and minimal negative kriging weights. The sub-block size was necessary to provide sufficient resolution compared to the wireframes, with all sub-blocks assigned the same grade as the parent block.

For all mineralised zones within the Rasp MRE, the wireframes have been used as hard boundaries for the interpolation of metal grades. This is to ensure only grades within each wireframe have been used to estimate the block inside the same wireframe. Ordinary kriging (OK) was the preferred estimation method for lead, zinc and silver, however at times this was not possible. An inverse distance (IDW) to the power of 2 was also estimated for all domains and was used where ordinary kriging was not available. In these circumstances the zones were classified as Inferred Resources. A total of three interpolation passes has been used to fill the block model.

17.6 Cut-off grade

A nominal 4% PbZn cut-off grade has been used to define the boundary between mineralised and un-mineralised material, although some intercepts below 4% PbZn have been included for continuity purposes.

17.7 Resource Classification

The Rasp MRE has been classified based on the following factors:

(a) Measured Resources

- First pass estimation and (Slope of Regression) SOR>0.7
- Drill Spacing 15m x 15m or less.
- Radius of Influence 7.5m.
- Stratigraphic continuity well known and predictable.
- First and second order structures known.
- Orebody continuity and mineralisation good, predictable and not disrupted.
- Development present (if applicable, since some areas have not been exploited by modern mining).
- Metallurgical performance known and tested.
- Underlying geological interpretation requires no additional drilling (eg, Sludge or Diamond).
- Geotechnical characteristics known and predictable (Rock Mass, Rock Strength etc).
- Angle of bedding and foliations of units known and modelled.
- Drag and fault associated folding well understood.

(b) Indicated Resources

- First pass estimation and SOR <0.7 or second pass estimation and SOR>0.3
- Drill Spacing 30m x 30m to 60m x 60m.
- Radius of Influence 30m.
- Some knowledge and some predictability in stratigraphic continuity.
- First order structures known, Second Order structures assumed.
- Reasonable continuity, some predictability in orebody continuity and mineralisation, some disruption.
- Some development present, but not essential.
- Some knowledge of metallurgical performance, some tests.
- Underlying geological interpretation requires some additional sludges or diamond drilling.

(c) Inferred Resources

- Third estimation pass or SOR < 0.3 regardless of estimation pass
- Drill Spacing 60m x 60m to 90m x 90m.
- Radius of Influence 40m.

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- Stratigraphic continuity assumed for the most part.
- First and Second Order structures assumed.
- No development.
- Metallurgical performance assumed, no tests.
- Estimated by Inverse Distance Weighted method.

17.8 Mining and metallurgical methods, parameters and assumptions, modifying factors

A zinc equivalent grade is reported with the Mineral Resources using the equation *Zinc Equivalent % = Zn% + Pb% x 0.754 + Ag ppm x 0.028* with the following metal price and recovery assumptions:

Metal	Price ($)	Recovery (%)	ZnEq Factor
Zn	2,650/t	88.4	1.000
Pb	2,000/t	88.3	0.754
Ag	27/oz	75.0	0.028

Recovery assumptions are based on metallurgical testwork and actual recoveries at the Rasp Mine. It is the opinion of the Company and the Competent Person that all elements in the metal equivalents calculations have a reasonable potential to be recovered and sold.

The Rasp Mine is a zinc, lead and silver mine located in the City of Broken Hill, in the far west of New South Wales. The Rasp Mine consists of Consolidated Mine Lease 7 (CML7) and Mining Purpose Leases 183, 184, 185 and 186. These leases occupy a central region of the historic Broken Hill Line of Lode orebody and incorporate the original mine areas that commenced operations in the 1880s and include a substantial amount of mining infrastructure from various mining phases. BHOPL purchased the Rasp Mine from Normandy Mining Investments in March 2001 and commenced works at the site in 2007 with the installation of an exploration decline. Underground mining re-commenced at the site in 2011 and ore processing recommenced in 2012.

The Mine produces zinc and lead concentrates which are dispatched via rail to Port Pirie and Port Adelaide in South Australia. The existing operations at the Mine includes the following components:

(a) current and historic underground mine workings;

(b) four open cuts, two used for tailings deposition (Blackwood and Kintore Pits), one used for

(c) ancillary mining activities (BHP Pit) and one filled with waste material from the box cut.

(d) a processing plant;

(e) concentrate rail load out area, and

(f) ancillary mine infrastructure, including water management, workshops, offices and other facilities.

The Mine site also includes historic mine buildings and structures from previous mining, including original buildings and structures from the beginnings of the original BHP operations and other significant mining operations, some of which date from the 1890s. These are listed as heritage items on the Broken Hill. City Council Local Environment Plan 2013 (LEP). The site also comprises historic waste rock and tailings emplacements, and extensive non-active mining areas (Free Areas).

These operations are undertaken in accordance with Project Approval 07_0018 (as modified) (PA) granted by the then Minister for Planning on 31 January 2011, under Part 3A of the EP&A Act. With the repeal of Part 3A of the EP&A Act and the transitional arrangements under Section 75W, the Project has been transitioned to a State Significant Development (SSD-814).

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18. COMPETENT PERSON STATEMENT

18.1 Competent Person Statement

The Exploration Targets for the Pinnacles Mine contained in this announcement are based on, and fairly represents, information compiled by Mr David Larsen who is a Member of The Australian Institute of Geoscientists (MAIG) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Larsen is an Independent Consultant and he consents to the inclusion in the announcement of the Exploration Results and Exploration Targets in the form and context in which they appear.

The Mineral Resource estimate for the Pinnacles Mine contained in this announcement is based on, and fairly represents, information compiled by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion in the report of the Mineral Resource estimate in the form and context in which they appear.

The Mineral Resources for the Rasp Mine contained in this announcement are based on, and fairly represents, information compiled by John Collier, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Collier is the Principal Consultant for Conarco Consulting and was previously employed by CBH Resources as Group Manager – Geology. Mr Collier has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results and Mineral Resources. Mr Collier consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The calculated Metal Equivalents (clause 50 of the JORC Code) for both Pinnacles Mine and Rasp Mine contained in this announcement is based on, and fairly represents, information compiled by Mr David Ward who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ward is a Director of Coolabah Metals Limited and he consents to the inclusion in the report of the Mineral Resource estimate in the form and context in which they appear.

18.2 Forward-Looking Statement

This document may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this document. Subject to any continuing obligations under applicable law, the Company does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions, or circumstances on which any such forward looking statement is based.

-Ends-

The Board of Directors of Coolabah Metals Limited authorised the release of this announcement.

Further information:

Steve Woodham
Chairperson
steve@coolabahmetals.com.au
0417 293 449

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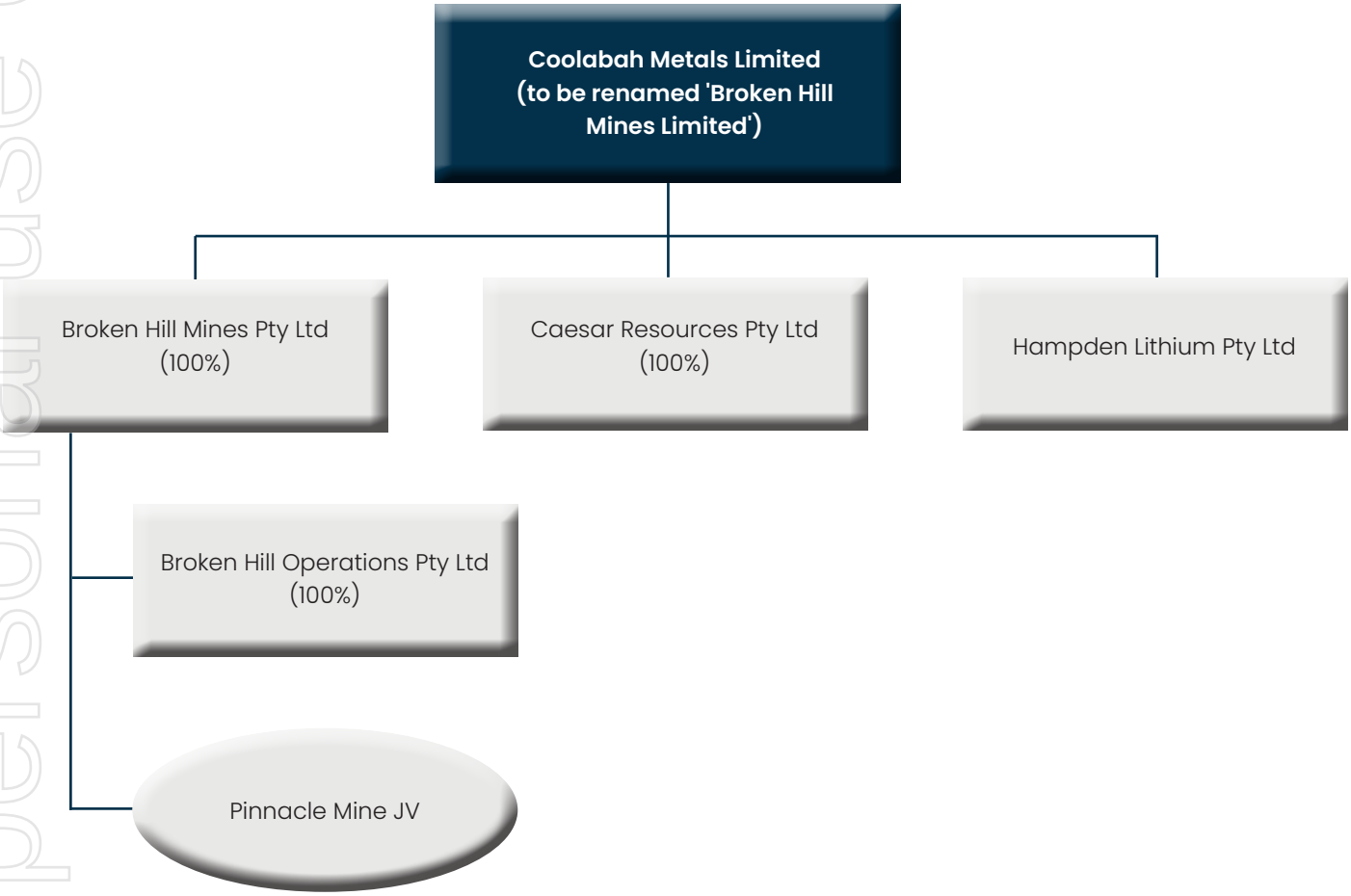
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ANNEXURE 1

