kalamazoo
resources limited

prospectus

for an offer of 50,000,000 shares at issue price of $0.20 per share to raise $10,000,000

KALAMAZOO RESOURCES LIMITED
ACN 150 026 850

PROSPECTUS

For an offer of 50,000,000 Shares at issue price of $0.20 per Share to raise $10,000,000.

Lead Manager to the Offer: DJ Carmichael Pty Limited

IMPORTANT INFORMATION

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

TABLE OF CONTENTS

CORPORATE DIRECTORY

Directors

Luke Reinehr
Executive Chairman

Peter Benjamin
Managing Director

Angus Middleton
Non-Executive Director

Company Secretary and Chief Financial Officer

Bernard Crawford

Proposed ASX Code

KZR

Share Registry

Advanced Share Registry
110 Stirling Highway
NEDLANDS WA 6009

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Williams + Hughes
Ground Floor, 25 Richardson Street
WEST PERTH WA 6005

Registered Office

Unit 3, 611 Hay Street
JOLIMONT WA 6014

Telephone: + 61 8 9388 2121
Facsimile: +61 8 9388 3889

Email: admin@kzr.com.au
Website: www.kzr.com.au

Lead Manager

DJ Carmichael Pty Limited
ABN 26 003 058 857
AFSL No: 232571
Level 14, Parmelia House
191 St Georges Terrace
PERTH WA 6000

Investigating Accountant

Grant Thornton Corporate Finance Pty Ltd
The Rialto, Level 30, 525 Collins Street
MELBOURNE VIC 3000

Independent Geologist

Ravensgate International Pty Ltd
8 Clive Street
WEST PERTH WA 6005

Auditor

Grant Thornton Audit Pty Ltd
The Rialto, Level 30, 525 Collins Street
MELBOURNE VIC 3000

IMPORTANT NOTICE

This Prospectus is dated 3 October 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

Exposure Period

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

No offering where offering would be illegal

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

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

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

Web Site – Electronic Prospectus

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

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company Secretary on +61 8 9388 2121 during office hours or by emailing the Company at admin@kzr.com.au

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

Website

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

Forward-looking statements

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

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

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

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

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

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions

Terms used in this Prospectus are defined in the Glossary in Section 14.

CHAIRMAN'S LETTER

Dear Investor

On behalf of the Directors, it gives me great pleasure to invite you to become a Shareholder in Kalamazoo Resources Limited (**Kalamazoo** or **Company**). Kalamazoo is a gold and copper exploration, development and production company with two mineral projects located in Western Australia.

Kalamazoo's flagship operation is the Snake Well Gold and Base Metals Project (**Snake Well Project** or **Snake Well**), located in the Murchison region approximately 450km north of Perth. The Project is north-west of the well-known Golden Grove operation and the Deflector gold and copper project recently commissioned by Doray Minerals Limited (ACN 138 978 631).

Kalamazoo recently completed its initial gold production at Snake Well with a stage 1, trial mining exercise that produced approximately 4,459 ounces of gold at 6.83 g/t, which has provided confidence in the high grade gold exploration potential at Snake Well.

The Company has recently entered into a non-binding terms sheet with Minjar Gold Pty Ltd (ACN 119 514 528) (**Minjar**) whereby Minjar has agreed to undertake development studies and a feasibility study, at its sole cost, to determine if a viable stage 2 operation is possible at the A-Zone prospect at Snake Well (**A-Zone** or **A-Zone Prospect**).

This Prospectus is seeking to raise $10,000,000 through the offer of 50,000,000 Shares at an issue price of $0.20 per Share. The purpose of the Offer is to provide funds to:

(a) systematically explore and develop the Company's key projects being the Snake Well Project and Cork Tree Project;

(b) complete development studies at the A-Zone prospect;

(c) negotiate with nearby mills to secure binding processing agreements;

(d) undertake follow up drilling at the Snake Well Project to test for high grade gold intersections down plunge and along strike of the recent trial open pit at the Mixy Lode **(Mixy)** and also at the Royal Standard gold mine (**Royal Standard Mine** or **Royal Standard**);

(e) complete drilling, mining and metallurgical studies to test the viability of a heap leach operation on the laterite resources and other laterite prospects at the Snake Well Project;

(f) undertake further exploration at the Snake Well Project, on the areas where past exploration drilling has indicated moderate to high grade gold mineralisation;

(g) explore and test for the potential of copper mineralisation at the Cork Tree Project, situated in the Doolgunna region;

(h) satisfy the Company's expenditure commitments under the Joint Venture at the Cork Tree Project, including completing a feasibility study;

(i) implement a growth strategy to seek out further exploration, acquisition and joint venture opportunities in Australia; and

(j) provide working capital for the Company.

Kalamazoo has assembled an experienced management, exploration and development team who are well qualified to exploit the potential of the Company's mineral assets. The Board has significant expertise and experience in mineral exploration, project development and corporate finance and aims to ensure that funds raised through the Offer will be utilised in a cost-effective manner to advance the Company's projects.

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

Yours sincerely,

Luke Reinehr
Executive Chairman

KEY OFFER INFORMATION

KEY DATES - Indicative timetable*

Lodgement of Prospectus with the ASIC	3 October 2016
Exposure Period ends	10 October 2016
Opening Date	10 October 2016
Closing Date	4 November 2016
Despatch of holding statements	18 November 2016
Expected date for quotation on ASX	25 November 2016

** The above dates are indicative only and may change without notice. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to Applicants.*

KEY OFFER DETAILS

	Full Subscription
Offer Price per Share	$0.20
Shares to be issued under Offer	50,000,000
Total number of Shares on issue following the Offer	108,227,439
Gross proceeds of the Offer	$10,000,000

1. INVESTMENT OVERVIEW SECTION

Item	Summary	Further Information
A. Company		
Who is the issuer of the Prospectus?	Kalamazoo Resources Limited (ACN 150 026 850) (**Kalamazoo** or **Company**)	Section 3
Who is the Company?	The Company was incorporated as a proprietary company limited by shares on 23 March 2011. Following Shareholder approval, the Company became an unlisted public company limited by shares on 23 September 2016. Since incorporation the Company has established itself as a Western Australian minerals exploration and production company, focusing on gold, base metals and copper. On 26 February 2013, the Company entered into a joint venture agreement with Giralia Resources Pty Ltd (ACN 009 218 204) (**Giralia**) (which is now a subsidiary of Atlas Iron Limited (ACN 110 396 168) (ASX:AGO) (**Atlas**)) in respect to two of the tenements comprising the Cork Tree Project in the Doolgunna region of Western Australia (**Joint Venture Agreement**). Mineralisation within the area surrounding the Cork Tree Project include epigenetic gold deposits and epithermal copper. Currently, there are no Mineral Resources at the Cork Tree Project. On 5 April 2013, the Company acquired the Snake Well Project from Carlinga Mining Pty Ltd (ACN 077 264 487) (**Carlinga**) and Giralia (subsidiaries of Atlas) (together, **Atlas**) which is located in the Murchison Region in Western Australia (**Tenement Sale Agreement**). The Snake Well Project covers Archaean rocks over an area of approximately 263 km^2 and a 45km prospective strike length of the Tallering greenstone belt, in the western portion of the Murchison Domain. Currently, the Company has Mineral Resources at Snake Well reported in accordance with JORC Code (2012 Edition) of 149,000 tonnes at 3.3 g/t Au in the Indicated Resource category and 1,750,000 tonnes at 1.6 g/t Au in the Inferred Resource category for total combined Mineral Resources of 107,000 ounces. Refer to Table 1 the Independent Geologist's Report at Section 5 for further information. The Company has recently completed a successful trial mine at the Snake Well Project that produced approximately 4,459 ounces of gold and the Directors consider the Snake Well Project to be prospective for further gold discovery and production.	Sections 3.1 and 5

What is the Company's interest in the Snake Well Project?	The Company has 100% ownership of the Snake Well Project. The Snake Well Project consists of five granted mining leases (being M59/41, M59/474, M59/476, M59/477 and M59/565), one granted exploration licence (E59/2137) and one application for exploration licence (E59/2200). Pursuant to the Tenement Sale Agreement with Atlas, the Company is obliged to pay Atlas a gross royalty of $16 per ounce of gold produced and sold from the Snake Well Project up to a maximum of $625,000. Refer to the Solicitor's Report on Tenements at Section 8 for further information.	Sections 3.2 and 8
What is the Company's interest in the Cork Tree Project?	The Cork Tree Project consists of three tenements, being E52/2056, E52/2057 and E52/3042. On 26 February 2013, the Company entered into the Joint Venture Agreement with Atlas via Atlas' subsidiary Giralia, pursuant to which Kalamazoo may earn up to an 80% interest in two of the Cork Tree Project tenements, E52/2056 and E52/2057. Pursuant to the Joint Venture Agreement, the Company may earn a 51% joint venture interest in the Cork Tree Project by spending $234,500 by 26 February 2015 (**Stage 1 Earn-In**). The Company may earn up to a further 29% interest by completing a feasibility study by 26 February 2018 (**Stage 2 Earn-In**). The period in which the Stage 2 Earn-In may be completed may be extended by a further 12 months with the consent of Giralia. On 31 August 2016 Kalamazoo completed its Stage 1 Earn-In for a 51% interest.	Section 3.3
What is the Company's business model	A detailed explanation of the Company's business model is provided at Section 3.4.	Section 3.4.
B. Business Model		
What are the key business objectives of the Company?	The Company's main objectives on completion of the Offer is to: (a) systematically explore and develop the Company's key projects being the Snake Well Project and Cork Tree Project; (b) undertake follow up drilling at the Snake Well Project to test for high grade gold intersections; (c) explore and test for the potential of copper and other base metal mineralisation at the Cork Tree Project; and (d) implement a growth strategy to seek out further exploration, acquisition and joint venture opportunities in Australia. The Directors are satisfied that on completion of the Offer, the Company will have sufficient funds to carry out its stated objectives.	Section 3.4

C. Key Advantages and Key Risks		
What are the key advantages of an investment in the Company?	The Directors are of the view that an investment in the Company provides numerous (non-exclusive) advantages, as follows: Snake Well Project: (a) the Snake Well Project is prospective for gold and base metals; (b) the Mixy and A-Zone Projects are covered by existing mining licences; (c) all native title agreements are in place; (d) there is an existing mineral resources inventory and potential to identify and subsequently prove up additional resources; (e) historical metallurgical test work suggests high recoveries for the Mixy Lode and oxide portions of the A-Zone Project; (f) there are a number of processing plants within 250km of the Snake Well Project area; (g) the region is well serviced by a network of roads suitable for trucking ore; and (h) the Company has completed a successful trial open pit mining and processing project at the Mixy Lode at Snake Well. Cork Tree Project: (a) the Cork Tree Project is prospective for copper and other base metals; (b) it is located in a region that has a major copper mine project in operation (De Grussa Mine project) and numerous copper discoveries; and (c) previous drilling has defined an extensive shallow copper anomaly over an area 2km times 1km with frequent values in excess of 0.1% Cu. In addition, the Company has a highly credible and experienced team to progress exploration and accelerate potential development of the Company's Projects.	Section 3
What are the key risks of an investment in the Company?	The business, assets and operation of the Company, including following admission to the Official List, have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Shares of the Company. The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks however, are highly unpredictable and the extent to which the Board can manage them is limited. Based on the information available, a non-exhaustive list of the key risk factors affecting the Company are:	Section 4

	(a)	**Tenure, access and grant of applications**: there is no guarantee that current or future tenements and or applications for tenements will be approved. There can be no guarantee that the tenement application currently pending will be granted, in part or whole. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments, or compulsory relinquishment of areas of the tenements comprising the Company's Projects. The imposition of new conditions or the inability to meet conditions could adversely affect the operations, financial position and or performance of the Company and the Joint Venture;	
	(b)	**Exploration success**: there can be no assurance that exploration of the Company's tenements or any tenements acquired in the future, will result in the discovery of additional Mineral Resources or an economic ore deposit. Even if additional Mineral Resources or an apparently viable deposit is identified, there is no guarantee that it can be economically exploited;	
	(c)	**Future capital needs**: the Directors believe that the proceeds of the Offer should be adequate to fund the Company's business activities in the short term however changes to operational requirements may mean further funding is required by the Company;	
	(d)	**Joint Venture and contractual risk:** the exploration of and any future mining operations on the Cork Tree Project are subject to the Joint Venture Agreement with Atlas. The success of exploration and any future mining operations are reliant on Atlas performing its obligations under the Joint Venture Agreement. If Atlas defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy which could be costly. Further, there is no certainty that the Company will earn the entire 80% interest in the Cork Tree Project or that completion of the feasibility study will support a decision to commence mining operations on the Cork Tree Project;	
	(e)	**Under expenditure:** the Company will seek an exemption from the prescribed minimum expenditure conditions for	

	M59/41 at the Snake Well Project as the Company has been unable to conduct exploration or development works due to the proximity of a fibre optic cable at the A-Zone. Whilst the Directors believe it is likely that the Company will receive an exemption for the current tenement year, as it has in previous years, the Company may suffer damage through loss of opportunity to develop and discover minerals on M59/41, should such an exemption not be granted. Additional key risks are disclosed at Section 4 of the Prospectus.	
D. Directors and Key Management Personnel		
Who are the Directors?	The current Board is not anticipated to change upon admission to the Official List and will be comprised of: Mr. Luke Reinehr - Executive Chairman; Mr. Peter Benjamin - Managing Director; and Mr. Angus Middleton - Non Executive Director.	Section 9.1
Other Key Management Personnel?	The Company's Chief Financial Officer and Company Secretary is Mr. Bernard Crawford. The Company's Exploration Manager is Mr. Lance Govey.	Section 9.1
What are the Director's interests in the Company?	Each Director's interest in the Company is set out at Section 9.2.	Section 9.2
E. Financial Information		
What is the Company's financial performance?	The statutory audited historical statement of profit or loss and other comprehensive income of the Company for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 are set out in the Financial Information Section at Section 6. The statutory audited historical cash flows of the Company for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 are set out in the Financial Information Section at Section 6. Based on the pro forma historical consolidated statement of financial position of the Company as at 30 June 2016, the Company will have: (a) total assets of approximately $11,625,000; (b) total liabilities of approximately $83,000; (c) net assets of approximately $11,542,000; (d) following the completion of the Offer, the Company will have cash and cash equivalents of approximately $9,930,000. The information in respect of the historical performance of the Company should not be regarded as an indication of the future	Section 6

	performance of the Company. Prospective investors should be aware that there is no certainty that the future performance of the Company will be similar to the historical performance of the Company.	
What is the financial outlook for the Company?	Given the current status of the Company's projects and the speculative nature of mineral exploration and development, the Directors do not consider it is appropriate to forecast future earnings. Any forecast or projection information could contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.	Section 6
F. Offer		
What is being offered?	The Offer is an offer of 50,000,000 Shares at an issue price of $0.20 per Share to raise $10,000,000 (before costs). The Offer is not underwritten. The minimum amount to be raised under the Offer is $10,000,000. The Company will not accept oversubscriptions. The purpose of the Offer is to facilitate an application by the Company for admission of the Company to the Official List and to position the Company to achieve the objectives stated at section B above. The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its objectives.	Section 2
What will the Company's capital structure look like after the completion of the Offer?	The Company's capital structure on a post-Offer basis is set out in Section 3.10.	Section 3.10
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer is set out in Section 12.2.	Section 12.2
Will any of the Shares issued under the Offer be subject to escrow?	No, none of the Shares issued under the Offer will be subject to escrow.	Section 3.12
Will the Shares issued under the Offer be quoted?	The Company will make an application to the ASX for quotation of all Shares to be issued under the Offer.	Section 2.8

What are the key dates of the Offer?	The key dates of the Offer are set out in the Indicative timetable in the Key Offer Information Section.	Key Offer Information Section
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of $2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of $500 worth of Shares (2,500 Shares).	Section 2.6
Are there any conditions to the Offer?	No, other than the minimum subscription, the offer is unconditional.	Section 2.3
G. Use of proceeds		
How will the proceeds of the Offer be used?	The Offer proceeds and the Company's existing cash reserves will be used to: (a) systematically explore and develop the Company's key projects being the Snake Well Project and Cork Tree Project; (b) complete development studies at the A-Zone Project; (c) negotiate with nearby mills to secure binding processing arrangements; (d) undertake follow up drilling at Snake Well to test for high grade gold intersections down plunge and along strike of the recent trial open pit at the Mixy Lode and also at the Royal Standard Mine; (e) complete mining and metallurgical studies to test the viability of a heap leach operation on the laterite resources and other laterite prospects at Snake Well; (f) undertake further exploration at the Snake Well Project on the areas where past exploration drilling has indicated moderate to high grade gold mineralisation; (g) explore and test the potential for copper and other base metal mineralisation at the Cork Tree Project; (h) satisfy the expenditure commitments under the Joint Venture at the Cork Tree Project, including completing a feasibility study; (i) implement a growth strategy to seek out further exploration, acquisition and joint venture opportunities in Australia; and (j) administration and corporate costs; and (k) to provide working capital for the Company. Further details are set out in Section 2.4.	Section 2.4

H. Additional Information		
Is there any brokerage commission or stamp duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer. However, the Company will pay a fee to the Lead Manager of 6% (ex GST) of the total amount raised under the Prospectus.	Sections 2.5 and 2.13
What are the tax implications of investing in Shares?	Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares issued under this Prospectus. The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.	Section 2.5
What are the corporate governance principles and policies of the Company?	To the extent applicable, in recognition of the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**). The Company's main corporate governance policies and practices as at the date of the Prospectus are outlined in Section 10 of this Prospectus. In addition, the Company's complete Corporate Governance Plan is available from the Company's website at www.kzr.com.au Prior to admission to the Official List, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.	Section 10
Where can I find more information?	(a) By speaking to your sharebroker, solicitor, accountant or other independent professional advisor. (b) By contacting the Company Secretary on +61 8 9388 2121. (c) By contacting the Company's share registry on +61 8 9389 8033.	

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

2. DETAILS OF THE OFFER

2.1 The Offer

Pursuant to this Prospectus, the Company invites applications for 50,000,000 Shares at an issue price of $0.20 per Share to raise $10,000,000. The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

2.2 Oversubscriptions

No oversubscriptions will be accepted by the Company.

2.3 Minimum subscription

The minimum subscription for the Offer is the full subscription of $10,000,000.

If the minimum subscription has not been raised within 4 months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

2.4 Use of funds

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

Funds available	Full Subscription ($10,000,000)	Percentage of Funds (%)
Existing cash reserves[1]	$380,000	3.7
Funds raised from the Offer	$10,000,000	96.3
TOTAL	**$10,380,000**	**100.0**
Allocation of funds		
Snake Well Project[2]		
Resource Drilling	$2,794,000	26.9
Development Studies	$1,100,000	10.6
Exploration	$1,974,000	19.0
Cork Tree Project (including commitments under Joint Venture Agreement)[2]		
Exploration	$460,000	4.5
Project Generation	$350,000	3.4
Other		
Administration costs[3]	$2,764,000	26.6
Cash Costs of the Offer[4]	$938,000	9.0
TOTAL	**$10,380,000**	**100.0**

Notes:

1. Represents cash reserves being cash at bank less outstanding payables as at 30 September 2016. Refer to the Financial Information set out in Section 6 and the Independent Limited Assurance Report in Section 7 of this Prospectus for further details.
2. Refer to the Independent Geologist's Report in Section 5 of this Prospectus for further information on the planned exploration activities and expenditure budget for the Projects.
3. Administration costs includes salaries $1,948,000, occupancy costs $170,000, travel $43,000 and general administration costs $603,000.
4. Refer to Section 12.7 of this Prospectus for further details.

It should be noted that the Company's budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration and evaluation work carried out. This will involve an ongoing assessment of the Company's mineral interests. The results obtained from exploration and evaluation programs may lead to increased or decreased levels of expenditure on certain Projects reflecting a change in emphasis.

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

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 4.

2.5 Taxation

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

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

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

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

2.6 Applications

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

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

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

Completed Application Forms and accompanying cheques, made payable to "**Kalamazoo Resources Limited - IPO Account**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (WST) on the Closing Date, which is scheduled to occur on 4 November 2016.

The Company reserves the right to close the Offer early.

If you require assistance in completing an Application Form, please contact the Share Registry on +61 8 9389 8033.

2.7 Defects in applications

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

2.8 ASX listing

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

If the Shares are not admitted to Official Quotation by ASX before the expiration of 4 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

2.9 Issue

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

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

The Directors will determine the recipients of the issued Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

2.10 Applicants outside Australia

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

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia, Hong Kong and Singapore. Applicants who are resident in countries other than Australia, Hong Kong and Singapore should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia, Hong Kong or Singapore it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

Hong Kong

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

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

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

Singapore

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

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

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

2.11 Not underwritten

The Offer is not underwritten.

2.12 Lead Manager

DJ Carmichael (ABN 26 003 058 857) (Australian Financial Services Licence No: 232571) has been appointed as Lead Manager to the Offer. The terms of the Lead Manager Mandate with DJ Carmichael are summarised in Section 11.3.

2.13 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee. DJ Carmichael will be responsible for paying all commissions that DJ Carmichael and the Company agree with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to DJ Carmichael under the Lead Manager Mandate.

3. COMPANY AND PROJECTS OVERVIEW

3.1 Company background

Kalamazoo was incorporated as a proprietary company limited by shares on 23 March 2011 to explore for and develop gold and other mineral opportunities including base metals. Following Shareholder approval, the Company changed status to an unlisted public company limited by shares on 23 September 2016.

The Company has two major assets in Western Australia, the Snake Well Project and the Cork Tree Project. A map showing the location of the projects is shown in Figure 1.

As set out in the Solicitor's Report on Tenements (Section 8 of this Prospectus) and the Independent Geologist's Report (Section 5 of this Prospectus), the Company's Projects consist of the following tenements:

(a) Snake Well Project M59/41, M59/474, M59/476, M59/477, M59/565, E59/2137 and E59/2200 (application); and

(b) Cork Tree Project E52/2056, E52/2057 and E52/3042,

(together, the **Tenements**).

Figure 1 Location Map of Kalamazoo Projects

3.2 Snake Well Project (Gold & Base Metals)

Kalamazoo's flagship gold asset is the Snake Well Project that is located 450km north of Perth in the Mid-West region and consists of five granted mining leases, one granted exploration licence and one exploration licence application. The Snake Well Project covers Archaean rocks over an area of approximately 263km2 and a 45km prospective strike length of the Tallering greenstone belt, in the western portion of the Murchison Domain that hosts a number of significant mineral deposits including Golden Grove (Cu-Zn), Big Bell (Au), Cue (Au), Deflector (Cu-Au) and Mt Magnet (Au). The project's location and regional mineral deposits are shown in Figure 2.

The only recorded gold production from within the Tallering greenstone belt is from the Royal Standard Mine, where 68,000t at 13.1g/t Au was mined between 1897 and 1937 (Figure 3).[1] Refer to the Independent Geologist's Report in Section 5.

Giralia, an entity acquired by Atlas in 2011, undertook extensive exploration in the project areas between 2002 and 2011, although significant exploration had been completed in the area prior to 2002 by previous explorers. A number of gold and base metal prospects were identified mainly through geochemical exploration, with subsequent drilling delineating a number of gold anomalies.

On 5 April 2013, the Company entered into an agreement to purchase 100% of the Snake Well Project from Atlas where previous explorers had defined several advanced gold projects and anomalous base metal mineralisation. Since acquiring the Snake Well Project, exploration by Kalamazoo has comprised compilation of past exploration data, construction of a database of historic drill data, GIS development, field assessment work, statutory reporting and mineral resource estimation. Native title agreements are in place with three claim groups. Finally, Kalamazoo successfully planned and completed a trial open pit mining, trucking and processing operation of the Mixy Lode that produced approximately 4,459 ounces of gold at 6.83g/t during 2015 and 2016.

Mineral Resources have been defined at three prospects (refer to Section 3.2(f) below) and it has been suggested in the Independent Geologist's Report that, by undertaking appropriate technical work, further Mineral Resources might be defined at another four prospects. In addition to these defined prospects, Kalamazoo have also identified four additional exploration prospects within its Snake Well tenements where further exploration work is justified. There is additional potential for discovery of further targets through regional exploration over areas where prospective Archaean lithologies are concealed under Cainozoic cover. Each of these opportunities are discussed in the body of the Independent Geologist's Report (refer to Section 5 of this Prospectus).

[1] Cranley, N.J., 1985

Figure 2. Location of the Snake Well Project

Gold was first detected at the Rabbit Well prospect within the Snake Well Project area in the late 1980's by Polaris Pacific NL (**Polaris**) which defined a surface gold-in-pisolite anomaly. CRAE followed up with additional broad spaced surface sampling and drilling between 1992 and 1994, discovering both bedrock lode and laterite mineralisation. The Rabbit Well prospect surficial gold anomaly extends over almost 3km.

Roebuck Resources NL (**Roebuck**) conducted numerous phases of drilling between 1997 and 2002 and outlined a number of gold prospects, chiefly Mixy Lode and the A-Zone (the latter with elevated copper, lead, zinc and silver levels). Giralia subsequently acquired the Snake Well Project and further investigated the Mixy Lode along with other quartz vein hosted lodes with a series of air-core, reverse circulation (**RC**) and diamond drilling programs between 2002 and 2011.

Prospect locations are shown in Figures 3 and 4.

(a) **Project Geology**

The Tallering greenstone belt trends east-northeast and is bounded by granite-gneiss terrane. The layered sequence includes variably foliated and metamorphosed mafic volcanic and intrusive rocks, felsic volcanic rocks as well as clastic and chemical sedimentary rocks. Post-tectonic granitic rocks have intruded the central eastern part of the belt and the entire area is cross cut by numerous Proterozoic mafic dykes.

The Snake Well Project covers a portion of the Southern Shear Zone at the southern margin of the belt, with an Archaean sequence dominated by mafic, felsic and pelitic schists (Figure 3).

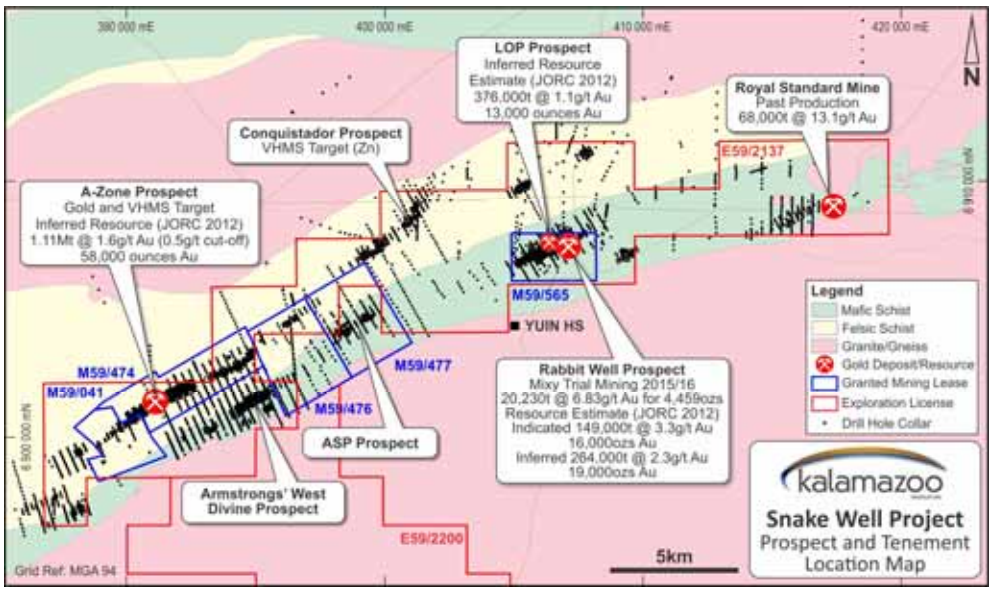


Figure 3. Snake Well Project local geology and prospect locations
Note: Refer to the Independent Geologist's Report at Section 5 for further details on the Mineral Resources.

At the Rabbit Well prospect within M59/565, mafic schists host gold mineralisation associated with shear zones, porphyry intrusives and quartz veining (Mixy and Calisi lodes), as well as widespread gold in near surface pisolitic lateritic gravels (LOP, Buckshot, Warren and 1080 prospects). The Asp prospect, hosted by the same mafic unit approximately 10kms south west of Rabbit Well, also hosts a shallow lateritic deposit and lode targets.

The succession of felsic and pelitic schists (interpreted as being formerly fine to medium gained volcanogenic and clastic rocks) that lie to the north of, and parallel to the Rabbit Well mafic schists, are host to the A-Zone gold resource and Conquistador prospect, both of which may have affiliations with original volcanic hosted style gold-base metal mineralisation – volcanic hosted massive sulphide (VHMS).

(b) **Mixy Lode**

Gold mineralisation at the Mixy Lode lies within a steeply dipping, 3-4m wide quartz vein that strikes approximately east-west over a distance of 400m (Figure 4) and is hosted in variably foliated mafic rocks which are highly weathered to a depth of approximately 60-80m (Figure 5). Drilling to a maximum vertical depth of approximately 250m indicates that gold is mostly located in an east plunging shoot within the quartz vein, open at depth and poorly constrained along strike by current drilling (Figure 6).

Visible gold is known to occur in drill core and historic metallurgical testing reported high gravity gold recovery.

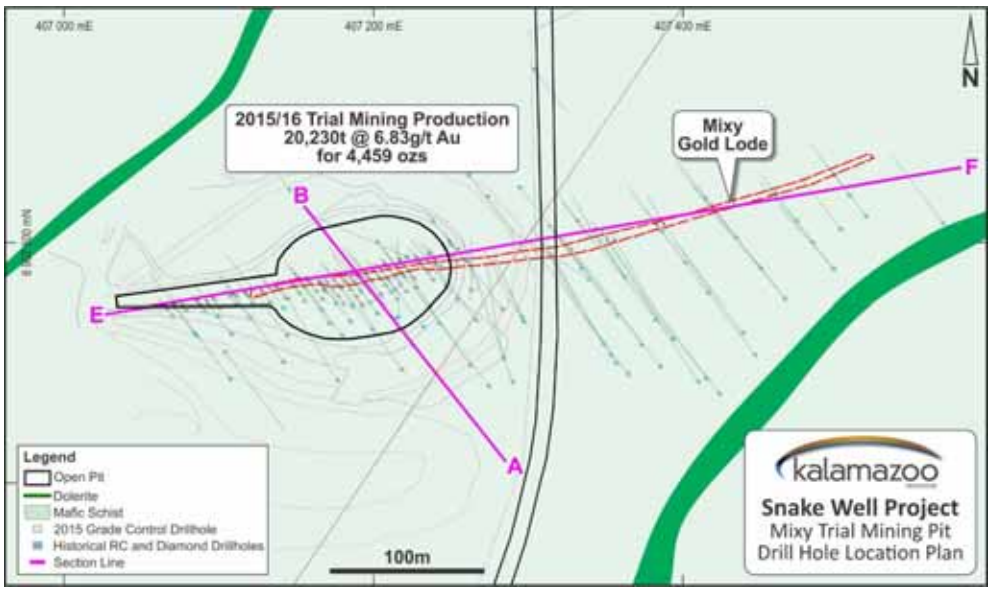


Figure 4. Mixy Lode and trial mining pit outline

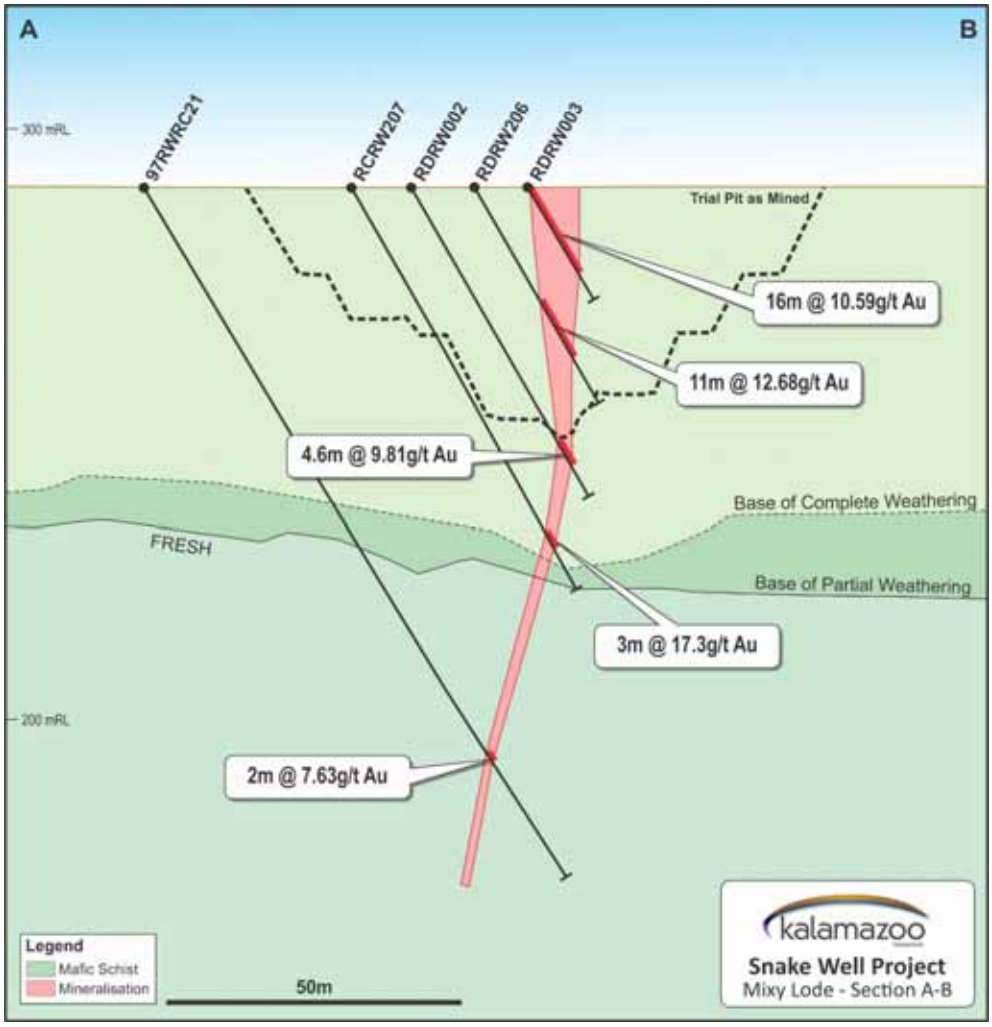


Figure 5. Mixy Lode cross section A-B
Note: Drill intercepts are downhole intercepts.

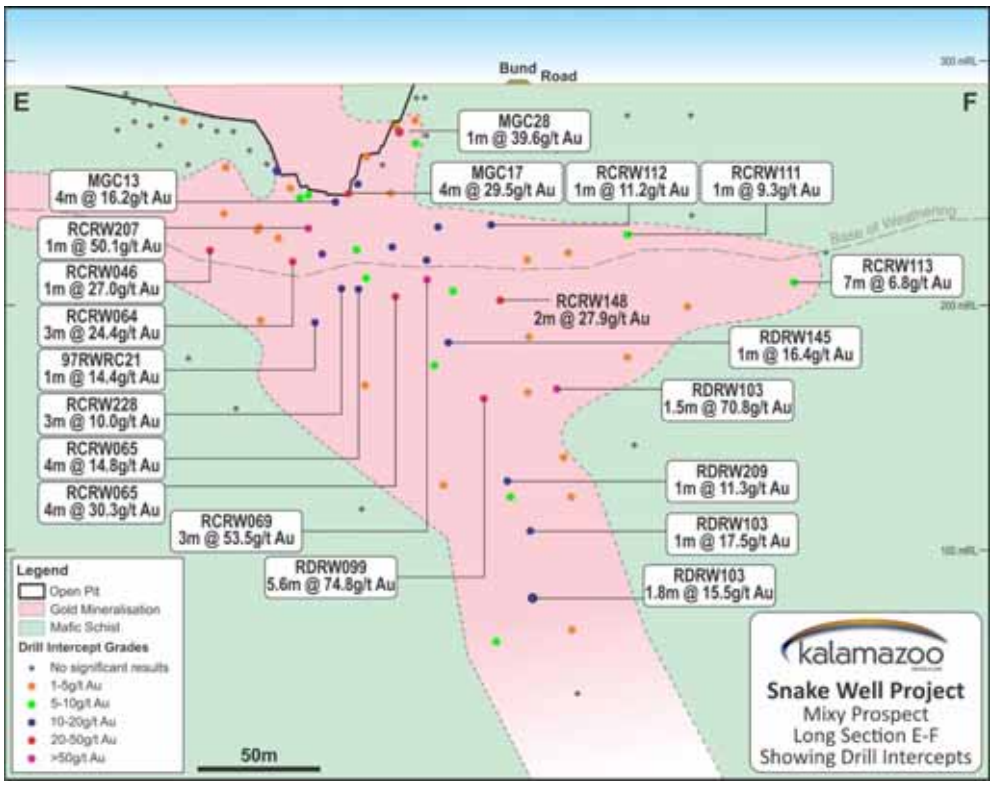


Figure 6. Mixy long section, view looking north
Note: Drill intercepts are downhole intercepts. Interpreted Higher Grade Mineralised Shoot (Giralia) within the Mineral Resources for Open Pit and Underground.
Refer to the Independent Geologist's Report in Section 5.

(c) A-Zone

The A-Zone polymetallic prospect is located at the western end of the Snake Well Project on mining lease M59/474 (Figure 3). Polaris and Roebuck defined shallow gold mineralisation in the late 1980's. Roebuck drilled seven deep RC holes (>100m) to test the deeper base metal mineralisation. Subsequently, Giralia completed the most recent infill RC drilling program and estimated a gold resource in 2004.

Ravensgate updated the 2004 resource estimate in compliance with JORC Code (2012 Edition) for this Prospectus (refer to Section 3.2(f) below and to Table 1 of the Independent Geologist's Report in Section 5). The estimate was confined to the upper 100m from surface considered as being the approximate limit for open pit mining based on current information. No resource estimate has been completed for metals other than gold.

Gold, copper, lead, zinc and silver mineralisation is hosted within quartz veined pyritic quartz-sericite schists interpreted to be of felsic origin. Mineralisation at greater than 0.5 g/t Au is present in a series of elongate lenses over a surface strike of 1.2kms (Figure 7) and is open at depth. The sub-parallel lenses dip steeply (70° – 80˚) to the south-southeast (Figure 8).

The polymetallic mineral assemblage and felsic host are suggestive of volcanic hosted massive sulphide (VHMS) mineralisation modified by shearing and the Snake Well Project is therefore considered to be prospective for both gold and base metal mineralisation.

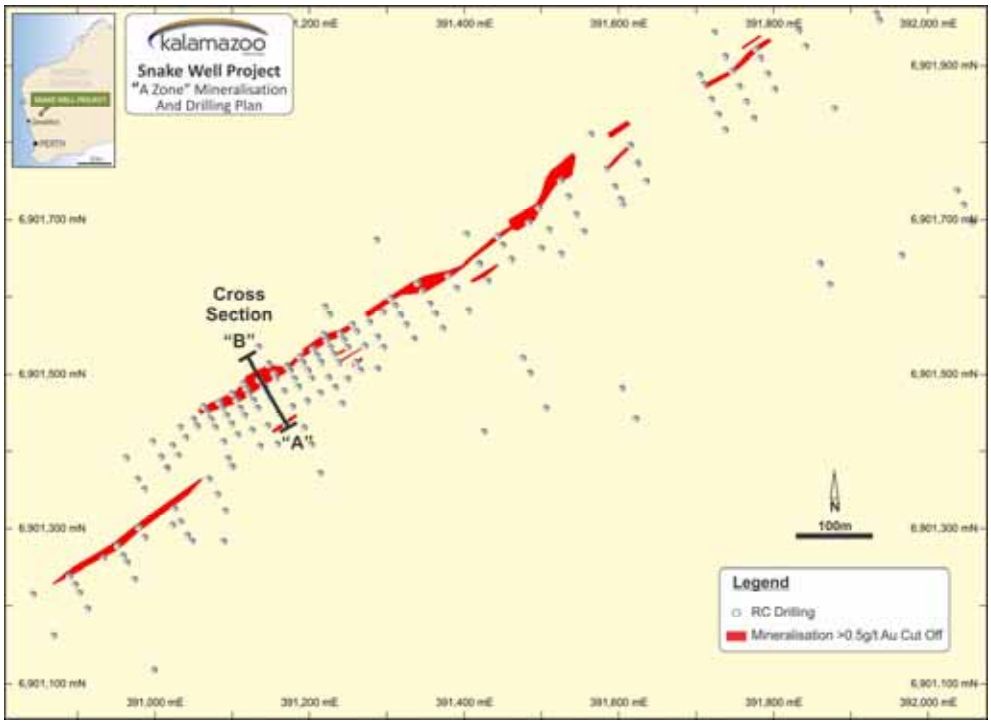


Figure 7. A Zone RC drilling locations and mineralisation
(refer also to Figure 3 for location)

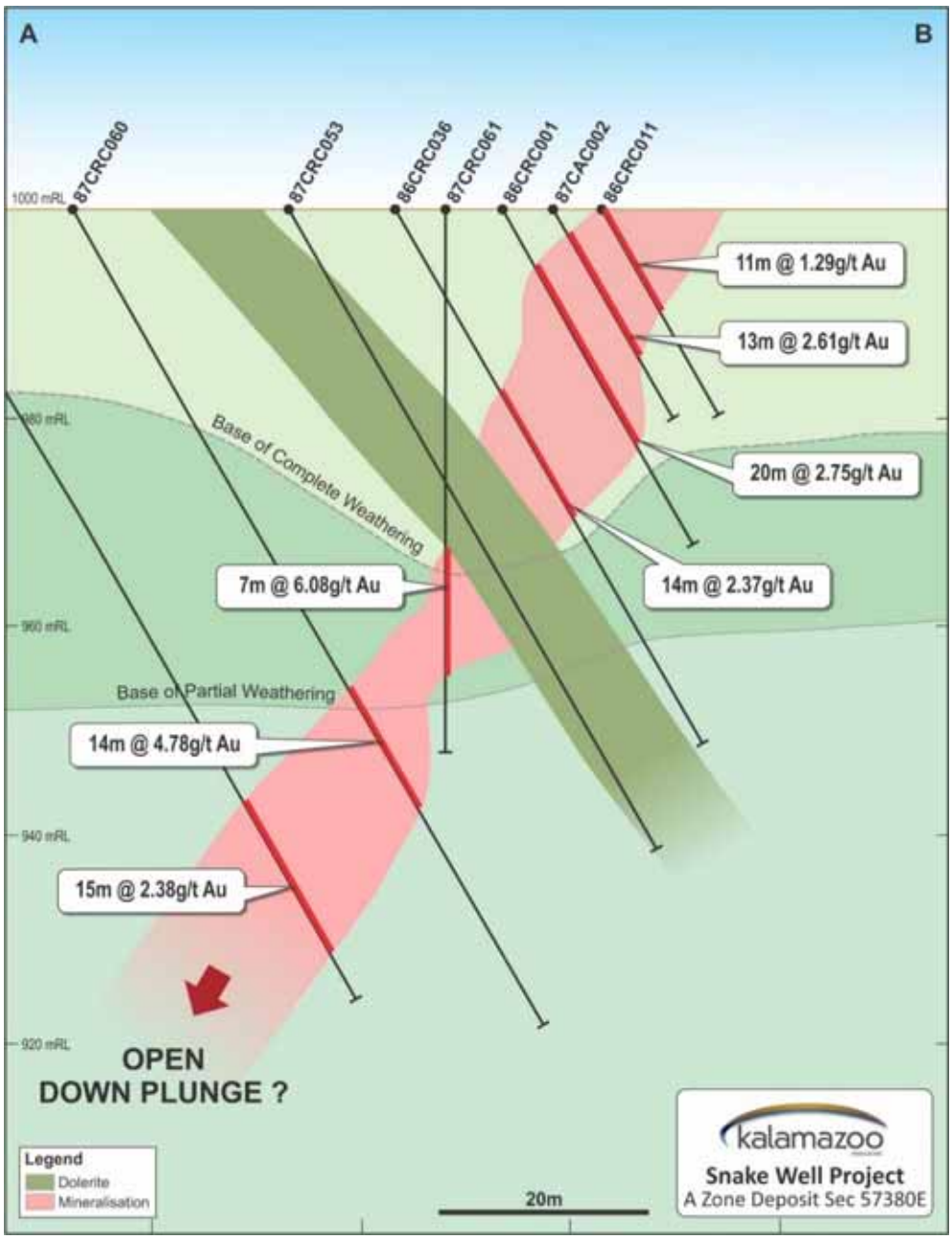


Figure 8. A-Zone Prospect cross section A-B
(refer to Figure 7 for location)
Note: Drill intercepts are downhole intercepts.

(d) **Other Lode Gold deposits**

Gold quartz lodes similar to that at the Mixy Lode are known to occur at the Royal Standard Mine (Figures 3 and 9), Royal Standard West, Calisi 1 and Calisi 2. At the Royal Standard Mine, a north dipping quartz vein up to 3m thick is traceable at surface for over 800m and has been mined from surface to 75m depth over a strike of several hundred metres, producing 68,000 tonnes at 13.1 g/t Au from 1897-1937.[2] The lode reportedly is cut by a granite sill or dyke at depth, although only one drill hole to test depth potential is recorded (drilled by the DMP in 1937). The possibility of the continuation of the Royal Standard lode structure beneath the sill down plunge and for extensions along strike will be tested by drilling. The series of development heading assays at the 75m level are particularly encouraging, averaging between 11g/t to 18.3g/t Au (refer to Figure 9).

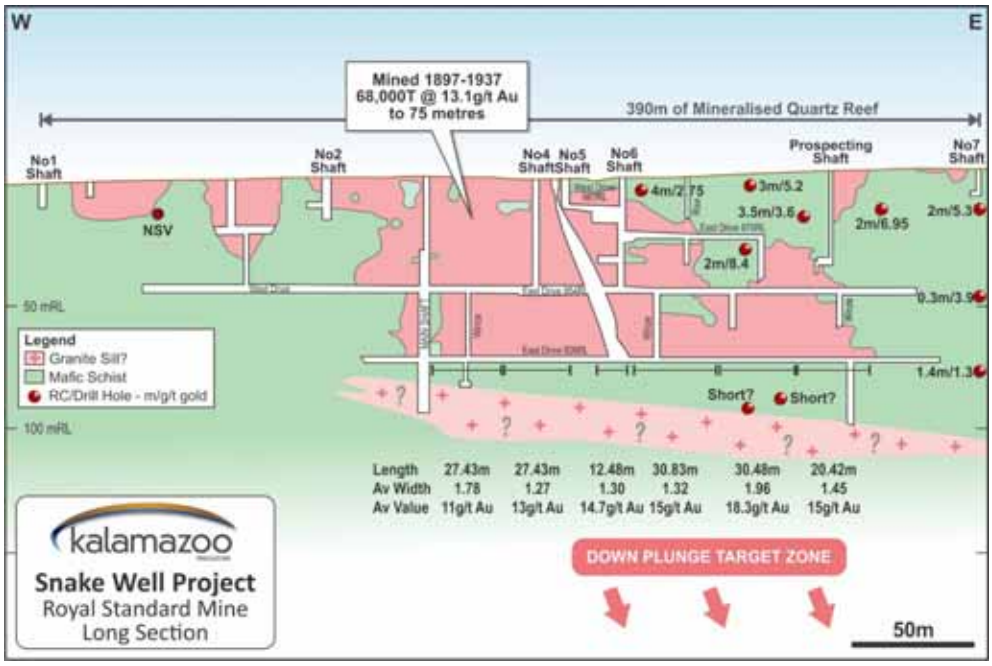


Figure 9. Royal Standard Gold Mine Schematic Long Section
Note: Drill intercepts are downhole intercepts.

The Calisi 1 and Calisi 2 lodes are steeply dipping narrow high grade quartz vein lodes in close proximity to the Mixy Lode and are associated with mineralised near surface laterite deposits, further described below.

At the Warren prospect, one kilometre south-west of Calisi, encouraging historic gold results were made in a setting that is similar geologically to the Mixy Lode structure.

Anomalous gold, silver, copper, lead and zinc mineralisation similar in style to the A-Zone is present in the felsic shear zone, including the Conquistador prospect with visible zinc mineralisation. Other prospects hosted in the felsic unit include Rabbit Well North and Constrictor.

[2] Cranley, N. J. 1985. Refer to Independent Geologist's Report (p59) in Section 5

(e) **Laterite gold prospects**

A series of gold mineralised laterite prospects were discovered by previous explorers. Most of the known prospects are within 2 km to the south west of Mixy in M59/565. These include LOP (the largest), Buckshot, 1080 and Warren, with a further occurrence at Asp located 10km to the south west (Figure 3).

The laterite gold zones are mostly covered by several metres of transported sediments but are generally within 15m of surface. At LOP, close spaced drilling has shown excellent continuity of mineralisation (Figures 10 and 11). Ravensgate updated Giralia's 2004 resource estimate to comply with JORC Code (2012 Edition) guidelines, resulting in an Inferred classification of 380,000 tonnes at 1.1 g/t at a cut-off grade of 0.5 g/t Au (refer to the Independent Geologist's Report at Section 5, Table 1 and Table 6).

Kalamazoo will direct part of its exploration funds to validation drilling at LOP and other laterite prospects with the aim to increase the classification status of the resources under JORC Code (2012 Edition) criteria.

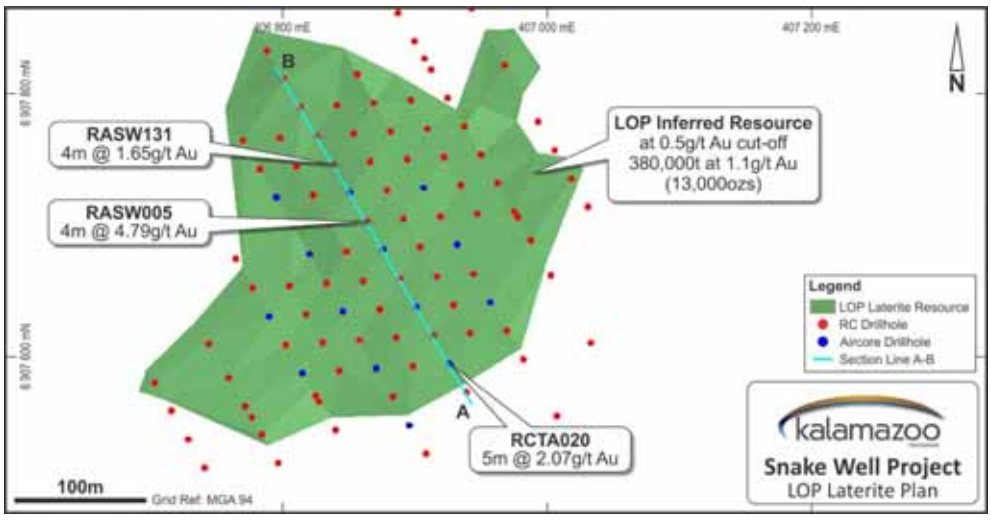


Figure 10. LOP laterite resource outline and drill plan

Note: Drill intercepts are downhole intercepts. Selective drill hole intercepts only are shown within the Inferred Mineral Resource. For a detailed description of the Mineral Resources refer to the Independent Geologist's Report in Section 5.

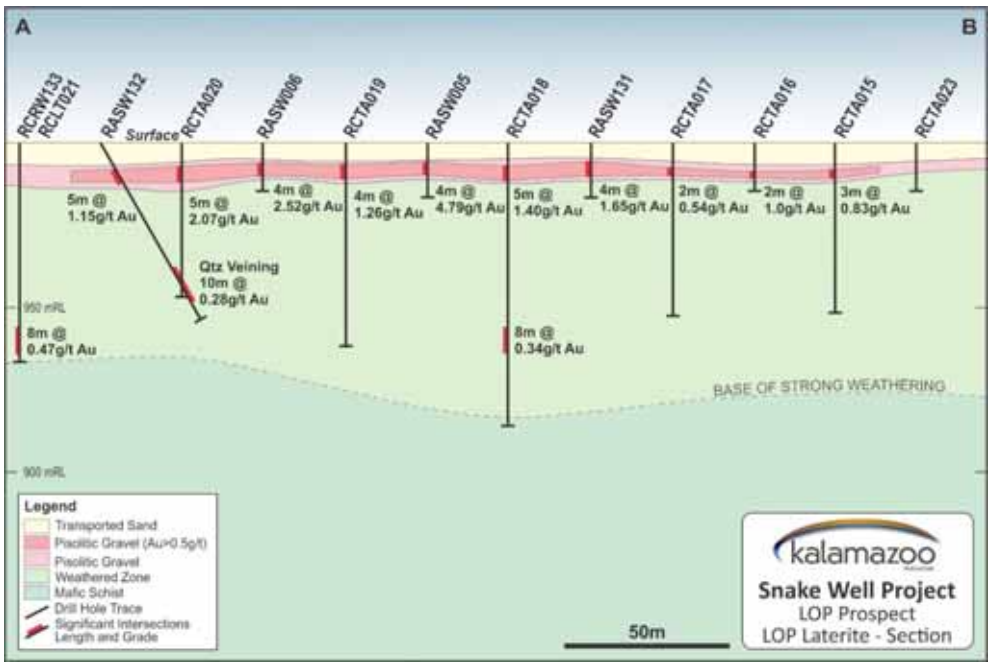


Figure 11. Section A-B through LOP laterite resource
Note: Drill intercepts are downhole intercepts.

(f) Mineral resource estimates

Giralia had reported Mineral Resource estimates for the Mixy, A-Zone, LOP, Calisi, Royal Standard, Buckshot, Warren and Asp prospects under pre-2012 editions of the JORC Code.

Ravensgate has updated the Mineral Resource estimates for the A-Zone Prospect and revised the Mineral Resource estimates for the Mixy Lode and LOP prospects in conformance with the JORC Code (2012 Edition). The Calisi, Royal Standard, Buckshot, Warren and Asp prospects have been downgraded to advanced exploration projects. Current Mineral Resources for the Snake Well Project area are detailed in the Independent Geologist's Report (Section 5 of this Prospectus) and summarised in the following table.

Snake Well Project Mineral Resource Estimates (JORC 2012)*

Deposit	Cut-off Grade (g/t Au)	Indicated			Inferred			Total		
		Tonnes (Kt)	Grade Au (g/t)	Metal (Koz)	Tonnes (Kt)	Grade Au (g/t)	Metal (Koz)	Tonnes (Kt)	Grade Au (g/t)	Metal (Koz)
Mixy - Open Pit	0.5	142	3.1	14	198	1.6	10	339	2.2	24
Mixy - Underground	2.0	8	5.8	1	66	4.4	9	74	4.5	11
A-Zone	0.5				1,106	1.6	58	1,106	1.6	58
LOP Laterite	0.5				376	1.1	13	376	1.1	13
TOTAL	**-**	**149**	**3.3**	**16**	**1,750**	**1.6**	**91**	**1,900**	**1.8**	**107**

* Refer to **Table 1** in the Independent Geologist's Report in Section 5

Notes:

1. Open Pit = Up to 100m below surface (>190m RL);
2. Underground = Below 100m from surface (<190mRL);
3. Tonnage is reported as dry tonnes;
4. Rounding has been applied to appropriately reflect the precision of the estimate.

(g) **Development and Production**

Metallurgical studies

Sporadic metallurgical test work has been completed over the Snake Well Project since the late 1980's when CRAE held the project.

Metallurgical testwork on the Mixy Lode show excellent recoveries from conventional cyanidation and with exceptional gravity recoverable gold, up to 95.4%. The Mixy trial mining campaign, using the Minjar CIL processing plant averaged 98.1% recovery without a gravity gold circuit.

At the A-Zone Project, gold recovery by conventional grinding and cyanide leach is good (92-99%) for the oxidised samples tested. However, trial heap leach test work shows poor recovery (13-32%). Gold recovery was variable in fresh sulphide and high copper oxide samples (43-90%).

At the LOP laterite prospect, preliminary metallurgical testing achieved reasonable (55-70%) gold recovery by crushing to 6 mm to 12 mm size and cyanide leach for the laterite samples tested. This suggests that shallow open pit mining and heap leach gold extraction could be viable for the prospect.

For a summary of the metallurgical work refer to the Independent Geologist's Report in Section 5.

Scoping studies

A variety of development studies have been undertaken over the Snake Well prospects, comprising preliminary metallurgical test work between 1987 and 2005, preliminary scoping studies in 2006 and 2013, archaeological and ethnographic surveys, environmental studies and most recently, a trial mining study on the Mixy Lode by Kalamazoo.

In 2015 and 2016, Kalamazoo completed a trial mining and processing operation at the Mixy Lode. This exercise was designed to test physical characteristics of the lode, for example, the lode position and width, the gold grade and metallurgical recovery. The outcome was successful in completing the trial and generating net cashflow of $2,100,000 for the partners in the operation.

Environmental studies

Soilwater Group prepared the mining proposal for the trial open pit mining of the Mixy Lode. An environmental and social impact assessment on the Snake Well Project area was completed as part of this proposal. The proposal noted that there were no flora species, fauna species or vegetation communities of conservation significance directly identified within the project area that would be impacted on.

Archaeological and ethnographic surveys have been conducted over the proposed infrastructure and mining areas with the full participation of the three native title claimant groups. It was identified during these surveys that there are no potential archaeological or ethnographic issues within the project area. Native title agreements are in place with all three of the claimant groups.

Geochemical screen testing indicated little-to-no risk of the formation of acid rock drainage (**ARD**) through oxidation of the in situ materials.

Trial mining – Mixy Lode

Kalamazoo's key reason for trial mining of the Mixy Lode was to gather information regarding the optimum way to accurately estimate gold grade within the Mixy Lode.

Figure 12 Mixy Trial Mining showing the 272.5RL Pit Floor in November 2015
(Photograph is looking southeast)

The Mixy trial open pit commenced in October 2015 and continued for nine weeks with a final pit depth of 35m below surface (Figure 12). Rehabilitation was ongoing during mining with the shaping of the waste dump finalised in late January 2016, five weeks after the cessation of mining. The high grade ore and resample ore was hauled over 200km to the Minjar mill for processing.

Historic RC and diamond drilling drilled on an approximately 20m by 20m pattern was in-filled by a 10m by 7.5m RC grade control drilling pattern (56 holes for 1,686m drilling) and sampled on 1m intervals. The grade control drilling assay results correlated well with the historic drilling intersections and both sets of data were used in the grade control block model.

Ravensgate reviewed the mine production tonnage and grade, which were slightly lower (tonnage) and slightly higher (grade) than predicted by the resource model (refer to the Independent Geologist's Report in Section 5).

The final mill reconciliation for the mill feed was 20,320 tonnes of ore at a grade of 6.83 g/t Au for a total of 4,459 ounces. The mill recovery averaged 98.1% despite the Minjar plant not having a gravity gold recovery circuit.

The reconciliation of the project financials was close to the budget with variances for total revenue, costs and cash flow ranging from 1-3% from actual to budget.

(h) **Development options**

A portion of Kalamazoo's development strategy will focus on completing sufficient project work to enable a feasibility study to be prepared for the A-Zone Prospect at the Snake Well Project covered by mining licence M59/474. This will include drilling to enable increased confidence in mineral resources estimates, studies for geotechnical, hydrology and metallurgical recoveries, heritage and environmental studies and all necessary approvals to enable a decision to mine should feasibility studies prove positive.

In accordance with the non-binding terms sheet executed by the Company and Minjar, the cost of most of this work is intended to be borne by Minjar. The material terms of the non-binding terms sheet are set out in Section 11.2 of this Prospectus.

3.3 Cork Tree Project (Copper)

The Cork Tree Project is located approximately 830km northeast of Perth in the Doolgunna province. The Cork Tree Project is within 20km of the Monty project, owned and being developed by Talisman Mining Ltd and Sandfire Resources NL (**Sandfire**) and 28km from Sandfire's De Grussa Copper Mine (Figures 1 and 13). The Directors believe that the Cork Tree Project is very prospective for copper.

The Cork Tree Project consists of three granted exploration licences E52/2056, E52/2057 and E52/3042, comprising 50 blocks and covering approximately 155km^2. Kalamazoo is earning in to E52/2056 and E52/2057 under a joint venture with Atlas (**Joint Venture**) and has currently completed the Stage 1 Earn-In for a 51% interest. The Joint Venture terms are described in Section 8.

(a) **Regional geology**

The Cork Tree Project is located in the Glengarry region covering low grade meta-sedimentary rocks of the eastern Capricorn Orogen on the western edge of the Mid-Proterozoic Earaheedy Basin and straddling the fault bounded southern margin of the adjacent Yerrida Basin.

The Yerrida and Earaheedy Group rocks strike east-northeast and are bounded further to the north by the Archaean aged Marymia Inlier and to the west by the Bryah Basin. A small granitic inlier, the Goodin Dome also lies further to the west. The granite-greenstone terrane of the Yilgarn Craton margins the Yerrida Basin to the south.

Many of the major faults in the region are long lived structures, which have been active during deposition and then later rejuvenated as thrust faults during basin compression. The resulting sequences are complex packages of thrust bounded domains. Long lived structures have good potential to have acted as conduits to mineralising fluids and may be prospective for adjacent sediment-hosted mineralisation.

The regional geological setting and locations of major gold and copper mines in the region are shown in Figures 13 and 14.

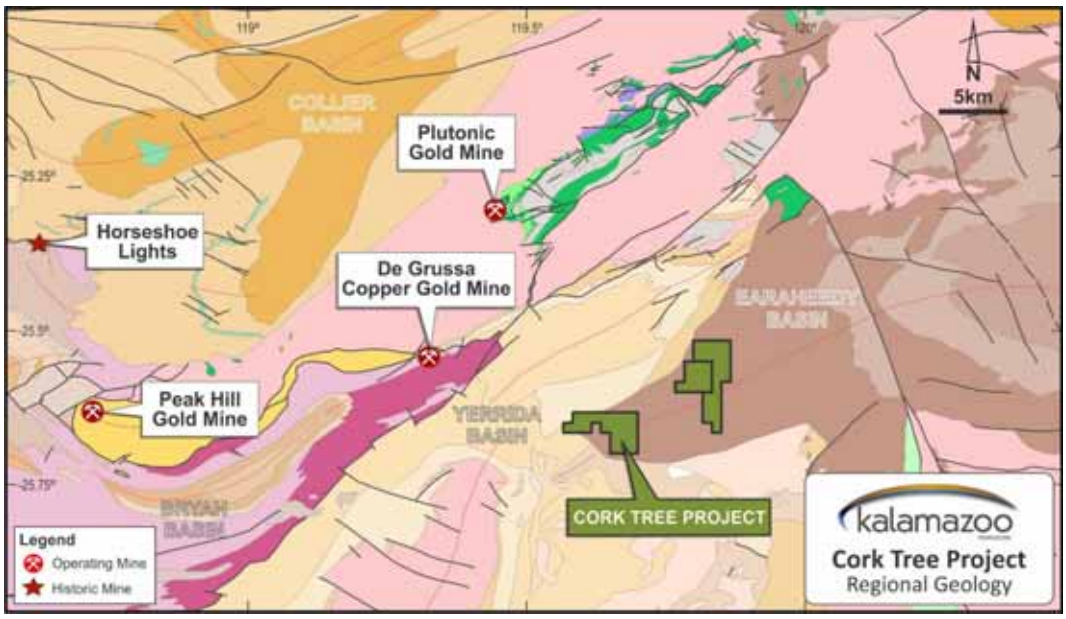


Figure 13. Location and Regional Geology – Cork Tree Project

(b) Local geology

Outcrop is very poor with most exposed material being alluvial or colluvial in origin. Laterite, ferruginised rubble and calcrete are extensively developed. The Tertiary profile is locally overlain along drainages and depressions by Quaternary colluvium and in the east, lake deposits associated with the Lake Gregory salt lake system.

Basement rocks of the project area comprise of black shales and dolomites and have been deeply weathered. As part of the weathering process extensive silicification has affected the dolomite, with resulting chert-like breccia and rubble.

(c) Mineralisation

Previous exploration dating back to 1970 identified widespread secondary copper mineralisation within a thick dolomite-shale-sandstone sequence at a number of prospect areas within the Cork Tree Project tenements. The primary source of the secondary copper mineralisation has not yet been found and numerous near surface copper anomalies remain open laterally and at depth. The location of the project at the edge of a mid-Proterozoic sedimentary basin abutting a basement high, and the presence of major structures, suggests potential for sediment-hosted base metal mineralisation.

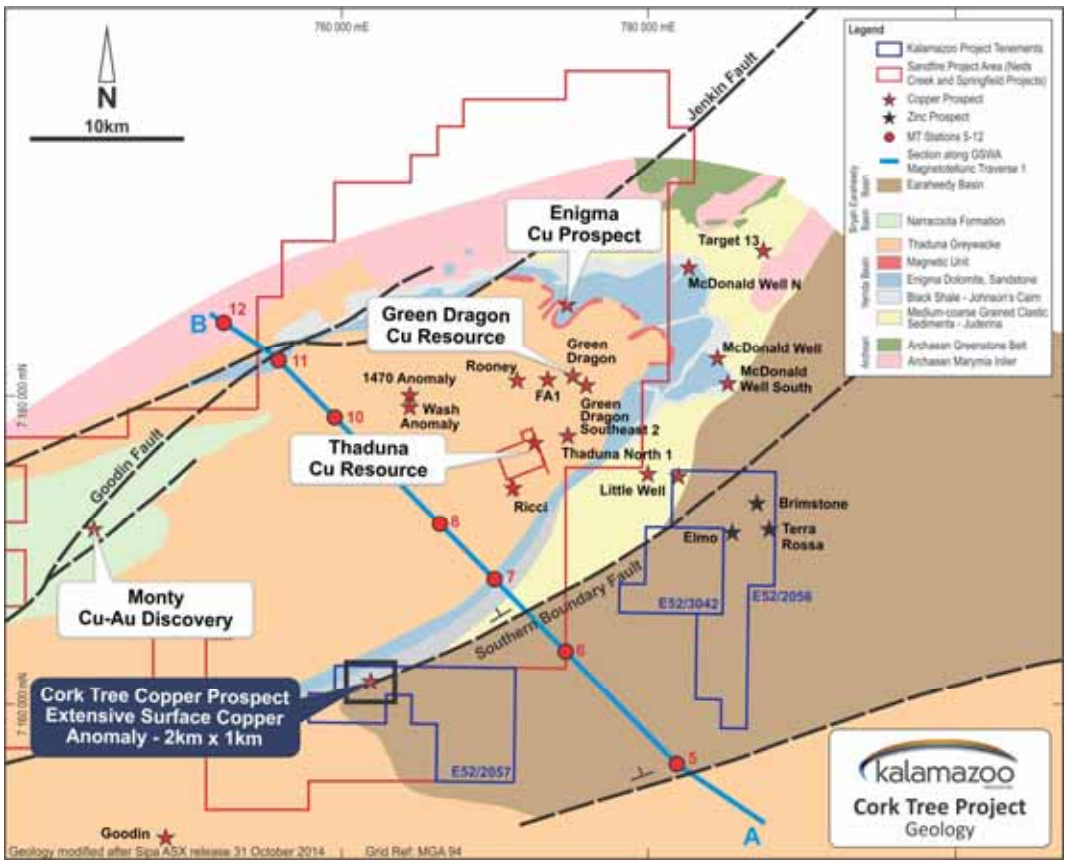


Figure 14. Cork Tree Prospect and surrounding copper deposits
Note: Enigma – refer to Sipa Resources Ltd's ASX release dated 30 October 2014.
Thaduna/Green Dragon – refer to Ventnor Resources Ltd's ASX release dated 12 February 2013.
Monty – refer to Talisman Mining Ltd's ASX release dated 25 June 2015.

(d) **Cork Tree Prospect**

The Cork Tree prospect (Figure 14) is the most advanced target within the project area, located within E52/2057 (**Cork Tree Prospect**). Kalamazoo has identified it as a priority drill target based on re-interpreting geochemical and shallow drilling results generated by previous exploration in the light of a revised regional geological interpretation.

Previous drilling has defined an extensive shallow copper anomaly over an area 2km by 1km with frequent values in excess of 0.1% Cu. The malachite mineralisation is hosted by weathered dolomitic rocks adjacent to the interpreted Southern Boundary Fault that is modelled as a major conduit for mineralising fluids and is itself the priority target for Kalamazoo's future exploration.

A number of other base metal prospects have been identified elsewhere in the Cork Tree Project area, notably Merah, Terra Rossa, Elmo and Brimstone, all of which require follow-up evaluation.

Kalamazoo's exploration program aims to develop new base metal targets within the Cork Tree Project through undertaking regional geophysical and geochemical surveys over areas where coverage by previous explorers has been poor. Drill testing of targets generated will then follow.

Refer to the Independent Geologist's Report at Section 5 for further information in respect of Kalamazoo's Projects.

3.4 Business Model

Proposed exploration program and expenditure

(a) **Snake Well Project**

Kalamazoo will focus immediate attention to:

(i) staged mineral resource definition RC and some diamond drilling at the Mixy Lode and LOP prospect;

(ii) development of the A-Zone Prospect in conjunction with Minjar;

(iii) development works including mining, metallurgical, geotechnical, hydrological and environmental studies;

(iv) exploration at priority targets such as the Royal Standard Mine; and

(v) commencement of project generation review of new projects,

with balanced objectives of achieving early cash flow and increasing the total gold inventory.

At the Mixy Lode, resource development drilling for a stage 2 open pit expansion is planned ahead of a feasibility study and grade control drilling, predominantly in year 1. An initial phase of diamond drilling in year 1 will test for extensions to the current resource at depths between 100-200m below surface, with potential for future underground exploitation. Phase 2 diamond drilling would proceed contingent on the results from phase 1.

Infill RC drilling at A-Zone will be undertaken to upgrade the current gold resource to a higher level of confidence, followed by a feasibility study for an open pit mine initially targeting the oxide mineralisation. Metallurgical drilling and test work would be undertaken for additional evaluation of the transitional and sulphide mineralisation.

Drilling to upgrade the LOP laterite resource to Indicated status and to obtain fresh material for metallurgical test work is planned in year 1. Contingent on these results, exploration drilling at other laterite prospects would ensue in year 2.

Exploration of other lode targets will focus initially at Royal Standard, testing below the high grade historic mine workings that only extended to 75m below surface, and along strike of the lode which has been traced for 800m at surface. Drilling below the main workings would be staged with follow-up contingent on early results.

Other targets will include the high grade Calisi lodes, Warren, Conquistador (base metals) and other prospects located in the felsic shear zone.

Dependent on success, a total of approximately 48,000m of drilling is planned for the first two years at the Snake Well Project comprising RC and diamond core drilling.

(b) **Cork Tree Project**

The Southern Boundary Fault, may be an important control on localising primary copper mineralisation in the project area, particularly at the Cork Tree Prospect and will be the focus of ongoing exploration.

The Company will consider undertaking regional geophysical and geochemical surveys over areas where coverage by previous explorers has been poor.

Initial drilling proposed at the Cork Tree Prospect comprises vertical aircore holes to locate the prospective dolomite/shale contact, to define the stratigraphy under areas of shallow cover and to further determine the extent of the supergene copper blanket. Follow up drilling will involve angled RC drilling to test structural, lithological and geochemical targets. Diamond tails will be drilled through any zones of significant mineralisation intersected in RC drilling to determine the nature of the mineralisation and the possible structural orientation.

The initial aircore and RC programs are expected to total up to 4,000m during year 1, post ASX listing. Follow-up programs in year 2 will be contingent upon results achieved.

Further details of the Company's intended exploration program are contained in the Independent Geologist's Report in Section 5.

The Company proposes to fund its exploration activities over the first two years, as outlined in the table below.

Planned Exploration Expenditure[1]

	Total $M	% of Exploration Expenditure[2]	Year 1 $M	Year 2 $M
Snake Well Project				
Resource Drilling	2.8	42%	1.5	1.3
Development Studies[3]	1.1	16%	0.9	0.2
Exploration	2.0	30%	0.7	1.3
Sub Total-Snake Well	5.9	88%	3.1	2.8
Cork Tree Project				
Exploration Drilling & Geophysics	0.5	8%	0.2	0.3
Sub Total-Cork Tree	0.5	8%	0.2	0.3
Project Generation	0.3	4%	0.1	0.2
Total	**6.7**	**100%**	**3.4**	**3.3**

Notes:

1. Based on full subscription of $10,000,000.
2. Rounding adjustments apply.
3. Development studies for Mixy and Kalamazoo's share of A-Zone.

The exploration programs and budgeted expenditure outlined above are subject to modification on an ongoing basis and are contingent on circumstances, results and other opportunities. Expenditure may be reallocated as a consequence of such changes or new opportunities arising and will always be prioritised in accordance with regard to geological merit and other business decisions related to the Company's activities. Ongoing assessment of the Company's Projects may lead to increased or decreased levels of expenditure reflecting a change of emphasis.