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CORPORATE STRUCTURE ON COMPLETION



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ANNEXURE 2

INDICATIVE PRO FORMA BALANCE SHEET

The table below set out the indicative Pro Forma Historical Consolidated Statement of Financial Position of the Company as at 31 December 2023. The Pro Forma Historical Consolidated Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

	Coolabah Metals Limited (31 December 2023)	BHOPL (31 December 2023)	Combined	Pro-Forma Adjustments	Pro-Forma Balance Sheet
Current Assets					
Cash and cash equivalents	2,911,906	24,115	2,936,021	25,815,979	28,752,000
Trade and other receivables (GST)	112,330	6,775,282	6,887,612	(6,775,282)	112,330
Inventories	-	13,106,544	13,106,544	-	13,106,544
Prepayment	45,771	-	45,771	-	45,771
Total Current Assets	**3,070,007**	**19,905,941**	**22,975,948**	**19,040,697**	**42,016,645**
Non-current assets					
Exploration expenditure	2,266,500	-	2,266,500	-	2,266,500
Property, plant and equipment	137,910	12,371,522	12,509,432	-	12,509,432
Other financial asset	-	1,806	1,806	16,943,981	16,945,787
Deferred Tax Assets	-	11,050,133	11,050,133		11,050,133
Total Non-Current Assets	**2,404,410**	**23,423,461**	**25,827,871**	**16,943,981**	**42,771,852**
Total Assets	**5,474,417**	**43,329,402**	**48,803,819**	**35,984,678**	**84,788,497**

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	Coolabah Metals Limited (31 December 2023)	BHOPL (31 December 2023)	Combined	Pro-Forma Adjustments	Pro-Forma Balance Sheet
Liabilities					
Current Liabilities					
Trade and other payables	222,400	8,309,391	8,531,791	(8,309,391)	222,400
Short term borrowings	-	126,240	126,240	-	126,240
Short term provisions	-	7,590,064	7,590,064	–	7,590,064
Total Current Liabilities	**222,400**	**16,025,695**	**16,248,095**	**(8,309,391)**	**7,938,704**
Non-Current Liabilities					
Intercompany loans	-	481,018,094	481,018,094	(481,018,094)	-
Long term provisions	-	17,473,579	17,473,579	-	17,473,579
Long term borrowings	-	20,507	20,507	–	20,507
Deferred tax liabilities	-	14,330,077	14,330,077	–	14,330,077
Total Non-Current Liabilities	**-**	**512,842,257**	**512,842,257**	**(481,018,094)**	**31,824,163**
Total Liabilities	**222,400**	**528,867,952**	**529,090,352**	**(489,327,485)**	**39,762,867**
Net Assets	**5,252,017**	**(485,538,550)**	**(480,286,533)**	**525,312,163**	**45,025,630**
Equity					
Contributed capital	9,173,606	2	9,173,608	7,813,979	16,987,587
Reserves	469,975	-	469,975	36,480,090	36,950,065
Accumulated losses	(4,391,564)	(485,538,552)	(489,930,116)	481,018,094	(8,912,022)
Total Equity	**5,252,017**	**(485,538,550)**	**(480,286,533)**	**525,312,163**	**45,025,630**

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Pro Forma Adjustments:

1. *Cash and cash equivalents has been adjusted net of costs to recognise the effects of the transactions & additional share capital.*
2. *Trade & other receivables and payables have been adjusted to recognise that the BHOPL 31 December 2023 amounts will be the responsibility of CBH Resources in accordance with the BHOPL SPA.*
3. *Intercompany loans are to be forgiven by CBH Resources in accordance with the BHOPL SPA.*
4. *Other financial asset has been increased by $16.9m to reflect the security deposit held for the rehabilitation provision.*

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ANNEXURE 3

JORC Code, 2012 Edition – Table 1 Pinnacles Mine Project

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *The June 2024 Mineral Resource estimate (MRE) is based almost entirely upon geological and assay data from surface and underground diamond drill holes.* • *Some 392 holes (375 of them diamond holes) have been drilled in the area covered by the MRE between 1917 (or earlier) and 2007, for a total of 55,102m. Of those, 203 diamond holes (for 33,308m) were drilled in the period from 2001 to 2007.* • *Of the 392 holes 87 were drilled from underground development in the Consols and Pinnacles area, between 1917 and 1972.* • *A detailed channel sampling program on all available underground level development was undertaken by Pasminco Exploration in 1993- 1994. It utilised a jackhammer to generate 461 samples from 281 channels for 387.3m. The channel sampling was used in the MRE,* • *Core intervals selected for sampling by the site geologist were usually determined through the visual presence of ore minerals, in particular galena or sphalerite, or the occurrence of 'lode rocks' such as garnet quartzite or blue quartz-gahnite lode.* • *Early historical sampling of core was by use of a core splitter rather than a core saw. Sampling of the lodes often involved large single samples rather than numerous smaller samples, the latter of which are better suited for resource modelling. Some of the early historical sampling unfortunately consisted of just sampling the high grade core material with no sampling of low grade or internal waste units.* • *All core generated between 2001 and 2007 and designated for sampling was cut in half along a longitudinal axis by a diamond saw and sampled on site.* • *Drilling and sampling from 1984 to 1998 was undertaken by CRAE and Pasminco Exploration using the standard practices of the time which relied on experienced supervision and only very limited use of standards, blanks and field duplicates. A similar process was utilised by Pinnacle Mines from 2001 to 2006. In 2007 current industry standard practices were introduced by consulting geologists Hellman & Schofield Pty Ltd (H&S).*

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<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>

For most modern drilling core sample intervals were generally based on geological units and range from 0.05 to 14.0 m. Larger intervals were generally reserved for low grade/waste materials.
It should be noted that the amount of historical (pre-1984) drilling for the MRE is relatively minor (36% of the drillholes and only 20% of the total metres) compared to the recent phase(s) of drilling.
The median core sample length is 1.3m, with a mean of 1.54m.

</td></tr>
<tr><td>Drilling techniques</td><td>

Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).

</td><td>

96% of all the holes drilled in the area of the MRE were cored (98% of the total meters drilled). The large majority of those (64%) were drilled since 1984 and 52% since 2001, as tabulated below. Note that not all of these holes may have intersected ore grade mineralisation, but have been used to constrain the model.

<table>
<tr><th>Period</th><th>Company</th><th colspan="2">No of holes</th><th colspan="2">Metres Drilled</th><th>UG</th><th>Surface</th><th>Perc</th><th>RC</th></tr>
<tr><td>pre-1918</td><td>uncertain</td><td>9</td><td>2%</td><td>405</td><td>1%</td><td>6</td><td>3</td><td></td><td></td></tr>
<tr><td>1918-1928</td><td>Junction North (BH) Co.</td><td>25</td><td>6%</td><td>1,104</td><td>2%</td><td>19</td><td>6</td><td></td><td></td></tr>
<tr><td>1935</td><td>Aplite Syndicate</td><td>4</td><td>1%</td><td>565</td><td>1%</td><td>0</td><td>4</td><td></td><td></td></tr>
<tr><td>1946-1964</td><td>Enterprise Exploration</td><td>9</td><td>2%</td><td>3,463</td><td>6%</td><td>0</td><td>9</td><td></td><td></td></tr>
<tr><td>1960</td><td>Pinnacle Mines</td><td>30</td><td>8%</td><td>1,223</td><td>2%</td><td>30</td><td>0</td><td></td><td></td></tr>
<tr><td>1965-1966</td><td>Paul C Teas</td><td>33</td><td>8%</td><td>2,991</td><td>5%</td><td>4</td><td>19</td><td>10</td><td></td></tr>
<tr><td>1971-1972</td><td>Lone Star</td><td>31</td><td>8%</td><td>1,536</td><td>3%</td><td>28</td><td>3</td><td></td><td></td></tr>
<tr><td>1984-1986</td><td>CRAE</td><td>10</td><td>3%</td><td>2,902</td><td>5%</td><td>0</td><td>10</td><td></td><td></td></tr>
<tr><td>1986</td><td>Zinc Corp</td><td>4</td><td>1%</td><td>200</td><td>0%</td><td></td><td></td><td></td><td>4</td></tr>
<tr><td>1993-1998</td><td>Pasminco Exploration</td><td>31</td><td>8%</td><td>7,045</td><td>13%</td><td></td><td>31</td><td></td><td></td></tr>
<tr><td>2001-2007</td><td>Pinnacle Mines</td><td>206</td><td>53%</td><td>33,668</td><td>61%</td><td></td><td>203</td><td>3</td><td></td></tr>
<tr><td></td><td>Total</td><td>392</td><td>100%</td><td>55,102</td><td>100%</td><td>87</td><td>288</td><td>13</td><td>4</td></tr>
</table>

67% of the holes (139 holes) were drilled in the Consols area as a major resource drill out in the period 2004-2007, prior to commencement of mining in the Edwards Pit in late 2007.
A range of core sizes has been utilised, predominantly HQ, NQ and BQ for surface drilling, with the majority being NQ.
There is no record of any drill core being orientated.

</td></tr>
<tr><td>Drill sample recovery</td><td>

Method of recording and assessing core and chip sample recoveries and results assessed.
Measures taken to maximise sample recovery and ensure representative nature of the samples.
Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.

</td><td>

Drill core recoveries were recorded for 126 holes from the 2007 drilling utilising drillers core blocks and rod counts, with an average recovery of 97%. Inspection of existing core from 1984 onwards shows similar recoveries were obtained.
Additional methods to maximise recovery were generally not required due to the historically high core recoveries.
Recoveries within the superficial cover and/or oxidised top 5m from surface average 72%.
There is no evidence for a relationship between sample recovery and metal grades.

</td></tr>
</table>

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Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• *All geological logs were initially handwritten and have utilised a variety of logging systems and are of variable quality. Most logs include detailed descriptions of the lithology, mineralisation and structure, and all holes were logged in their entirety. The geological logging is qualitative in nature.* • *Almost all original logs are retained in the on-site office.* • *Several phases of consistent relogging have been undertaken, notably by Dr. Tim Hopwood (2004-2007) and more recently by Terry Barclay (2021-2022) – relevant for the Exploration Target.* • *Geotechnical logging including structural orientation (core angles) relative to the core axis, core loss, weathering, RQD, was undertaken for most of the 2001-2007 drilling.* • *Overall the geological and geotechnical logging is of a suitable standard to support the MRE.* • *Core photographs are only available for the 2007 drilling.* • *An electronic (MSAccess) database was compiled by H&S in 2006- 2008 for the MRE. This database was carefully reviewed by the Competent Person for the Exploration Results, D Larsen.*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *Historical sampling at least pre-1984 used the split core technique, with no further details provided.* • *For all the 2001-2007 diamond drilling the logging geologist would generate a sample sheet listing all intervals to be sampled and would mark those intervals on the core.* • *The core was cut by core saw using a diamond blade, mostly as half core samples, which were collected into numbered calico bags. All logging, core cutting and sampling was undertaken at the dedicated core yard facility on the mine site.* • *Core intervals required for duplicate analysis or metallurgical testwork had one half cut into quarters. Core for metallurgical testwork was stored temporarily in an onsite freezer.* • *All sample preparation and assaying for the 2001-2007 drilling were undertaken by Amdel Laboratories in Adelaide. Standard sample preparation included drying, jaw crushing and pulverising in a LM5 (to 90% passing 106 microns). A 250g pulp was produced which was further split for subsequent analysis.* • *The sample preparation techniques and sample interval lengths for all drilling since 1984 are generally considered to be appropriate for the style of mineralisation.* • *Rigorous modern industry standard QAQC procedures were only introduced from 2007 and involved field inserted Certified Reference Materials (CRM's), field duplicates and blanks.* • *Analysis of the QAQC data shows a minor under-reporting of base metal grades, however the results are considered to be suitable for use in the MRE. Field duplicates generally indicated a satisfactory level of precision.*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack*	• *Following the sample preparation (at Amdel) a 250g split was then sent for a further split (no details) and multi-acid digest and ICP finish for Pb, Ag, Zn, Cu, Cd, As Fe, Mn, Ni, S, Sb, Co, Bi. A 20g split was sent for a 2 acid digest and fire assay with AAS finish for Au.* • *Pasminco Exploration generally utilised Analabs in Brisbane, for the same suite of elements but with AAS determinations (and fire assay for gold - no information on charge size).*

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Criteria	JORC Code explanation	Commentary
	of bias) and precision have been established.	• *Mineralised intervals from the 1971-1972 surface and underground diamond drilling by Lonestar were resampled in 2004 and assayed at Amdel Laboratories in Adelaide, using the same protocol described above. The original (1971-1972) assay data is incomplete and a comparison with the 2004 assays has not been undertaken. It is uncertain where the earlier assays were undertaken. Most were only analysed for Pb, Ag and Zn, almost certainly using wet chemical methods.* • *The methods used in the assaying are considered partial digest techniques* • *Only assay data (no geophysical data etc) were used in the MRE.* • *Assaying and laboratory procedures from 2001 to 2007 follow industry standard practice. All assays in the database are considered appropriate for the style of mineralisation subject to the MRE.* • *The 2007 QAQC data was reviewed in detail by H&S and shows acceptable levels of accuracy and precision for the CRMs and blanks. However the lack of QAQC data for earlier drilling has an impact on the resource classification.*
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *After initial logging by experienced geologists, most of the drillholes have been inspected by numerous technical consultants, including relogging by very experienced geologists Dr. Tim Hopwood and Terry Barclay. No concerns regarding the verification of significant intersections have been raised.* • *The formal practice of using twinned holes has not been adopted however there are many close spaced holes, particularly at Consols that have been redrilled due to intersecting old workings or drilled in different slightly different orientations. The controls on mineralisation are well understood. As expected, rapid changes in grade and thicknesses are common and measurable due to structural orientation and lithological variation.* • *Almost all primary data, including original handwritten drill logs are stored in the mine site office. No formal procedures exist for data entry and storage. Most data has now been entered onto an electronic database (summary geology only, not the detailed descriptions) which is currently maintained on Microsoft OneDrive. This data has been carefully reviewed and utilised to generate sectional and plan (and 3D) interpretations, adding further layers of verification.* • *All below detection assays were recorded in the database as half the detection limit. Otherwise the original assay data has not been adjusted.*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *All surface drillhole collars have been surveyed by qualified surveyors using a Differential Global Positioning System (DGPS) or optical surveying, both which provide an appropriate level of accuracy.* • *All 2001-2007 collars were initially recorded in the local mine grid termed the Pinnacles Grid. They were subsequently converted to GDA94 (MGA Zone 54) coordinates. Most earlier collars were recorded in AMG and subsequently converted to GDA94 MGA Zone 54 and the Pinnacles Grid. Channel sample locations are presumed to have been located by an Pasminco surveyor.* • *Downhole surveys for the 2001-2007 drilling were done by the Eastman single shot downhole camera at 30m intervals. The historical downhole surveys have been a mixture of etched acid tubes, Tropari and downhole camera – many have collar layout data only. High quality, detailed drone LIDAR topographic survey was undertaken in September 2021. This survey picked out the impacts of the 2007- 2021 mining in the Edwards Pit for the Consols lode.* • *3D models of the old underground workings and stopes are based on digitisation of hardcopy maps retained in the mine site office.*

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Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *There is a wide range of data spacing for the project. For the Consols area most drill sections are spaced at 15m with collars generally at 5- 20m intervals. At Fisher and Pinnacles sections are spaced at 25m intervals and collar spacings vary widely from 5m to over 50m. At Perseverance holes are spaced at 50m along strike with 70m to 200m down dip extent.* • *HSC are of the opinion that geological continuity displayed in the drill hole spacing is appropriate for the Mineral Resource classifications.* • *Sample compositing has not occurred although samples of lengths varying from 0.05 to 14.0m were assayed, generally defined on geological boundaries. In some cases this included single samples for the entire lode width.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *The geometry of the mineralisation is generally complex caused by multiple phases of folding and shearing or faulting.* • *Where possible all efforts are given to drilling orthogonal to the mineralisation, but there are many times where this was not possible. Separate drill orientation patterns for Consols, Fisher/Pinnacles and Perseverance have been established in order to ensure drilling was oriented perpendicular to strike as much as possible.* • *A good understanding of the geological structure and close spaced drilling is a key to minimising sampling bias.*
Sample security	• *The measures taken to ensure sample security.*	• *All sample preparation for the 2001 to 2007 drilling occurred on the Mine property. All core is stored on the Pinnacles mine site in a* • *dedicated core yard. Samples for assay were generally transported directly to the laboratory in Adelaide after being packed within larger, labelled polyweave bags. No specific security methodology to avoid potential sample tampering was employed.* • *No information is available for the earlier drilling.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *H&S completed a review of sampling techniques and data with a site visit in 2007 and a follow up analysis of data in 2008. The 2007 visit resulted in the establishment of a sample handling set of procedures that was then well documented in "SWP exp001 cutting and storing core samples.doc"*

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *Pinnacle Mines Pty Ltd currently holds 100% of 6 contiguous Mineral Leases covering a total area of 142.02 hectares. All six MLs currently have an expiry date of 20 June 2040. Tenement details are tabulated below.*

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<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th>Tenement Number</th><th>Originally Granted</th><th>Latest Renewal</th><th>Expiry</th><th>Area (Ha)</th></tr>
<tr><td>ML870</td><td>27/08/1980</td><td>24/09/2019</td><td>20/06/2040</td><td>29.8</td></tr>
<tr><td>ML4436</td><td>25/05/1938</td><td>1/10/2019</td><td>20/06/2040</td><td>3.29</td></tr>
<tr><td>ML5627</td><td>25/05/1938</td><td>1/10/2019</td><td>20/06/2040</td><td>12.12</td></tr>
<tr><td>ML5835</td><td>16/08/1962</td><td>1/10/2019</td><td>20/06/2040</td><td>32.37</td></tr>
<tr><td>ML5836</td><td>13/08/1962</td><td>1/10/2019</td><td>20/06/2040</td><td>32.17</td></tr>
<tr><td>ML5849</td><td>16/08/1962</td><td>24/09/2019</td><td>20/06/2040</td><td>32.27</td></tr>
<tr><td>Total</td><td></td><td></td><td></td><td>142.02</td></tr>
</table>

Together the tenements are known as the Pinnacles Mine and are located approximately 15km southwest from the city of Broken Hill in Far-Western New South Wales, and only 11km southwest of the southern end of the Broken Hill OreBody.
The area is subject to a Native Title Claim by the Wilyakali Group. Pinnacle Mines has a native title agreement with the Wilyakali for access. An Aboriginal Place was declared on 5/7/1996. The Aboriginal Place impacts part of ML5835 (Middle Pinnacle) and a strip of land adjacent to the eastern boundary of ML5836 and ML 5849. The reservation is restricted to a depth of 200m below surface.
There are no national parks or conservation reserves within or adjacent to the tenement area.
All mining and treatment operations are currently on Care and Maintenance.
All tenements are in good standing.