3.5 Specialist Declarations and Competent Person's Statement

(a) Specialist declarations and consent

The information in this Prospectus that relates to Technical Assessment of Mineral Assets reflects information compiled and conclusions derived by Mr Neal Leggo (BSc (Hons) Geology, MAIG, MSEG), who is a Member of the Australian Institute of Geoscientists. Mr Leggo is not an employee of Kalamazoo. Mr Leggo has sufficient experience relevant to the Technical Assessment of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a specialist as defined in the JORC Code (2012 Edition). Mr Leggo consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

(b) Competent Person Statement

The information in this Prospectus that relates to Exploration Results and Mineral Resources of the Company is based on information compiled by Mr David Reid (BSc Geology, MAppSc (Geological Data, Processing, Geostatistics) MAusIMM) a competent person who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. Mr Reid is an employee of Ravensgate who is engaged as the independent geologist by the Company. Mr Reid has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as an expert and competent person as defined in the VALMIN Code and JORC Code (2012 Edition). Mr David Reid consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

3.6 Strategy post listing

The primary objective of the Company has been to focus on mineral exploration of resource opportunities that have the potential to deliver Company growth for the benefit of Shareholders. In order to achieve this objective following admission to the Official List, the Company proposes to undertake the exploration and development programs highlighted above and further explained in the Independent Geologist's Report in Section 5 of this Prospectus. The results of the exploration and development programs will determine the economic viability and possible timing for the commencement of further testing including pre-feasibility studies and commencement of other mining operations on the Projects.

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

Further information regarding the Company's planned activities is set out in Independent Geologist's Report in Section 5 of this Prospectus.

3.7 Directors and key personnel

Luke Reinehr
Executive Chairman (LL.B, B.A)

Luke was the Company's managing director from January 2013 until 31 July 2016 and was primarily responsible for driving Kalamazoo's early growth and path towards an initial public offer. Luke has been the executive chairman of Kalamazoo since 1 August 2016. Luke's core legal experience complements mining and resources, project development and information technology skills. Working across all levels of management, Luke has extensive partnership, director, CEO and chairman experience with companies in Australia and internationally. Luke holds a Bachelor of Law and a Bachelor of Arts degree from the University of Melbourne and Monash University respectively.

Peter Benjamin
Managing Director (B.Sc. (Hons), Grad Dip (Exploration), (Bus Admin), GAICD, MAusIMM, AAIM)

Peter is a geologist with over 30 years' experience in senior exploration, project, operational and executive management roles for both junior and mid-tier resources companies. These roles have included significant experience in the development and subsequent operations for open pit and underground precious, base metal and bulk mineral mines throughout Australia. Peter has extensive experience in managing and implementing exploration strategies which have led to the successful and ongoing discovery and delineation of new mineral resources and ore reserves. Peter was previously the managing director of Shaw River Manganese Ltd, a manganese focused mineral exploration and development company with its main project in Namibia.

Angus Middleton
Non-Executive Director (SA Fin, MSAA)

Angus is a fund manager and former stockbroker who has extensive experience in the capital markets sector in Australia. He is currently a director of SA Capital Pty Ltd, a corporate advisory firm specialising in equity raisings and underwriting, and the managing director of SA Capital Funds Management Limited, an Adelaide based investment fund that has been involved in advising and raising equity for corporations in the form of venture capital, seed capital, private equity, pre-initial public offerings and initial public offerings. Angus is currently a director of ASX listed Hillcrest Litigation Services Limited, Excalibur Mining Corporation Limited and Aphrodite Gold Limited. The Board considers Angus Middleton to be an independent director as he is not a member of management and is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board.

Other management

Bernard Crawford
Chief Financial Officer and Company Secretary B Com, CA, MBA, ACIS

Bernard is a Chartered Accountant with extensive experience in the resources industry in Australia and overseas. He has held various positions in finance and management with NYSE, TSX and ASX listed companies. He holds a Bachelor of Commerce degree from the University of Western Australia, a Master of Business Administration from London Business School and is a Member of the Institute of Chartered Accountants in Australia and the Governance Institute of Australia.

Lance Govey
Exploration Manager (B.Sc. (Hons), M.Sc., MAusIMM)

Lance is a geologist with 40 years' experience in exploration and mining across Australia, Indonesia, Zambia and the Philippines, predominantly for gold but including alluvial tin, copper and emeralds. Lance served as Principal Geologist WA for Normandy Mining, Executive Technical Director for Red 5 (10 years), Managing Director for Triton Gold Limited, Exploration Manager for Monument Murchison Pty Ltd and operated as a Consultant Geologist (4 years). In the Philippines he played a key role in management of the DFS for the now operating Siana Gold mine.

The Company is aware of the need to have sufficient management to properly supervise the exploration and (if successful) for the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As the Company's projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management.

3.8 Additional information

Prospective investors are referred to and encouraged to read in its entirety both:

(a) the Independent Geologist's Report in Section 5 for further details about the geology, location and mineral potential of the Company's Projects; and

(b) the Solicitor's Report on Tenements in Section 8 for further details in respect to the Company's interests in the Tenements.

3.9 Dividend policy

The Board anticipates that significant expenditure will be incurred in the exploration and evaluation of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

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

3.10 Capital structure

The capital structure of the Company following completion of the Offer is summarised below[1]:

Shares[2]

	Number
Shares currently on issue[3]	58,227,439
Shares to be issued pursuant to the Offer	50,000,000
Total Shares on completion of the Offer	**108,227,439**

Options

	Number
Options currently on issue[4]	17,864,745
Options to be issued to DJ Carmichael as part of the costs of the Offer[5]	10,000,000
Total Options on completion of the Offer	**27,864,745**

Notes:

1. Refer to the Financial Information set out in Section 6 and Independent Limited Assurance Report set out in Section 7 of this Prospectus for further details.
2. The rights attaching to the Shares are summarised in Section 12.2 of this Prospectus.
3. The Shares currently on issue comprise 47,677,439 Shares held by Founders, Initial Seed Investors, Directors and Management and 10,550,000 Shares issued under a subsequent seed capital raising. The Shares issued under the subsequent seed capital raising were issued on 26 August 2016 and 27 September 2016 at an issue price of $0.10 each to fund exploration at the Cork Tree Project, listing costs and initial working capital requirements of the Company. These Shares were issued at a discount to the issue price of the Shares offered pursuant to the Offer to reflect the increased risk associated with an investment in the Company at the time of issue of the seed capital.
4. Comprising 2,857,143 unquoted Options exercisable at $0.20 on or before 1 November 2019, 2,757,602 unquoted Options exercisable at $0.70 on or before 9 November 2019 and 12,250,000 unquoted Options exercisable at $0.30 on or before 31 December 2019.
5. Comprising 5,000,000 unquoted Options exercisable at $0.20 and 5,000,000 unquoted Options exercisable at $0.25, on or before the date that is two years from the date of issue.

3.11 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer (assuming full subscription) are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Doux Argent Pty Ltd[1]	38,327,734	Nil	65.82%	50.37%
Great Sandy Pty Ltd	3,035,714	803,571	5.21%	5.05%

Notes:

1. Doux Argent Pty Ltd (ACN 169 416 988) is controlled by Matthew Reinehr, a previous Director of the Company who resigned on 30 June 2016.

On completion of the Offer (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Doux Argent Pty Ltd[1]	38,327,734	Nil	35.41%	28.16%

Notes:

1. Doux Argent Pty Ltd (ACN 169 416 988) is controlled by Matthew Reinehr, a previous Director of the Company who resigned on 30 June 2016.

3.12 Restricted securities

Subject to the Company being admitted to the Official List, certain securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

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

4. RISK FACTORS

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

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

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

4.1 Company specific

(a) **Tenure, access and grant of applications**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements and/or applications for tenements will be approved. There can be no assurance that the tenement application that is currently pending will be granted. Further, there can be no assurance that when the tenement is granted, it will be granted in its entirety.

Tenements are subject to the applicable mining acts and regulations in Western Australia. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's Projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company and the Joint Venture.

The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and the ongoing expenditure budgeted for by the Company and the Joint Venture. However, the consequence of forfeiture or involuntary surrender of granted tenements for reasons beyond the control of the Company and the Joint Venture could be significant.

Please refer to the Solicitor's Report on tenements in Section 8 for further details.

(b) **Exploration success**

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of additional Mineral Resources or an economic ore deposit.

Even if an additional Mineral Resources or apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company, and in relation to the Cork Tree Project, Atlas, having access to sufficient development capital, being able to maintain title to the mineral tenements comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programs prove to be unsuccessful, this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral tenements comprising the Projects.

(c) **Future capital needs**

The future capital requirements of the Company will depend on many factors. The Directors believe that the proceeds of the Offer should be adequate to fund its business activities in the short term however changes to operational requirements, market conditions and the identification of other opportunities may mean further funding is required by the Company at an earlier stage than is currently anticipated.

Should the Company require additional funding, there can be no assurance that additional financing will be available, either on acceptable terms or at all. Any inability to obtain additional funding, if required, will have a material adverse effect on the Company's business, its financial condition and performance, and its ability to continue as a going concern.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer and may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

The Company may undertake offerings of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(d) **Restricted securities reducing liquidity**

Subject to the Company being admitted to the Official List, certain securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

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

(e) **Joint venture and contractual risk**

The exploration of and any future mining operations on the Cork Tree Project are subject to the Joint Venture Agreement with Atlas. The successful exploration of and any future mining operations on the Cork Tree Project are reliant on Atlas performing its obligations under the Joint Venture Agreement. There would be a material adverse impact on the exploration of and any future mining operations on the Cork Tree Project and the Company's interest in the Cork Tree Project, if Atlas does not perform its obligations under the Joint Venture Agreement or the relationship between the Company and Atlas deteriorates.

If Atlas defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which could be costly.

The success of the Company will also depend upon the Company, and in relation to the Cork Tree Project, Atlas, being able to maintain title to the mineral exploration licences comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licences comprising the Projects.

Further, there is no certainty that the Company will earn the entire 80% interest in the Cork Tree Project or that completion of the feasibility study will support a decision to commence mining operations on the Cork Tree Project.

Please refer to the Solicitor's Report on Tenements in Section 8 for discussion on the Joint Venture and transfer of legal title to the Cork Tree Project tenements.

(f) **Under expenditure and forfeiture on M59/41**

The holder of a mining lease must comply with the prescribed minimum expenditure conditions unless the holder has been granted an exemption (in whole or part) from those conditions by the Minister. To obtain an exemption, the holder of a mining lease must apply to the Minister for the exemption before the end of the tenement year to which the minimum expenditure relates, or within 60 days after the end of that tenement year (unless an extension has been granted).

There are prescribed grounds upon which the Minister may grant an exemption, set out in the Mining Act. If the exemption is granted, the Minister will issue a certificate of exemption and the holder will be deemed to be relieved to the extent, and subject to the conditions, specified in the certificate. If the exemption is refused, the DMP will commence forfeiture proceedings and the Minister may declare the tenement to be forfeited or may impose a fine in lieu of forfeiture or decide to take no further action. Where the Minister has imposed a fine, if the fine is not paid by the date specified by the Minister, or within 30 days of written notice of the fine being imposed, the licence is forfeited.

The Company will again seek an exemption from the prescribed minimum expenditure requirements for M59/41 which covers a deposit of Kaolin and abuts the western edge of the A-Zone Project.

Since acquiring the tenement in 2013, the Company has applied for and received an exemption from the DMP in relation to the expenditure requirements for M59/41 as it has been unable to conduct exploration or development works due to the proximity of a fibre optic cable which creates some limitations for certain development works, such as costeaning at the A-Zone Prospect. Accordingly, the Company intends to make an application for exemption for the current reporting year.

As the tenement is part of a group of combined reporting tenements which has exceeded the expenditure requirements for the group, the Directors believe it is likely that the exemption will be granted.

Whilst the Directors believe it is likely that they will receive an exemption for the current tenement year, as they have in previous years, if the Company is not granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on M59/41.

4.2 Industry specific

(a) **Mineral resources and ore reserve estimates**

Mineral Resource and Ore Reserve estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Ore Reserve estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of mineral deposits cannot be known until mining takes place, and will almost always differ from the assumptions used to develop Mineral Resources. Further, Ore Reserves are valued based on future costs and future prices and consequently, the actual Mineral Resources and Ore Reserves may differ from those estimated, which may result in either a positive or negative effect on operations.

Should the Company's projects encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, Mineral Resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(b) **Results of studies**

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Company's Projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Company's Projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's Projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further even if a study determines the economics of the Company's Projects, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study once production commences including but not limited to operational costs, mineral recoveries and commodity prices. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(c) **Exploration risk**

The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. Resource exploration and development is a speculative business, characterised by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, although present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on a property without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with Australian recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in developing its properties.

(d) **Exploration costs**

The exploration costs of the Company have been estimated based on certain assumptions which are subject to significant uncertainties. The actual costs may materially differ from these estimates. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised. The Company may be materially and adversely affected if the actual costs are substantially greater than the estimated costs.

(e) **Safety risks**

Safety is a fundamental risk for any exploration and production company in regards to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

During the recent Mixy Trial Open Pit operation, the project had one reportable occurrence submitted to the DMP in relation to a fall of ground incident in December 2015. There was no first aid, medical treatments or lost time injuries recorded for the duration of the project.

The Company will develop a set of safety procedures to identify issues and mitigation strategies.

(f) **Native title**

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

Three native title agreements have been assigned to the Company in respect of M59/474, M59/476, M59/477 and M59/565. The Company is bound by them through assumption deeds which it has entered into. In addition, for the Cork Tree Project, tenements E52/2056 and E52/2057 are the subject of a heritage agreement with The Yamatji Barna Baba Maaja Aboriginal Corporation (as agent for the Yugunga Nya) and tenement E52/3042 is the subject of a heritage agreement with Yamatji Marlpa Aboriginal Corporation as agent for the Yununga-Nya Claimant Group.

Refer to the Solicitor's Report on Tenements in Section 8 of this Prospectus for further details.

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

(g) **Tenement title**

The ability of the Company to carry out successful exploration and mining activities will depend on the ability to maintain or obtain tenure to mining titles. The maintenance or issue of any such titles must be in accordance with the laws of the relevant jurisdiction and in particular, the relevant mining legislation. Conditions imposed by such legislation must also be complied with. No guarantee can be given that tenures will be maintained or granted, or if they are maintained or granted, that the Company will be in a position to comply with all conditions that are imposed or that they will not be plainted by third parties.

Although the Company has investigated title to all of its tenements (as detailed in the Tenement Report), the Company cannot give any assurance that title to such tenements will not be challenged or impugned. The tenements may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects or native title claims.

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

All of the tenements in which the Company has an interest (or tenements in which the Company may acquire an interest in the future), will be subject to applications for renewal or exemption from expenditure (as the case may be). The renewal or exemption from expenditure for a tenement is usually determined at the discretion of the relevant government authority. If a tenement is not renewed or granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on that tenement.

Since the Company commenced exploration and development studies three years ago, it has consistently maintained the necessary reporting required by the DMP and has kept all tenements in good standing. In addition, the Company utilises the services of an independent expert tenement management consultancy to provide support and manage the tenements.

(h) **Government regulation**

Any material adverse changes in government policies or legislation that affect mining, processing, development and mineral exploration activities, income tax laws, royalty regulations, government subsidies and environmental issues may affect the viability and profitability of the Company's current and future projects.

The mining, processing, development and mineral exploration activities of the Company's projects are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, indigenous land claims, and other matters. Furthermore, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining or more stringent implementation thereof could have a substantial adverse impact on the current and any future project and hence the Company.

The DMP completed two site visit inspections at the Mixy Trial Open Pit operation during the project life with nil improvement notices or prohibition notices issued.

(i) **Reliance on key personnel and ability to recruit additional personnel**

The Company's operational success will depend substantially on the continuing efforts of the Directors and senior executives. The loss of services of one or more Directors or senior executives may have an adverse effect on the Company's operations. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected. Key personnel have been covered by executive services agreements and contractor agreements and in most instances, incentive plans to ensure that key personnel are incentivised and rewarded for performance.

(j) **Environmental**

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

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

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

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

(k) **Equipment and availability**

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

4.3 General risks

(a) **Commodity price volatility and exchange rate risks**

If the Company or the Joint Venture achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

(b) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's Projects and business.

(c) **Currently no market**

There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.

The price at which the Company's Shares trade on ASX after listing may be higher or lower than the Offer price and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase.

There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

(d) **Securities investments**

There are risks associated with any securities investment. The prices at which the Company's Shares trade on ASX may fluctuate in response to a number of factors including:

(i) the recruitment or departure of key personnel;

(ii) actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;

(iii) variations in the Company's financial results or those of companies that are perceived to be similar to the Company including changes caused by changes in financial accounting standards or practices or taxation rules or practices;

(iv) announcements regarding litigation or other proceedings that involve the Company;

(v) war or acts of terrorism or catastrophic disasters that disrupt world trade or adversely affect confidence in financial markets; and

(vi) other general economic, industry and market conditions.

(e) **Share market conditions**

Share market conditions may affect the value of the Company's quoted securities, regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) introduction of tax reform or other new legislation;

(iii) interest rates and inflation rates;

(iv) changes in investor sentiment toward particular market sectors;

(v) the demand for, and supply of, capital; and

(vi) terrorism or other hostilities.

The market price of the Company's securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and mining and resources related stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

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

(f) **Liquidity risk**

There is no guarantee that there will be an ongoing liquid market for the Company's securities. Accordingly, there is a risk that, should the market for the Company's securities become illiquid, shareholders will be unable to realise their investment in the Company.

(g) **Economic risk**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the mining and resources industries including, but not limited to, the following:

(i) general economic conditions in Australia and worldwide;

(ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;

(iii) the strength of the equity and share markets in Australia and throughout the world, and in, particular, investor sentiment towards the mining and resources sector;

(iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and

(v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(h) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

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

(i) **Policies and legislation**

The introduction of new legislation or amendments to existing legislation by the Australian government, and the decisions of courts and tribunals, can impact adversely on the assets, operations and, ultimately, the financial performance of the Company.

Any adverse developments in political and regulatory conditions could materially affect the Company's prospects. Political changes, such as changes in both monetary and fiscal policies, expropriation, methods and rates of taxation and currency exchange controls may impact the performance of the Company as a whole.

(j) **Agents and contractors**

The Directors are unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.

(k) **Force majeure**

The Company's Projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(l) **Litigation risks**

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

(m) **Insurance**

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

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

(n) **Regulatory risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

4.4 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

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

5. independent geologist's report

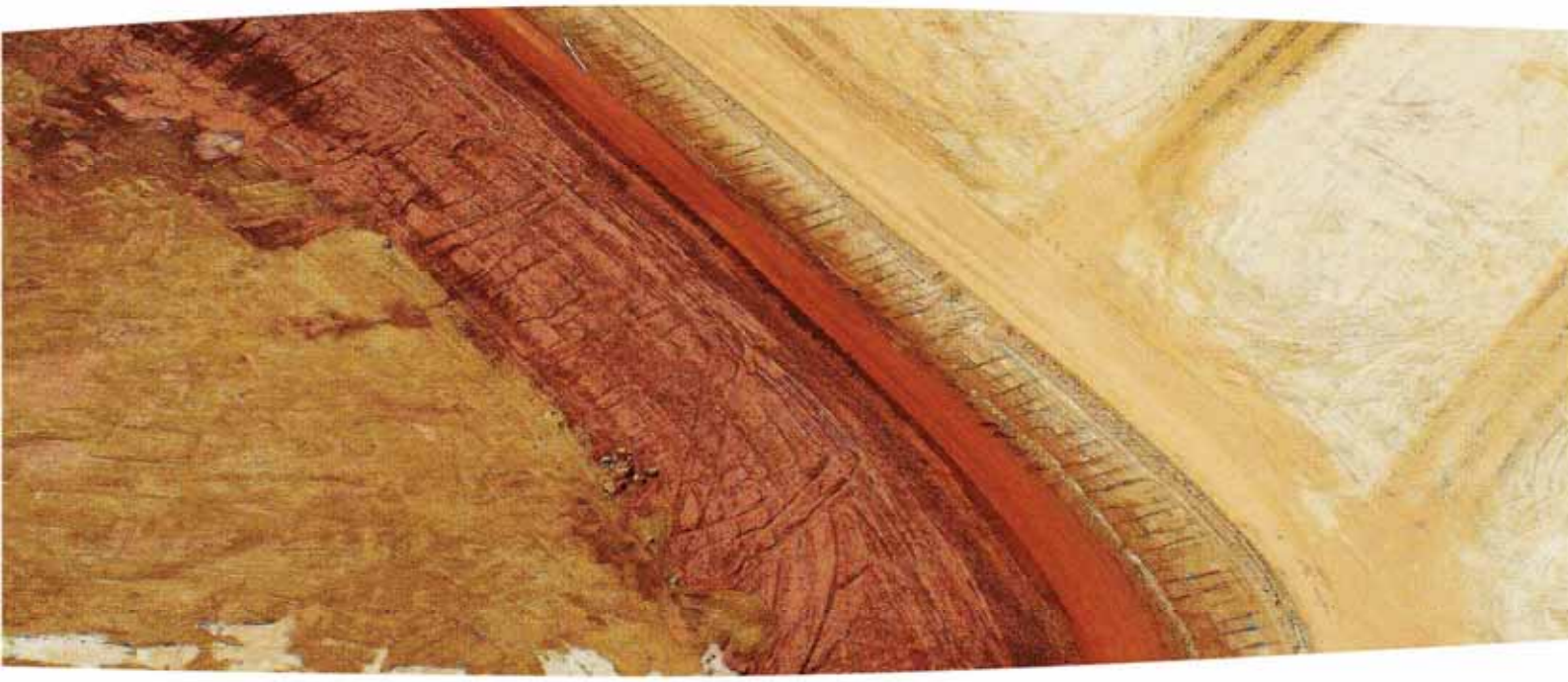
Ravensgate
Mining Industry Consultants

INDEPENDENT GEOLOGIST'S REPORT

ON THE MINERAL ASSETS OF

KALAMAZOO RESOURCES LIMITED

30 SEPTEMBER 2016



RESOURCEFUL TECHNICAL PARTNERS

Ravensgate
Mining Industry Consultants

30 September 2016

The Directors
Kalamazoo Resources Limited
Unit 3/611 Hay Street
Jolimont, Western Australia, 6014
Australia

Dear Sirs

Independent Geologist's Report on the Mineral Assets of Kalamazoo Resources Limited

Ravensgate International Pty Ltd ATF Ravensgate Unit Trust (Ravensgate) has been commissioned by Kalamazoo Resources Limited (Kalamazoo) to provide an Independent Geologist's Report on their mineral assets. Kalamazoo is an Australian public company with its registered office in Western Australia. Kalamazoo changed its status from a proprietary company limited by shares to a public company limited by shares on 23 September 2016. Ravensgate understands that Kalamazoo is seeking to list on the Australian Securities Exchange (ASX) via an Initial Public Offering and shareholders or potential investors may rely upon this report. This report is to be included in a prospectus (Prospectus) to be lodged by Kalamazoo with the Australian Securities and Investments Commission (ASIC). The funds raised together with existing cash resources will be used for the purpose of acquisition, exploration, development and evaluation of Kalamazoo's mineral assets.

The Snake Well and Cork Tree projects in Western Australia comprise the mineral assets of Kalamazoo. A list of the tenements which comprise these mineral assets is detailed in Table 3 of this report.

Ravensgate has completed a desktop review of the projects which involved compiling and reviewing the project's technical aspects, including previous work, regional geological setting, local geology, mineralisation, exploration potential and planned exploration. The objectives of this report are to provide a geological overview of each exploration project covering pertinent aspects in detail appropriate to the strategic importance of the project assigned by Kalamazoo. The Snake Well project is the main asset and has received the most detailed review including description of its Mineral Resources.

This report is based on information provided by Kalamazoo, which includes technical reports by consultants, previous tenement holders and other relevant published and unpublished data for the project areas. A listing of the principal sources of information is included in this report. Ravensgate did not carry out a site visit to the project areas. Ravensgate is satisfied that there is sufficient current information available to allow an informed appraisal to be made. Ravensgate is of the opinion that no significant additional benefit would have been gained through a site visit to the project areas given their location and stage of development. Ravensgate has endeavoured, by making reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this report is based. Kalamazoo has been given a final draft of this report and thereby given an opportunity to identify any material errors or omissions in it. Ravensgate has not verified the status of tenements or reviewed any issues regarding ownership, agreements or access pertaining to the tenements, which are being addressed elsewhere in the Prospectus.

PERTH
PO Box 1923, West Perth, 6872 Australia T +61 8 9226 3606 F +61 8 9226 3607
Ravensgate International Pty Ltd ATF Ravensgate Unit Trust ABN 16 891 075 503

This report was prepared by Mr Neal Leggo (Principal Geologist) and Mr David Reid (Principal Resource Geologist) and was reviewed by Mr Alan Hawkins of Ravensgate in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition) and the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (VALMIN Code 2015 Edition). The report has also been prepared in accordance with ASIC Regulatory Guides 111 (Contents of Expert Reports) and 112 (Independence of Experts). Mr Leggo is a Member of The Australian Institute of Geoscientists. Mr Reid is a member of the Australasian Institute of Mining and Metallurgy. Mr Leggo and Mr Reid are full-time employees of Ravensgate, each has sufficient experience which is relevant to the styles of mineralisation and types ofdeposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012 Edition.

The information in this report that relates to Technical Assessment of Mineral Assets reflects information compiled and conclusions derived by Mr Leggo. Mr Leggo has sufficient experience relevant to the Technical Assessment of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Specialist as defined in the VALMIN Code 2015 Edition. Mr Leggo consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Consent has been sought from Kalamazoo's representatives to include technical information and opinions expressed by them. No other entities referred to in this report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting any relevant activities.

Ravensgate and its employees are not, nor intend to be, directors, officers or employees of Kalamazoo and have no material interest in any of the projects or Kalamazoo. The relationship with Kalamazoo is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

In consideration of the definition provided in the VALMIN Code, the Cork Tree mineral assets of Kalamazoo are classified as Advanced Exploration Mineral Assets, while the Snake Well mineral assets of Kalamazoo are classified as Pre-Development Mineral Assets. The mineral properties are considered prospective, although subject to varying degrees of risk, to warrant further exploration and development of their economic potential consistent with the programs proposed by Kalamazoo.

Yours faithfully

_____ _____

Neal Leggo
For and on behalf of:
RAVENSGATE

David Reid
For and on behalf of:
RAVENSGATE

INDEPENDENT GEOLOGIST'S REPORT ON THE MINERAL ASSETS OF KALAMAZOO RESOURCES LIMITED

Prepared by RAVENSGATE on behalf of:

Kalamazoo Resources Limited

Author(s):	Neal Leggo	Principal Geologist	BSc (Hons) Geology, MAIG, MSEG
	David Reid	Principal Resource Geologist	BSc Geology, MAppSc(Geological Data Processing – Geostatistics), MAusIMM
Reviewer:	Sam Ulrich	Principal Consultant	BSc (Hons) Geology, GDipAppFin, MAusIMM, MAIG, FFin

Date: 30 September 2016

Copies: Kalamazoo Resources Limited (2)
Ravensgate (1)

Project No: KAL003
File Name: KAL003_IGR_2016_09_30_FINAL.DOCX

Neal Leggo
For and on behalf of:
RAVENSGATE

David Reid
For and on behalf of:
RAVENSGATE

TABLE OF CONTENTS

LIST OF APPENDICES

LIST OF TABLES

LIST OF FIGURES

EXECUTIVE SUMMARY

Ravensgate International Pty Ltd ATF Ravensgate Unit Trust (Ravensgate) has been commissioned by Kalamazoo Resources Limited (Kalamazoo) to provide an Independent Geologist's Report on the mineral assets of Kalamazoo. Ravensgate understands that Kalamazoo is seeking to list on the Australian Securities Exchange (ASX) and that this report is to be included in a prospectus (Prospectus) to be lodged by Kalamazoo with the Australian Securities and Investments Commission and may be relied upon by shareholders and potential investors.

The Snake Well and Cork Tree projects in Western Australia comprise the mineral assets of Kalamazoo. A map showing the location of the projects is presented in Figure 1, and a list of the tenements which comprise the mineral assets is detailed in Table 3 of this report.

Snake Well Project

The Snake Well project is the principal asset of Kalamazoo. It is located 450km north of Perth in the Mid West region and consists of five granted mining leases and one exploration licence application. The Snake Well project covers Archaean rocks of the Tallering greenstone belt in the western portion of the Murchison Domain, which hosts a number of significant mineral deposits including Golden Grove, Big Bell and Mt Magnet. The only recorded gold production from within the Tallering greenstone belt is from the Royal Standard gold mine, where 68,000t at 13.1g/t Au was mined between 1897 and 1937. Giralia Resources (Giralia) undertook extensive exploration in the project areas between 2002 and 2011, although significant exploration had been completed on the area prior to 2002 by explorers including Roebuck Resources, Battle Mountain and CRAE. A number of gold and base metal prospects were identified mainly through geochemical exploration, with subsequent drilling delineating a number of gold deposits. Since acquiring the project, exploration by Kalamazoo has comprised compilation of past exploration data, construction of a database of historic drill data, GIS development, field assessment work, statutory reporting and mineral resource estimation.

Giralia had reported Mineral Resource estimates for the Mixy, A-Zone, LOP, Calisi, Royal Standard, Buckshot, Warren and Asp deposits under pre-2012 editions of the JORC Code. Ravensgate has reviewed these estimates and determined that none could be reported in conformance with the JORC Code (2012 Edition), mainly due to inadequate documentation. Ravensgate has updated the Mineral Resource estimates for the A-Zone deposit and undertaken revised Mineral Resource estimates for the Mixy and LOP deposits in conformance with the JORC Code (2012 Edition). The Calisi, Royal Standard, Buckshot, Warren and Asp deposits have been downgraded to advanced exploration projects. Current Mineral Resources for the Snake Well project are summarised in the following table.

Table 1 Snake Well Project Mineral Resource Estimates (JORC 2012)

Deposit	Cut-off Grade (g/t Au)	Indicated			Inferred			Total		
		Tonnes (Kt)	Grade Au (g/t)	Metal (Koz)	Tonnes (Kt)	Grade Au (g/t)	Metal (Koz)	Tonnes (Kt)	Grade Au (g/t)	Metal (Koz)
Mixy - Open Pit	0.5	142	3.1	14	198	1.6	10	339	2.2	24
Mixy - Underground	2.0	8	5.8	1	66	4.4	9	74	4.5	11
A-Zone	0.5				1,106	1.6	58	1,106	1.6	58
LOP Laterite	0.5				376	1.1	13	376	1.1	13
TOTAL	-	149	3.3	16	1,750	1.6	91	1,900	1.8	107

Notes: Open Pit = Up to 100m below surface (>190m RL);
Underground = Below 100m from surface (<190mRL);
Tonnage is reported as dry tonnes
Rounding has been applied to appropriately reflect the precision of the estimate

A variety of development studies have been undertaken over the Snake Well deposits, comprising preliminary metallurgical test work between 1987 and 2005, preliminary scoping studies in 2006 and 2013, archaeological and ethnographic surveys, environmental studies and most recently a trial mining study on the Mixy gold deposit by Kalamazoo.

The Mixy trial mining project commenced in October 2015 and comprised a nine week open pit mining operation. Ore haulage to the Minjar mill was completed in January 2016, with 20,320t at 6.83g/t Au producing 4,459oz of gold. Kalamazoo's key reasons for trial mining of the Mixy deposit was to gather information regarding the optimum way to accurately estimate gold grade, to test the geological model of the mineralisation and to better define physical and financial mining parameters. Historic RC and diamond drilling on a ~20m x 20m pattern was in-filled by 10m x 7.5m RC grade control drilling. The grade control drilling assay results correlated well with the historic drilling intersections and both sets of data were used to control mining which used a 1.5g/t Au cut-off grade. Ravensgate reviewed the mine production tonnage and grade, which were slightly lower (tonnage) and slightly higher (grade) than predicted by the 2016 resource model (25,123t at 6.43g/t Au for 5,190oz). Given the cut-off grade differences, this provides good support for the Indicated classification of the resource estimate.

Mineral Resources have been defined at three prospects (Mixy, A-Zone and LOP) and by undertaking appropriate technical work it is likely that further Mineral Resources can be defined at another four prospects (Buckshot, Warren, Asp and 1080). In addition to these defined deposits, Kalamazoo has identified four exploration prospects within its Snake Well tenements where further exploration work is justified (Royal Standard, Conquistador, Rabbit Well North and Armstrongs). There is additional potential for discovery of further targets through regional exploration over areas where prospective Archaean lithologies are concealed under Cainozoic cover. Each of these opportunities are described in detail in the body of the report.

Cork Tree Project

The Cork Tree project is located 830km northeast of Perth in the Mid West region and consists of three granted exploration licences. It is located in the Glengarry region, covering rocks of the Capricorn Orogen on the western edge of the Mid-Proterozoic Earaheedy Basin. The Cork Tree project straddles rocks of the Yerrida Basin and the western extremity of the Earaheedy Basin.

Mineralisation within the area surrounding the Cork Tree project include epigenetic gold deposits (Peak Hill, Fortnum, and Horseshoe), VHMS polymetallic deposits (Horseshoe Lights and DeGrussa) and epithermal copper (Thaduna).

No mineral resources have been defined within the tenements. Bedrock geology is heavily masked by lateritic duricrust, deep oxidation and transported material. Past exploration has been hindered by a lack of outcrop, dense vegetation, deep weathering and widespread transported cover, which can be up to 80m thick. Previous exploration has identified widespread secondary copper mineralisation within a thick dolomite-shale-sandstone stratigraphy at a number of prospect areas within the tenements, which has been confirmed by recent work. The primary source of the widespread secondary copper mineralisation at the Cork Tree prospect has not yet been found and numerous near surface copper anomalies remain open laterally and at depth. The location of the project at the edge of a mid-Proterozoic sedimentary basin abutting a basement high, and the presence of major structures, suggest potential for sediment-hosted copper mineralisation.

A 2015 government funded magnetotelluric traverse across the eastern part of the Capricorn Orogen covered the Cork Tree tenements. The Yerrida basin boundary was previously interpreted as an unconformity, however the results of the magnetotelluric survey has resulted in the interpretation of a major crustal-scale fault, the Southern Boundary Fault. This is significant for mineral exploration as the fault may have been a conduit for metal-bearing fluids, and may be the source of the secondary copper mineralisation at the Cork Tree prospect. Using the results of the survey, Kalamazoo has updated their exploration model for the Cork Tree prospect. Currently planned copper exploration programs are described in Kalamazoo's successful application to the Department of Mining and Petroleum for a co-funded drilling grant. This targets the Southern Boundary Fault along an interpreted contact between a dolomite unit and clastic sediments containing black shales.

Further potential exists to develop new base metal targets within the Cork Tree project through undertaking regional geophysical and geochemical surveys over areas where coverage by previous explorers has been poor.

Planned Expenditure

Kalamazoo has provided to Ravensgate their proposed exploration expenditure for the two year period following the capital raising with $6,700,000 allocated to direct exploration expenditure as detailed in Table 9 of Section 4. Kalamazoo is intending to focus their expenditure on the resource drilling and development studies on the Snake Well project but with significant expenditure on testing exploration targets and generating new targets.

In Years 1 and 2 Kalamazoo will undertake resource definition RC and diamond drilling at Mixy; resource definition RC drilling at LOP; metallurgical test work and development studies at Mixy, A-Zone and LOP; exploration drilling at the Cork Tree prospect, the Royal Standard prospect and various other Snake Well prospects. A total of approximately 52,000m of drilling (RC, diamond and aircore) is planned for the first two years.

Ravensgate considers that the exploration strategy and programs proposed by Kalamazoo are consistent with the mineral potential and status of the projects. The proposed expenditure is sufficient to meet the costs of the exploration programs proposed and to meet statutory tenement expenditure requirements.

1. INTRODUCTION

1.1 Terms of Reference

Ravensgate has been commissioned by Kalamazoo to provide an Independent Geologist's Report (IGR) on Kalamazoo's mineral assets. This report has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition) and the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets for Independent Expert Reports (VALMIN Code 2015 Edition). The report has also been prepared in accordance with Australian Securities and Investments Commission (ASIC) Regulatory Guides 111 (Contents of Expert Reports) and 112 (Independence of Experts).

1.2 Tenement Status Verification

The Client has commissioned independent legal advice regarding the status of the tenements that are referred to in this report (as set out in the Tenement Schedule) underlying the mineral assets. Ravensgate has not reviewed the material contracts relating to the mineral assets of Kalamazoo and is not qualified to make legal representations in this regard. Specific details regarding the tenements and any material agreements pertaining to them are detailed elsewhere in the prospectus.

1.3 Disclaimer

The authors of this report and Ravensgate are independent of Kalamazoo, its directors, senior management and advisors and have no economic or beneficial interest (present or contingent) in any of the mineral assets being reported on. Ravensgate is remunerated for this report by way of a professional fee determined in accordance with a standard schedule of commercial rates, which is calculated based on time charges for review work carried out, and is not contingent on the outcome of this report. Fees arising from the preparation of this report are listed elsewhere in the Prospectus.

The relationship with Kalamazoo is solely one of professional association between client and independent consultant. None of the individuals employed or contracted by Ravensgate are officers, employees or proposed officers of Kalamazoo or any group, holding or associated companies of Kalamazoo.

The report has been prepared in compliance with the Corporations Act and ASIC Regulatory Guides 111 and 112 with respect to Ravensgate's independence as experts. Ravensgate regards RG112.31 to be in compliance whereby there are no business or professional relationships or interests which would affect the expert's ability to present an unbiased opinion within this report.

This Independent Geologist's Report has been compiled based on information available up to and including the date of this report, any statements and opinions are based on this date and could alter over time depending on exploration results, commodity prices and other relevant market factors.

1.4 Qualifications, Experience and Independence

Ravensgate has been consulting to the mining industry since 1997 with its services that include valuations, independent technical reporting, exploration management and Resource estimation. Our capabilities include reporting for all the major securities exchanges and encompass a diverse variety of commodity types. A summary of the Ravensgate personnel, their qualifications, professional memberships and responsibilities pertaining to this report are summarised in Table 2.

Table 2 Summary of Qualifications, Professional Memberships and Responsibilities

Name	Qualifications	Professional Memberships	Sections Responsible
Neal Leggo	BSc(Hons)	MAIG, MSEG	All Sections Except 2.8, 2.9, 3.7
David Reid	BSc, MAppSc	MAusIMM	Sections 2.8, 2.9, 3.7, JORC Table 1
Sam Ulrich	BSc(Hons), GDipAppFin	MAusIMM, MAIG, FFin	Peer Review All Sections

Author: Neal Leggo, Principal Geologist BSc (Hons) Geology, MAIG, MSEG.

Neal Leggo has over 30 years' experience in minerals geology including senior management, consulting, exploration, development, underground mining and open pit mining. He has extensive experience with a wide variety of commodities across numerous geological terrains within the Asia-Pacific region. Prior to joining Ravensgate, Neal worked for FMG leading a large field team undertaking fast-track exploration, delineation and feasibility study of a major new iron ore discovery in the Pilbara of WA. Previous to this Neal was Exploration Manager at Crescent Gold were he led a successful exploration team and also managed feasibility study and development work on seven gold deposits in preparation for mining. At Hatch he undertook numerous geological consulting assignments included scoping, prefeasibility and review studies, geological audit and due diligence. At BHP he modelled mineral resources including the Cannington, Mt Whaleback and Yandi world-class deposits. Previous to this, Neal worked 8 years in Mt Isa for MIM where roles included chief geologist for the Hilton underground lead zinc mine and exploration manager for Isa District. During the 1980s he worked as a field geologist across northern Australia on a wide variety of exploration projects and mines. Neal offers extensive knowledge of available geological, geophysical, geochemical and exploration techniques and methodologies, combined with strong experience in feasibility study, development and mining of mineral deposits. Neal holds the relevant qualifications and professional associations required by the ASX, JORC and VALMIN Codes in Australia to qualify as a Competent Person as defined in the JORC Code.

Author: David Reid, Principal Resource Geologist BSc Geology, MAppSc(Geological Data Processing – Geostatistics), MAusIMM

David is a geologist with 25 years' experience in mining, exploration, resource development and consulting in Australia, West Africa, Indonesia and Europe. He specialises in iron ore, gold and uranium with exposure to many other commodities. He has a keen interest in project evaluation, mine development and production reconciliation. His specific expertise is in advanced geological modelling, geostatistics and resource estimation.

Prior to joining Ravensgate in 2015, David was Principal Resource Geologist with BHP Billiton Iron Ore for 10 years. In this role he managed a team supporting mine production and rapid mine expansion projects in the Pilbara and West Africa. David's resource modelling skills were founded in gold production and exploration roles in Queensland, Western Australia and West Africa.

David has completed a MAppSc with major in geostatistics. He is an expert in the use of Vulcan mine planning software and ISATIS® geostatistical software.

David has extensive hands on West Africa experience through managing gold and iron ore projects in Ghana (Chirano) and Guinea (Nimba), coupled with copper - cobalt experience in the DRC.

David is a Vulcan specialist having spent five years with Maptek consulting to industry on geological modelling and resource estimation on a large range of deposits including Worsley Alumina, Jundee, Bronzewing, Grasberg Freeport, Soraka PT Inco and Ok Tedi.

David holds the relevant qualifications and experience as well as professional associations required by the ASX, JORC and VALMIN Codes in Australia to qualify as a Competent Person.

Peer Reviewer: Sam Ulrich, Principal Consultant, BSc (Hons) Geology, GDipAppFin, MAusIMM, MAIG, FFin.

Sam Ulrich is a geologist with over 20 years' experience in near mine and regional mineral exploration, resource development and the management of exploration programs. He has worked in a variety of geological environments in Australia, Indonesia, Laos and China primarily in gold, base metals and uranium. Prior to joining Ravensgate Sam worked for Manhattan Corporation Ltd, a uranium exploration and resource development company in a senior management position. Mr Ulrich holds the relevant qualifications and experience as well as professional associations required by the ASX, JORC and VALMIN Codes in Australia 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'. He is a Qualified Person under the rules and requirements of the Canadian Reporting Instrument NI43-101. Sam is a VALMIN Practitioner with the minimum five years valuation experience in conjunction with relevant technical assessment and geology experience to meet VALMIN 2015 compliance as a Specialist.

1.5 Specialist Declarations and Consent

The information in this report that relates to Technical Assessment of Mineral Assets reflects information compiled and conclusions derived by Mr Neal Leggo, who is a Member of the Australian Institute of Geoscientists. Mr Leggo is not an employee of Kalamazoo. Mr Leggo has sufficient experience relevant to the Technical Assessment of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Specialist as defined in the JORC Code (2012 Edition). Mr Leggo consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Consent has been sought from Kalamazoo's representatives to include technical information and opinions expressed by them. No other entities referred to in this report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting any relevant activities.

1.6 Competent Person Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr David Reid a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Reid is an employee of Ravensgate. Mr Reid 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 JORC Code (2012 edition). Mr Reid consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1.7 Principal Sources of Information

The principal sources of information used to compile this report comprise technical reports and data variously compiled by Kalamazoo and their partners or consultants, publicly available information such as ASX releases, government reports and discussions with Kalamazoo technical and corporate management personnel. A listing of the principal sources of information are included in the references attached to this report.

Figures used in this report have been prepared by Kalamazoo with appropriate direction, input and review from Ravensgate.

Ravensgate did not carry out a site visit to the project areas. Ravensgate is satisfied that there is sufficient current information available to allow an informed appraisal to be made. Ravensgate is of the opinion that no significant additional benefit would have been gained through a site visit to the projects given their stage of development.

Ravensgate has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this report is based. A final draft of this report was also provided to Kalamazoo, prior to finalisation by Ravensgate, requesting that Kalamazoo identify any material errors or omissions prior to its final submission. Ravensgate does not accept responsibility for any errors or omissions in the data and information upon which the opinions and conclusions in this report are based, and does not accept any consequential liability arising from commercial decisions or actions resulting from errors or omissions in that data or information.

1.7.1 Background Information

The projects discussed in this report are located in Western Australia. A locality map of the projects is presented in Figure 1 below. A summary of the tenement details are listed in Table 3 below. References, a glossary of terms and a list of abbreviations are included at the end of this report.

Figure 1 Locality Map of Kalamazoo Projects

Table 3 Tenement Schedule

Project	Tenement ID	Registered Holder	Area	Area Unit	Status	End Date
Cork Tree	E52/2056	Giralia Resources Pty Ltd	20	blocks	Granted	18/09/2018
Cork Tree	E52/2057	Giralia Resources Pty Ltd	20	blocks	Granted	18/09/2018
Cork Tree	E52/3042	Kalamazoo Resources Limited	10	blocks	Granted	09/04/2020
Snake Well	M 59/565	Kalamazoo Resources Limited	606	ha	Granted	18/01/2036
Snake Well	M 59/41	Kalamazoo Resources Limited	557.95	ha	Granted	14/09/2028
Snake Well	M 59/477	Kalamazoo Resources Limited	1000	ha	Granted	18/01/2036
Snake Well	M 59/476	Kalamazoo Resources Limited	1000	ha	Granted	18/01/2036
Snake Well	M 59/474	Kalamazoo Resources Limited	1000	ha	Granted	18/01/2036
Snake Well	E 59/2137	Pembery Prospecting Pty Ltd	46	blocks	Granted	14/09/21
Snake Well	E 59/2200	Kalamazoo Resources Limited	38	blocks	Pending	-

Notes: Specific details regarding the tenements and any material agreements pertaining to them are available in a dedicated section within the Prospectus.

2. SNAKE WELL PROJECT

2.1 Location

The Snake Well project is centred 450km north of Perth and 83km northeast of Mullewa in Western Australia (Figure 1). The main land uses are cattle grazing and mining. The project covers portions of the Tallering and Yuin Pastoral Leases in the Mullewa Shire and lies within the Yalgoo Mineral Field. Access to the project area is via the graded Pindar-Beringarra Road, which runs north from the Geraldton-Mt Magnet Road. Access within the project area is straightforward through relatively flat terrain and open vegetation using station tracks and exploration tracks. The Greenough River flows through the project area. Little infrastructure exists in the area, with the nearest grid power 64km away. Processing plants are situated close to the project tenements.

2.2 Tenure

The project consists of five granted mining leases, one granted exploration licence and one exploration licence application with a total area of 263km^2. The licence details are listed in Table 3 and their location is shown in Figure 2. The Mixy project site lies within the traditional lands of the Mullewa Wadjari, Wajarri Yamatji and Widi Mob. Native Title agreements between each claimant group are in place and all conditions accepted and executed.

Figure 2 Snake Well Project Tenement Location Map

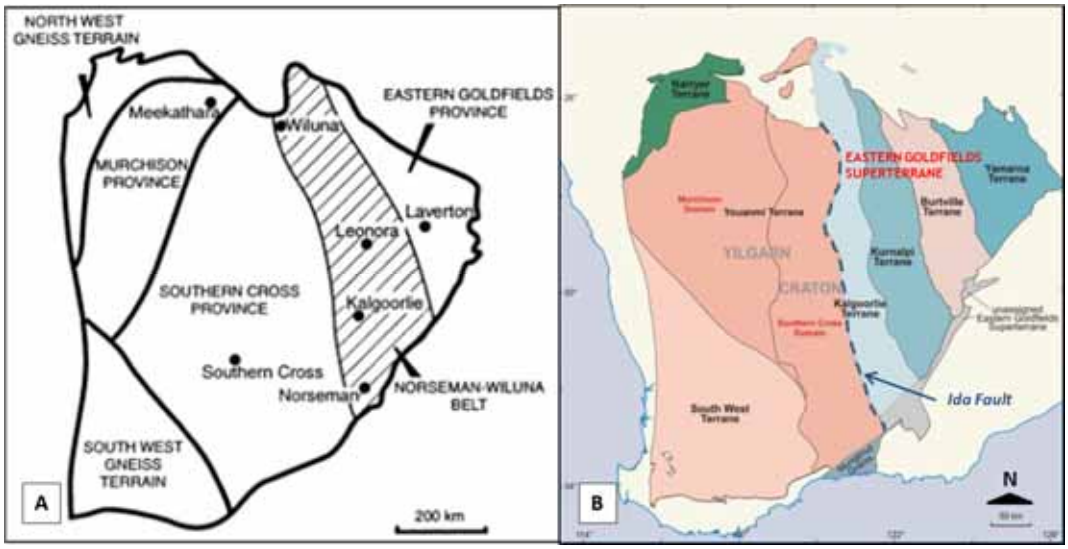
2.3 Regional Geology

2.3.1 Yilgarn Craton

The project is located in the Paleo- to Neoarchaean Yilgarn Craton (Block) of Western Australia Figure 3 - a highly mineralised granite-greenstone terrane with world-class deposits of gold and nickel, and significant iron and volcanic hosted massive sulphide (VHMS) base-metal deposits (Wyche *et al.*, 2012). The earliest widely used subdivision of the Yilgarn Craton (Gee *et al.*, 1981) contained four components – the Eastern Goldfields (containing the Norseman – Wiluna Belt), Southern Cross and Murchison Provinces; and the Western Gneiss Terrane (sub-divided into Northwest and Southwest). According to Wyche (2007), the relationships between these regions were enigmatic, with the boundaries not strictly based on observed geological features (Figure 3 A).

Cassidy *et al.*, (2006) divided the Yilgarn Craton into terranes defined on the basis of distinct sedimentary and magmatic associations, geochemistry and ages of volcanism. The Narryer (formerly the Northwest Gneiss) and South West terranes in the west are dominated by granite and granitic gneiss with minor supracrustal greenstone inliers, whereas the Youanmi Terrane and the Eastern Goldfields Superterrane contain substantial greenstone belts separated by granite and granitic gneiss (Wyche *et al.*, 2012). Subsequent revision has further subdivided the Eastern Goldfields Superterrane into the Kalgoorlie, Kurnalpi, Burtville and Yamarna terranes (Figure 3 B; Pawley *et al.*, 2012).

Figure 3 Evolving Understanding of the Yilgarn Craton



(Modified from (A) Gee et al., 1981 and (B) Pawley et al., 2012)

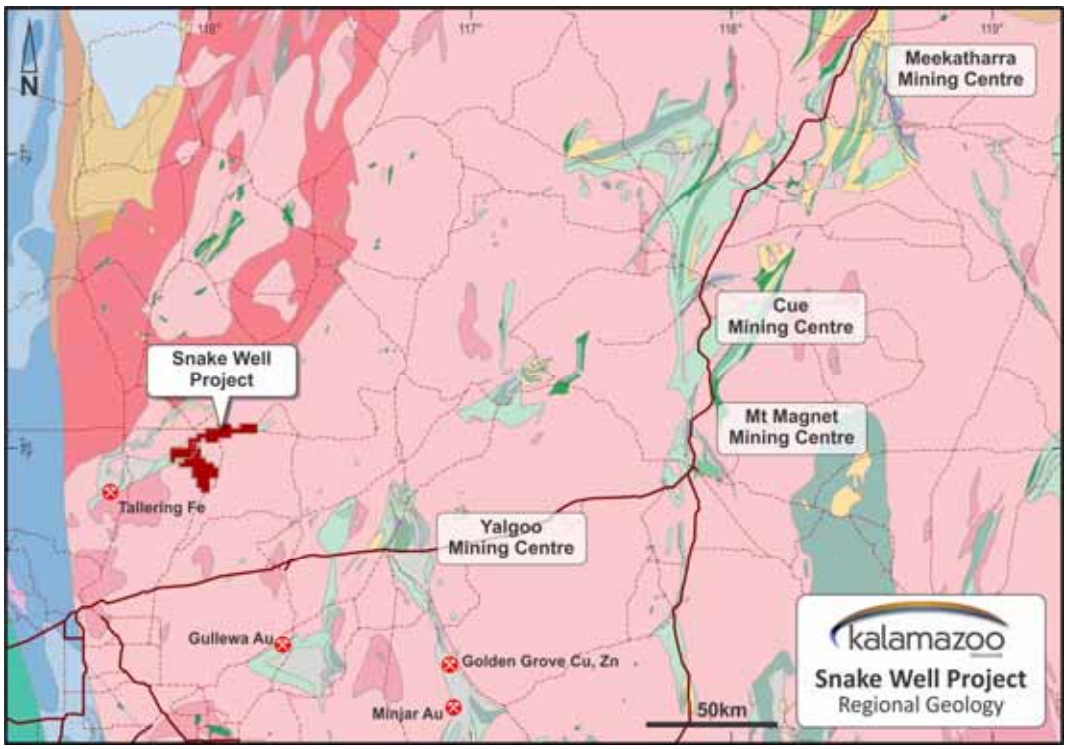
The Ida Fault (Figure 3 B), which marks the boundary between the western Yilgarn Craton and the Eastern Goldfields Superterrane, is a major structure that extends to the base of the crust (Drummond *et al.*, 2000). Greenstone stratigraphies in the western Yilgarn differ from those in the Eastern Goldfields Superterrane in such things as the relative abundance of lithologies (especially komatiite and banded iron-formation) suggesting a substantially different depositional regime. According to Wyche (2007), the greenstones in much of the western Yilgarn are typically older than those in the Eastern Goldfields Superterrane. The major mafic dominated successions in the western Yilgarn, date back to 3.0 Ga (e.g. Pidgeon and Wilde, 1990; Geological Survey of Western Australia (GSWA), 2007), whereas the mafic and felsic successions of the Eastern Goldfields Superterrane were largely deposited after 2.8 Ga (e.g. Barley *et al.*, 2003; GSWA, 2007).

2.3.2 Regional Geology – Snake Well Area

The Snake Well project is located in the western portion of the Murchison Domain of the Youanmi Terrane (Figure 3 B). It covers part of the southern margin of the Tallering

greenstone belt and cuts across the Murgoo (SG 50-14) and Yalgoo (SH-50-2) 1:250,000 map sheets. The geology of the Murgoo map sheet is described by Baxter (1974), whereas the geology of the Yalgoo map sheet is described by Muhling and Low (1977). A simplified interpretation of the regional geology is shown in Figure 4.

Figure 4 Regional Geology of the Snake Well Area showing Major Deposits



The Tallering greenstone belt trends east-northeast and is bounded by granite-gneiss terrane. The layered sequence includes variably foliated and metamorphosed mafic volcanic and intrusive rocks, felsic volcanic rocks as well as clastic and chemical sedimentary rocks. Post-tectonic granitic rocks have intruded the central eastern part of the belt and the entire area is cross cut by numerous Proterozoic mafic dykes. Regional metamorphic grade within the belt varies from greenschist to lower amphibolite facies. Higher-grade metamorphosed rocks have been partially retrograded to greenschist facies (Watkins and Hickman, 1990).

The Southern Shear Zone, in the southern margin of the Tallering greenstone belt, hosts a number of gold deposits and exploration prospects. Outcrop within this east–west trending zone is limited, with the succession having mainly been defined through drilling and aeromagnetic interpretation.

A sequence of basalts and minor argillaceous sediments have been metamorphosed to mafic schists. These contain several layered mafic sills which trend east-west and are broadly concordant with stratigraphy. The most prominent sill forms a linear trending, strongly magnetic marker horizon which has been defined as the Houghton's Magnetic Unit.

A sequence of fine-to-medium grained volcanogenic and clastic rocks have been metamorphosed to felsic and pelitic schists. These schists enclose several east-west trending linear marker horizons of both moderate magnetic intensity and subtle magnetic intensity.

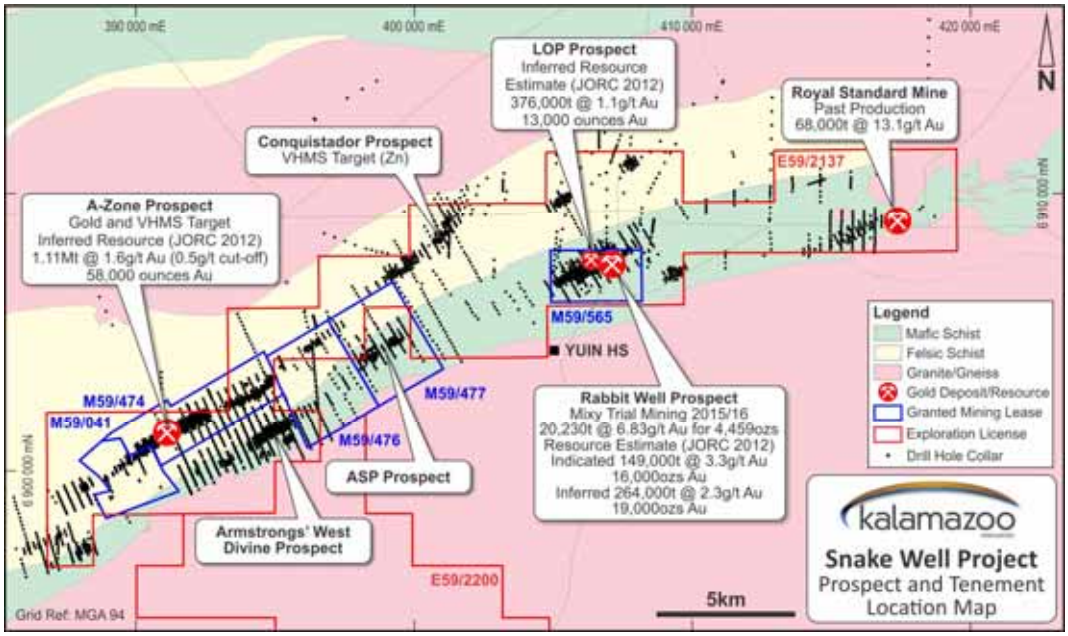
The Southern Shear Zone is bounded to the south by granite-gneiss and to the north by a tonalite intrusive. Most geological contacts are interpreted as southerly dipping thrusts. All lithological sequences are cut by numerous late-stage, variably magnetic, dykes.

2.4 Local Geology and Mineralisation

Kalamazoo's Snake Well tenements cover a portion of the Southern Shear Zone at the southern margin of the Tallering greenstone belt, with an Archaean sequence dominated by mafic, felsic and pelitic schists. At the Rabbit Well prospect, mafic schists host gold mineralisation associated with shear zones, porphyry intrusives and quartz veining (Mixy and Calisi lodes), as well as widespread gold in near surface pisolitic lateritic gravels (LOP, Buckshot, Warren and 1080 deposits). The Asp prospect, hosted by the same mafic unit approximately 6km west of Rabbit Well, also hosts a shallow lateritic deposit and lode targets. The mafic hosted Royal Standard lode at the eastern end of the project area has the only recorded gold production from the belt (Richardson & Stone, 2015a).

A felsic sequence in the north of the greenstone belt at Snake Well hosts the gold-copper-lead- zinc-silver A-Zone deposit. The Conquistador, Constrictor and Rabbit North prospects along strike from A-Zone are of similar polymetallic style. These deposits/prospects are interpreted to be of the volcanic hosted massive sulphide (VHMS) style of mineralisation. An interpretive geology plan of the Snake Well Project is presented in Figure 5.

Figure 5 Interpretive Geology Plan of the Snake Well Project



2.4.1 Regional Mineral Deposits

The Snake Well project is situated in the Murchison Domain, which contains the world class Golden Grove base metal+gold deposits (with current resources 1.3Mt zinc, 805,000t copper, 0.9Moz gold, 45Moz silver and 142,000t lead). It also contains significant past and present gold producing deposits, include Meekatharra (4Moz), Cue/Day Dawn (3.6Moz), Big Bell (3.5Moz), Mt Magnet (8Moz) and the 1.6Moz Mt Gibson gold project, which makes the Murchison one of the larger gold producing provinces in the Yilgarn Craton (Richardson & Stone, 2015a). Although the region has numerous significant gold and base metal deposits, all are over 100km from the Snake Well project. Figure 5 shows the regional geology, highlighting the location of the major mines, deposits and prospects in relation to the project tenements.

2.5 Mining History

The only recorded gold production from within the Tallering greenstone belt (Cranley, 1985) is from the Royal Standard gold mine located at the eastern end of the project tenure. It produced approximately 68,000 tonnes of ore at a recovered grade of 13.1g/t Au between 1897 and 1937, from underground mining to a depth of 75m.

2.6 Exploration History

2.6.1 Exploration History Pre-2002

Significant exploration had been completed on the Snake Well Project tenements prior to Giralia Resources (Giralia) taking control of the project in late 2002. This work included mapping, geochemical soil and rock chip sampling, 624 aircore and RAB holes for 32,061m, 338 RC holes for 24,993m and 42 diamond holes for 3,980m, ground magnetic and IP geophysical surveys, excavator bulk sampling and metallurgical test work. This historic work was comprehensively documented by Hespe & Stewart (2011) on a project by project basis, which has provided the basis for the following summary.

A-Zone Prospect

The A-Zone prospect was discovered and defined by Roebuck Resources (Roebuck) and Polaris Pacific NL (Polaris) in joint venture (JV) during the late 1980's. Two diamond drill holes were drilled by Battle Mountain Australia to test depth extension. In 1993/94, CRAE completed a program of RAB drilling by extending existing traverses and testing for lateral continuations of the existing surface gold anomaly. Roebuck's 1986 and 1987 RC drilling was closely spaced (20m sections). In late 1997 Roebuck drilled seven RC holes for 855m beneath the known mineralisation returning polymetallic mineralisation with very strong gold, zinc and silver anomalism. Several phases of metallurgical test work were completed by Roebuck in the 1980s showing good gold recoveries in the oxidised portions of the resource.

Rabbit Well Prospect

The Rabbit Well Prospect was initially defined by Polaris as a surface gold-in-pisolite anomaly. Battle Mountain Australia (Battle Mountain) tested the surface anomaly with one line of 60° inclined, 20m spaced RAB holes to a depth of 6m to 44m, with a best result from near-surface ferricrete of 0.24ppm gold. Broad-spaced regional regolith samples collected by CRAE in 1992-1993 extended the anomalous area over 2km along strike to the west in ferruginised transported material. During 1993-1994 a total of 281 RAB holes for 14,600m were drilled by CRAE. The RAB drilling identified a 2,800m x 650m 0.1ppm Au combined bedrock-lower saprolite anomaly, open to the southwest. This anomaly was subsequently tested with four diamond drill holes, which intersected patchy gold mineralisation. Roebuck, following CRAE's withdrawal, completed an infill RAB drilling program in 1997 to infill the existing 200m x 50m RAB grid completed by CRAE to 100m x 50m. Assay results from the infill RAB drilling included significant gold values from the transported overburden, the saprolite and bedrock. Two significant intersections of highly anomalous gold mineralisation were returned from the Calisi area. Seven RC drill holes were completed in the Mixy area by Roebuck in 1997. Significant gold mineralisation was intersected. Roebuck drilled a further 22 RC drill holes and another seven diamond drill holes in 1997 for 3,829m. During 1998, a further 63 RAB drill holes were completed for 3,885m. The following individual bedrock prospects were identified by the earlier explorers within the overall Rabbit Well prospect area: Mixy, Calisi 1 and Calisi 2. These deposits are further described in Sections 2.8.1, 2.9 and 2.10 and Appendix 1.

Laterite Prospects

A thin veneer of transported lateritic gravels and indurated sands cover the mafic sequence. RAB drilling by Roebuck in 1988 and CRAE in 1993-97 identified mineralised laterite while testing soil anomalies in the Rabbit Well prospect area. Low grade gold mineralisation is hosted in the laterite cover. These early explorers concentrated on discovering lode gold mineralisation in the bedrock and ignored the laterite potential.

Royal Standard Prospect

The Royal Standard gold mine operated from 1897 to 1937. The only drilling at the prospect was one diamond drill hole by the WA Mines Department in 1937 and Ramsgate Resources in 1985 with four diamond holes and nine RC holes drilled mainly to the east of the underground workings.

Armstrong Prospect

The Armstrong prospect was initially identified as an extensive gold in pisolite anomaly by Roebuck. Several areas of weak bedrock gold mineralisation were outlined in follow-up RAB drilling, including a large 500m x 400m >0.1ppm gold anomaly. Regional geochemical sampling by CRAE highlighted the Armstrong prospect area as the strongest and most continuous laterite gold anomaly in the Tallering greenstone belt (>4km strike length > 50ppb Au) with a maximum value of 558ppb Au. Subsequent infill bedrock RAB drilling by CRAE in 1995 was followed up with eight diamond holes with significant gold assay results. During 1996-1997, 43 RAB drill holes for 1,161m were drilled. Follow up RAB program was completed at the western end of the prospect during 1997-1998 with 26 drill holes for 840m. Additionally, one RC drill hole for 137m tested an alternative dip interpretation without success.

Conquistador Prospect

The Conquistador zinc prospect was discovered in 1995 by CRAE in JV with Roebuck. RAB/ aircore traverses across the Greenough River floodplain, following the felsic sequence that hosts the A-Zone resource intersected anomalous gold, silver, zinc, lead and copper in saprolite, and was followed up with RC, diamond drilling and aircore drilling. Further RC and diamond drilling was carried out during 1997-1998, intersecting massive sulphides assaying up to percentage grades of zinc and of highly anomalous copper, lead and silver grades. The area was flown with airborne magnetics and electromagnetics (EM) by CRAE. Some downhole EM was attempted but was unsuccessful due to holes collapsing. Following CRAE's withdrawal from the JV, Normandy Golden Grove completed an RC drilling program (29 holes for 3,886m). Several holes contained 5m composite samples in both lower saprolite and fresh rock with gold values >1g/t Au. They also conducted a gradient array induced polarisation (IP) survey over the central portion of the prospect.

2.6.2 Exploration History 2002- 2011

Between 2002 and 2011, Giralia undertook significant exploration, in JV with Mount Isa Mines (MIM) until late 2003, in JV with Zinc Co Australia Limited in 2006-2007 and other times as a wholly-owned project. Exploration activities included RAB, aircore, RC and diamond drilling, costeaning, geophysical surveys, metallurgical test work, mining studies and mineral resource modelling. Detailed documentation of Giralia's exploration work has been incorporated into the subsequent sections of this report (Sections 2.8 to 2.9). The following provides a summary of the work undertaken by Giralia.

In 2003-2004, 355 aircore holes for 16,584m, 175 reverse circulation holes for 10,686m, and 17 diamond tails for 1,436m were drilled.

In 2004-2005, 119 RC holes for 9,584m, 122 aircore holes for 6,217m and 13 diamond tails for 1,133m were completed.

In 2005-2006, 9,059m of aircore, 2,687m of RC and 1,410m of diamond drilling was undertaken.

In 2006-2007, 14 RC holes were drilled for 1,409m at the Warren prospect and at Rabbit Well North. RAB drilling of a magnetic anomaly on E59/1133, comprising six holes for 200.5m, suggested some potential for laterite nickel mineralisation rather than previously suspected iron formation.

In 2007-2008, exploration for gold and base metals comprised the drilling of six RC holes for 627m and 18 RAB holes for 983m, the commissioning of the Tallering greenstone belt airborne geophysical interpretation and 120 line km of IP surveying at Rabbit Well North.

In July 2007 Zinc Co Australia Limited commenced work under a farm in arrangement, completing 1,360m of RC drilling in ten holes at the Conquistador prospect. Giralia completed a total of 14 RC holes for 1,409m. Encouraging gold results were returned in several holes and broad alteration zones defined (although low in gold mineralisation). In 2008-2009 a spectral mineral mapping program was completed on 3,300 assay pulps from 110 historical drill holes. A diamond core tail ZNCQRD001 extended CNQRC052 by a further 220m. The best intercept recorded was probably indicative of footwall stringer mineralisation. Fugro Airborne Surveys conducted a HeliGEOTEM EM and magnetic survey totalling 675 line km over the Snake Well East area. Eighteen RAB holes were drilled for a total of 983m. Five holes returned anomalous zinc values greater than 400ppm Zn from bottom hole samples.

In 2009-2011 Giralia conducted an evaluation and assessment of drill, geochemical and geophysical data compiled from the previous year. Giralia continued discussions with each of the two Native Title claim groups at Snake Well to progress the grant of mining leases. An information memorandum (Hespe & Stewart, 2011) was prepared as Giralia sought to divest the Snake Well project.

2.7 Current Exploration

Since acquiring the project in 2013, Kalamazoo has undertaken compilation of past exploration data, construction of a database of historic drill data, GIS development, statutory reporting and mineral resource estimation over the Snake Well project. Documentation of Kalamazoo's exploration work has been incorporated into the following sections of this report (Sections 2.8 to 2.9).

2.8 Mineral Resources

Prior to Kalamazoo's involvement in the Snake Well project, Giralia had reported Mineral Resource estimates for the Mixy, A-Zone, LOP, Calisi, Royal Standard, Buckshot, Warren and Asp deposits (Hespe & Stewart, 2011). The location of these deposits is shown in Figure 5. Ravensgate reviewed these previous Mineral Resource estimates determining that none could be reported in conformance with the JORC Code (2012 Edition), mainly due to inadequate documentation. Ravensgate has updated the Mineral Resource estimates for the A-Zone deposit and undertaken revised Mineral Resource estimates for the Mixy and LOP deposits in conformance with the JORC Code (2012 Edition). These are documented in three resource reports (Reid 2016a, Reid 2016b and Reid 2016c). The Calisi, Royal Standard, Buckshot, Warren and Asp deposits have been downgraded to advanced exploration projects.

2.8.1 Mixy Gold Deposit Mineral Resources

The Mixy deposit is part of the Rabbit Well prospect located in the eastern portion of the Snake Well project area on mining lease M59/565. Gold mineralisation is hosted in quartz veining within a shear zone passing through mafic rocks with minor felsic intrusives.

The Mineral Resource estimates for the Mixy gold deposit have been classified as Indicated and Inferred Resources and reported in accordance with the JORC Code (2012 Edition) as shown below in Table 4 (Reid, 2016a). Indicated classification was applied for the main lode zone where good geological continuity is observed between drill holes and in areas where sample support for grade estimation is good. Elsewhere an Inferred classification was applied. A grade cut-off of 0.5g/t Au has been used in the upper 100m of the deposit where economic open pit mining is possible. Below this depth a cut-off of 2.0g/t Au has been used as it is expected underground mining would be required to extract this deeper part of the resource.

Table 4 Mixy Deposit Resource Estimate (JORC 2012)

Deposit	Indicated			Inferred			Total		
	Tonnes (Kt)	Grade Au (g/t)	Metal (Koz)	Tonnes (Kt)	Grade Au (g/t)	Metal (Koz)	Tonnes (Kt)	Grade Au (g/t)	Metal (Koz)
Open Pit	142	3.1	14	198	1.6	10	339	2.2	24
Underground	8	5.8	1	66	4.4	9	74	4.5	11
TOTAL	149	3.3	16	264	2.3	19	413	2.6	35

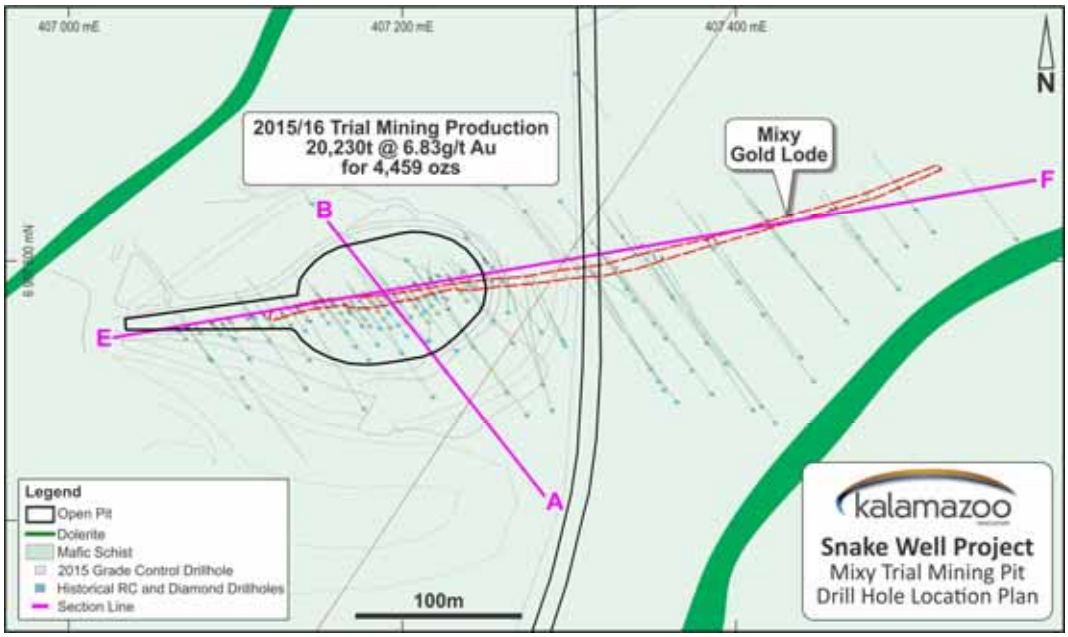
Notes: Open Pit = Up to 100m below surface (>190m RL); cut-off grade is 0.5g/t Au
Underground = Below 100m from surface (<190mRL); cut-off grade is 2.0g/t Au
Tonnage is reported as dry tonnes
Rounding has been applied to appropriately reflect the precision of the estimate

Recent exploration in the vicinity of the Mixy gold deposit was initially conducted by Polaris who defined a gold-in-pisolite anomaly. Broad spaced regolith sampling by CRAE in 1992-1993 extended the anomalous area followed by RAB drilling and four diamond drill holes in 1993-1994. Roebuck took over the leases and commenced RAB and RC drilling in 1997. In 2002 Giralia acquired the project and delineated the Mixy gold deposit lode along with other quartz vein hosted lodes through a series of RC drilling programs.

The weathered profile extends to a depth of approximately 80m and is dominantly saprolitic clays overlain by pisolites. A thin veneer of transported lateritic gravels and indurated sands cover the mafic sequence. Low grade gold mineralisation is hosted in the laterite cover in the vicinity of the Mixy deposit.