</td></tr>
<tr><td>Exploration done by other parties</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>

Mining, prospecting and exploration have been conducted at the Pinnacles Mine and surrounding area since 1884, a period of 140 years.
Modern exploration including extensive diamond drilling and geophysics was undertaken under joint venture arrangements, most notably by CRAE in the period 1976-1986 and Pasminco Mining in the period 1992 to 1998. This work was all conducted and recorded in accordance with the typical procedures of the time.
Pinnacle Mines undertook a major resource drill out predominantly on the Consols Limb and exploration drilling on the Perseverance Limb, between 2001 and 2007. Industry standard QA/QC protocols were introduced for drilling from 2007.
No Exploration Results are being reported.
The existing drilling data has been reviewed as detailed in Section 1 and Section 3 and is considered suitable for use in the resource estimation.

</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting and style of mineralisation.</td><td>

The Pinnacles Pb-Ag-Zn-Cu-Au deposit is a stratabound silver rich Broken Hill Type sulphide deposit which lies approximately 15km southwest of the main Broken Hill Lode.
The deposit lies in the Proterozoic rocks of the Broken Hill Block which forms part of the Willyama Supergroup (Stevens et al., 1983; Willis et al.,1983). It is regarded

</td></tr>
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<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>as one of the largest Broken Hill-type orebodies in the area after the Broken Hill deposit itself.
• Regionally the Pinnacles lodes are considered to lie stratigraphically below the main Broken Hill orebodies, hosted by the Cues Formation of the Thackaringa Group. The sequence is characterised by a set of upright southeast plunging folds and a series of subvertical retrograde shear zones.
• The stratigraphy of the Pinnacles Mine Area comprises multiple lode horizons comprising garnet quartzite, blue quartz gahnite lode, pyritic biotite garnet lode, and magnetic iron formation (mif). All of these lodes are Pb, Zn, Ag, Cu and Au bearing. The lode horizons are hosted in intermediate composition sillimanite rich gneisses, quartzitic gneisses, and felspathic gneisses. Albite gneiss, amphibolite and granite gneiss occur as distinctive stratigraphic marker units.
• Ore grade mineralisation occurs as up to seven distinct stratabound lodes, dominated by Main Lead Lode (MLL) which was the focus for previous mining in the Consols and Pinnacles areas (refer to report for further details).
• Four main areas of mineralisation are currently recognised: Consols, Fisher, Pinnacles and Perseverance. These represent an essentially
• 1.3km long contiguous sequence of mineralised lodes partly separated by shear zones and folding.</td></tr>
<tr><td>Drill hole Information</td><td>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
o easting and northing of the drill hole collar
o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
o dip and azimuth of the hole
o down hole length and interception depth
o hole length.
• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</td><td>• This report relates to a Mineral Resource Estimate and no exploration results are being reported.
• A full listing of all of the drillholes is not considered to be Material as Exploration Results are not being reported.
• 53% of all drilling (206 holes) has been undertaken by the current mine owner in the period from 2001 to 2007 (see table below).

<table>
<tr><th>Year</th><th colspan="2">No. of Holes</th><th colspan="2">Metres Drilled</th><th colspan="4">Hole in each Location</th></tr>
<tr><th></th><th>Total No.</th><th>Percentage</th><th>Metres</th><th>Percentage</th><th>Consols</th><th>Fisher</th><th>Pinnacles</th><th>Perseverance</th></tr>
<tr><td>2001</td><td>8</td><td>4%</td><td>2593.7</td><td>8%</td><td></td><td>8</td><td></td><td></td></tr>
<tr><td>2002</td><td>0</td><td>0%</td><td>0</td><td>0%</td><td></td><td></td><td></td><td></td></tr>
<tr><td>2003</td><td>6</td><td>3%</td><td>1394.7</td><td>4%</td><td></td><td></td><td>5</td><td>1</td></tr>
<tr><td>2004</td><td>1</td><td>0%</td><td>203.4</td><td>1%</td><td>1</td><td></td><td></td><td></td></tr>
<tr><td>2004</td><td>6</td><td>3%</td><td>503</td><td>1%</td><td></td><td></td><td></td><td>6</td></tr>
<tr><td>2004</td><td>33</td><td>16%</td><td>2285</td><td>7%</td><td>33</td><td></td><td></td><td></td></tr>
<tr><td>2005</td><td>0</td><td>0%</td><td>0</td><td>0%</td><td></td><td></td><td></td><td></td></tr>
<tr><td>2006</td><td>13</td><td>6%</td><td>5054.1</td><td>15%</td><td></td><td>1</td><td></td><td>12</td></tr>
<tr><td>2006</td><td>34</td><td>17%</td><td>2428.3</td><td>7%</td><td>34</td><td></td><td></td><td></td></tr>
<tr><td>2007</td><td>31</td><td>15%</td><td>8650.6</td><td>26%</td><td>2</td><td>19</td><td></td><td>10</td></tr>
<tr><td>2007</td><td>71</td><td>34%</td><td>10195.4</td><td>30%</td><td>71</td><td></td><td></td><td></td></tr>
<tr><td>2007</td><td>3</td><td>1%</td><td>360</td><td>1%</td><td></td><td></td><td></td><td>3</td></tr>
<tr><td>2001-2007</td><td>206</td><td></td><td>33668.2</td><td></td><td>141</td><td>28</td><td>5</td><td>32</td></tr>
</table>

• 102 of those diamond holes (27% of all diamond holes in the area covered by the MRE) were drilled in 2007, when H&S had introduced procedures representing industry best practice.</td></tr>
<tr><td>Data aggregation methods</td><td>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</td><td>• Exploration Results not being reported</td></tr>
</table>

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Criteria	JORC Code explanation	Commentary
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• *Exploration Results not being reported.* • *All drillhole intercepts are recorded as downhole lengths. The geometry of the mineralisation at times is extremely complex caused by multiple phases of folding and shearing or faulting.*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of* • *drill hole collar locations and appropriate sectional views.*	• *Exploration Results not being reported*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of* • *Exploration Results.*	• *Exploration Results not being reported*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *In 1993-1994 Pasminco Exploration undertook a detailed channel sampling program on all available underground level development, utilising a jack hammer to generate 260 samples.* • *In 1993 Pasminco Exploration commissioned a high definition ground magnetic survey over the entire tenement area.* • *Sporadic excavation and geological mapping and sampling of costeans (trenches) culminated with a detailed surface mapping and sampling program by consultant Dr Tim Hopwood from 2004 to 2007.* • *Hopwood also produced detailed geological maps of all four main levels of underground development for Pasminco in 1993.*
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Infill drilling to upgrade the classification of the Mineral Resources.* • *Exploration drilling to extend the Mineral Resources to the south and north.* • *Complete the overhaul of the drilling database.* • *Undertake Scoping/Feasibility studies.* • *Refer to accompanying report for diagrams.*

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	• *PMPL supplied the drillhole data for the deposit, which H&S accepted at the time in good faith as an accurate, reliable and complete representation of the available data. HSC reaffirm this acceptance.*

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Criteria	JORC Code explanation	Commentary
	• *Data validation procedures used.*	• *All drilling information was supplied to H&S in a digital format by PMPL in 2007/8 as Excel and Word files. The data was compiled into a simple MSAccess database with indexed fields, which was maintained by H&S. Data for interpretive and resource estimation purposes was extracted from the database using a live link to the Surpac software. A series of queries by H&S removed many data entry errors, typos etc from the database.* • *PMPL had a data checking system whereby hardcopy collar, downhole surveys and assay data were entered into a set of Excel worksheets by office staff which was then checked off against the hardcopy data by experienced minesite personnel. Assay data was supplied as digital files by the laboratory which were loaded into the worksheet and were also hand-checked off against the cut sheet by mine staff. BHM are taking responsibility for all the Exploration Results used in the resource estimates being reported in this document.* • *Limited database checks completed by H&S included checking for duplicate entries, unusual assay values and missing data. Additional error checking was made using the Surpac database audit option for incorrect hole depth, sample/ logging overlaps and missing downhole surveys. Minor amounts of missing data within the mineral wireframes or unsampled mineral zones were left blank on advice from PMPL.* • *There has been no validation of the historical geological data supplied by Hopwood.* • *HSC's assessment of the data confirms that it is suitable for resource estimation purposes.* • *Collar coordinates were in the Pinnacles Mine local grid.*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *Simon Tear of H&S visited the property for 4 days in 2007. The visit included inspection of drillcore and assay results along with discussions with PMPL personnel and the establishment of industry* • *standard core handling procedures.*
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• *The geological package related to mineralisation demonstrates considerable continuity and is the backdrop to the individual stratabound lode interpretations. The mineralised package consists of the Upper Lodes, separated by about 80m of barren material, from the Lower Lodes. The Upper Lodes comprise a 50m thick package containing the Siliceous Lead Lode (SLL), the Main Lead Lode (MLL), Immediate Footwall Zinc Lode (IFWZL) and the Main Zinc Lode (MZL) and the Main Zinc Lode B (MZLB). The Lower Lodes' package is also 50m thick and comprises the Lower Zinc Lode A (LZLA) and the Lower Zinc Lode B (LZLB) along with other smaller mineral lodes.* • *The lode interpretations are based on 15m spaced section lines for Consols, 25m spacing for Fisher and Pinnacles and 50m spaced sections for Perseverance. Digitisation of the shapes involved snapping to drillholes on the assay grade dividers or on logged lithology if no assays present. A 1% zinc or lead cut off was used with an allowance for minor internal dilution (generally <2m) on condition it made geological sense. The excellent underground mapping by Hopwood was also used to guide the design of the mineral lodes. In some minor instances the gold assays were used to aid the* • *interpretation particularly for the zinc lodes, which tend to be more gold-rich.* • *The lodes have visually discernible contacts and sometimes are more diffuse.*

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<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>• The chosen grade threshold was used in an effort to establish geologically sensible domains and take into account the likelihood of an open pit method of extraction. The mineralisation has relatively sharp boundaries that are visually discernible. The wireframes were used as constraints for the composite selection and grade interpolation.
• No oxidation surfaces were interpreted, mainly due to a lack of data and a lack of penetrative oxidation impacting the lodes. The recent Consols mining directly shipped any oxidised material to the Port Pirie Smelter to be used as a flux.
• The existing interpretation honours all the available data; an alternative interpretation is unlikely to have a significant impact on the
• resource estimates.</td></tr>
<tr><td>Dimensions</td><td>• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</td><td>• The strike and dip are plan measurements on account of the complexity of the folding, dipping beds and the depth is vertical depth below surface. Consols, Fisher and Pinnacles are exposed at surface. The top to Perseverance is approximately 30m below surface.
• Estimated dip lengths to account for the folding suggest lode continuity for the MLL and MZL to be of the order of 1.3km.
<table>
<tr><th>Deposit</th><th>Strike (m)</th><th>Dip (m)</th><th>Depth (m)</th></tr>
<tr><td>Consols</td><td>300</td><td>140</td><td>275</td></tr>
<tr><td>Fisher</td><td>225</td><td>190</td><td>310</td></tr>
<tr><td>Pinnacles</td><td>110-190</td><td>50-100</td><td>180</td></tr>
<tr><td>Perseverance</td><td>180</td><td>450</td><td>510</td></tr>
</table></td></tr>
<tr><td>Estimation and modelling techniques</td><td>• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.
• The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.
• The assumptions made regarding recovery of by-products.
• Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).
• In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.
• Any assumptions behind modelling of selective mining units.
• Any assumptions about correlation between variables.
• Description of how the geological interpretation was used to control the resource estimates.
• Discussion of basis for using or not using grade cutting or capping.
• The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</td><td>• Surpac mining software was used for the geological interpretation, composite generation, block model creation and validation. Ordinary Kriging (“OK”) via the FSSI (Australia) GS3M software was used for the variography and grade interpolation with the mineral wireframes acting as hard boundaries.
• HSC considers OK to be an appropriate estimation technique for this type of mineralisation based on observations made on the drilling data and the outcomes from the summary statistical analysis for the composite data. In some instances there is insufficient data for OK in which case the Inverse Distance Squared method (“ID2”) in the Surpac software was used.
• Compositing of the drillhole samples was at 1m intervals from within the mineral wireframes. The residual composite lengths were limited to a minimum of 0.2 to 0.3m (depending on the dataset) and shorter intervals were discarded. The number of data points for all lodes is considered small, except for the MLL and MZL at Consuls.
• In some cases, the number of data points for individual lodes was very low and barely sufficient for meaningful data analysis and modelling. Another problem was the variable thickness of the lodes which hindered the production of sensible outcomes from the variogram modelling work, particularly on grade continuity. In other instances overlong sample intervals, including weighted average composites, impacted negatively on the modelling.</td></tr>
</table>

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Criteria	JORC Code explanation	Commentary

- *Basic statistics for the lodes mostly indicated single lognormal populations for lead, silver, copper and gold. However it was observed that there appeared to be two populations for the zinc mineralisation for most of the lodes. It is unclear as to why this is the case but for the purposes of resource estimation the zinc data has been treated as a single population for each lode.*
- *No grade top cutting was applied to the base metals and silver. The coefficients of variation (standard deviation/mean) for the relevant composite datasets suggest that the data is not sufficiently skewed or unstructured to warrant top cutting. Gold grades for the different lodes exhibited more variance often with one or two extreme values having a disproportionate effect on the summary statistics. Variable top cuts in the range of 3 to 10g/t were applied to selected Consols, Fisher and Pinnacles lodes but was not considered necessary for the Perseverance lodes.*
- *Geostatistical studies were undertaken for zinc, lead, silver, copper*
- *and where appropriate, gold. 3D variography on the composites was performed for the various lodes with grade continuity being interpreted as weak to moderate in all three orthogonal directions. This poor continuity appears to reflect the nature of Broken Hill type deposits as noted by Lines et al (1987) "At the stope scale the ore lenses at ZC Mines are notable for the erratic nature of the internal grade variation from zero to as high as 40% Pb+Zn".*
- *Separate block models were created for each deposit with varying parent block sizes but with no sub-blocking. Block size was related to the areas of closer spaced drilling and likely open pit mining scenarios. Details of block sizes are included in the table below.*

Deposit	X (m)	Y (m)	Z (m)
Consuls	5	2.5	5
Fisher	25	5	5
Pinnacles	10	5	5
Perseverance	25	5	5

- *For the grade interpolation, a single search ellipsoid was designed for each deposit to reflect the interpreted lode's geological continuity, orientation and the data distribution. This meant that different search ellipses were applied to all the lodes (see table below). The maximum extrapolation of the estimates is the Pass 3 search dimensions unless curtailed by the wireframe hard boundary.*

Consuls	Pass No.1	Pass No.2	Pass No.3
X	20m	30m	30m
Y	20m	30m	30m
Z	10m	15m	15m
Min Data	12	12	6

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Criteria	JORC Code explanation	Commentary

Max Data	32	32	32
Octants	4	4	2
Fisher	**Pass No.1**	**Pass No.2**	**Pass No.3**
X	37.5m	50m	50m
Y	25m	33m	33m
Z	10m	15m	15m
Min Data	12	12	6
Max Data	32	32	32
Octants	4	4	2
Pinnacles	**Pass No.1**	**Pass No.2**	**Pass No.3**
X	25m	37.5m	37.5m
Y	25m	37.5m	37.5m
Z	10m	15m	15m
Min Data	12	12	6
Max Data	32	32	32
Octants	4	4	2
Perseverance	**Pass No.1**	**Pass No.2**	**Pass No.3**
X	100m	200m	200m
Y	50m	100m	100m
Z	10m	20m	20m
Min Data	6	6	3
Max Data	32	32	32
Octants	2	2	1

- *To account for the significant change in dip and strike for the Fisher lodes two search sub-domains were used based on changing orientations of the same search ellipse, for Pinnacles the same search ellipse with of different orientations was used and for Perseverance two search orientations for the same search ellipse were used, reflecting a change in dip.*
- *No separation on oxidation level was considered due to the relatively shallow weathering and its limited impact on the mineralisation plus the low composite sample numbers.*

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Criteria	JORC Code explanation	Commentary
		• *It is assumed that gold and silver will be by-products via conventional processing techniques for base metal deposits. It is uncertain if the low grade copper mineralisation will be recovered.* • *No assessment has been made for deleterious elements and no waste rock characterisation has been completed.* • *A strong correlation between lead and silver is consistent for all lodes.* • *Occasionally there is a weak correlation between lead and gold and lead and zinc in certain lodes. The Lower zinc lodes tend to be more gold-rich.* • *Drillhole spacing for Consols was 15m by 15m, for Fisher the spacing was 25m on section and 50m between sections with the occasional clustering of mainly underground data. At the Pinnacles the drillhole spacing was quite varied between 10 and 50m both along section and between sections. At Perseverance the drillhole spacing was 50m by 200m with an occasional infill hole on section as well as between sections. Downhole sampling in all cases was generally at 1m intervals but in some instances the sampling consisted of one sample covering the whole mineral interval i.e. 4-5m, even up to 14m.* • *Model validation has consisted of visual comparison of block grades and composite values and it was concluded that the block model fairly represents the zinc, lead and silver grades observed in the drill holes. HSC also validated the block model statistically using a variety of cumulative histograms and summary statistics. Validation confirmed the modelling strategy as acceptable with no significant issues.* • *Since 1993 there have been five tonnage calculations related to a potential open cut resource at Consols and in the immediate vicinity of the Pinnacles Mine. The figures are not directly comparable to the results of this report as the source data is different with additional holes and new wireframe interpretations not previously available. It is also not clear what details formed the basis of the previous estimates eg cut-off grades etc.* • *Previous mining has occurred at the Consols, Fisher and Pinnacles prospects but mainly for the lead lodes. There are various production figures which do not seem to match what would be indicated from the new block models and so reconciliation is not possible. However, depletion was applied to the Mineral Resources based on block centroids for the respective lode being inside the 3D stopes and development drives. Although the stopes have been backfilled, there is no allowance for this fill material in the MRE, i.e., the voids are assumed to be empty. Depletion for the Edwards pit mining has also been excluded from MRE.*
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• *Tonnages are estimated on a dry weight basis and moisture content has not been determined.*
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• *The intention is mine the deposits by both open pit and underground methods. A nominal pit with a floor at 175mRL has been designed by PMPL; this is approximately 80m below the general ground surface and 40m below the base of the Edwards Pit.* • *The reported open pit Mineral Resources for Consols, Fisher and Pinnacles are constrained to the mineral wireframe using the block centroid in/out method. The mineral wireframes have a nominal cut- off grade of 1% zinc (or lead). The 1% Zn (or Pb) cut-off grade was advised by PMPL based on its previous mining experience.*