Data provided to Ravensgate comprised: text files containing the drilling database, topography surface, weathering interpretation surfaces and previous reports. Early exploration used extensive RAB drilling, however the RAB data were not used in resource estimation other than to guide mineralisation domains where appropriate. The majority of drilling used for the resource estimation was RC drilling (83 holes for 7,878m). Significant diamond drilling has also been undertaken (30 holes completed for 5,373m). Most of the drilling was undertaken in 2004. All drill hole collars were surveyed using a differential GPS. Downhole surveys were conducted using an Eastman single shot camera. Locations of the recent drilling used to update the resource are shown in Figure 6 below. Drill hole spacing in the western part of the deposit is nominally 20m x 20m spaced and is broader to the east at 40m x 40m.

Figure 6 Plan of Drilling Completed at Mixy Gold Deposit



All RC holes were sampled as 4m composites and each sample was fire assayed. Any 4m composite returning a gold grade greater than 0.2g/t Au was riffle split into corresponding 1m samples. The screen fire assay method was used for the majority of samples. Assay QAQC data comprise of 213 laboratory duplicates, 256 laboratory standards and 67 external standards Assessment of these results suggest that sample quality and assay results were of sufficient quality to support an Indicated Resource classification.

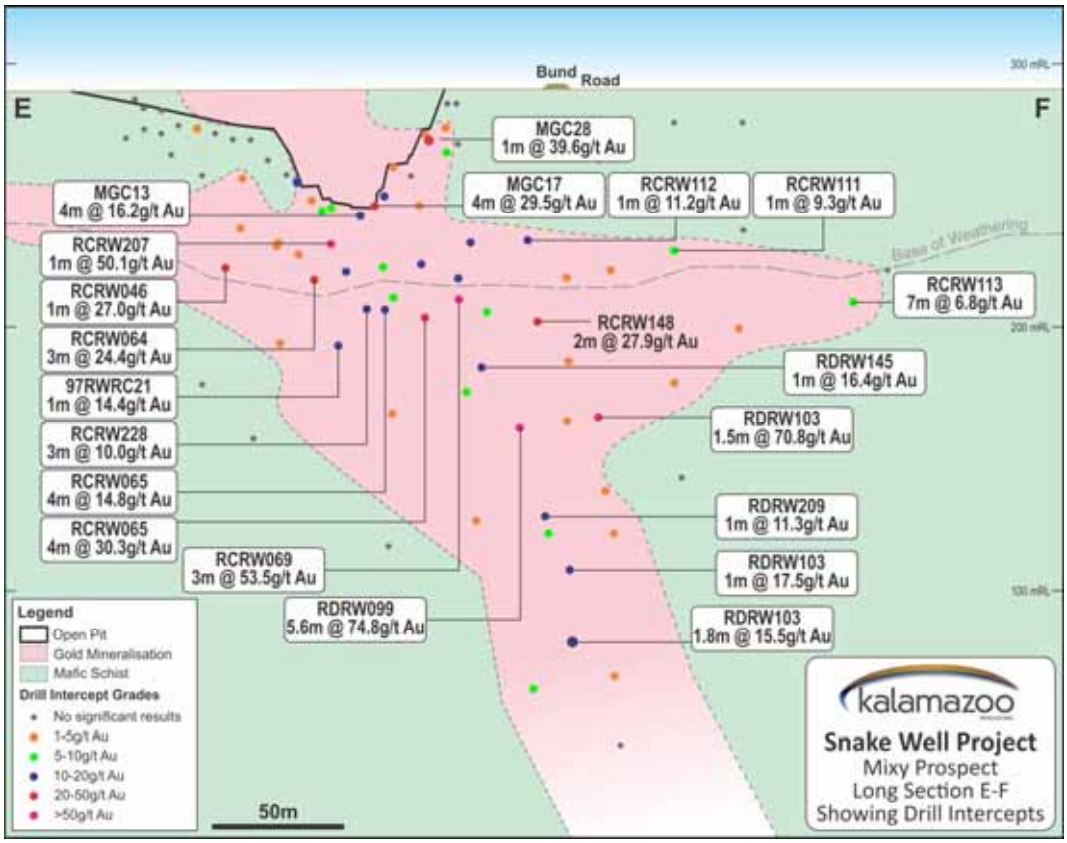
The in-situ bulk density values were determined from an unrecorded number of density measurements of core samples, which were undertaken during metallurgical test work. Based on this data a value of 2.6t/m^3 was determined for both oxide and fresh mineralised material.

Detailed geological features were logged by drill interval for each drill hole. Weathering, major and minor lithology, veining and alteration were entered into the digital database.

Gold mineralisation at the Mixy deposit is hosted in quartz veining within a shear zone passing through mafic rocks with minor felsic intrusives. The main lode comprises a single system which outcrops on surface and has been identified down to a depth of 250m below surface. The lode varies in width from 2m to 10m with the thinner sections generally at the extremities of the lode. The lode has a strike length of 235m and is essentially vertical in orientation. Geological mapping during trial mining revealed a close spaced sub-parallel array of 1m thick quartz veins within a sub-vertical shear zone (refer Section 2.9.4). An interpretation of the main shear/vein was used to guide the modelling of gold mineralisation domains. The interpretation wireframes were developed using a nominal grade threshold of 0.3g/t Au. Discontinuous mineralisation zones were also modelled in the footwall and hanging wall of the main zone.

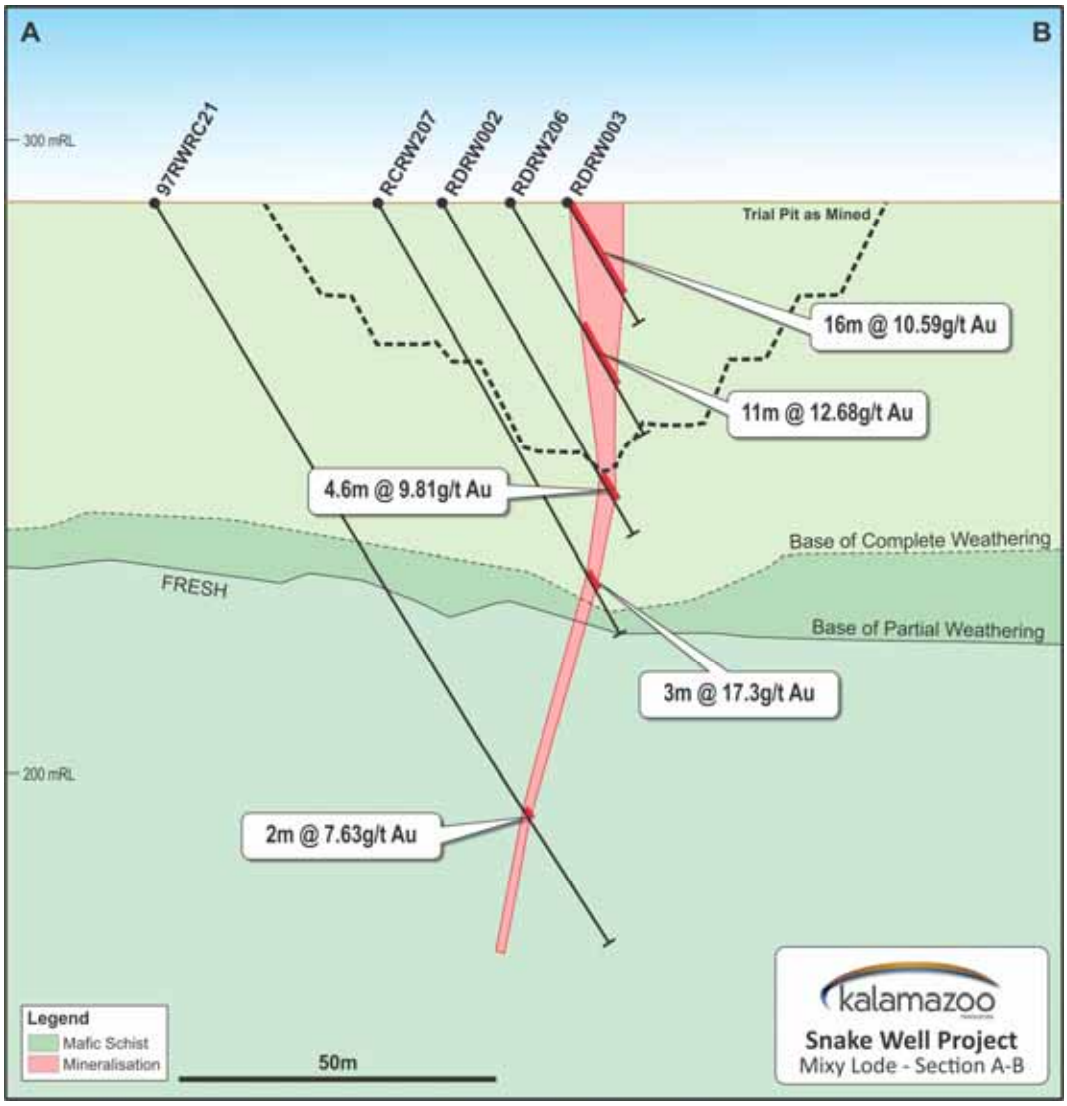
Figure 7 provides a long section of the Mixy deposit main lode, while Figure 8 provides a cross section. The locations of these sections are shown on the surface map (Figure 6).

Figure 7 Mixy Deposit Long Section showing Drill Intersections and Main Lode



Note: Interpreted Higher Grade Mineralised Shoot (Giralia) within the Mineral Resources for Open Pit and Underground.

Figure 8 Mixy Deposit Cross Section AB showing Drill Intersections and Main Lode



Ravensgate undertook a statistical analysis based on 1m composites of the drill data (Reid, 2016a). The main mineralised lode composite statistics showed a positive skewed distribution with a high coefficient of variation. There are a number of very high composite grades observed in the histogram. The coefficient of variation is very high for the domain. The 99th percentile corresponds to a grade of about 60g/t Au. Variograms using the 2016 modelling update composites were calculated. A down hole variogram was calculated for the main lode zone which had a range of 6m and a nugget of 35%. This demonstrates the high local grade variability with short range and a high nugget proportion. Directional variograms were calculated along the strike of and down dip of the main lode. There were insufficient samples in the other zones to calculate reasonable variograms. The variogram models for the main lode were used to estimate the footwall and hangingwall domains.

Vulcan software was used to create a block model of the deposit for the 2016 resource model update. Ordinary kriging was used to estimate the gold grade of blocks within the mineralised domains. One metre composite samples were used, with a top cut of 60g/t Au applied. The spatial range of composites greater than 30g/t Au was restricted to one estimation cell to reduce their influence on surrounding block estimates. An in-situ bulk density of 2.6t/m^3 was applied to the model. This is reasonable for the oxidised quartz rich mineralisation but could be too low in the fresh mineralisation (Reid, 2016a).

Model validation included a global comparison for the estimated block grades to mean composite grade for each of the domains and an inverse distance squared estimate using identical sample search criteria as the ordinary kriging estimate to provide a comparison.

For the main domain the kriged grade is 15% lower than the composite mean. This shows that the kriging is doing an effective job of smoothing the estimation and is less affected by the significant number of high grade samples compared to the inverse distance estimation. Internal peer review of this modelling report was completed by Ravensgate. No external reviews have been undertaken.

Ravensgate has considered the available mining studies, metallurgical reports and environmental reports in determining that there are reasonable prospects for eventual economic extraction of the Mixy deposit. The Mixy gold deposit Mineral Resource estimates have been classified as Indicated and Inferred Resource and reported in accordance with the JORC Code (2012 Edition) based on the 2016 Vulcan resource model. Ravensgate has provided commentary against each of the criteria specified in Table 1 of the JORC Code (Reid, 2016a).

Trial mining of the deposit has recently been completed by Kalamazoo (refer Section 2.9.4). Comparison of the trial mine production to the part of the resource model located in the trial pit was conducted. Reconciliation of the mill recovery to the resource model is reasonable. Using a higher cut-off grade of 1.5g/t Au, the trial mining yielded slightly lower tonnes, but at higher grade and resulted in 10% less gold recovery compared to the resource model prediction at a 0.5g/t Au cut-off. This demonstrates that the assumptions, sampling, assaying, model geological interpretation and grade estimation are reasonable. If this trend is representative of the entire deposit then it is reasonable to expect that there is a high confidence in the remaining resource. Mine production demonstrated that the geological interpretation used in the resource is robust and that the gold grade distribution is reasonably defined by the resource drilling and estimation.

2.8.2 A-Zone Deposit Mineral Resources

The A-Zone polymetallic deposit is located at the western end of the Snake Well project on mining lease M59/474 (Figure 5). Gold, copper, lead, zinc and silver mineralisation is hosted within quartz veined pyritic quartz-sericite schists.

The Mineral Resource estimates for the A-Zone deposit have been classified as Inferred Resources and reported in accordance with the JORC Code (2012 Edition) as shown below in Table 5 (Reid, 2016b). A grade cut-off of 0.5g/t Au has been used to report Mineral Resources. Gold is the only metal estimated. Copper, lead, zinc and silver are also present in the mineralisation, but not at economic concentrations and have not been estimated. The Mineral Resource was limited to the upper 100m of the deposit, which is expected to be a reasonable depth limit for economic open pit mining.

Table 5 A-Zone Deposit Mineral Resource Estimate

	Inferred		
Cut-off (g/t Au)	**Tonnes (Mt)**	**Grade Au (g/t)**	**Metal (Koz)**
0.5	1.11	1.6	58

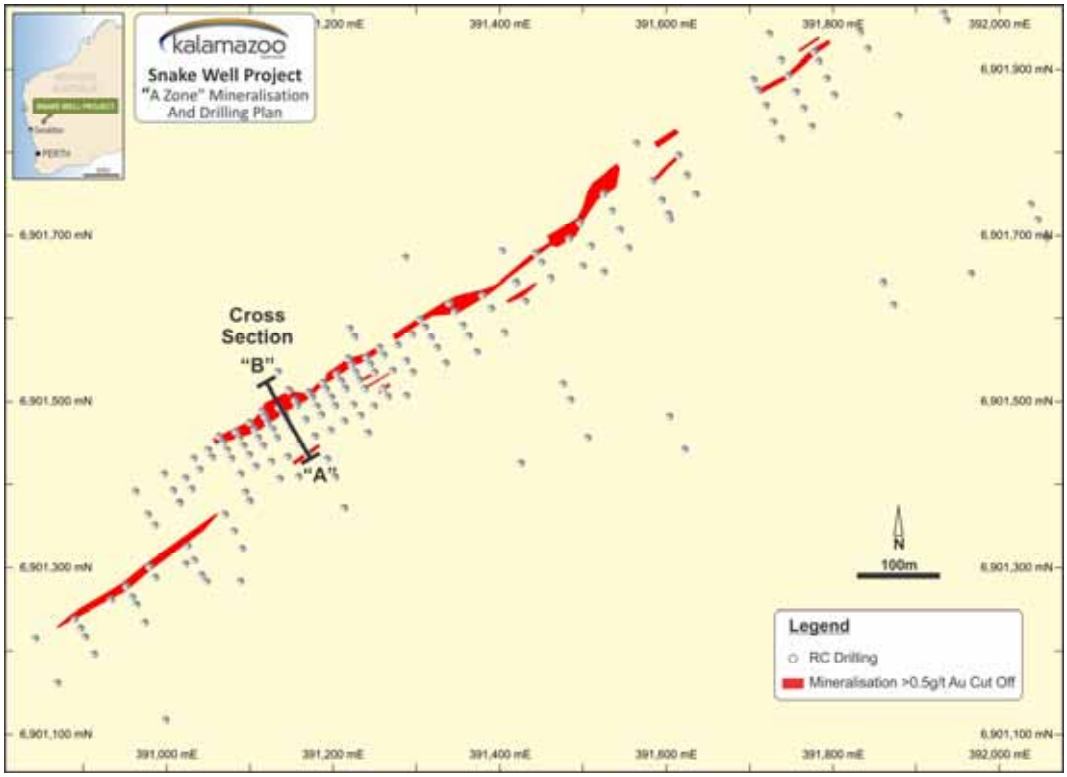
Notes: Up to 100m below surface (>900m RL)
Tonnage is reported as dry tonnes (Mt)
Rounding has been applied to appropriately reflect the precision of the estimate

Polaris and Roebuck defined a shallow gold resource on at the A-Zone prospect in the late 1980's. Battle Mountain drilled two diamond holes to test for depth extensions to the deposit. Roebuck drilled seven deeper RC holes to test the deeper base metal mineralisation. Subsequently Giralia completed infill RC drilling and produced the last resource estimation in 2004. No further work has been conducted on the project since this time.

Digital drill hole data and hard copy sectional interpretations were originally supplied by Giralia to Norvale Pty Ltd (Norvale) to complete the resource model (Williams, 2004, in Giralia, 2005). Kalamazoo supplied the following data to Ravensgate to use in this resource update: MS Access drill hole database, wireframe of mineralisation domain, text file block model exports, and weathering interpretation surfaces. The Norvale block model with a 0.5g/t Au threshold for mineralised domain interpretation and a 7.5g/t Au sample top cut was selected for use in the Ravensgate model update (Reid, 2016b). Mineral resources had previously been reported at 1.0g/t Au cut-off.

Early exploration used extensive RAB drilling, however the RAB data were not used in the resource estimation other than to guide mineralisation domains where appropriate. Drill holes used in the resource estimate comprised: 203 RC drill holes for 11,884m, five aircore drill holes for 139m and two diamond drill holes for 415m. Locations of the recent drilling used to estimate the resource are shown in Figure 9 below. Drilling in the western part of the deposit is nominally 20m x 20m spaced and is broader to the east at 40m x 40m.

Figure 9 Plan of Drilling Completed at A-Zone Prospect



Collar location survey method was not reported. The majority of the holes in the database have no down hole survey. Diamond drill holes are described as having downhole surveys conducted by an Eastman single shot camera (Field, 1991), but there is only an end of hole orientation in the digital database.

All RC holes were sampled on 2m intervals, in the top 20m of the hole. Below 20m most holes were sampled on 1m intervals. Aircore holes had samples collected over 2m intervals and were assayed for gold by cyanide bulk leach techniques. RC samples and diamond were analysed for gold, lead and copper. The analysis method used for mineralised gold samples was fire assay with AAS finish.

No sample QAQC information is available for the drill data. Lack of sample quality information has resulted in a lowered confidence in the resource estimation. Significant infill drilling using modern QAQC practices would be required to confirm the accuracy of the original drilling to improve the confidence in the data and the classification of the resource.

In-situ bulk density was assigned on the basis of weathering intensity: 2.9t/m^3 for fresh rock, 2.65t/m^3 for moderately oxidised, 2.5t/m^3 for strongly oxidised and 2.0t/m^3 for hardpan. The source of the density values used was not reported, but there is no record of any bulk density measurements on drill core.

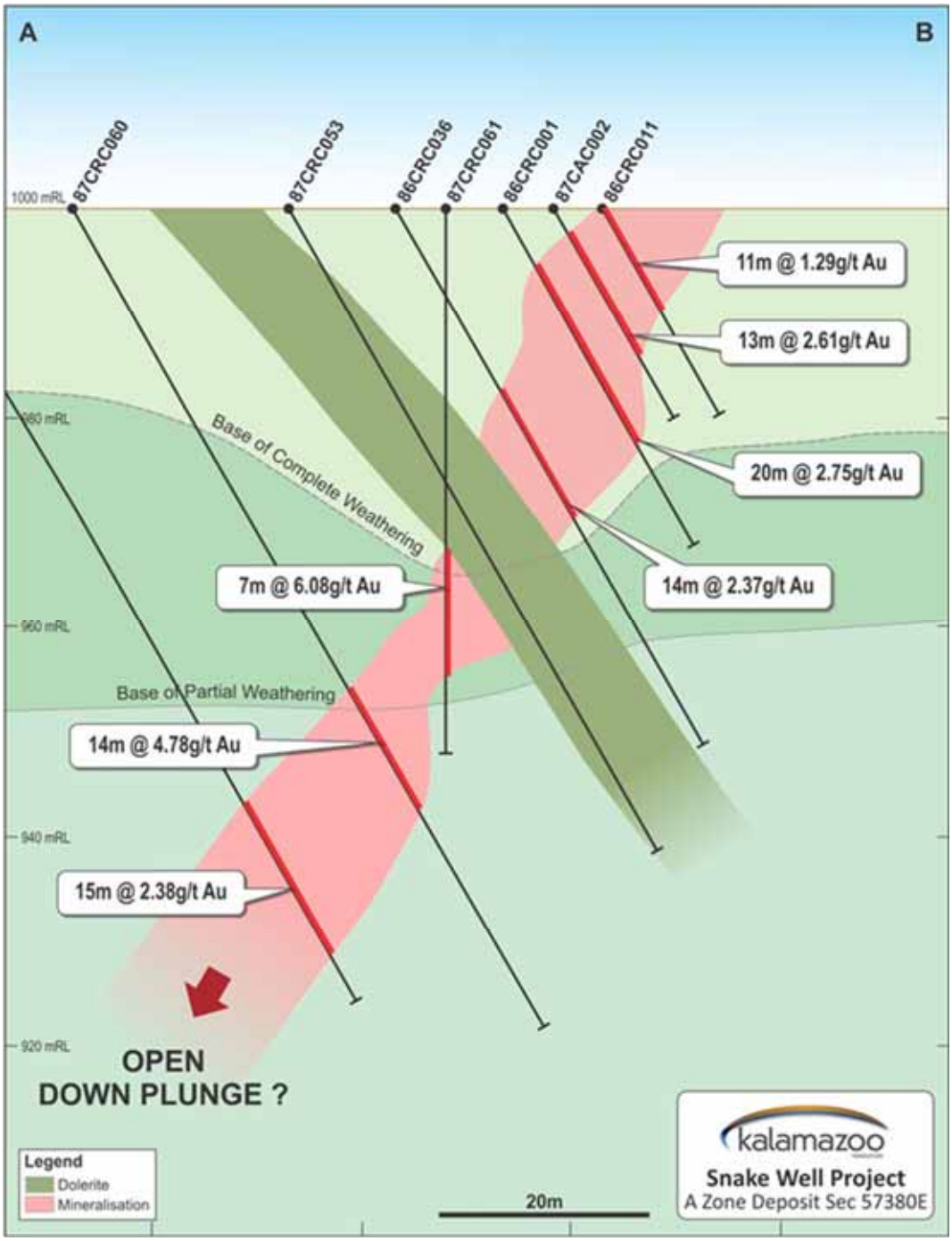
Detailed geological features were logged by drill interval for each drill hole. Weathering, major and minor lithology, veining and alteration were entered into the digital database.

At A-Zone gold, copper, lead, zinc and silver mineralisation is hosted within quartz veined pyritic quartz-sericite schists. The sub-parallel zones dip steeply (70° – 80°) to the south-southeast. Barren cross cutting dolerite dykes are associated with elevated copper grades in the surrounding rocks. Gossanous outcrop is noted along the strike of the mineralisation where it is not obscured by thin cover. The weathered profile extends to a depth of approximately 50m. Elevated copper grades are associated with a supergene zone and are further elevated in the proximity of dolerite dykes.

Sectional interpretation of the mineralised zones used a nominal grade threshold of 0.5g/t Au to define mid-block level outlines of the mineralised zones. A minimum downhole thickness of 2m was used to define the domains at both 0.5g/t Au and 1.0g/t Au cut-off grades. Base metal domains were not interpreted due to incomplete base metal analysis of the sample data. The location of the barren dolerite dykes were interpreted on the level plans. Surface wireframes of weathering intensity were produced from hardcopy cross-section interpretations by Giralia (Williams, 2004, in Giralia, 2005).

Figure 10 provides a cross section of the A-Zone deposit showing drilling and its main geological features. The location of this section is shown on the plan of drilling (Figure 9).

Figure 10 A-Zone Deposit Cross Section showing Drill Intersections and Mineralisation



Compositing of sample data was not described. With the sampling conducted on a mix of one and two metre intervals this decreases the confidence in the resource estimate. As part of the model update, Ravensgate undertook a statistical analysis based on 2m composites. The composites have mean grade of 2.1g/t with a positive skewed distribution and reasonably low coefficient of variation. The top cut of 7.5g/t Au used in the estimation corresponds to the 95% on the log probability plot. This seems to be too low and results in the mean of the composites being lowered to 1.65g/t Au.

No variography was undertaken by Norvale for the 2004 resource estimate. Minemap software was used for the original resource modelling work by Norvale. Inverse distance cubed weighting was used to estimate the gold and copper grade of blocks within the mineralised domains. A top cut of 7.5g/t Au was applied to the estimation. As part of the model documentation update some check estimates were conducted by Ravensgate on a subset of the model using Vulcan software and identical estimation parameters. The check confirmed that the Minemap grade estimation was reasonably accurate (Reid, 2016b).

A-Zone mineralisation displayed good geological continuity in the closely spaced drill holes. However, lack of sample and assay QAQC information, in-situ bulk density measurements and documentation of estimation validation reduced the confidence in the resource estimate.

The A-Zone deposit Mineral Resource estimates have been classified as Inferred Resource and reported in accordance with the JORC Code (2012 Edition) based on the 2004 Minemap resource model. Ravensgate has provided commentary against each of the criteria specified in Table 1 of the JORC Code (Reid, 2016b).

Gold recovery by conventional grinding and cyanide leach is good (92-99%) for the oxidised samples tested. However, trial heap leach test work shows poor recovery (13-32%). Gold recovery was variable in fresh sulphide and high copper oxide samples (43-90%). Kalamazoo had a scoping study on the mining of Mixy and A-Zone deposits conducted by Minesure Pty Ltd. The study mentions mining 410Kt over a two year mine life for the A-Zone deposit (Spicer, 2013). No pit optimisations were conducted in this study.

2.8.3 LOP Laterite Gold Deposit Mineral Resources

The LOP Laterite deposit is part of the Rabbit Well prospect and is located on Mining Lease M59/565 west of the Mixy deposit (Figure 5).

The LOP Laterite deposit Mineral Resource estimates shown in Table 6 have been classified as Inferred Resource and reported in accordance with the JORC Code (2012 Edition) (Reid, 2016c). LOP Laterite mineralisation displayed good geological continuity in the closely spaced drill holes. However, lack of sample and assay QAQC information, no in-situ bulk density measurements and drill hole collar survey errors reduced the confidence in the resource estimate. A grade cut-off of 0.5g/t Au has been used to report the resource.

Table 6 LOP Laterite Deposit Mineral Resource Estimate – JORC 2012

	Inferred		
Cut-off (g/t Au)	**Tonnage (Kt)**	**Grade Au (g/t)**	**Metal (Koz)**
0.5	380	1.1	13

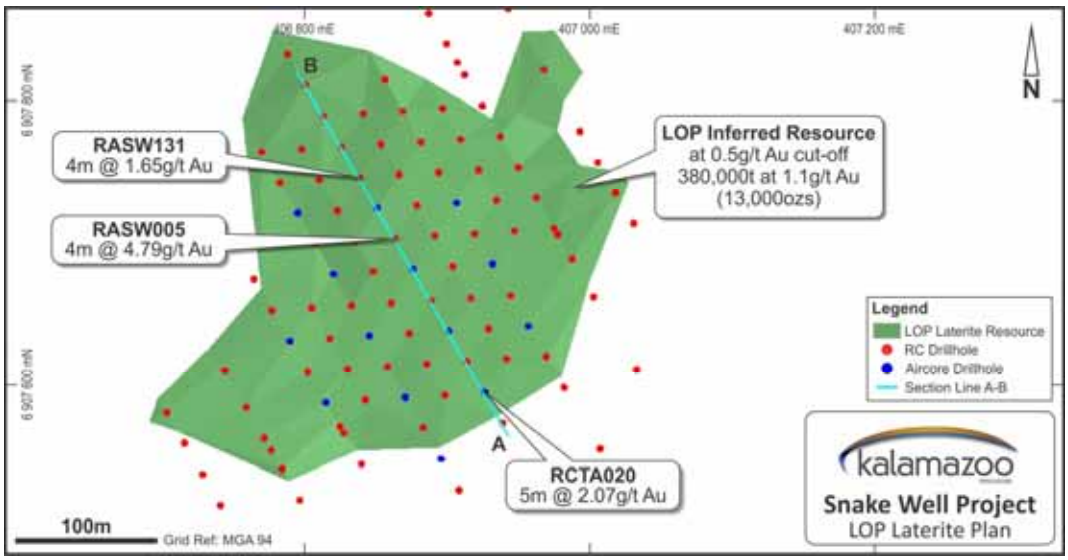
Notes: Tonnage is reported as dry tonnes (Kt)
Rounding has been applied to appropriately reflect the precision of the estimate

RAB drilling by Roebuck in 1988 and CRAE in 1993-97 identified mineralised laterite while testing soil anomalies in the Rabbit Well prospect area. Giralia had conducted close spaced shallow aircore and reverse circulation drilling to define the LOP Laterite deposit from 2002 to 2005. They identified a shallow low grade gold resource. In house resource estimates were made and reported. Metallurgical test work was conducted on RC cuttings. No additional work has been conducted on the project since this time.

A thin veneer of transported lateritic gravels and indurated sands cover the mafic sequence across broad areas of the Rabbit Well prospect. In places, low grade gold mineralisation is hosted in the laterite cover. Gold mineralisation within the LOP Laterite deposit consists of ferruginous pisolite channel fill. It is covered with 3m to 8m of variably hardpanned transported sand and clay. The channel fill is about 2m to 8m thick and runs from north to south.

Data provided to Ravensgate comprised a digital drill hole database and digital copies of historical reports on exploration conducted by Giralia. Ravensgate has not conducted any detailed data validation against original source information. Early exploration used extensive RAB drilling, however the RAB data were not used in resource estimation other than to guide mineralisation domains where appropriate. In 2002 aircore drilling was conducted by Giralia. They report that samples were collected by cyclone and then grab or spear sampled (Giralia, 2002). RC drilling was completed in three phases between 2003 and 2005. Details of the hammer size and the sample collection method were not reported. The majority of drilling used for the resource estimation was RC drilling (92 holes for 2,302m) and aircore (14 holes for 278m). Locations of the recent drilling used to estimate the resource are shown in Figure 11 below. Drilling over the area is mostly on a regular 25m x 25m spacing.

Figure 11 Plan of Drilling Completed at LOP Laterite Gold Deposit



The aircore drill cuttings were collected over one metre intervals from the cyclone. Four metre composite or one metre samples were collected for assay by spear or grab sampling (Giralia, 2003). The majority of RC sampling was conducted at one metre intervals, but details of the RC sampling methods were not reported. Collar location survey method was not reported. No holes had downhole survey, however this had no impact in the confidence in the resource estimate due to the shallow depth with minimal possible drill hole deviation. No sample QAQC information is available for the drill data. Lack of sample quality information has resulted in a reduced confidence in the resource estimation.

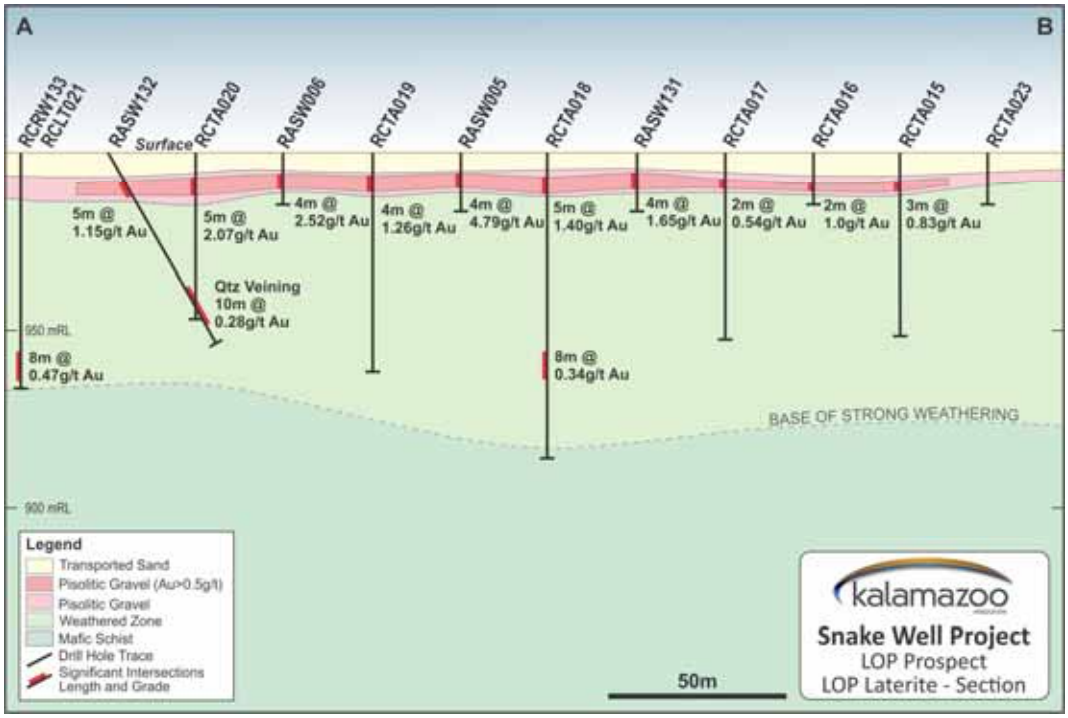
With no diamond drilling there were no bulk density measurements of core available. An assumed in-situ bulk density of 2.2t/m^3 was assigned to the resource. This value was applied to previous laterite resources and used again for consistency with the previous resource.

Detailed geological features were logged by drill interval for each drill hole. Weathering, major and minor lithology, veining and alteration were entered into the digital database.

Drill hole intersections were used to define and model the mineralised zones. A nominal grade threshold of 0.5g/t Au with a minimum thickness of 2m was used. A wireframe solid was generated from the intercepts. At the margins the zone was tapered to a distance of approximately 2/3 distance to the adjacent unmineralised drill hole. All the drilling types (RAB, aircore and RC) were used to define the mineralisation domain but only RC holes were used in the estimation. Relief in the project area is flat. Topography was set at the nominal 1,000mRL collar elevation (Reid, 2016c).

Figure 12 provides a cross section of the LOP Laterite deposit. The location of the section is shown on the surface map (Figure 11).

Figure 12 LOP Laterite Gold Deposit Cross Section showing Drill Intersections and Mineralisation



Ravensgate undertook a statistical analysis based on 1m composites of the drill data. The distribution of the composite grades in the mineralised zone showed a moderate positive skew and a mean of just above 1.0g/t Au. There were no high grade outliers with the maximum composite being 5.6g/t Au and low variability with a low coefficient of variation. Variograms were calculated for composites within the mineralised wireframe. Downhole variogram shows a very low nugget and, due to the thinness of the zone, a short range. Horizontal directional variograms showed reasonable structure especially along the section line orientation (bearing 150°) where there were plenty of sample pairs in each 25m lag (Reid, 2016c).

RAB and aircore holes were not used in the grade estimation due to sample quality concerns. Hole RCRW088 was excluded as it had identical coordinates to hole RCRW160.

Vulcan software was used to build a block model of the deposit for the 2016 resource model update. Ordinary kriging was used to estimate the gold grade of blocks within the mineralised domains. No top cuts were applied to the estimation. A cut-off grade of 0.5g/t Au was used to select resource blocks. This cut-off was used for previous resource estimates and is reasonable for defining open pit mine ore grade, for this very low grade, but near surface deposit, with very low stripping requirements.

Confidence in the geological interpretation is high with the close spaced drilling and simple geological control on the laterite distribution. Sample and assay QAQC information is absent. The reported drilling and assay techniques are appropriate but there is no information to allow assessment of the precision and accuracy of the sample assay results. This reduces the confidence in the grade of the estimated resource. An assumed in-situ bulk density was used in the model. This reduces the confidence in the estimation of the resource tonnage. An error in the survey collar location in the database was identified leading to uncertainty in the data collar positions. An Inferred Resource classification was assigned. The high geological confidence would allow a higher confidence classification, but the lack of sample assay quality and the lack of detail in the in-situ bulk density and collar survey uncertainty limit the confidence to an Inferred classification.

The LOP Laterite Mineral Resource estimates have been classified as Inferred Resources (Table 6) and reported in accordance with the JORC Code (2012 Edition). Ravensgate has provided commentary against each of the criteria specified in Table 1 of the JORC Code (Reid, 2016c).

Preliminary metallurgical testing achieved reasonable (55-70%) gold recovery by crushing to 6mm to 12mm size and cyanide leach for the laterite samples tested (Ferguson, 2015). This suggests that shallow open pit mining and heap leach gold extraction could be viable for the deposit.

2.9 Development Studies

2.9.1 Metallurgical Studies

Sporadic metallurgical test work has been completed over the Snake Well project since the late 1980's when CRA held the project. A summary of the work and key results are tabulated below.