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<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>

A cut off grade of 4% combined Pb+Zn has been used for the underground resources at Consols, Fisher, Pinnacle and Perseverance. The cut-off grade is applied to the centroids on an in/out basis with respect to the mineral wireframe. This cut-off grade was advised by BHM and is based on a similar cut-off grade used by the Rasp mine in Broken Hill itself.
A zinc equivalent grade is reported with the Mineral Resources using the equation Zn% + (Pb%*0.754717) + (Agppm*0.02792) with the following metal price and recovery assumptions:

<table>
<tr><th>Metal</th><th>Price $</th><th>Recovery %</th></tr>
<tr><td>Zn</td><td>2650/t</td><td>88</td></tr>
<tr><td>Pb</td><td>2000/t</td><td>88</td></tr>
<tr><td>Ag</td><td>27/oz</td><td>75</td></tr>
</table>
</td></tr>
<tr><td>Mining factors or assumptions</td><td>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</td><td>Mining and processing at the Pinnacles Mine has been undertaken intermittently since 1884. Most recently mining of oxidised and fresh ore from Edwards Pit began in late 2007 through to 2022 when it was placed on care and maintenance. Mining was conducted using traditional small scale open pit drill and blast method at a rate of about 10,000t per month in oxide ore, reduced to 2,000-3,000t per month in fresh ore.
Historically underground mining focusing on very high grade (silver rich) lead lode, was undertaken on the Consols and Fisher/Pinnacles lodes.
For the current MRE both open pit and underground mine scenarios are being considered. Ore material would be trucked to a ROM pad for subsequent on-site processing using industry standard technologies in line with recent and historic mining.
The model block sizes for the different deposits are effectively the minimum mining dimension for this estimate. Any internal dilution has been factored in with the modelling and as such is appropriate to the block size but excludes external dilution and mining losses.
There are suitable areas for ROM pad and tailings dam construction within the general vicinity of the mine.</td></tr>
<tr><td>Metallurgical factors or assumptions</td><td>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</td><td>During the mining of Edwards Pit (Consols lode) from late 2007 oxide ore (generally to about 20m below surface) was direct shipped to the Port Pirie smelter for use as flux.
Fresh ore was processed on site in a floatation plant to produce Pb (- Ag) and Zn concentrates which were sold to different smelters in Australia and overseas. The recent mining is considered representative of the historic mining.
The above points with supporting metallurgical testwork show that the ore recovery is typically 88% Pb and 75% Ag (to the Pb concentrate), and 88% Zn to the Zn concentrate. Although most of the work to date is based on the Consols lode, the results are applicable to all other zones based on their identical stratigraphy and mineralogy.</td></tr>
<tr><td>Environmental factors or assumptions</td><td>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this</td><td>The area comprises undulating hills with broad ephemeral water courses with no large river systems passing through the area. Climate is semi-arid consistent with other areas in remote western NSW, where annual rainfall is low. Vegetation is sparse and the current land use is open range cattle/sheep grazing.</td></tr>
</table>

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Criteria	JORC Code explanation	Commentary
	stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• *The mineralisation includes very limited amounts of pyrite and pyrrhotite. Preliminary testwork has shown that waste material is not acid producing and many of the unmineralised host rocks have acid neutralising capacity. Additional testwork is strongly recommended as mining extends deeper into fresh rock.* • *It is currently assumed that all process residue and waste rock disposal will take place on site in purpose built and licensed facilities.* • *All waste rock and process residue disposal will be done in a responsible manner and in accordance with any mining license conditions.*
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• *Historically the collection of density data was not undertaken. From 2007 PMPL had in place a systematic process for collecting densities that produced 6,212 half core samples for 6,852m of core, average sample length 1.1m, using the immersion in water technique of (weight in air) / (weight in air-weight in water method) – the Archimedes Principle.* • *Density for the block model was modelled for Consols, Pinnacles and Perseverance using the density sample data with the ID2 method and search parameters that matched the geology for the relevant area. A lack of data for the Fisher lodes resulted in a default density of* • *3.15t/m3 being applied.* • *There is also a substantial amount of waste rock densities which were used in the ID2 modelling.* • *The majority of fresh rock material was competent core with little to no visible vugs.* • *No separation was made for oxide and fresh rock zones.*
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• *The Mineral Resources have been classified using the estimation search pass category subject to assessment of other impacting factors such as sample type, drillhole spacing (variography), core handling and sampling procedures, sample recoveries, QAQC outcomes, density measurements and the geological model.* • *It is assumed that the deposits will be mined either by open pit method and/or underground.* • *There are a number of blocks within each wireframe where the estimation failed to assign a grade. This is due to a lack of data associated with the search ellipse within an individual lode shape. For the resource reporting these blocks are allocated the average grade of the deposit estimated from the grade interpolation and are allocated to the Inferred Category.*
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• *There have been no audits or reviews of the Mineral Resource estimates. H&S had an internal peer review process which reviewed the Mineral Resources in 2008.*
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical*	• *No statistical or geostatistical procedures were used to quantify the relative accuracy of the resource. The MRE is considered to be accurate globally, but there is some uncertainty in the local estimates due to the current drillhole spacing and local geological complexities.* • *The relative accuracy and confidence level in the MRE is considered to be in line with the generally accepted accuracy and confidence of the nominated Mineral Resource categories. This has been determined on a qualitative, rather than quantitative, basis, and is based on the Competent Person's experience with similar deposits and geology.*

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Criteria	JORC Code explanation	Commentary
	and economic evaluation. Documentation should include assumptions made and the procedures used. • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Block model validation via visual block grade/composite value and statistical analysis has not indicated any issues. • As advised by PMPL significant historical mining of the Consols and Pinnacles deposits has taken place but the voids have been backfilled with mined or processed material that generally is of a higher grade than the original production material. The MRE does not include any fill in the voids. Recent mining by PMPL appears to have extracted a significant amount of Measured Resource from the Consols MLL but no production data is available for comparison.

JORC Code, 2012 Edition – Table 2 Rasp Mine

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The January 2024 Mineral Resource estimate is upon geological and assay data from surface and underground diamond drill holes.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Sample intervals were based upon geological logging and generally ranged from 0.3 to 1.3m with the majority of samples being approximately 1m intervals. Where the holes were orientated, the right hand side of the core was used, for non-orientated holes, the core was orientated using the fabric of the rock unit such that it was orientated from top-right to bottom-left.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	The mineralised zones of the drillholes were geologically (and geotechnically) logged, photographed, sampled and cut with ½ core samples submitted to the laboratory for analysis. Samples were oven dried, crushed, pulverised and analysed for base metals using either a four acid digest followed by an AAS or ICP-OES finish
Drilling techniques	*Drill type (eg core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Although some RC holes have been drilled, all holes used in the Mineral Resource estimate were diamond holes. Holes drilled from surface generally have a HQ pre-collar through the weathered rock and changed to NQ when fresh rock was encountered. This was generally between 60 – 80m. HQ pre-collars were longer when wedges were required. Holes drilled from underground were all NQ size holes. With exception of infill underground holes, areas of known poor ground conditions or where there was possibility of intersecting historic workings, most holes orientated using Reflex ACT 111TM digital core orientation system. The bottom of hole was marked as reference for taking structural measurements. Only reliable measurements were used.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Actual recoveries from diamond drilling were not measured, however visual reviews of the recovery shows no problems were identified.

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Criteria	JORC Code explanation	
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	All core was routinely checked by the logging geologist using core blocks and rod counts to determine the depth. There were no major issues.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Diamond drill core from this deposit generally has a high recovery. Information from the diamond drilling does not suggest that there is a correlation between recoveries and grade with data supported reconciliation.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	All holes were logged in detail for a combination of geological and geotechnical attributes to appropriate stands to support a Mineral Resource.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	All holes were field logged by Rasp Mine geologists or specialised contractors. Lithology, mineralisation, structure, geotech and alteration information were recorded. All holes were photographed and stored on site servers.
	The total length and percentage of the relevant intersections logged.	The total length of all holes was logged in detail.
Sub- sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Diamond drill core was ½ split using a core saw and generally sampled at 0.3 to 1.3m intervals within defined geological (mineralised) boundaries.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	N/A - All samples within the Mineral Resource were diamond holes
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All sampling procedures for the Rasp Mine drilling had been reviewed are considered to be of a high standard and is considered appropriate for a Mineral Resource.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Quality control standards, blanks and duplicates are routinely included with the drilling samples: • Insertion of a reference sample (commercial batch standards) for every 25 samples; • Insertion of a blank every 20 samples and at the end of every hole submitted, • Pulp repeats sent to umpire laboratory.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Although not routine, duplicate and second half (1/4 core) sampling has occurred.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes ranged from 0.3m to 1.3m and is considered appropriate for the style of mineralisation.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The laboratory analysis used a four acid digest followed by an AAS or ICP-OES finish which is considered to approach total dissolution therefore reporting total values.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Only assays were used in the Mineral Resource estimate.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Standards were submitted every 25 samples and blanks were submitted every 20 samples and at the end of each batch as per rasp procedures. If two or more consecutive standards fail outside of +/- 3 standard deviations, then the whole batch is re-assayed. This includes re-insertion of standards and blanks within the batch. If only one standard fails and the others pass, then 5 samples from either side of the failed standard are re-assayed as well as inserting another standard.

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Criteria	JORC Code explanation	
		Although conducted a number of years ago, an external laboratory check showed there were no issues. It is recommended that this occurs more regularly. Over the last years, the analysis of the QAQC data has waned. It is recommended that formal reports commence again. A review of standard ST14 has identified anomalous values over a two month period where a number of batches (not all) fell outside the 3 standard deviations. This was not identified at the time and the samples have been used in the MRE. A study identified that the inclusion of the samples would not be material to the global MRE however should be removed from future estimates.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	This has not been a formal process however the number of site personal as well as experienced contractors and consultants have reviewed the core from time to time.
	The use of twinned holes.	The formal practice of using twinned holes has not been adopted however there are some holes that have been drilled in different orientations. Due to being a producing mine, the controls on mineralisation are well understood and this method is not considered material.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	The data was logged onto paper or straight into a logging template using a laptop computer. The logging template has some validations to reduce the likelihood of transcribing errors. Once data is transferred to the Rasp servers it is backed up at regular intervals.
	Discuss any adjustment to assay data.	No adjustments to the data has been made.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	The collars of all surface holes have been picked up by Rasp's survey team using a DGPS. Collars of all underground holes have been picked up using a total station. The majority of downhole surveys have used Reflex EZ-TRACTM. These surveys also measure the magnetic field during the surface. Surveys with anomalous readings were excluded. Several holes have re-surveyed using a gyroscopic tool. Although minor differences were recorded, these were not considered material and the survey tool is considered appropriate for the style of deposit. Underground workings are also surveyed using a total station with stoping surveyed by a CMS with both methods considered accurate and appropriate. Historical workings have been digitised by a number of personal over the lifeof the project. These have been validated by the survey team, generally using known points such as shafts. It is recognised that some areas are less accurate, there are updated / adjusted as necessary and are generally not in the area where mining is taking place.
	Specification of the grid system used.	Data is captured using GDA94 and converted to mine grid.
	Quality and adequacy of topographic control.	Topographical control is considered very good. The topography has been surveyed using known data points as well photogrammetry techniques.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	There is a wide range of data spacing for the project.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The data spacing is considered appropriate to define Mineral Resources. In areas where the geological complexity is high, drill spacing may be as low as 10m. Drill spacing is also considered when defining Measured, Indicated and Inferred Resources.

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Criteria	JORC Code explanation	
	Whether sample compositing has been applied.	Sample compositing has not occurred however compositing of the assays has been applied for the Mineral Resource estimate.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	At the Rasp Mine, the Main Lode mineralisation is structurally very complex with at least 3 episodes of folding and many more of shearing / faulting. Therefore, although all efforts are given to drill orthogonal to the mineralisation, there are at times where this is not possible. Although a formal review has not been completed, this is not considered material.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	At the Rasp Mine, the Main Lode mineralisation is structurally very complex with at least 3 episodes of folding and many more of shearing / faulting. Therefore, although all efforts are given to drill orthogonal to the mineralisation, there are at times where this is not possible. Although a formal review has not been completed, this is not considered material.
Sample security	*The measures taken to ensure sample security.*	Drill core samples taken from underground are stored on the mining lease (secure) before and after sample preparation. Some surface holes, although still collared on the mining lease, are outside the fenced secured area. A locked fence is erected around each drill site and core is taken to the core yard facility at the end of each shift.
Audits or reviews	*The results of any audits or reviews of sampling techniques*	Several reviews have been completed over the life of the project including Zilloc Ltd, RLC and Conarco Consulting. No material issues shave been identified.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	BHOP holds 100% of the Rasp Mine project encompassing CML7 and the surrounding Exploration License EL5818. A royalty exists over CML7 which is calculated as 4% of net revenue minus up to 30% of extraction / processing costs and depreciation. CML7 also many surface exclusion zones and native title which is best described in Appendix 9.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	All tenements are in good standing.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Exploration and mining have been conducted over CML7 or its previous mining leases for over 130 years.
Geology	*Deposit type, geological setting and style of mineralisation.*	Mineralisation at Broken Hill has since become synonymous with its own style of mineralisation found throughout the world. Details of the local geology can be found in section 2 of this report.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole*	A complete list of all holes used for the MRE is not considered material. Modern drilling of the Rasp Mine commenced in early 2000's with mining commissioned in 2012. Since this time there has been many thousands of drill holes completed for the purposes of exploration, resource extension and grade control.

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Criteria	JORC Code explanation	
	o *down hole length and interception depth* o *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/ or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	No exploration results have been reported.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	The exploration data has not been aggregated
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents have been used.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	All exploration is reported as down-hole lengths. The geometry of mineralisation at times is extremely complex caused by at lease three periods of folding and many more of shearing / faulting.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	The appropriate descriptions of each mineralised zone and diagrams are included in this report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Exploration results have not been reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Exploration results have not been reported and this is not considered material since Rasp Mine is an operating mine.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Exploration at the Rasp Mine is continuing to test for unmined areas within the Main Line of Lode as well as extensions at depth. Drill testing is also planned to extend the northing and southern extremities of the Western Mineralisation. It is recommended that further work be carried out to test for the appropriateness of density values and also a review of the QAQC data.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Diagrams are included in this report.

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Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	The Rasp database is stored in Datashed™ which was controlled by a dedicated database geologist until 2020. Drill data is subjected to validation before being imported into the database.
	Data validation procedures used.	Data validation is under guidance of Rasp internal procedures.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.*	John Collier from Conarco Consulting, acting as Competent Person, was employed by CBH between 2018 and 2022 as Group Manager – Geology and also between 2001 to 2003 as an exploration geologist. Therefore he has spent much time on site.
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	The geological interpretation is based on geological and structural logging which is supported by underground geological mapping when available. Therefore, there is high confidence with the interpretation. Areas of greater uncertainty, especially with respect to the location of historic workings, have been assigned the appropriate Mineral Resource classification.
	Nature of the data used and of any assumptions made.	Geological mapping and drilling have confirmed clear geological structure resulting in generally continuous, robust wireframes.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	The deposit is comprised of multiple ore lenses. Minor variations may occur but is not considered material and in most cases has been validated by underground mapping.
	The use of geology in guiding and controlling Mineral Resource estimation.	The use of geological information obtained from drill core logging was paramount to the creation of ore domains.
	The factors affecting continuity both of grade and geology.	The majority of the orebody comprises relatively low variation of grade, although the tenor of mineralisation can vary from zone to zone.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The Western Mineralisation extends for approximately 2,000m between 1000mN and 3000mN local mine grid. Down dip, the mineralisation extends for ~250m and is between 3 – 20m wide. The width of the mineralisation is controlled by separate lode systems where at times are proximal to each other. The other zones are highly variable with respect to their dimensions and location within the 4.5km long mining lease CML7.
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	The Mineral Resource estimation was compiled using Maptek's VulcanTM software. The grade estimation used a combination of ordinary kriging (OK) and inverse distance weighted (IDW) techniques. The use of each technique was primarily dependant on the quality of the variogram which was usually the result of small sample sizes. For each zone, an assessment on the appropriate composite length was made. This resulted in all domains being composited to 1m with exception to Wilson where a 0.7m composite and British zone where a 0.6m composite were applied. For each domain, an assessment of outlier (extreme) metals grades was evaluated. Top cuts were applied where necessary and listed in this report. The estimate used a three-pass system where the first pass was 1/3 range of the variogram for that domain, the second and third passes used the range of the variogram. The minimum / maximum samples were determined from a kriging neighbourhood analysis resulting in the first and second passes using between 8