Table 7 Summary of Metallurgical Testwork for the Snake Well Project

Deposit	Metallurgical Program	Year	Test Work / Results
A-Zone	Ammtec sulphide composite	1987	Bottle roll cyanidation 90% and 43% recovery
A-Zone	Ammtec high copper oxide and sulphide composites	1988	Bottle roll cyanidation Recoveries of 28%, 26% and 86%
Mixy	Ammtec A9229	2004	Gravity recovery and bottle roll cyanidation Recoveries of oxide 99%, sulphide 81%, with gravity recovery of 80% and 68%.
Mixy	Ammtec A9268	2004	Gravity recovery and bottle roll cyanidation recoveries of oxide 99% and 98%, with gravity recovery of 83% and 48%.
Mixy	Ammtec A9986	2005	SMC tests, bond work, abrasion indices, gravity recovery and bottle roll cyanidation Recovery of 95%, with gravity recovery of 38%.
Mixy	Ammtec	2006	Gravity recovery only Recovery of 93% and 73%.
Laterite	Ammtec A8921	2003	Course or intermittent bottle roll leach Recovery of 70% at 6mm crush size
Laterite	Ammtec A9582	2005	Course or intermittent bottle roll leach Recovery of 55% at 6mm crush size
Laterite	Ammtec A9975	2005	Course or intermittent bottle roll leach and column leach. Recoveries of 63% and 70% at 6 mm crush size Leach recovery of 100% at 12.5mm crush size

2.9.2 Scoping Studies

Giralia commissioned a preliminary operating cost estimate for a conceptual mining operation based on the Mixy, LOP Laterite and Buckshot Laterite deposits in. A preliminary operating cost estimate was developed by MPC based on a flow sheet involving two stage crushing circuit, a single stage ball milling and gravity gold recovery circuit, a vacuum filter, a drum agglomeration with conveyor stacked heap leach, agitated tank adsorption circuit and an elution circuit. The findings of the MPC study were then used in some preliminary optimisation runs by a consultant mining engineer. Two scenarios were run; Mixy gravity recovery only, and combination heap leach of the LOP and Buckshot laterites and Mixy gravity plant. The assumptions used in the scoping study were too poorly supported to allow public disclosure of the financial results of the study.

Kalamazoo conducted a scoping study on the mining of Mixy and A-Zone deposits in 2013. No pit optimisations were conducted in this study which used a gold price of A$1,500/oz. Mixy processing was to comprise two stages, gravity and leaching. A conceptual pit design was developed off the Mixy block model, which mined in three stages with a cut-off grade of 0.5g/t Au and a mining inventory comprising 140kt at 4.08g/t Au and 3,377kt of waste. As no resource model was provided for A-Zone, it was assumed a 65m deep pit would be mined at an average strip ratio of 10:1. It is proposed that the resource be mined in a single stage over a two year period with a cut-off grade of 1.0g/t Au and a mining inventory comprising 410kt at 2.41g/t Au and 4,100kt of waste. The assumptions used in the scoping study were too poorly supported to allow public disclosure of the financial results of the study.

In early 2015 Kalamazoo commenced study work for undertaking a trial mining operation on the Mixy gold deposit. A Mining Proposal and a Mine Closure Plan was developed and submitted to the Department of Mines and Petroleum (DMP) in June 2015. Refer to Section 2.9.4 for further details.

2.9.3 Environmental Studies

An environmental and social impact assessment on the Snake Well Project area was completed as part of Kalamazoo's Mining Proposal for the trial open pit mining of the Mixy deposit. This noted that there were no flora species, fauna species or vegetation communities of conservation significance directly identified within the project area that would be impacted on. The desktop assessment of the Environment Protection and Biodiversity Conservation did show there is a potential for fauna species – Malleefowl and Western Spiny-tailed Skink and flora species – Varnish bush may be present in the area. Archaeological and ethnographic surveys were conducted over the proposed infrastructure and mining areas that will be disturbed during the development of the project. These surveys were conducted with the full participation of the three claimant groups. It was identified during these surveys that there are no potential archaeological or ethnographic issues within the project area. There are native title agreements in place with all three of the claimant groups.

Geochemical screen testing was completed on 88 drill samples, collected from two drill holes within the deposit. The screen testing included measurement and interpretation of pH, pHFOX, and electrical conductivity at approximately 1m intervals down each of the selected drill holes. This selection method allows the entire profile of the deposit to be analysed with the results indicating little-to-no risk of the formation of acid rock drainage through oxidation of the in situ materials.

Local hydrology assessed in the area shows the Mixy Project is located in a sheet flow dominated area; with no visible creek channels located within the immediate vicinity of the site. Peak flow calculations for the catchment indicate that the surface runoff can easily be managed by the installation of small diversion bunds around the site, and site infrastructure. A conceptual groundwater model was developed and in general the proposed mine pit is expected to intersect an unconfined aquifer, consisting of two distinct water-bearing materials. The gazetted Beringarra-Pindar Road passes within 100m of the Mixy mining area.

2.9.4 Trial Mining – Mixy Deposit

Kalamazoo's key reason for trial mining of the Mixy deposit was to gather information regarding the optimum way to accurately estimate gold grade within the Mixy deposit.

The approval and permitting process commenced in January 2015. Specialist studies, geotechnical drilling and grade control drilling were completed over the following months to enable preparation of a Mining Proposal, a Mine Closure plan and a Project Management Plan which were submitted to the relevant government departments on the 9th June 2015. Mining approval from the DMP was granted on the 7th August 2015. The Minjar Gold ore processing agreement was finalised on the 13th October 2015. Shire of Murchison road agreement approval was granted 19th October 2015 (Kalamazoo, 2016).

The mining plan was as follows. The Mixy Project mine will be constructed as an open cut pit, excavated using drill and blast methods with hydraulic face shovels and dump trucks coupled to a ROM stockpile and waste rock landform (WRL). The total length of the proposed pit is approximately 120m with a width of 85m, giving an overall footprint of approximately 1.0ha. The surface of the pit varies between 290 and 291mRL, with the deepest point in the pit reaching 255mRL; equating to a final pit depth of 35m below surface. This depth will be entirely within oxide / saprolite material. A total of approximately 132,900bcm of material will be mined over the short life of mine comprising approximately 20,000t of ore and 325,500t of waste. A WRL will be located adjacent to the mine pit and connected via a haul road. The WRL will have a footprint of approximately 3.25ha and will have the capacity to store approximately 325,500t. WRL rehabilitation will involve battering down the slopes to 17° angles and spreading identified growth medium to promote safe, stable and sustainable rehabilitation.

Figure 13 Mixy Trial Mining showing the 272.5RL Pit Floor in November 2015

Photograph is looking southeast.
Note: All equipment pictured is owned by mining contractors not Kalamazoo.

The Mixy trial mining project commenced on the 19th October 2015 with the mobilisation of equipment and personnel, clearing of vegetation and topsoil and the drilling and blasting of the pit as the primary activities. Bulk mining of the pit commenced on the 26th October 2015 and continued for nine weeks. Rehabilitation was ongoing during mining with the shaping of the waste dump but finalised after ore haulage was completed on the 27th January 2016 five weeks after the cessation of mining. The pit was free dig apart from the cap rock and ore which needed blasting. The high grade ore and resample ore was hauled over 200km to the Minjar mill for processing. Recovery of gold in the mill was 98.1% and the ore mined reconciled well with the grade control model (Kalamazoo, 2016).

Historic RC and diamond drilling drilled on a ~20m x 20m pattern was in-filled by 10m x 7.5m RC grade control drilling (58 holes for 1,710m drilling) and sampled on 1m intervals. The grade control drilling assay results correlated well with the historic drilling intersections and both sets of data were used in the grade control block model. The mineralisation was digitised on 5m sections, wireframed and gold grades estimated using inverse distance squared weighting into a block model using Surpac mining software. Flitch plans were generated on 2.5m flitches and ore blocks were based on a 1.5g/t cut-off grade. Prior to mining it was thought the orebody consisted of a single sub-vertical quartz lode 2m to 4m thick. It became obvious once mining commenced that the orebody was in fact a close spaced sub-parallel array of 1m thick quartz veins within a sub-vertical shear zone. The shear zone material was a yellow clay as opposed to the brownish clays throughout the rest of the pit. All ore mining was supervised by a geologist and sent to the ore stockpile pad. If ore appeared to be of questionable quality or if there was quartz outside the ore blocks, then that material was sent to the resample pad and grab sampled (Kalamazoo, 2015).

Ravensgate reviewed the mine production tonnage and grade (Table 8), which were slightly lower (tonnage) and slightly higher (grade) than predicted by the resource model (Reid, 2016a). The mill feed was selected using a 1.5g/t Au cut-off, which is higher than the resource cut-off of 0.5g/t Au cut-off. Some material was truck dump sampled and either rejected or trucked to the mill based on the resample. Without consideration of low grade mine production it is not possible to make a direct comparison (Reid, 2016a).

Table 8 Trial Pit Mill Production Compared to Block Model Estimates

	Cut-off g/t Au	Volume bcm	Tonnage t	Au Grade g/t	Gold Oz
2016 Block Model	0.5	9,663	25,123	6.43	5,190
Mill Feed	1.5	8,122	20,320	6.83	4,459
Mine Production	1.5	7,731	19,461	6.58	4,117
Grade Control Block Model	1.5	6,525	16,964	5.48	2,989

2.10 Exploration Potential and Targets

The Snake Well project is positioned in a prospective location in terms of a regional geological and mineralisation setting, occurring within the Murchison Domain which hosts numerous significant gold deposits including Meekatharra, Cue, Day Dawn, Big Bell, Mt Magnet and Mt Gibson, which makes the Murchison one of the larger gold producing provinces in the Yilgarn Craton. It also contains the world class Golden Grove base metal deposits.

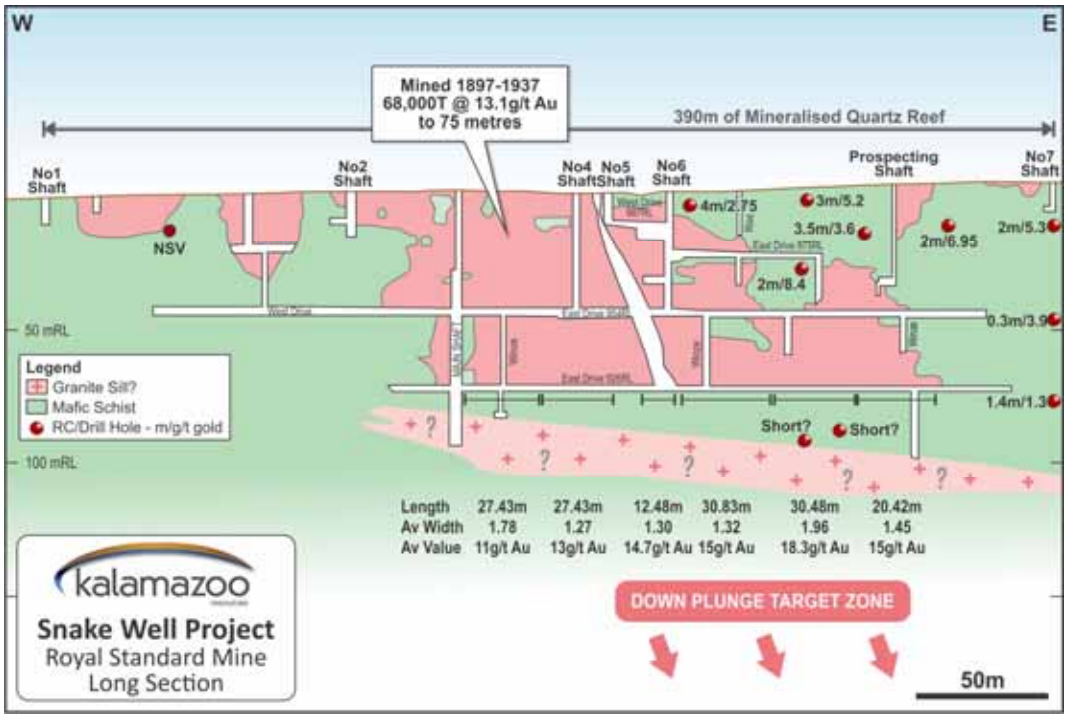
Mineral Resources have been defined at three prospects (Mixy, A-Zone and LOP) and by undertaking appropriate technical work it is likely that further Mineral Resources can be defined at another four prospects (Buckshot, Warren, Asp and 1080) (refer Sections 2.8 and 2.10.3). Kalamazoo has identified four exploration prospects within its Snake Well tenements where further exploration work is justified (Royal Standard, Conquistador, Rabbit Well North and Armstrongs). There is potential for discovery of further targets through regional exploration over areas where prospective Archaean lithologies are concealed under Cainozoic cover. Each of these opportunities are described in some detail in the following sub-sections.

2.10.1 Royal Standard Prospect

The Royal Standard gold mine is the only historical producer (68,000 tonnes at 13.1g/t Au from 1897-1937, Cranley, 1985) in the Tallering greenstone belt. It was also known as the Yuin mine. A single quartz vein up to three metres wide is traceable at surface for over 800m and has been stoped from surface to approximately 75m vertical depth and horizontally for 220m. The only drilling at the prospect was by Ramsgate Resources in 1985 with four diamond holes and nine RC holes drilled mainly to the east of the stoped area. A simple long sectional polygonal estimate was completed by Giralia and outlined a target with an approximate size potential of 35,000t at 4.3g/t Au above 75m depth immediately east of the previously stoped portion of the Royal Standard lode. This was originally reported as an Inferred Mineral Resource, but as with other Giralia modelling, Ravensgate's review has found that the work falls well short of the requirements of the JORC Code (2012 Edition) for inferred resources.

The Royal Standard lode reportedly is cut by granite at depth, although only one drill hole to test depth potential is recorded (drilled by the WA Mines Department in 1937). Kalamazoo consider that the granite encountered during the mining operation is unlikely to be granite basement but is more likely to be a granitic dyke or sill related to the nearby outcropping granite intrusions. A geological long section invoking this interpretation is shown on Figure 14 illustrating the potential extension to the Royal Standard lode below the granitic intrusive (Richardson, 2013).

Figure 14 Royal Standard Gold Mine Schematic Long Section



Note: The results of channel sampling of the lode along the lower-most underground drive are detailed with length, average width and average grade. Red arrows signify the interpreted plunge direction of the lode.

Potential remains to discover further high grade gold mineralisation at the Yuin mining area associated with the Royal Standard quartz lode both along strike, in parallel structures and at depth.

2.10.2 Rabbit Well Prospect

A Mineral Resource has been delineated at the Mixy deposit (Section 2.8.1). The deposit remains open down plunge with deepest holes returning thick quartz vein intersections with some visible gold. Some significant deeper intersections include the following. Note that these have been included in the Mixy Mineral Resource estimate and are not additional to it (i.e. not selective reporting of exploration results).

RDRW209: 9m at 1.83g/t Au from 179.65m including 1m at 11.3g/t Au. The hole intersected over 11m of massive quartz lode with specs of visible gold noted.

RDRW210: 3m at 8.8g/t Au from 203.3m within a 16m envelope of lower grade mineralisation. The hole returned a similar thickness of lode to RDRW209 along with a well mineralised hanging wall shear.

RDRW219: 3.25m at 9.15g/t Au from 236.5m. The hole returned a 37m intersection of the Mixy shear zone, including a high grade quartz vein with visible gold over 5.45m.

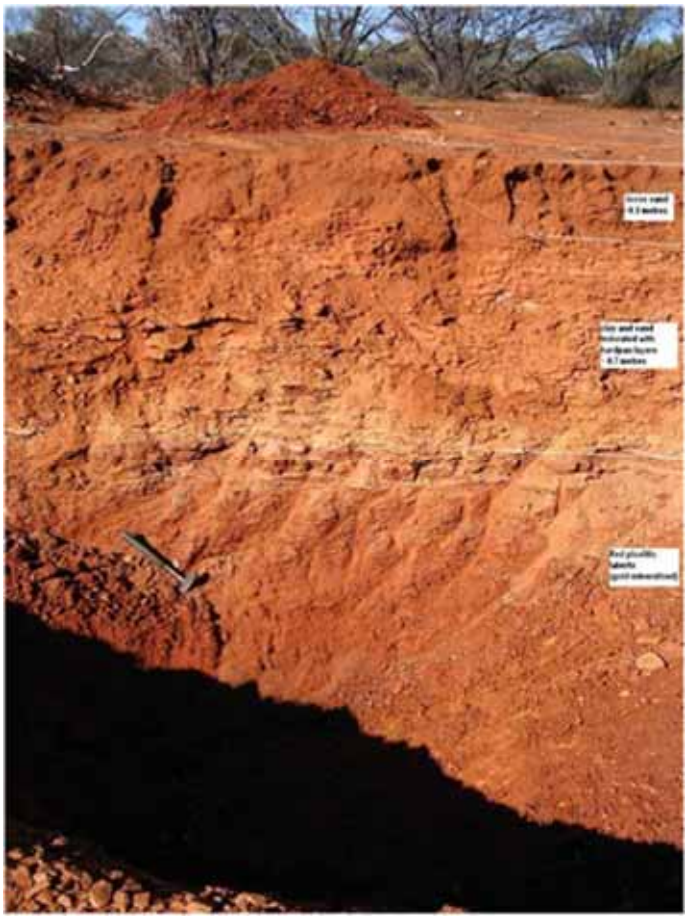
RDRW221: 14m at 2.18g/t Au from 187m including 1m at 8.57g/t Au. The hole intersected 7.5m of massive quartz lode material.

Figure 7 in Section 2.8.1 shows a long section of the Mixy main lode with the most significant drill intercepts highlighted. The section highlights the down plunge potential of the deposit and how poorly constrained the mineralisation is along strike due to limited deeper drilling. Additional drilling has the potential to increase the current resource and to possibly define new high grade shoots amenable to underground mining.

2.10.3 Laterite Prospects

Recent resource modelling has estimated an Inferred Mineral Resource of 380,000t at 1.1g/t Au for 13,000oz contained gold for the LOP Laterite gold deposit in the Rabbit Well prospect area (Reid, 2016c). A number of other laterite deposits have been identified within the Snake Well project area including Buckshot, Warren, Asp and 1080. Their location is shown in Figure 5. These have very similar geology to the LOP deposit. Giralia reported resources for these four laterite deposits in addition to the LOP Laterite gold deposit under the previous edition of the JORC Code (2004 Edition). Ravensgate has determined that the documentation of the resource modelling is insufficient to be publicly reported under the more rigorous requirements of the current version of the JORC Code (2012 Edition). These deposits have therefore been downgraded to advanced exploration mineral assets. Nevertheless, a significant amount of drilling has been undertaken by Giralia and early explorers in each of these four laterite deposits, and there is a reasonable expectation that further resource modelling and appropriate documentation will lead to re-establishment of Mineral Resources. This is supported by the conversion of the JORC 2004 resources pertaining to the LOP Laterite deposit to JORC 2012 Inferred Mineral Resources (Reid, 2016c). Bulk sampling has occurred at the Buckshot Laterite deposit (Figure 15) and metallurgical test work has been undertaken on these samples and also percussion samples from some of the other laterite deposits, the results of which have been briefly summarised in Section 2.9.1 above.

Figure 15 Photograph of an Exposure of the Buckshot Laterite Deposit in a Bulk Sampling Pit



Photographed looking to the west; geology hammer for scale (300mm long)

2.10.4 A-Zone Prospect

A Mineral Resource has been delineated at the A-Zone deposit (refer Section 2.8.2). Past exploration has focussed on this shallow oxide gold resource, but further deeper drilling is warranted to test for both gold and base metals within the sulphide zone at depth. Figure 10 shows a cross section through the A-Zone resource and the obvious down dip potential within the broad shear zone. Elsewhere within the prospect area drilling by previous explorers has intersected significant gold and base metal intersections which are worthy of follow up drilling (Richardson, 2013).

2.10.5 Calisi Lode Deposits

The Calisi lode deposits comprise two small auriferous lodes of similar geology to the Mixy deposit named Calisi 1 and Calisi 2. The lodes are thin (1m to 5m) with short strike extent (~200m) which has been reasonably well defined by drilling. Calisi 2 appears largely supergene, beneath a preserved pisolitic laterite layer, while Calisi 1 has thin high grade quartz lode intersections at depth. The presence of relatively deep transported cover and leached saprolite suggests that waste to ore ratios will be high. Historic Inferred Mineral Resources of modest size were estimated in-house by Giralia. Ravensgate has reviewed these previous mineral resources (refer Section 2.8) determining that they were not able to be reported in conformance with the current version of the JORC Code (2012 Edition), due to inadequate documentation and low prospects for eventual economic extraction.

2.10.6 Other Prospects

Royal Standard West

The Royal Standard West prospect is 1-2km west of the historic Royal Standard mine and exhibits a similar geologic setting, with a mafic sequence possibly thrust over granite basement. Cainozoic cover in this area ranges from less than five metres in the east to some 20m in the west. Base of Cainozoic cover is characterised by a basal pisolite sequence, this is weakly mineralised with intercepts of up to 1.15g/t Au. Angled holes were drilled to the southeast into the contact between mafic rocks and the basal granite, and weak low order anomalism was encountered, loosely concordant with the contact, over 1,400m long at 0.1g/t Au, at various levels in the regolith. Deeper angled RC drilling has been proposed to follow up this extensive bedrock anomaly (Richardson, 2013).

Conquistador

Exploration at the Conquistador base metal prospect has been hampered by deep cover and deep weathering. Very little drilling has been conducted to the east and northeast of this prospect even though an extensive zone of highly anomalous base metal mineralisation was discovered at the prospect (Section 2.6). The target VHMS style sulphide orebodies are typically difficult to detect in areas of cover and deep weathering, particularly if the bodies are zinc or pyrite rich, as appears to be the case at Conquistador (Richardson, 2013).

Rabbit Well North

Regional aircore drilling outlined a high order bedrock gold geochemical anomaly in felsic schists at Rabbit Well North located 5km north of Mixy. First pass RC drill testing returned encouraging intersections hosted by a felsic schist sequence also anomalous in silver, copper and lead. Follow up RC drilling in 2007 produced low grade gold intersections within a thick zone of anomalous zinc (Richardson and Stone, 2015).

Armstrongs Prospect

The Armstrong prospect is a large geochemical gold anomaly of approximately 2km x 300m defined by previous explorers (refer Section 2.6.1). It straddles the Houghton's Magnetic Unit within the mafic sequence of the Southern Shear Zone in an area of shallow cover and sub-cropping ferruginous upper saprolite with limited preservation of lateritic duricrust. Giralia completed no work on the Armstrong prospect, concentrating on other prospects within the project area. Only a limited number of deeper holes have tested the large gold anomaly defined by soils and RAB drilling.

2.10.7 Regional Exploration

Figure 5 shows all of the project's drill hole collars, highlighting anomalous drill intercepts and the location of the main prospects. The map clearly shows the scarcity of drilling in the eastern and northern sections of the project. These areas, though prospective, have had limited past exploration, mainly due to a blanket of alluvial and shallow recent cover. These areas, particularly where structural targets can be identified along strike from known resources and mineral occurrences have the potential to host significant, but as yet undiscovered, gold and base metal resources. The Royal Standard West prospect is one example of such a target. The Conquistador base metal prospect is an example of an area where exploration has been hampered by alluvial cover. Very little drilling was conducted to the east and northeast of this prospect even though an extensive zone of anomalous base metal mineralisation was discovered at the prospect. VHMS style base metal orebodies are easily concealed in areas of cover and deep weathering, generally requiring more rigorous regional exploration efforts than those of previous explorers.

2.11 Exploration Strategy

Kalamazoo has indicated to Ravensgate that they will undertake a systematic, staged approach with respect to their exploration program focusing primarily on gold. Significant previous exploration has been undertaken across the project area and Kalamazoo has maximised the usefulness of this asset by undertaking thorough research in compiling and analysing the available data, developing an exploration database, field checking anomalous localities, assessing the economic potential of the known deposits and conducting a successful trial mining operation on the Mixy deposit.

Kalamazoo will focus immediate attention to staged resource definition drilling at Mixy and LOP, metallurgical studies, development studies and exploration drilling at priority targets.

At the Mixy gold deposit, resource development drilling for a Stage 2 open pit expansion is planned in Year 1. An initial phase of diamond drilling in Year 1 will test for extensions to the current resource at depths between 100 and 180m below surface, with potential for future underground exploitation. Phase 2 diamond drilling would proceed in Year 2 contingent on the results from Phase 1.

Metallurgical testwork and development studies will be undertaken on the Mixy gold deposit, primarily to evaluate a stage 2 open pit expansion.

Metallurgical test work will be undertaken at A-Zone for evaluation of the transitional and sulphide mineralisation.

Drilling to upgrade the LOP laterite resource to Indicated status and to obtain fresh material for metallurgical test work is planned in Year 1. Contingent on these results, exploration drilling at other laterite deposits would ensue in Year 2.

Exploration of other lode targets will focus initially at Royal Standard testing below the high grade historic mine workings that only extended to 75m below surface, and along the strike of the lode which has been traced for 800m at surface. Drilling below the main workings would be staged with follow-up contingent on early results.

Approximately 48,000m of RC and diamond drilling at Snake Well is planned for the first two years.

Ravensgate considers that the exploration strategy proposed by Kalamazoo is consistent with the mineral potential and status of the Snake Well project.

3. CORK TREE PROJECT

3.1 Location

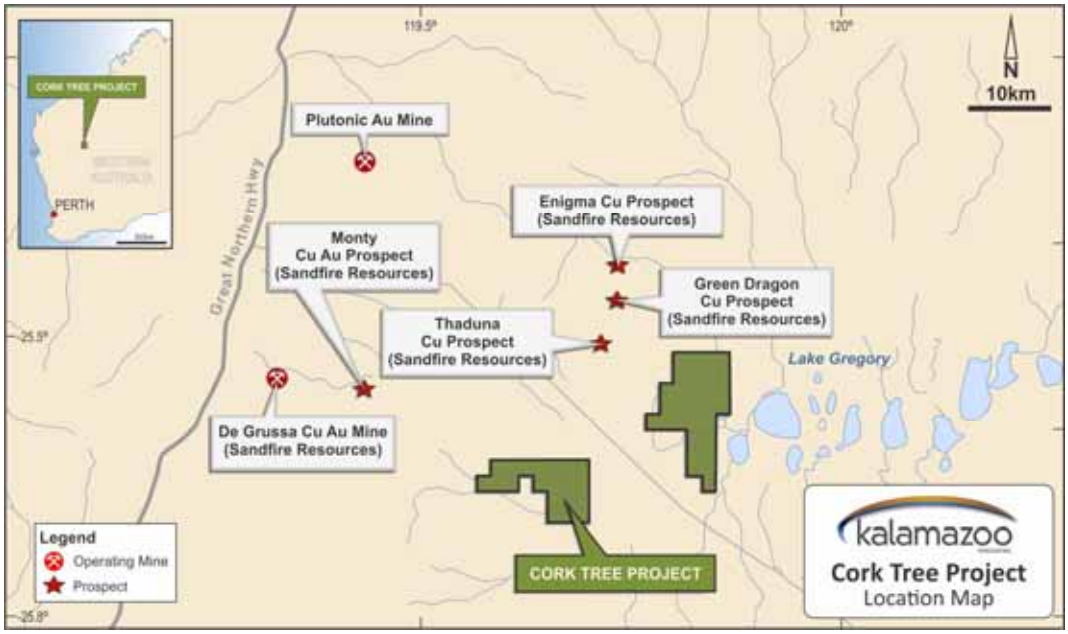
The Cork Tree project is located in the Mid West region of Western Australia, approximately 830km northeast of Perth, 120km north-northwest of Wiluna and 160km northeast of Meekatharra. It is situated within the Peak Hill Mineral Field, the Peak Hill (SG50-08) 1:250,000 map sheet and the Thaduna (2846) 1:100,000 map sheet. The project can be accessed from Meekatharra via the Great Northern Highway, then the graded Neds Creek Station road. Access within the tenements is straightforward through relatively flat terrain using mining and exploration tracks.

Although the project is an exploration project some infrastructure exists in the area and reasonable proximity to Meekatharra and Wiluna provides access for some exploration supplies and services. Sandfire's DeGrussa ore processing facility lies some 30km west of the project area.

3.2 Tenure

The Cork Tree project consists of three granted exploration licences E52/2056, E52/2057 and E52/3042, comprising 50 blocks and covering approximately 155km^2. The license details are listed in Table 3 and shown in Figure 16. During September 2014, tenements E52/2056 and E52/2057 underwent the compulsory sixth year partial surrender of 13 and 14 blocks respectively.

Figure 16 Location Map for the Cork Tree Project showing Tenements



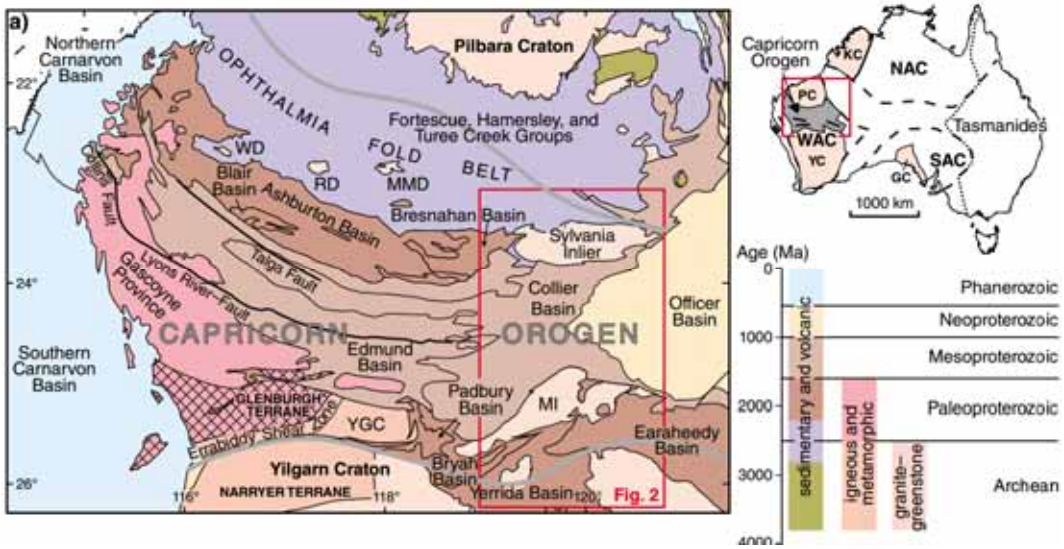
3.3 Regional Geology

The Cork Tree project is located in the Glengarry region covering rocks of the Capricorn Orogen on the western edge of the Mid-Proterozoic Earaheedy Basin. The Geological Survey of Western Australia (GSWA) carried out mapping over the Glengarry region in the 1990s establishing a revised subdivision of the sequence into four distinct Groups, deposited within the Yerrida, Bryah, Padbury and Earaheedy basins.

3.3.1 Capricorn Orogen

The Capricorn Orogen is an approximately 1,000km-long, 500 km-wide region of variably deformed meta-igneous, metasedimentary, and low-grade sedimentary rocks located between the Pilbara and Yilgarn Cratons (Figure 17). The orogen records the two-stage Paleoproterozoic assembly of these two cratons, and an exotic Archaean to Paleoproterozoic crustal fragment, the Glenburgh Terrane of the Gascoyne Province, to form the West Australian Craton. More than one billion years of subsequent intracratonic reworking is also recorded. The orogen includes the deformed margins of the Pilbara and Yilgarn Cratons and associated deformed continental margin rocks of the Fortescue, Hamersley, Turee Creek, and lower Wyloo Groups in the Ophthalmia Fold Belt. Medium to high-grade meta-igneous and metasedimentary rocks of the Glenburgh Terrane and Gascoyne Province form the core of the orogen. These rocks are overlain by several basins containing variably deformed low-grade metasedimentary rocks, including the upper Wyloo, Bresnahan, Mount Minnie, Padbury, Bryah, Yerrida, Earaheedy, Edmund, and Collier Basins (Figure 17). (Dentith et. al., 2014)

Figure 17 Geological Map of the Capricorn Origin



Source: Dentith et. al., 2014

In the Glengarry region, the Yerrida and Earaheedy Group rocks strike east-northeast and are bounded further to the north by the Archaean aged Marymia Inlier and to the west by the Bryah Basin. A small granitic inlier, the Goodin Dome also lies further to the west. The granite-greenstone terrane of the Yilgarn Craton margins the Yerrida Basin to the south.

Many of the major faults in the region are long lived structures, which have been active during deposition and then later rejuvenated as thrust faults during basin compression. The resulting sequences are complex packages of thrust bounded domains. The regional geological setting of the Cork Tree Project tenements are shown on Figure 18, and the stratigraphy of the area is shown on Figure 19.

Figure 18 Regional Geology Map for the Cork Tree Project Area

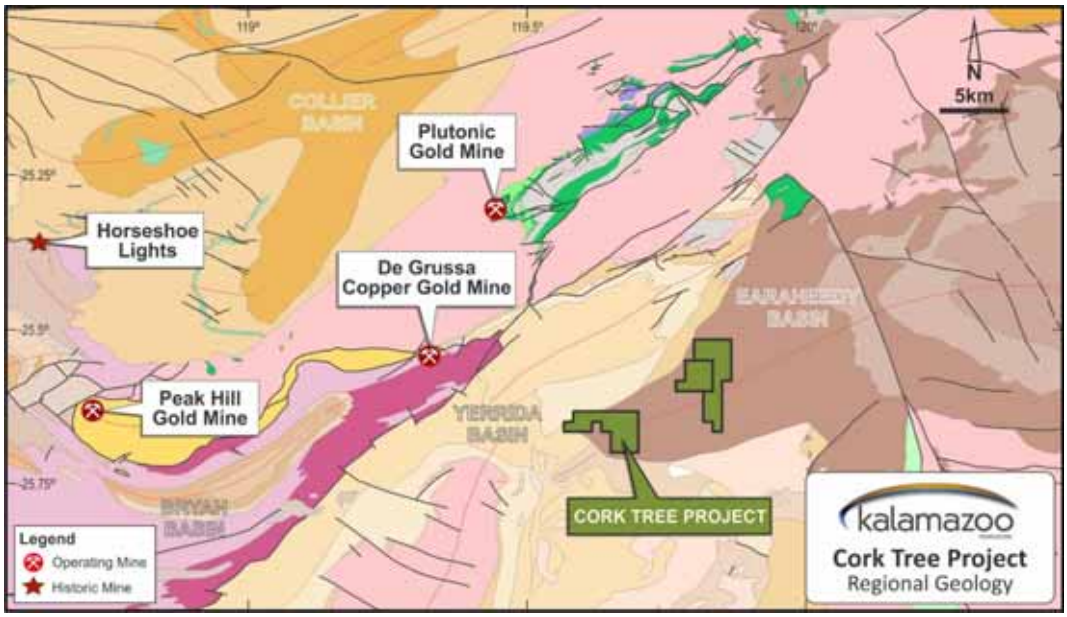
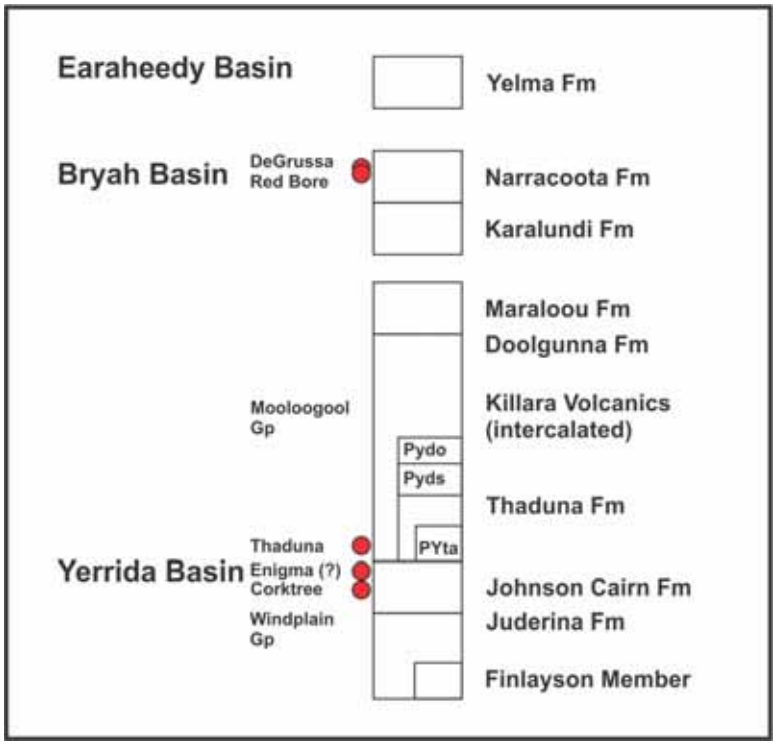


Figure 19 Stratigraphy of the Cork Tree Project Area



Source: Richardson & Stone, 2013.