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Criteria	JORC Code explanation	
		and 24 samples with a maximum of 4 samples from any hole. The third pass used between 2 and 8 samples (no limit per hole). All blocks estimated from the third pass were designated as Inferred Resources. The orientation of the search pass were determined from the attitude of each domain and also the variography.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	To date, previous Mineral Resource estimates have reconciled well to production data.
	The assumptions made regarding recovery of by- products.	No assumptions have been made regarding recovery of by-products. The model contains estimated values for lead, zinc and silver.
	Estimation of deleterious elements or other non- grade variables of economic significance (eg sulphur for acid mine drainage characterisation).	No deleterious elements have been estimated.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	A kriging neighbourhood analysis resulted in an optimum block size of 4 mE x 10 mN x 10 mRL. To better define the boundaries against the edge of the domain wireframes a sub-block size 1 mE x 1 mN x 1 mRL was used. In domains where there is larger separation between drillholes, such as the Centenary Mineralisation, larger block sizes where used.
	Any assumptions behind modelling of selective mining units.	Modelling selective mining units was not used as a nominal 4% lead+zinc was used. The rationale for this approach is that there are many examples of narrow but high-grade intercepts and although these are narrower the minimum mining width they are still economic once planned dilution is taken into account.
	Any assumptions about correlation between variables.	There is a strong correlation between lead and silver for all domains. There is a moderate correlation between lead and zinc.
	Description of how the geological interpretation was used to control the resource estimates.	The estimation used a hard boundary approach whereby only samples within each domain where used to estimate that domain. Where a low-grade halo exists, a boundary contact analysis has been completed supporting this approach.
	Discussion of basis for using or not using grade cutting or capping.	All domains were reviewed independently for lead, zinc and silver and top cuts were applied where necessary. These results are listed in this report.
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	The volume of all domains were made between the wireframes and the block model. This was to ensure that the sub-blocking produced a similar volume. For the major domains, swath plots were generated to compare composite and block model grades in the east, north and RL directions. In addition, a comparison of composite grade and block model grades were made to ensure these were similar. These results are listed in the report.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	The tonnages reported are dry metric tonnes.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	A 5% lead+zinc cutoff has been applied.
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual*	No exact assumptions have been made with respect to mining methods as it was assumed the current mining practices would be carried out in the near future.

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Criteria	JORC Code explanation	
	economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	No exact assumptions were made as the Rasp Mine is an operating mine.
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	No exact assumptions were made as the Rasp Mine is an operating mine.
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples*	The specific gravity for the tonnage calculations are based on a density formula that has been historically used for Broken Hill mineralisation. This formula was developed for the mineralisation in the former Pasminco Southern Operation and is still used by Perilya to describe these lodes. The formula is supported by over twenty years of data for 2 Lens, 3 Lens, A, B & C lodes to the South of CML7. The assumption is that the same formula applies to the Western Mineralisation. This method of applying SG uses lead and zinc grades, and a gangue default value of 2.95. SG = 100/(33.8983-0.2395Pb-0.1611Zn) The formula assumes that all lead is present as galena and that sphalerite contains 9% iron. It is recommended that further work be done on verifying this SG formula for the Western Mineralisation. Measured SG for drill core should be compared over a range of samples with this theoretical calculation.
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.	
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.*	<u>Measured Resources</u> • First pass estimation and (Slope of Regression) SOR>0.7 • Drill Spacing 15m x 15m or less. • Radius of Influence 7.5m. • Stratigraphic continuity well known and predictable.

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Criteria	JORC Code explanation	
		• First and second order structures known. • Orebody continuity and mineralisation good, predictable and not disrupted. • Development present. • Metallurgical performance known and tested. • Underlying geological interpretation requires no additional drilling (eg, Sludge or Diamond). • Geotechnical characteristics known and predictable (Rock Mass, Rock Strength etc). • Angle of bedding and foliations of units known and modelled. • Drag and fault associated folding well understood. <u>Indicated Resources</u> • First pass estimation and SOR <0.7 or second pass estimation and SOR>0.3 • Drill Spacing 30m x 30m to 60m x 60m. • Radius of Influence 30m. • Some knowledge and some predictability in stratigraphic continuity. • First order structures known, Second Order structures assumed. • Reasonable continuity, some predictability in orebody continuity and mineralisation, some disruption. • Some development present, but not essential. • Some knowledge of metallurgical performance, some tests. • Underlying geological interpretation requires some additional sludges or diamond drilling. <u>Inferred Resources</u> • Third estimation pass or SOR < 0.3 regardless of estimation pass • Drill Spacing 60m x 60m to 90m x 90m. • Radius of Influence 40m. • Stratigraphic continuity assumed for the most part. • First and Second Order structures assumed. • No development. • Metallurgical performance assumed, no tests. In order to avoid generating a "spotted dog" classification, wireframes have been created for each domain which uses the above assumptions as a guide to produce workable volumes
	Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	Based on the above, many factors have been taken into consideration for the reporting of Mineral Resource classification. This includes search estimation passes, quality of the estimation, age and spacing of drill holes.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The results appropriately reflect the view of the Competent person.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	No audits or review have been mentioned in this report as the production of an operating mine is deemed sufficient.

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Criteria	JORC Code explanation	
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*	The accuracy of the Mineral Resources is deemed appropriate by the Competent person. Many factors are taken into consideration including a geostatistical method that uses slope of regression for each block within the block model.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	The Mineral Resource is considered to be a global estimate of lead, zinc and silver grades. Grade control models are also generated on a need basis for localised areas of the mine.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	The Mineral Resources are compared on a monthly basis however it is acknowledged that the reconciliation process could be improved.

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COOLABAH METALS

BROKEN HILL MINES

ANNEXURE 4

TENEMENTS

Australian Tenements (Post-Completion)

Project	Tenement	Type
Rasp Mine	CML7	Consolidated Mining Lease
	Part of ML1249	Mining Sublease of part of Mining Lease
	MPL183	Mining Purposes Lease
	MPL184	Mining Purposes Lease
	MPL185	Mining Purposes Lease
	MPL186	Mining Purposes Lease
	EL5818	Exploration Licence
	EL6059	Exploration Licence
Pinnacles Mine	ML 4436	Mining Lease
	ML 5627	Mining Lease
	ML 5835	Mining Lease
	ML 5836	Mining Lease
	ML 5849	Mining Lease
	ML 870	Mining Lease

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Project	Tenement	Type	Status	Owner	Area km²	Grant Date	Expiry Date
Nymagee	EL 8785	Exploration Licence	Current	Coolabah Metals Ltd	227.2	13/8/2018	13/8/2028
	EL 8638	Exploration Licence	Current	Coolabah Metals Ltd	211.2	31/8/2017	31/8/2027
	EL 9578	Exploration Licence	Current	Coolabah Metals Ltd	163.2	27/6/2023	27/6/2029
Coolabah	EL 9357	Exploration Licence	Current	Coolabah Metals Ltd	320	10/2/2022	10/2/2027
	EL 9287	Exploration Licence	Current	Coolabah Metals Ltd	320	14/9/2021	14/9/2027
	EL 9358	Exploration Licence	Current	Coolabah Metals Ltd	320	10/2/2022	10/2/2027
	EL 9359	Exploration Licence	Current	Coolabah Metals Ltd	320	10/2/2022	10/2/2027
Gunpowder Creek	EPM 27733	Exploration Permit Minerals	Current	Coolabah Metals Ltd	118.4	13/7/2021	12/7/2026
	ML 5571	Mining Lease	Current	Coolabah Metals Ltd	0.02	15/5/1986	31/5/2027
	ML 5572	Mining Lease	Current	Coolabah Metals Ltd	0.04	15/5/1986	31/5/2027
Mundi Mundi	EL 9648	Exploration Licence (Group 2)	Current	Coolabah Metals Ltd	35.1	18/4/2024	18/4/2030
Cannington	EPM 27530	Exploration Permit Minerals	Current	Coolabah Metals Ltd	92.8	11/5/2021	10/5/2026
	EPM 27742	Exploration Permit Minerals	Current	Coolabah Metals Ltd	19.2	3/8/2021	2/8/2026

Canadian Tenements (Post-Completion)

Project	Tenement	Type	Status	Owner	Area km²	Grant Date	Expiry Date
Hampden, Quebec	Leaflet SNRC 33G09 SNRC 33H11 SNRC 33H12 SNRC 33H13	CDC	Active	Coolabah Metals Ltd	113	6/2/2023 (SNRC 33G09 – Title Number 2727276 & 2727277 is 9/2/2023)	5/2/2026 (SNRC 33G09 – Title Number 2727276 & 2727277 is 8/2/2026)
McCoy Lake, Ontario	Holder Number 10007102	Single Cell Mining Claim	Active	Coolabah Metals Ltd	70	16/2/2023	16/2/2025

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COOLABAH METALS

BROKEN HILL MINES

ANNEXURE 5

TRANSACTION BASED COMPARISON TABLE

Particulars	Prior to Transaction - 31 December 2023 (reviewed accounts)	Effect of Transaction (based on BHOPL audited accounts - 31 December 2023)	Post Transaction Analysis - Pro forma	Percentage Change due to Transaction	Scale of Change
Total Consolidated Assets	5,474,417	79,314,080	84,788,497	1448.8%	15.49
Total Equity	5,252,017	39,773,613	45,025,630	757.3%	8.57
Annual Revenue	0	88,086,000	88,086,000	-	-
Annual Profit (before tax and extraordinary items)	0	(282,627,000)	-282,627,000	-	-
Total No. of shares[2]	44,718,759	198,000,000	242,718,759	442.8%	5.43
Total No. of options & performance rights	25,058,861	73,375,000	98,433,861	292.8%	3.93
Fully Diluted Issued Capital (shares + all options/performance rights converted)	69,777,620	271,375,000	341,152,620	388.9%	4.89
Budgeted exploration expenditure (12 months)	400,000	7,500,000	7,900,000	1875.0%	19.75
Market Capitalisation	8,943,752	39,600,000	48,543,752	443%	5.43

Notes:

1. *The table is prepared on a post-Consolidation basis.*
2. *Based on the Maximum Subscription under the Public Offer.*
3. *Based on the proposed offer price under the Public Offer of $0.20.*

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