3.3.2 Yerrida Basin

Rocks of the Yerrida Basin unconformably overlie the granite–greenstones of the Yilgarn Craton and have a stratigraphic thickness of more than 3km. The basin has been divided into two disconformable groups, the Windplain Group and the overlying Mooloogool Group; the deposition of these groups is separated by a hiatus of about 330Ma. The Windplain Group comprises a basal succession, the Juderina Formation, of siliciclastic rocks containing stromatolitic carbonates of the Bubble Well Member, and a thick upper succession of graphitic and pyritic shales known as the Johnson Cairn Formation. The sediments were deposited in a continental sag basin, ranging from coastal and shallow-marine environments, grading to intertidal and supratidal sabkha lagoons. The Windplain Group was deposited on the continental margin of the Yilgarn Craton before assembly of the West Australian Craton (Dentith et. al., 2014).

The lower part of the disconformably overlying Mooloogool Group, the Killara, Doolgunna, and Thaduna Formations, is composed of conglomerates and turbidite-facies rocks, and extensive mafic intrusive and extrusive units that have chemistries consistent with a continental flood basalt origin. These mafic units have peperitic margins with finely laminated siltstone and sulfidic shales of the overlying Maraloou Formation, indicating that the mafic rocks were intruded into the succession although the sediments were unlithified. Isotopic age dating of the mafics at 1,840Ma (Rasmussen and Fletcher, 2002) indicate that mafic magmatism and the deposition of the Mooloogool Group occurred at this time, some 330 Ma after deposition of the Windplain Group.

The Yerrida basin has an age of 2.2Ga and is associated with the Bryah and Padbury Basins, which together were previously referred to as the Glengarry Basin. They have all been strongly deformed by the effects of the Capricorn Orogen.

3.3.3 Earaheedy Basin

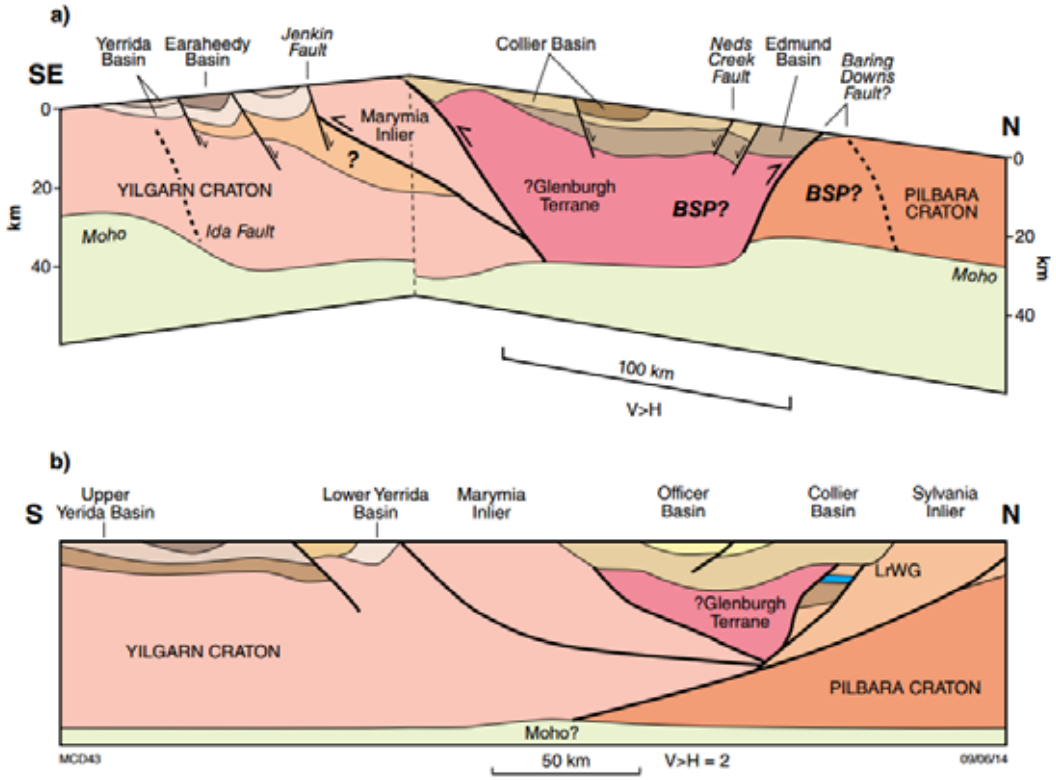
Shallow-marine clastic and chemical sedimentary rocks of the Earaheedy Basin are up to about 5km thick. They unconformably overlie the granite–greenstones of the Yilgarn Craton and Marymia Inlier, and the metasedimentary rocks of the Yerrida and Bryah Basins. The basin currently defines an asymmetric east-plunging regional syncline with a vertical to locally overturned northern limb known as the Stanley Fold Belt. The Earaheedy Basin is divided into the Tooloo Group, a lower shallow-marine succession, and the Minningarra Group, a low-energy shallow-marine succession. The Tooloo Group comprises sandstone and siltstone, granular iron-formation, and carbonate rocks of the Yelma and Frere Formations. The Minningarra Group comprises turbiditic sandstones and lesser carbonates of the Chiall and Wongawol Formations, Kulele Limestone and Mulgarra Sandstone. Recent isotopic age dating of felsic volcanic horizons within the Tooloo Group implies the presence of a significant disconformity with the overlying Minningarra Group, and suggests that the Tooloo Group may have been deposited in a similar timeframe to the sedimentary rocks within the Padbury and Bryah Basins (Dentith *et al*., 2014).

The Earaheedy Basin has an age of 2.2-1.78Ga. At a regional scale the Earaheedy stratigraphy shows less deformation than the Yerrida rocks and postdates the peak effects of the Capricorn Orogen (Hawke, 2014).

3.3.4 Magnetotelluric Geophysical Survey

In 2014, a magnetotelluric geophysical survey was conducted by the GSWA through the eastern part of the Capricorn Orogen (totalling 350km in length with 42 broadband recordings) in order to elucidate the crustal-scale architecture of this region (Dentith *et al*., 2014). One of the magnetotelluric traverses transected the Cork Tree project area. Distinct variations in mantle and crustal electrical conductivity were interpreted as being caused by juxtaposition of a series of discrete tectonic blocks separated by crustal-scale faults or shear zones. Importantly, the survey data indicated that the major structures in the eastern Capricorn Orogen dip towards the centre of the orogen; by contrast, in the western part, major structures consistently dip towards the south. An exotic conductive tectonic block, which separates the more resistive Yilgarn and Pilbara Cratons was identified. This conductive tectonic block is similar to the Glenburgh Terrane in the western part of the orogen.

Figure 20 Geological Cartoon Cross-Section across the Eastern Part of the Capricorn Orogen Interpreted from the Magnetotelluric Survey.

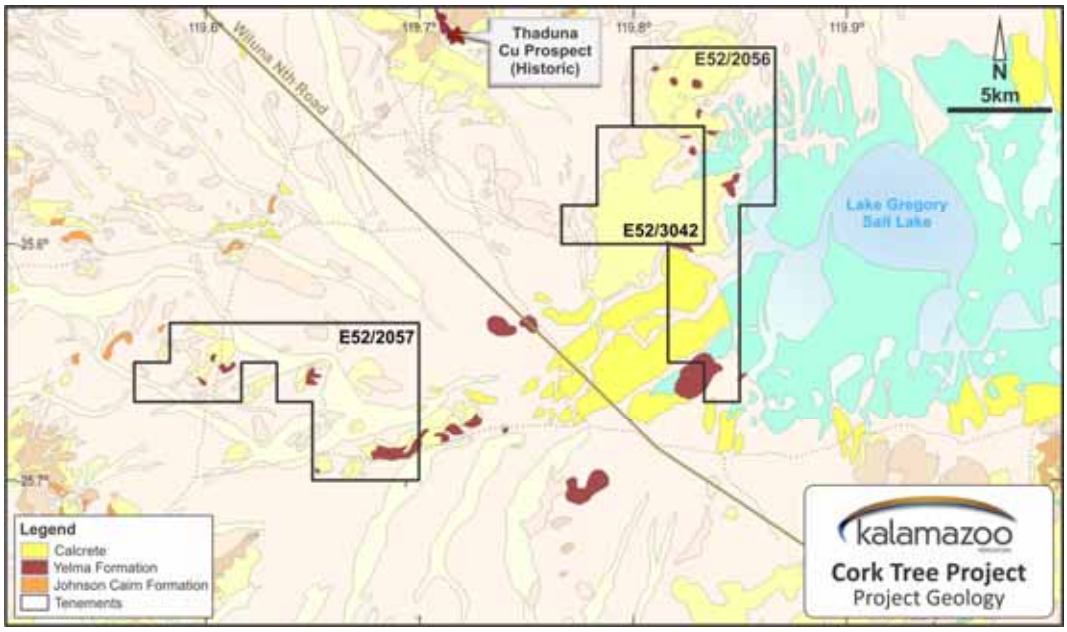


Notes: BSP, Bandee Seismic Province; LrWG, Lower Windplain Group; b) balanced geological cross-section after Cawood and Tyler (2004). Source: Dentith et. al., 2014.

3.4 Local Geology and Mineralisation

The Cork Tree project straddles rocks of the Yerrida Basin and the western extremity of the Earaheedy Basin. Rocks mapped comprise of clastics and dolomites, largely exposed as chert breccias and silcretes, which underlie most of the tenement area. Outcrop is very poor with most exposed material being alluvial or colluvial in origin (Figure 21).

Figure 21 Geological Map of the Cork Tree Tenements (GSWA)



The Windplain sub-group is the lowest part of the Yerrida Formation and comprises a lower sequence of arenite and siltstone known as the Judarina Formation. This is overlain by siltstones and thin dolomite of the Johnson Cairn Formation. These regionally extensive units show a strong local diversity and are thickly developed on the eastern Yerrida Basin margin in the Cork Tree area. These unusually thick dolomite sequences indicate a local sub-basin may have developed in this area (Richardson & Stone, 2013).

The Doolgunna Formation overlies the Windplain Group and consists of a rapidly deposited arkosic and lithic sandstone, typical of a trench or graben fill. The Killara Formation, a sequence of mafic volcanics, interdigitate with the sedimentary units showing the sedimentary sequence was associated with a long lived volcanic event. These mafic volcanics are considered to be a continental tholeiite based on their trace element signature, and have been interpreted to have formed during rifting of the Yerrida Basin. The Killara Formation is similar in appearance to the Bryah Basin Naracoota volcanics which are considered to be seamount or mid-ocean ridge basalt in setting. Both have potential to have developed hydrothermal systems. The Narracoota volcanics host the DeGrussa VHMS deposit. The Doolgunna Formation rocks have not been mapped within or near the Cork Tree project (Richardson & Stone, 2013).

The lowest unit of the Earaheedy Basin is the Yelma Formation, a variable sequence of quartz arenite and common stromatolitic dolomite with a variable thickness of between 10m-1,500m, depending on its location within the basin. Three units are recognised within the Yelma; a basal conglomerate and quartz lithic sandstone, a unit dominated by stromatolitic dolomite and a unit of silicified and ferruginised dolomite breccia. Each of the subgroups may be only locally present, reflecting conditions at the time of deposition. The ferruginisation of the dolomite may reflect oxidation of sulphides or result from the effect of Cainozoic or older weathering (for example Permian or Palaeozoic), with resulting development of karstic or terra rossa soils. At a local scale it is difficult to distinguish between the dolomite dominated sequences of the Yelma and the Johnson Cairn Formation (Richardson & Stone, 2013).

The overlying Doolgunna Formation and other younger rocks of the Yerrida Basin are not recognised within or near the Cork Tree project. They may have been removed by faulting, erosion or may be present at depth under the onlaping sediments of the Earaheedy Group.

All of the basement rocks of the project area have been deeply weathered. Laterite, ferruginised rubble and calcrete are extensively developed. As part of the weathering process extensive silicification has affected dolomite, with resulting chert like breccia and rubble. The older Cainozoic profile is locally overlain along drainages and depressions by recent colluvium and in the east, recent lake deposits associated with the Lake Gregory salt lake system.

The GSWA have recognised a large number of lineaments cutting the project area. The dominant set strike east-northeast and parallel the main structural grain of the area, including the margins of the Earaheedy Formation, as well as regionally important faults such as the Jenkins Fault. It is likely the lineaments reflect faults. Long lived structures have good potential to have acted as conduits to mineralising fluids and are prospective for sediment hosted mineralisation (Richardson & Stone, 2013).

Due to the strong weathering and the resulting difficulty in recognising the local bedrock stratigraphy, further work is needed to fully understand the Cork Tree project geology and its regional setting.

3.4.1 Mineralisation

Bedrock geology in the project area is heavily masked by lateritic duricrust, deep oxidation and transported material. Exploration within the belt has been hindered by a lack of outcrop, dense vegetation, deep weathering and widespread transported cover which can be up to 80m thick. Previous exploration has identified widespread secondary copper mineralisation within a thick dolomite-shale-sandstone stratigraphy at a number of prospect areas within the Cork Tree tenements (Section 3.5), which has been confirmed by recent work (Section 3.6). The primary source of the widespread secondary copper mineralisation at Cork Tree has not yet been found and numerous near surface copper anomalies remains open laterally and at depth. The location of the project at the edge of a mid-Proterozoic sedimentary basin abutting a basement high, and the presence of major structures, suggest potential for sediment-hosted base metal mineralisation.

3.4.2 Nearby Copper Deposits

Mineralisation within the area surrounding the Cork Tree project dominantly occurs as epigenetic gold deposits (Peak Hill, Fortnum, and Horseshoe mining centres) with lesser VHMS (Horseshoe Lights and DeGrussa deposits) and epithermal copper (Thaduna deposit). The currently operating DeGrussa copper-gold mine is located 30km to the west, while the Thaduna copper mine is located 10km to the west. Mineralisation in the project region includes new discoveries by Sipa Resources (Sipa) at the Enigma prospect, and by Sandfire at Red Bore. Locations are shown on the regional geology figure above.

Thaduna Mine

The Thaduna copper mine was discovered by prospectors in 1941 and small scale production continued until 1953 followed by open cut mining and trial underground mining intermittently from 1955 to 1971. A flotation plant operated from 1962 to 1971 and produced copper additives for fertilisers. The mine recorded production of copper oxide ore (malachite, cuprite and chrysocolla) of 30,290t at 8.7% Cu. There remain stockpiles of 48,400t at 2.74% Cu and tailings of 20,500 tonnes at 2.5% Cu (Ventnor, 2016). The Thaduna lode is about 600m long and averages 3m wide. The mineralisation comprises high-grade, shear hosted shoots and lower-grade disseminated mineralisation; in places the disseminated zone is up to 20m wide. The mineralisation is surrounded by a hydrothermal alteration zone 15m wide, with outer chlorite and hematite zones and a proximal graphitic zone. The ore bodies are oxidised to a depth of about 50m with the main Cu-bearing minerals being chrysocolla, malachite, azurite and cuprite. A Supergene Zone to a depth of about 90m below the natural surface contains chalcocite and minor covellite. At greater depths the primary mineralisation is chalcopyrite and bornite (Ventnor, 2016).

DeGrussa Mine

The DeGrussa copper-gold deposit is a chalcopyrite rich VHMS deposit blanketed by high-grade supergene sulphide and oxide ore, which was discovered in 2009 by Sandfire. It has current Mineral Resources of 10.7Mt at 4.5% Cu and 1.8g/t Au which convert to Ore Reserves of 10.8Mt at 3.6% Cu and 1.5g/t Au. Current production rate for the DeGrussa mine is 1.6Mtpa. Additionally, the recently discovered Monty deposit has current Mineral Resources of 1.05Mt at 9.4% Cu and 1.6g/t Au (Sandfire, 2016).

The deposit consists of four ore lodes (DeGrussa, Conductor 1, Conductor 4, and Conductor 5), cut and separated from each other by two large faults, with a combined strike length of 800m. DeGrussa is hosted in turbiditic sedimentary rocks and basalts and intrusive dolerite units of the Narracoota Formation. The contacts of the ore deposit are typically associated with chlorite schist and a talc-carbonate exhalite unit. Sulphides are massive and fine grained consisting of pyrite, chalcopyrite, and pyrrhotite with lesser sphalerite, galena, marcasite, magnetite, and molybdenite. Chalcocite forms the main copper-bearing mineral in the supergene ore zone, along with malachite, azurite, chrysocolla, cuprite, and native. The deposit is of Paleo-Proterozoic age having been radiometrically dated to between 2.01 and 2.04 Ga (Hawke, 2014).

The initial discovery was made in follow up drilling investigating a zone of oxide gold mineralisation. The deposit is covered by recent alluvium and despite high grade chalcocite copper being within 30m of surface has no anomalous surface geochemistry.

The Red Bore prospect, located 0.5km southeast of DeGrussa, is hosted in mafic rocks and may also be a similar VHMS. At Red Bore a drill intersection of 17m at 11.7% Cu, 1.73g/t Au was announced in 2011 (SEG 2011). DeGrussa and Red Bore are controlled by the northeast-trending Jenkin Fault. This fault is the main structure that marks the boundary between the Bryah-Yerrida basin and the Marymia Inlier, extending across the northeastern part of the Bryah Rift-Basin.

Horseshoe Lights Mine

The Horseshoe Lights mine, located 150km north of Meekatharra in the western part of the Bryah basin, exploited a copper-gold VHMS deposit. It was discovered in 1946 and produced 300,000oz of gold and 54,000t of copper until the cessation of mining 1994.

Enigma Prospect

The Enigma copper prospect was discovered by Sipa to the east of the DeGrussa mine and north of the Cork Tree project. The property has subsequently been divested to Sandfire (Sipa, 2014). The Enigma prospect, comprises an extensive blanket of supergene copper mineralisation covering some 5km x 2km, within a very deeply weathered sequence of dolomite, sandstone and ironstone, interpreted to form part of the Johnson Cairn Formation. Sipa completed over 3,500 RAB and aircore drill holes, 45 RC holes and 11 diamond holes at Enigma, for a total of over 90,000m of drilling. The deep weathering and resulting poor understanding of geology appears to have reduced efficiency in targeting drilling.

3.5 Exploration History

Compilations of previous exploration have been undertaken by Atlas Iron (Stewart, 2012) and Kalamazoo (Richardson & Stone, 2013). The following synopsis of the exploration history of the project area has been largely derived from these two sources.

Western Mining Corporation (WMC) was the first company to carry out systematic exploration in the area, discovering widespread near surface copper anomalism at Cork Tree. WMC explored a large area (~1,400km^2) between Doolgunna and Thaduna between 1969 and 1971 targeting stratigraphic style copper mineralisation. In WAMEX this exploration work is extensively recorded in 21 report groups (accessions), arranged within three Item groups (I1094, I1095 and I1096). WMC conducted comprehensive geochemical exploration programs across the whole area including 43,114 soil samples (-80 mesh), 1,900 stream sediment sample (-80 mesh) and 450 rock chip samples. Eight areas of anomalies were targeted for more detailed exploration, one of which was in the Kalamazoo's current tenure which they named the Corktree prospect. It was identified by the regional soil sampling at 1,950m x 30m centres which defined an anomaly some 1,950m x 600m in extent with results ranging from 2ppm to 25ppm Cu. Extensive follow-up geochemistry comprised 2,656 soil samples collected. This work identified an east-west belt of high contrast anomalies. Geological traversing identified silicified and brecciated outcrop but rock identification was problematic. A number of ironstones representing possible gossans were identified and eight rock samples of 'gossans' returned copper assay above 0.1% with a maximum of 1.42% copper. A total of 56 auger holes and 147 vacuum drill holes were completed to test bedrock. Six shallow vacuum drill traverses were completed in an area 2km x 1.2km. Each traverse intersected secondary copper mineralisation. Logging described highly weathered rock (mainly clay and silica) with patchy secondary copper oxides (malachite) noted. In 1971 percussion drilling was carried out at Corktree with 45 drill holes in four north - south traverses testing three areas. Ironstone was noted from a variety of depths and contained copper in similar concentrations to surface samples. The deepest ironstone intersected highly anomalous copper grades. WMC believed the mineralisation trended east-southeast and was associated with, but not always coincident with, quartz veining. The lack of pointers to a 'deep source' led WMC to focus on other prospects in the region where the last phase of their work included diamond drilling, but without success, which led to the project being surrendered in 1971.

Esso explored the Glengarry basin in 1982 searching for stratiform lead, zinc and copper. They held a large project area that included a part of the current Kalamazoo tenure. Esso's work comprised a first pass examination of the area with broad gravity surveying, geochemistry, gossan search, water bore sampling, geological mapping and RAB drilling. RAB holes were drilled along tracks north of Corktree Well within Kalamazoo tenure. In follow up to anomalous zinc geochemistry, seven percussion holes were drilled which included hole R1, located north of Corktree Well, and hole R2, completed within the northern part of E52/2056, near the Terra Rossa prospect. No encouraging results were returned from Esso's work and they relinquished the project.

CRA explored the Corktree area from 1987 to 1995 and independently recognised the copper anomaly at Corktree through regional lag sampling, with auger geochemical follow up. CRA held 12 exploration licences which extended from the Great Northern Highway at Doolgunna east to Thaduna and Lake Gregory, which included the current Kalamazoo tenure. CRA's regional exploration focused on gold and included 3km spaced pisolite geochemistry (358 samples), 114 heavy mineral concentrates, 65 laterite samples, 32 bleg samples and airborne magnetics. Follow-up work between 1998 and 1991 focused on areas away from Kalamazoo tenure. Regional laterite geochemical sampling was undertaken in 1992 at 5km square kilometre centres (for 145 samples). In 1993, CRA collected 1,185 regional lag samples in selected areas. In follow up to these geochemical results a further 271 regional rock samples were collected. This identified additional prospect areas, including the Terra Rossa and nearby Brimstone prospects, both within the northern part of Kalamazoo's E52/2056.

CRA revaluated the WMC Corktree prospect in 1991-92. Nine Sirotem geophysical survey traverses were completed, with each traverse between 1.9km and 6.9km in length. The data was dominated by a conductive overburden reflecting a weathered profile 20m-40m deep. A weakly conductive bedrock stratigraphic zone was identified but no discreet anomalous responses were interpreted. A total of 828 auger samples were collected to test conductive and magnetic sediments. Analysis of bottom hole samples determined 12 elements, including copper but not gold. Two coherent copper anomalies were outlined, of approximately 2km x 500m and 1km x 500m which is located off the end of a Sirotem conductor and is associated with dolomitic sediments. A geochemical association of cobalt-nickel-manganese-barium-copper-zinc was noted. Follow up RAB drilling (118 holes for 3,799m) was completed on a 500m x 50m-100m grid to test copper anomalism. Seven holes on sections 18,300E and 17,800E intersected broad zones of malachite within weathered carbonate, ironstone chert, crystalline quartz veins and sandstone. Fresh bedrock was not described. Widespread copper anomalism was noted. Geologically, CRA interpreted a prospective terrigenous playa lake to shallow marine environment, considered prospective for sediment hosted stratiform copper mineralisation. The Corktree area was thought to be a discrete sub-basin controlled by major structures influenced by basement horst blocks.

In 1992-1993 CRA drilled two diamond holes for 523m which intersected a variable bedrock sequence of karstified limestone, dolomite containing algal laminae and stromatolites, as well as units of rounded pebble conglomerate and lesser siltstone and arenite. These are overlain by a strongly haematitic and manganiferous conglomeritic ironstone unit, interpreted as being a fossil karst or terra rossa soil horizon. This is in turn is overlain by surficial clays, chert and silcrete. The upper, iron rich portions of the core holes also display enriched lead, zinc, cobalt, manganese, nickel and iron. The deepest portion of 92CTWD001 comprised arenite and shale with visible chalcopyrite logged intermittently between 159.8m and the end of hole at 172.3m. Copper assays are elevated at 98m-102m as well as 148-172.3m. Drill hole 92CTWD002 intersected a more deeply weathered profile. Sulphides, including chalcopyrite are noted in logging and copper is elevated between 202m-250m, peaking between 234-236m. The zone has poor core recovery and is within partly weathered dolomite with minor quartz veins and sulphides. Low temperature quartz veins and hydrocarbons were noted associated with feldspathic arenite in hole 92CTWD002.

Diamond exploration within the area has included work by Rio Tinto in 2000 and CRA in 1992-1995. Both companies flew magnetics but their reporting provides no other useful information.

Giralia explored E52/1498, a tenement substantially similar to the current Kalamazoo E52/2057 tenure, between 2003 and 2006. MIM joint ventured into the project in 2002-2003. Data was reviewed and historical collars picked up with GPS in the field. Six rock samples were collected. A 4.5 line kilometre MIMDAS geophysical survey was completed at Cork Tree, over the three lines orientated 310 degrees and spaced 500m apart along the main drill fences. The pole-dipole acquisition used 50m receiver dipoles and was interpreted using a Zonge inversion by MIM. Resistivity data appears to outline a synclinal structure plunging gently to the east. A steeply dipping conductive zone, axial to the syncline, is also resistive and postulated to represent a silicified and possibly mineralised fault zone. The zone was not tested by drilling. MIM withdrew from the joint venture in 2003 and until the tenements surrender in 2007 only minor rock and soil sampling was carried out.

Aurora Minerals explored in the Doolgunna area between 2007 and 2008, including an area adjacent to the southern part of the current Cork Tree project. Aurora flew detailed magnetics and collected 6,157 soil samples, none of which however were over the Kalamazoo project area.

3.6 Current Exploration

Kalamazoo's exploration licences (E52/2056 and E52/2057) were granted to Giralia in 2008, renewing their tenure over the project. Giralia immediately joint ventured the project out to PacMag Metals (PacMag), who carried out geological reconnaissance, remote sensing interpretation and handheld portable XRF analysis (pXRF) at the Terra Rossa and Elmo prospects with 578 soil and rock chip samples analysed. In 2009, further pXRF sampling was carried out in the search for secondary lead carbonate mineralisation, but without success. Several areas of anomalous copper geochemistry were located, including confirmation of the Cork Tree, Merah, Brimstone and Terra Rossa prospects. A group of anomalous readings were returned approximately 600m south of the Cork Tree prospect. The highest reading in this area was from soil over gossan iron-quartz breccia and returned 3,037ppm Cu. This pXRF reading has not been checked by a chemical assay sample. Other activities included GPS surveying of historical drill holes, digital air photo acquisition and processing, hydrological study for ground water, archaeological and ethnographic surveys. PacMag gave formal notice of their withdrawal from the JV in early 2011.

Giralia were taken over by Atlas Iron in March 2011. In 2012 Atlas Iron commissioned HyVista Corporation to conduct an airborne hyperspectral survey which included the Cork Tree tenements (Stewart, 2012). Two flight strips within the project were covered, with the main survey over their other tenements in the Pilbara. Basic processing of the Cork Tree data was carried out but little interpretation was made. No further exploration has been carried out until Kalamazoo acquired the leases in 2013.

Kalamazoo entered into a farm-in and JV agreement with Atlas Iron over the Cork Tree tenements in March 2013. Combined Reporting for Cork Tree tenements E52/2056 and E52/2057 was granted on 11/07/2012, and E52/3042 was added in 2015.

In 2013, Kalamazoo commissioned a desktop geological assessment and review of the Cork Tree Project (Richardson & Stone 2013). The review was used to aid planning of further exploration and determine which blocks to relinquish for compulsory sixth year partial surrender.

Kalamazoo conducted short field visits to the project areas in 2013 and 2014 to undertake geological reconnaissance and geochemical sampling, with 81 samples collected and analysed.

In 2015 Kalamazoo sourced from WAMEX open file reports all historical surface geochemical data covering the Cork Tree project area, digitised older results and compiled the data into a database. This database was used to assist the planning of further exploration. During field mapping 17 rock chip samples were collected and analysed for gold and a base metal suite. The results were encouraging, with four samples returning highly anomalous copper readings. An orientation soil sampling program was conducted within the Cork Tree prospect area to determine which, if any, of the soil sampling techniques could detect the copper mineralisation of one of the northwest trending shear zones, where it is hidden under transported cover. Three samples were collected from each of the 25 sample sites, comprising a:

- -2mm soil sample (conventional soil sample);
- +2mm -5mm (coarse) LAG sample;
- -6mm Magnetic Fraction sample.

The results of the orientation sampling program showed that the LAG fraction (2mm to 5mm) is the best sampling method to detect subtle copper anomalies. Further Lag sampling returned encouraging results.

In 2014 Kalamazoo made application for DMP co-funded drilling for a proposed drill program within E52/2057, which was unsuccessful. The rationale for the drilling program was to look for the source of the widespread secondary copper anomalism at the Cork Tree prospect, utilising similarities with nearby copper prospects and deposits.

In 2015 Kalamazoo made a successful application for DMP co-funded drilling, which utilised new magnetotelluric geophysical data (GSWA) to target the prospective contact of the dolomite unit and the clastic sediments that are interpreted to occur along the northern contact of the dolomite.

3.7 Mineral Resources

No Mineral Resources have been reported for the Cork Tree project.

3.8 Exploration Potential and Targets

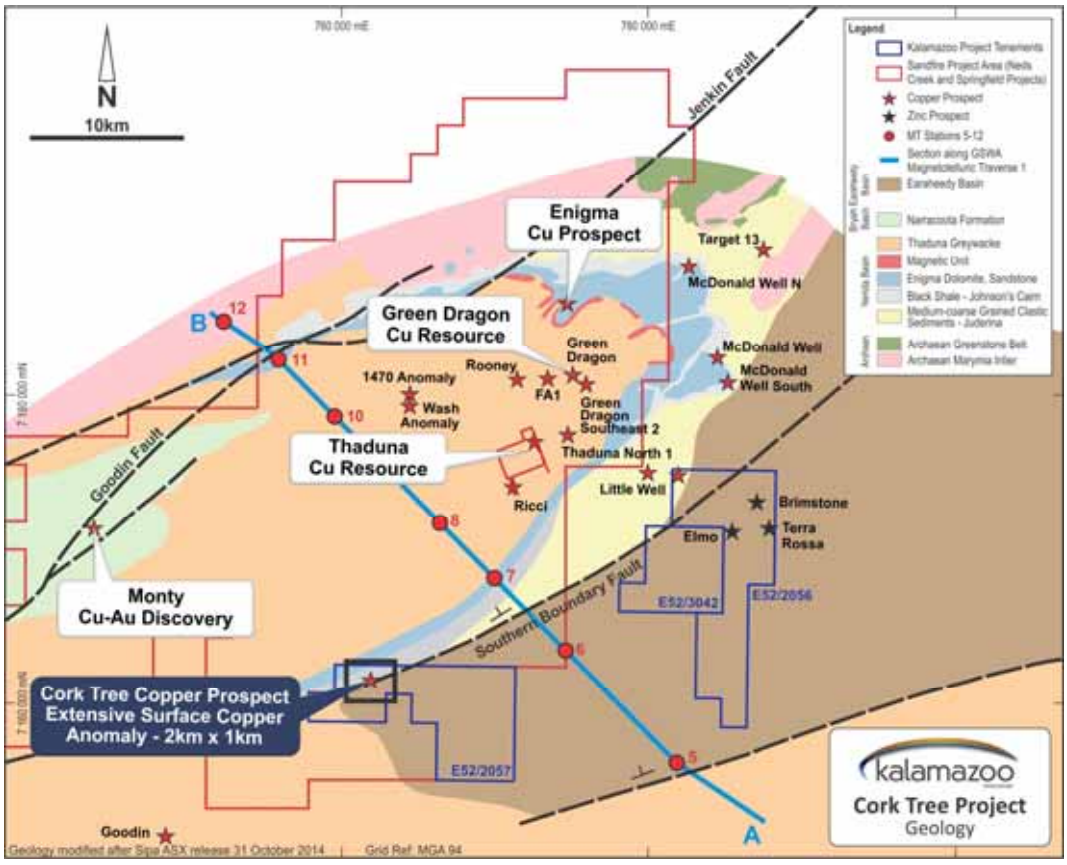
The tenements hold significant potential for the discovery of sediment-hosted copper mineralisation. Historic exploration has identified widespread secondary copper mineralisation within a thick dolomite-shale-sandstone stratigraphy at a number of prospect areas within the Cork Tree tenements. Potential exists to develop new base metal targets within the Cork Tree project through undertaking regional geophysical and geochemical surveys over areas where coverage by previous explorers has been poor.

The Cork Tree tenements lie over the boundary between the Yerrida and Earaheedy basins. The recent GSWA magnetotelluric traverse across the eastern part of the Capricorn Orogen (Dentith *et al*., 2014) covered the boundary between these two basins, between the Cork Tree tenements.

Figure 22 shows the magnetotelluric traverse along with regional geology, major structures, Kalamazoo tenements, major copper deposits and prospects. This map highlights the prospectivity of the project area.

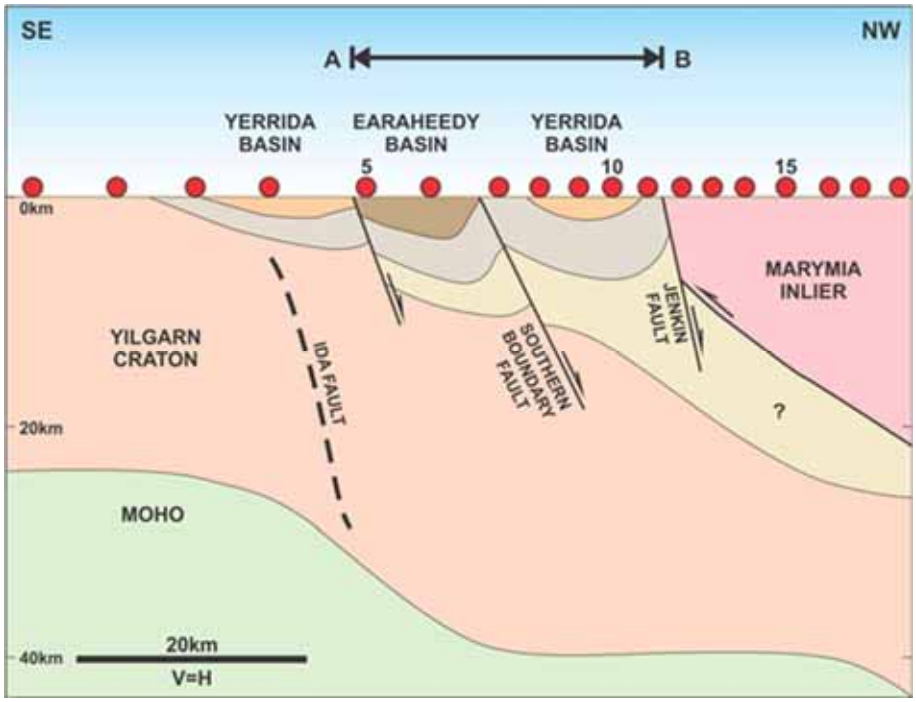
Figure 23 illustrates the GSWA's 3D interpretation of the magnetotelluric traverse results for the section near the Cork Tree tenements (Dentith *et al*., 2014).

Figure 22 Cork Tree Regional Geology Map showing Major Faults, Mineral Deposits and Location of the GSWA Magnetotelluric Traverse



Notes: Enigma – see Sipa Resources Ltd ASX release 30 October 2014; Thaduna/Green Dragon – see Ventnor Resources Ltd ASX release 12 February 2013; Monty – see Talisman Mining Ltd ASX release 25 June 2015.

Figure 23 Diagrammatic Cross Section along the Magnetotelluric Traverse Showing Interpretive Geology and Faults



Note: The location of the cross section is shown on Figure 22, the regional geology plan (A-B), (after Dentith et al., 2014).

The basin boundary was previously interpreted as an unconformity, however the results of the magnetotelluric survey has revealed that the boundary is a major crustal-scale fault, the Southern Boundary Fault (Figure 22). This is significant for mineral exploration as the fault may have been a conduit for metal-bearing fluids, and may be the source of the secondary copper mineralisation at the Cork Tree prospect. Using the results of the survey, Kalamazoo has updated its exploration model for the Cork Tree prospect.

Kalamazoo has stated that copper exploration targeting at Cork Tree will include the sedimentary exhalative (Sedex) style deposit model, as suggested by the Richardson & Stone review (Richardson & Stone 2013). Sedex deposits are formed by hydrothermal emanations on or near the sea floor in association with the deposition of sedimentary rocks (Earth Science Australia, 2015). In a Sedex system, a distal mineralising fluid travels along a suitable fault plumbing system until it reaches the surface, where if it exhales onto a low energy environment it can be preserved as a stratiform deposit.

Additionally, in the Cork Tree region, the importance of structures in channelling basin fluids during late compression of a sedimentary basin has also been recognised. Mineralisation is deposited in structural traps within reverse faults and thrusts, especially within a favourable reactive lithological host so that again, mineralisation is stratabound. The Enigma mineralisation of Sipa has been described as a modified Mount Isa style of mineralisation. In this epigenetic style, copper leached from basalts migrates along a suitable structural plumbing system until being deposited in areas of structural complexity (in dilatant zones), within a favourable horizon of reactive rock (dolomite).

The DeGrussa discovery (Section 3.4.2) has shown that significant base metal + gold mineralising systems have developed in the Proterozoic rocks of the Cork Tree region.

3.8.1 Cork Tree Prospect

The Cork Tree prospect is the most advanced prospect within the project area. Kalamazoo has identified it as a priority drill target based on re-interpreting geochemical and shallow drilling results generated by previous exploration in the light of a revised regional geological interpretation.

The Cork Tree prospect was identified by WMC in 1970 as a broad copper anomaly in a regional soil sampling program with results ranging from 2ppm to 25ppm Cu (as described in Section 3.5). Follow-up exploration comprised of soil sampling, geological traversing, auger drilling, vacuum drilling which intersected secondary copper. Percussion drilling yielded wide intersections of anomalous copper in highly weathered sediments. CRA revaluated the WMC Cork Tree prospect in the 1990s undertaking a Sirotem geophysical survey which identified a weakly conductive bedrock stratigraphic zone but no discreet anomalous responses, auger geochemistry outlining two coherent copper anomalies of approximately 2km x 500m and 1km x 500m over dolomitic sediments. A geochemical association of cobalt-nickel-manganese-barium-copper-zinc was noted. Follow up RAB drilling intersected broad zones of malachite within weathered carbonate, ironstone chert, crystalline quartz veins and sandstone. Widespread copper anomalism was noted. CRA interpreted a prospective terrigenous playa lake to shallow marine environment, considered prospective for sediment hosted stratiform copper mineralisation.

Results from past drilling are open along strike and are untested in fresh rock. The primary source of the widespread secondary copper mineralisation at Cork Tree has not yet been found, nor has the near-surface anomaly been closed off. Richardson & Stone (2013) suggested the location of the prospect at the edge of a mid-Proterozoic sedimentary basin abutting a basement high, and the presence of metalliferous inclusions in hydrocarbons, suggested potential for sediment-hosted base metals mineralisation. They noted the northeast striking grain of the magnetic lineaments in the Cork Tree prospect area define a wide corridor, some 5km x 1.5km in extent which presents as a very large target and requires further detailed exploration.

Subsequent to Richardson & Stone's exploration review, a magnetotelluric traverse over the Cork Tree project area conducted by GSWA (Section 3.3.4) has provided evidence for a major north-dipping deep-seated basin-bounding fault (thrust) occurring between the Earaheedy and Yerrida basins in the Cork Tree area. This fault, termed the South Boundary Fault, may be an important control on localising the copper mineralisation at the Cork Tree prospect and will be the focus of ongoing exploration. (Richardson, 2015)

A new exploration model has provided a target for the source of the widespread secondary copper anomalies recorded at the Cork Tree prospect. The target is the southern boundary between the Earaheedy and Yerrida Basins which has recently been re-interpreted as a major regional fault (Dentith *et al.*, 2014). The project tenements lie over this basin boundary. Many of the major faults in the area are long lived structures and may have influenced mineralisation, being active during deposition and then later rejuvenated as thrust faults during basin compression. Such mantle tapping structures and the tectonic setting of the package provide a potential environment for the generation of significant base metal deposits.

3.8.2 Minor Prospects

At the Merah Prospect, located 4.5kms east of Cork Tree, anomalous copper geochemistry in surface sampling and a zone of copper rich ironstones can be traced over a strike of 400m and a width of 5m to 40m. Further work is needed in order to understand how the Cork Tree and Merah prospects may be related. The Merah prospect is at an early stage of exploration but has potential to host similar mineralisation to that at the Cork Tree prospect. It is an extensive target with some 2km of strike extent.

The Terra Rossa prospect lies on a small ridge above a series of drainage channels at the northern edge of a salt lake system (Figure 22). Outcrop is limited, highly silicified and overprinted by silcrete and ferricrete. The prospect was defined by anomalous rock chip sampling and was drilled by a single hole by CRA. Kalamazoo interpret the prospect to represent a remnant outcrop of Yelma Formation breccia overlying the Maraloou shale which was intersected at 30m depth with little potential size potential existing for a secondary lead deposit and the area is sufficiently tested by the one hole (Richardson & Stone, 2015).

The Elmo prospect (Figure 22) covers the southern portion of a hill of strongly silicified and altered Yelma Formation. Following up regional geochemical anomalies, CRA drilled 37 RAB holes on a 100m by 800m pattern covering 2.4 km by 1 km. CRA interpreted a very complex stratigraphy including silcrete, Quaternary, Cainozoic, Permian and possible Proterozoic age rocks from the RAB logging. It is considered by Kalamazoo that this interpretation by CRA was due to lack of understanding of regolith by the geologist and the lithologies intersected probably represent weathered Proterozoic Yelma Formation. They drew a comparison with the typical stratigraphy at the Cano deposit of the nearby Magellan lead zinc mine (Richardson & Stone, 2015). CRA's drilling intersected anomalous zinc geochemistry, but all had generally low levels of lead. It is considered this area surrounding drill hole R01 is tested and has little further potential for a secondary lead deposit.

3.9 Exploration Strategy

Kalamazoo has indicated to Ravensgate that they will undertake a systematic, staged approach with respect to their exploration program focusing primarily on copper. Currently planned copper exploration programs for the Cork Tree project are described in their successful application for DMP co-funded drilling (Richardson, 2015), which utilised newly available magnetotelluric geophysical data (Section 3.3.4) and the GSWA's 3D interpretation of the results (Dentith *et al*., 2014) to target a major crustal-scale structure, the Southern Boundary Fault (Figure 22). In particular along an interpreted contact between a dolomite unit and clastic sediments containing black shales.

Kalamazoo's application to the DMP proposes initial drilling of vertical aircore holes to locate the prospective dolomite/shale contact, to define the stratigraphy under areas of shallow cover and to determine the extent of the supergene copper blanket. Follow up drilling will involve angled RC drilling to test structural, lithological and geochemical targets. Diamond tails will be drilled through zones of significant mineralisation to determine the nature of the mineralisation and the possible orientation (Richardson, 2015).

Exploration within deeply weathered dolomite rich stratigraphy is expensive and often ineffective due to extremely difficult drilling conditions and poor sample recovery. Sipa experienced these problems at their Enigma copper discovery where thousands of metres of drilling failed to locate a primary source for the extensive blanket of secondary copper mineralisation within the dolomite sequence. The very deep and differential weathering of dolomite also causes considerable difficulty interpreting the results from EM geophysical surveys. Due to these difficulties Kalamazoo will focus its exploration efforts in areas dominated by clastic sediments rather than carbonate rich stratigraphy (Richardson, 2015).

Ravensgate considers that the exploration strategy proposed by Kalamazoo is consistent with the mineral potential and status of the Cork Tree project. In Ravensgate's opinion, further exploration of the Cork Tree area is warranted.

4. PLANNED EXPLORATION EXPENDITURE

Kalamazoo has provided to Ravensgate their proposed exploration expenditure for the two year period following the capital raising, which is summarised in Table 9.

Table 9 Exploration Budget for Snake Well and Cork Tree Projects

Project	Category	Total Budget $M	Drilling (metres)	Year 1 $M	Year 2 $M
Snake Well	**Res Dev Drilling**				
	Mixy Underground	2.1	15,300	1.1	1.0
	Mixy Open Pit	0.6	6,920	0.3	0.3
	LOP Laterite	0.1	1,200	0.1	
	Sub Total	**2.8**	**23,420**	**1.5**	**1.3**
Snake Well	**Development Studies**				
	A-Zone (KZR share)	0.4		0.4	
	Mixy Open Pit	0.5	100	0.3	0.2
	LOP Laterite	0.2	120	0.2	
	Sub Total	**1.1**	**220**	**0.9**	**0.2**
Snake Well	**Exploration**				
	Royal Standard	1.3	12,975	0.7	0.6
	Other Lodes	0.4	5,800		0.4
	Other Laterites	0.3	5,682		0.3
	Sub total	**2.0**	**24,457**	**0.7**	**1.3**
	TOTAL - Snake Well	**5.9**	**48,097**	**3.1**	**2.8**
Cork Tree	Cork Tree Copper	0.5	4,000	0.2	0.3
	TOTAL - Cork Tree	**0.5**	**4,000**	**0.2**	**0.3**
Project Generation	Project Generation	0.3		0.1	0.2
Grand Total		**6.7**	**52,097**	**3.4**	**3.3**

Ravensgate considers that the proposed exploration budget is consistent with the mineral potential and status of the projects. The proposed expenditure is sufficient to meet the costs of the exploration programs proposed and to meet statutory tenement expenditure requirements.

5. REFERENCES

Allison, C. & Sarunic, W., 2011. Technical Project Review and Independent Technical Valuation Prepared by Ravensgate on behalf of: Giralia Resources NL and PricewaterhouseCoopers Securities Ltd. Report dated 5 January 2011.

ASIC, 2007. Australian Securities and Investments Commission, Regulatory Guide 111, Content of Expert Reports.

Barley, M. E., Brown, S. J. A., Cas, R. A. F., Cassidy, K. F., Champion, D. C., Gardoll, S. J. & Krapez, B., 2003. An integrated geological and metallogenic framework for the eastern Yilgarn Craton: developing geodynamic models of highly mineralised Archaean granite-greenstone terranes. Australian Minerals Industry Research Association Report 624.

Baxter, J.L., 1974. Geological Survey of Western Australia, 1:250 000 Geological Series Explanatory Notes, Murgoo, Western Australia, 23 pp.

Cassidy, K.F., Champion, D.C., Krapez, B., Barley, M.E., Brown, S.J.A., Blewett, R.S., Groenewald, P.B. and Tyler, I.M., 2006. A revised geological framework for the Yilgarn Craton, Western Australia: Geological Survey of Western Australia, Record 2006/8, 8 pp.

Cawood, P.A., and Tyler, I.M., 2004. Assembling and reactivating the Proterozoic Capricorn Orogen: lithotectonic elements, orogenies, and significance: Precambrian Research, v. 128, p. 201–218.

Dentith, MC, Johnson, SP, Evans, S, Aitken, ARA, Joly, A, Thiel, S and Tyler, IM, 2014. A magneto telluric traverse across the eastern part of the Capricorn Orogen: Geological Survey of Western Australia, Report 135.

Drummond, B.J., Goleby, B.R. and Swager, C.P., 2000. Crustal signature of Late Archaean tectonic episodes in the Yilgarn Craton, Western Australia: evidence from deep seismic sounding: Tectonophysics v. 329, pp. 193–221.

Earth Science Australia, 2015. http://earthsci.org/mineral/mindep/depfile/clas_dep.htm.

Gee R.D., Baxter J.L., Wilde S.A. & Williams I.R., 1981. Crustal development in the Archaean Yilgarn Block, Western Australia, Geol. Soc. Aust., Spec. Publ., 7, 43-56.

Groenewald, P.B., Painter, M.G.M., Robert, F.I., McCabe, M., and Fox, A., 2000, East Yilgarn geoscience database, 1:100 000 geology Menzies to Norseman — An explanatory note: Western Australia Geological Survey, Report 78, 53p.

Hawke, M.L., 2014. Geochronology of the DeGrussa Cu-Au-Ag volcanic-hosted massive sulfide deposit and comparisons with regional mineralization of the Yerrida, Bryah and Padbury basins, Western Australia. SEG Conference Proceedings, 2014.

JORC, 2012. Australasian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code) prepared and jointly published by: The Joint Ore Reserve Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia (JORC) The JORC Code 2012 Edition - Effective 20 December 2012 and mandatory from 1 December 2013 (Published December 2012).

Kalamazoo, 2015. Mixy Project Grade Control Drilling Report. Kalamazoo Resources Report dated September 2015.

Kalamazoo, 2016. Final Project Report Mixy Open Pit Gold Project. Kalamazoo Resources Memorandum, dated 17 June 2016.

McCuaig, T.C., Beresford, S. and Hronsky, J., 2010. Translating the mineral systems approach into an effective exploration targeting system: Ore Geology Reviews, v. 38, pp. 128–138.

Meakins, A.L., 1992. Annual report for the period ended July 11, 1992 on the Carlinga Well Joint Venture. (CRAE Report No. 18189).

Meakins, A.L., Clifford, P., Hibbird, S.A., Grant, T. Healy, J.J., 1996. Annual report for the period ended July 11, 1996 on the Carlinga Well Joint Venture. (CRAE Report No. 22255).

Muhling, P.C. & Low, G.H., 1977. Geological Survey of Western Australia, 1:250000 Geological Series Explanatory Notes, Yalgoo, Western Australia. 27 pp.

Pawley, M.J., Wingate, M.T.D., Kirkland, C.L., Wyche, S., Hall, C.E., Romano, S.S. and Doublier, M.P., 2012. Adding pieces to the puzzle: episodic crustal growth and a new terrane

in the northeast Yilgarn Craton, Western Australia: Australian Journal of Earth Sciences: An International Geoscience Journal of the Geological Society of Australia, 59:5, 603-623, DOI: 10.1080/08120099.2012.696555.

Pirajno,F. & Adamides, N.G., 1998. Geology of the Thuduna 1:100,000 Sheet; Geological Survey of Western Australia, 1:100,000 Geological Series; Department of Minerals and Energy.

Rasmussen, B., & Fletcher, I.R., 2002. Indirect dating of mafic intrusions by SHRIMP U–Pb analysis of monazite in contact metamorphosed shale: an example from the Palaeoproterozoic Capricorn Orogen, Western Australia: Earth and Planetary Science Letters, v. 197, p. 287–299.

Reid, D., 2016a. Mineral Resource Estimate Report Mixy Deposit Snake Well Project for Kalamazoo Resources Limited. Technical report by Ravensgate dated August 2016.

Reid, D., 2016b. Mineral Resource Estimate Report A-Zone Deposit Snake Well Project for Kalamazoo Resources Limited. Technical report by Ravensgate dated August 2016.

Reid, D., 2016c. Mineral Resource Estimate Report LOP Laterite Deposit Snake Well Project for Kalamazoo Resources Limited. Technical report by Ravensgate dated August 2016.

Richardson, B., 2015. Co-Funding Application - Cork Tree Project; to the DMP, 2015.

Sandfire Resources, 2016. DeGrussa Mine Plan, Mineral Resource and Ore Reserve Update. ASX Announcement dated 14 April 2016, Sandfire Resources NL.

SEG, 2011. Society of Economic Geologists Newsletter, Exploration Reviews, 2011.

Sipa Resources, 2014. SIPA Divests Thaduna to Sandfire Resources to Concentrate on Promising Ugandan Project. ASX Announcement dated 29 December 2014.

Spicer, N., 2013. Snake Well Concept Study Snake Well Project. Minesure Pty Ltd report to Kalamazoo Resources dated 6 May 2013. Published in Richardson, B., Stone, C., and Stewart, M.A., 2013. Snake Well Project (E59/0467, 1123, 1207, 1344, 1441, 1600, 1701; M59/0041; P59/1229-1234) Annual Technical Report to the Department of Mines and Petroleum for the period ending 11 July 2013. GSWA Ref C70/2000. Atlas Report CR780.

Stewart, M.A. 2012. Corktree Bore Project E52/2056 & E52/2057 Annual Technical Report to the DMP for the period ending 18 September 2012 (C122/2012). Atlas Iron Ltd Report No. CR701.

VALMIN, 2015. Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code, 2015 Edition.

Ventnor, 2016. www.ventnorresources.com.au/projects/thaduna-project.html

Watkins, K.P. & Hickman, A.H., 1990. Geological evolution and mineralisation of the Murchison Province, Geological Survey Western Australia Bulletin 137, 267.

Williams, R.E., 2004. Snake Well Gold Project Resource Modelling A-Zone and Mixy Resources, Norvale Pty Ltd report to Giralia Resources dated July 2004. Published in Giralia, 2005. Snake Well (Carlinga Well) Gold Project. Annual Report to the DMP for the period ending 11 July 2005.

Witt, W.K., 1993. Gold deposits of the Kalgoorlie-Kambalda-St. Ives areas, Western Australia: part 3 of a systematic study of the gold mines of the Menzies-Kambalda region.

5.1 WAMEX Open File Reports

Christie, M.H., Loader, S.E. & Clydsdale, E.H., 1994. Annual report for the Period ended July 11, 1994, on the Carlinga Well Joint Venture Project, 39pp (CRAE Report No. 19791).

Christie, M.H., 1993. Annual report for the Period ended July 11, 1993 on the Carlinga Well Joint Venture. 25pp (CRAE Report No. 18984).

Clifford, M., 2009a. E52/2056 Cork Tree Bore Annual Technical Report to the DMP for the period 19/9/2008 to 18/9/2009. Report No. 2056/1/2009/CR447.

Clifford, M., 2009b. Cork Tree Bore Project E52/2057 Annual Technical Report to the DMP for the period ended 18 September 2009. Report No. 2057/1/2009/CR448.

Clifford, M., 2011a. Cork Tree Bore Project E52/2056 Good Pool Annual Technical Report to the DMP for the period ended 18 September 2010. Report No. 2057/1/2010/CR534.

Clifford, M., 2011b. Cork Tree Bore Project E52/2057 Edingunna Spring Annual Technical Report to the DMP for the period ended 18 September 2010. Report No. 2056/1/2010/CR532.

Cranley, N.J., 1985. Yuin Project, Non-statutory Report: Geological Assessment, April 1985, P59/204. Department of Mines and Petroleum WAMEX Open File Report A15979.

Field, T.W., 1991. Carlinga Well Project Combined Annual Technical Report for the year ending 11 July, 1991. Battle Mountain (Australia) Inc. Report No. 225 (a33902).

Giralia, 2003. Snake Well (Carlinga Well) Gold Project. Annual Report to the DMP for the period ending 10 October 2003.

Giralia, 2004. Snake Well (Carlinga Well) Gold Project. Annual Report to the DMP for the period ending 11 July 2004.

Giralia, 2005. Snake Well (Carlinga Well) Gold Project. Annual Report to the DMP for the period ending 11 July 2005.

Giralia, 2006. Snake Well (Carlinga Well) Gold Project. Annual Report to the DMP for the period ending 11 July 2006.

Hespe, A.M., Goldsworthy, J.D., Stewart, M.A., 2010. Snake Well (Carlinga Well) Gold Project Tenement Group C70/2000 Annual Report to DMP Period Ended 11 July 2010. Giralia Resources NL Internal Report No. CR481.

Hespe, A.M. and Stewart, M.A., 2011. Snake Well Project Annual Technical Report to DMP Period Ended 11 July 2011 Tenement Group C70/2000. Atlas Iron Limited Internal Report No. CR605.

Hibbird, S.A., 1997. Annual report for the Period ended July 11, 1997 on the Carlinga Well Project. Roebuck Resources NL, Technical Report 607 (a52380).

Hibbird, S.A., Loader, S.E., Bisset, A.T. & Healy, J.J., 1995. Annual report for the Period ended July 11, 1995 on the Carlinga Well Joint Venture Project. (CRAE Report No. 20937).

Hibbird, S.A., 1999. Annual report for the Period ended July 11, 1999. Carlinga Well Project. Roebuck Technical Report 661, 12 pp.

Hibbird, S.A. and Parsons S.A. 1998. Annual Report for the period ended July 11, 1998. Carlinga Well Project. Roebuck Technical Report 629, 26 pp.

Hibbird, S.A., 2000. Annual report for the Period ended July 11, 2000. Carlinga Well Project. Swiftel Ltd Technical Report 685, 5pp.

Stewart, M.A & Hespe, R.M. 2003. E52/1498 Corktree Bore Annual Technical Report to the DMP for the Period 19/02/2002 to 18/02/2003. Giralia Resources NL Internal Report.

Stewart, M.A, Hespe, R.M. and Hespe, A.M., 2007. Snake Well (Carlinga Well) Gold Project C70/2000 Annual Report for the Period Ended 11 July 2007.

Stewart, M.A, Hespe, R.M. and Hespe, A.M., 2008. Snake Well (Carlinga Well) Gold Project C70/2000 Annual Report for the Period Ended 11 July 2008. Giralia Internal Report No. CR350.

Stewart, M.A., Hespe, R.M. and Hespe, A.M., 2009. Snake Well (Carlinga Well) Gold Project C70/2000 Annual Report for the Period Ended 11 July 2009. Giralia Internal Report No. CR402.

MPC, 2006. Preliminary Operating Cost Estimate for the Snake Well Project. Metallurgical Project Consultants Pty Ltd report to Giralia Resources NL dated June 2006.

Richardson, B. & Stone, C. 2013. Corktree Project C122/2012 Annual Report to the DMP for the period 19/09/2012 to 18/09/2013.

Richardson, B., Stone, C., and Stewart, M.A., 2013. Snake Well Project (E59/0467, 1123, 1207, 1344, 1441, 1600, 1701; M59/0041; P59/1229-1234) Annual Technical Report to the Department of Mines and Petroleum for the period ending 11 July 2013. GSWA Ref C70/2000. Atlas Report CR780.

Richardson, B. & Stone, C. 2014. Corktree Project C122/2012 Annual Report to the DMP for the period 19/09/2013 to 18/09/2014.

Richardson, B., Stone, C., and Stewart, M.A., 2014. Snake Well Project (E59/0467, 1123, 1207, 1344, 1441, 1600, 1701; M59/0041; P59/1229-1234, P59/1240-1251, P59/1697 & P59/1708) Annual Technical Report to the Department of Mines and Petroleum for the period ending 11 July 2014. GSWA Ref C70/2000. Atlas Report CR827.

Richardson, B. & Stone, C. 2015a. Snake Well Project C70/2000 Annual Report to the DMP for the period 12 July 2014 to 11 July 2015.

Richardson, B. & Stone, C. 2015b. Corktree Project C122/2012 Annual Report to the DMP for the period 19/09/2014 to 18/09/2015.

Stewart, M.A. 2012. Corktree Bore Project E52/2056 & E52/2057 Annual Technical Report to the DMP for the period ending 18 September 2012 (C122/2012). Atlas Iron Ltd Report No. CR701.

Uren, B.J., 1988. Carlinga Well Gold Exploration Project Annual Report for the year ending 23rd August 1988 E59/144 & E59/145 Kulim JV Polaris Pacific NL (a25162).

WAMEX Item 1094-96 WMC Thaduna 1969-72

WAMEX Item 2020 Esso Lake Gregory 1981-82

WAMEX Item 8477 CRA Ruby Bore 1987-95

6. LIST OF ABBREVIATIONS

Ag	Silver
ASX	Australian Securities Exchange
Au	Gold
bcm	Bank cubic meters
BIF	Banded iron formation
Cu	Copper
DMP	Department of Mines and Petroleum (Western Australia)
EM	Electromagnetic geophysical survey
EOH	End of hole
Ga	Giga annum - 1 billion years ago
GPS	Global positioning system
g/t	Grams per tonne
ha	hectare
ICP-OES	Inductively coupled plasma - optical emission spectrometry
IGR	Independent Geologist's Report
IP	Induced polarisation
JORC	Joint Ore Reserves Committee
JORC Code	2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JV	Joint Venture
K	Thousand(s)
km	Kilometre(s)
km^2	Square kilometre(s)
LAG	A geochemical method based on sampling lag material
m	Metre(s)
M	Million(s)
Ma	Mega annum - 1 million years ago
MAIG	Member of the Australian Institute of Geoscientists
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
Mt	Million tonnes
Mtpa	Million tonnes per annum
Ni	Nickel
oz	Ounce (Troy ounce - measure of weight)
ppb	Parts per billion; a measure of concentration
ppm	Parts per million; a measure of concentration
pXRF	Portable x-ray fluorescence instrument
RAB	Rotary air blast (drill hole)
RC	Reverse circulation (drill hole)
SEDEX	Sedimentary exhalative (mineral deposit classification)
t	Tonne(s)
t/m^3	Tonnes per cubic metre
TEM	Transient electromagnetic geophysical survey
TMI	Total magnetic intensity
VHMS	Volcanic hosted massive sulphide (mineral deposit classification)
VALMIN	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
WAMEX	Western Australian Mineral Exploration Reports database
Zn	Zinc

7. GLOSSARY

aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the Earth's magnetic field.
aircore drilling	A relatively inexpensive drilling technique similar to RC drilling, in which the drill cuttings are returned to surface inside the rods.
amphibolite	A mafic metamorphic rock consisting mainly of amphibole minerals, especially hornblende and actinolite.
anomaly	An area where exploration has revealed results higher than the local background level.
Archaean	The oldest geologic time period, pertaining to rocks older than about 2,500 million years.
assay	The testing and quantification metals of interest within a sample.
auger	Geochemical sampling technique involving the use of either a hand auger or a small drilling rig with an auger bit.
Cainozoic	The youngest geologic time period, pertaining to rocks younger than about 66 million years.
carbonate	Rock or mineral dominated by the carbonate ion (CO^{2-}_3), of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and carbon and oxygen. Essential component of limestones and marbles.
chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral common in metamorphic rocks.
complex	An intricate assemblage of geological units, typically in metamorphic or igneous terranes.
Craton	An old and stable part of the continental lithosphere.
diamond drilling	Drilling method employing a (industrial) diamond encrusted drill bit for retrieving a cylindrical core of rock.
diorite	A coarse-grained intrusive igneous rock that contains a mixture of feldspar pyroxene hornblende and sometimes quartz.
Domain	Geological zone of rock with similar geostatistical properties; typically a zone of mineralisation
dykes	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
fault	A wide zone of structural dislocation and faulting.
felsic	Igneous rocks with a large percentage of light-colored minerals such as quartz, feldspar, and muscovite. It is contrasted with mafic rocks, which are relatively richer in magnesium and iron.
gabbro	A black coarse-grained intrusive igneous rock that is the compositional equivalent of basalt.
geochemical	Pertains to the concentration of an element.
geochronology	The science of determining the absolute age of rocks. Dating methods involve measuring the amount of radioactive decay of a radioactive isotope with a known half-life.
geophysical	Pertains to the physical properties of a rock mass.
gneiss	A common metamorphic rock formed at high temperatures and pressures from igneous or sedimentary rocks, having characteristic foliations (gneissic banding) of alternating dark/light colored bands.
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.

granitoid	A broad category of coarse-grained acid igneous rock including granite, quartz monzonite, quartz diorite, syenite and granodiorite.
gravity survey	Measurements of gravitational acceleration and gravitational potential at the Earth's surface searching for mineral deposits.
greenstone	A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite.
greenstone belt	A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies.
ground magnetic	Geophysical survey method using a hand-held magnetometer to record the strength of the earth's magnetic field usually along a grid.
induced polarisation	Geophysical survey technique used to identify the electrical chargeability of subsurface materials.
intrusive	Any igneous rock formed by intrusion and cooling of hot liquid rock below the earth's surface.
lithology	The description of a rock unit's physical characteristics visible in hand or core samples, such as colour texture grain-size and composition.
lode	A deposit of metalliferous ore formed in a fissure or vein.
mafic	Igneous rock composed dominantly of dark coloured minerals such as amphibole pyroxene and olivine, generally rich in magnesium and iron.
magmatic	Derived from or associated with magma. Magma is a complex high-temperature fluid substance present within the earth, which on cooling forms igneous rocks.
magnetite	A mineral comprising iron and oxygen which commonly exhibits magnetic properties.
metamorphic	A rock that has been altered by metamorphism from a pre-existing igneous or sedimentary rock type.
metamorphism	Alteration of the minerals, textures and composition of a rock caused by exposure to severe heat, pressure and chemical actions.
metavolcanic	Volcanic rock which has been altered by metamorphism.
MIMDAS	Multichannel array style geophysical acquisition system
Mineral Resource	Concentration of mineralisation in the earth for which there are reasonable prospects for eventual economic extraction.
mobile metal ion	MMI is a geochemical exploration method whereby mobile metal ions, adsorbed onto the surface of screened soil particles, are dissolved using patented chemical extractants and analysed at ppb levels. This method is more sensitive than conventional geochemical methods.
Ore Reserve	The economically mineable part of a Mineral Resource.
outcrop	A visible exposure of bedrock or ancient superficial deposits on the surface of the Earth.
overprinting	The superposition of a new set of structural geological features on an older set.
peperitic	Rock texture formed when magma comes into contact with wet sediments.
petrography	Detailed descriptions of rocks typically using a microscope to study thin sections of rock specimens.
plunge	The vertical angle between a horizontal plane and the line of maximum elongation (of an orebody for example).

pluton	Body of intrusive igneous rock, typically several kilometres in dimension
porphyritic	Textural term for igneous rocks in which large crystals (phenocrysts) are set in finer groundmass, which may be crystalline or glass.
pyroxenite	Ultramafic igneous rock consisting essentially of minerals of the pyroxene group.
quartz	Common mineral composed of crystalline silica, with chemical formula SiO_2.
RAB drilling	Rotary Air Blast. A relatively inexpensive but less accurate percussion drilling technique involving the collection of sample returned by compressed air from outside the drill rods.
RC drilling	Reverse Circulation. A percussion drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
resource	In situ mineral occurrence from which valuable or useful minerals may be recovered.
saprock	Weakly weathered rock with weathering restricted to fracture margins
saprolite	Soft clayey porous rock formed by in-place chemical weathering of rocks
Schist	A metamorphic rock dominated by fibrous or platey minerals, with a strongly foliated fabric (schistose cleavage).
sedimentary	A term describing a rock formed from sediment.
shear	A deformation resulting from stresses that cause rock bodies to slide relatively to each other in a direction parallel to their plane of contact.
shoot	Part of an orebody of elongated shape where higher grades are concentrated.
sill	A concordant sheet of igneous rock lying nearly horizontal.
soil sampling	The collection of soil specimens for mineral analysis.
strata	Sedimentary rock layers.
stratigraphic	Pertaining to the composition, sequence and correlation of stratified rocks.
strike	Horizontal direction or trend of a geological strata or structure.
structural	Pertaining to rock deformation or to features that result from it.
succession	Group of rock strata that succeed one another in chronological order.
superterrane	Composite terranes that comprise groups of individual terranes and other assemblages that share a distinctive tectonic history.
terra rossa	Type of red clay soil produced by the weathering of limestone.
terrane	Any rock formation or series of formations or the area in which a particular formation or group of rocks is predominant.
ultramafic	Igneous and meta-igneous rocks composed of greater than 90% mafic minerals with very high magnesium and iron content, very low silica and potassium content.
volcanics	Rocks formed or derived from volcanic activity.

APPENDIX 1

JORC Code Table One : Mixy Gold Deposit

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Part	Criteria	Comment
1-1	**Sampling Techniques**	The Mixy gold deposit was sampled from reverse circulation (RC) and diamond core (DDH) drill holes. Early exploration used rotary air blast (RAB) drilling, these were not used in the resource estimation. A total of 30 DDH hole for 5373m and 83 RC hole for 7878m were drilled to define the Mixy gold deposit resource. Mineralised RC drilling was riffle split on 1m intervals. Diamond core was half core sampled.
		From January 2005 field duplicate samples were collected for RC drilling every 20 samples to assess the representivity of the RC sample split submitted for analysis. Diamond core was marked and sampled on the RHS of the hole to ensure consistency of the core sample.
		Sampling practice is appropriate to the geology and mineralisation of the deposit.
	Drilling Techniques	RC drilling was conducted using a 4.5 inch diameter face sampling hammer. Most of the diamond holes are recorded as being NQ or HQ size core. Some holes did not have the core size specified in the drill hole database.
1-2	**Drill Sample Recovery**	No information on the RC or core recovery was recorded in the digital drill hole database. No other documentation on recovery was available at the time of the resource update.
		No documentation was available at the time of the resource update
		No documentation was available at the time of the resource update
1-3	**Logging**	Core and RC chips were geologically logged. Lithology, mineralogy, alteration, veining and weathering are recorded in the geology table of the drill hole database. Logging is appropriate to the style of deposit and potential mine plan.
		Logging is qualitative and descriptive in nature.
		11,800m of the total 13,251m drilling was logged which represents 90% of the drilling interval.
1-4	**Sub-Sampling Techniques and Sample Preparation**	Half core sampling was conducted. The method used to half the core was not specified.
		RC samples for mineralised zones were riffle split. For unmineralised zones four metre spear sampled composite samples were collected.
		Sample preparation was not documented.
		Sub-sampling QC procedures were not documented.
		From January 2005 field duplicate samples were collected for RC drilling every 20 samples. Results of this sampling were not supplied in the drill hole database.
		Sample size was not documented.
1-5	**Quality of Assay Data and Laboratory Tests**	Assay technique used is fire assay (FA) and screen fire assay (SFA) or fire assay for gold. SFA was used where course gold was expected. Earlier aqua-regia partial digest analysis were repeated with SFA or FA which are total digest methods.
		No instrument based analysis was conducted.
		256 laboratory standards, 67 external standards and 213 laboratory standards are reported to have been analysed along with the 4,641 analyses in the drill database. This represents respectively 5.5%, 1.4% and 4.5% of samples submitted. This is lower than the current industry standard practice. No significant bias issues were identified in the reported standards.
1-6	**Verification of Sampling and Assaying**	No verification of the drilling data was recorded.
		Twining of drill holes was not documented.

Page 65 of 79

Part	Criteria	Comment
		Ten original assay certificates were compared to database values. No issues were reported.
		No assay adjustment has been performed.
1-7	**Location of Data Points**	Coordinates of drill collar locations are recorded into the drill database with high precision. DGPS was used to survey collar locations with an accuracy of (1-5cm). Downhole surveys were conducted using a single shot Eastman camera.
		Hole collar locations are recorded in local mine grid.
		Topography relief is flat. Drill hole collar elevations have been used to create the topography surface.
1-8	**Data Spacing and Distribution**	Drill spacing is 20m x 20m in the western part of the Mixy deposit, to the east and at depth the spacing is 40m x 40m.
		This spacing is sufficient to confirm the continuity and thickness of the quartz lode to a high level of confidence. High nugget proportion 0.35 and short down hole variogram range of 5m confirms that the gold grade distribution is highly variable and there is low confidence in the local grade estimation at this spacing, this is reflected in the resource classification.
		Samples were composited to one metre intervals.
1-9	**Orientation of Data in Relation to Geological Structure**	The majority of drilling is inclined to the north to intersect the steeply south dipping mineralised lode at the highest possible angle and give the most representative sample of the mineralisation.
		The majority of drilling cross-cuts the mineralised structures and should not have introduced any sample bias.
1-10	**Sample Security**	No documentation on sample security.
1-11	**Audits or Reviews**	No documentation of audits on sampling or data.

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Part	Criteria	Comment
2-1	**Mineral Tenement and Land Tenure Status**	The Snake Well project consists of five granted mining leases and one exploration licence application. The Mixy gold deposit is located on Mining Lease M59/565.
		Ravensgate has not confirmed tenure status for these mineral tenements. In 2015 the DMP granted Kalamazoo all clearances to conduct trial mining activities on the Mixy deposit. This gives a strong indication that there are no impediments to obtaining a licence to operate full scale open cut mining activities.
2-2	**Exploration Done by Other Parties**	All exploration work was completed by Giralia Resources.
2-3	**Geology**	Gold mineralisation at the Mixy deposit is located in a shear zone hosted in mafic rocks and porphyry intrusives. The shear zone contains sub parallel quartz veining which is associated with the gold mineralisation. Weathering has oxidised non-quartz rocks to clay in the upper sections of the deposit to a depth of approximately 80m below surface.
2-4	**Drill Hole Information**	Exploration results are not reported. List of drill holes used in the resource estimation is provided in the Appendix 2 of the modelling report.
2-5	**Data Aggregation Methods**	Exploration results are not reported.
		Exploration results with drill intercept information is not reported.
		No metal equivalent was used.
2-6	**Relationship Between Mineralisation Widths and Intercept Lengths**	Mineralisation is sub-vertical and drill holes are angled to cross-cut the mineralised domain at the highest possible angle. Downhole intervals do not represent the true thickness but should give a reasonably representation of the grade of the quartz lode.
		Drill angle and local lode orientation are variable.
		Downhole intervals are not true mineralisation widths.
2-7	**Diagrams**	Plans and maps are provided in the resource modelling report.
2-8	**Balanced Reporting**	Exploration results are not reported.
2-9	**Other Substantive Exploration Data**	Metallurgical testwork conducted by AAMTEC and ConSep Pty Ltd showed that excellent gold recovery either by using conventional cyanide leach or gravity recovery. Gravitational recovery is reported to be 95.4%. Mill recovery from the trial pit was reported to be 98.5%.
2-10	**Further Work**	Plans for future work are yet to be determined.
		Future drill planning is yet to be determined.

Page 67 of 79

Section 3 Estimation and Reporting of Mineral Resources (Criteria listed in Section 1, and where relevant in Section 2, also apply to this section.)

Part	Criteria	Comment
3-1	Database Integrity	As part of the initial resource model estimation drilling data was visually checked on screen after loading into Minesight software. Ten original assay laboratory results certificates were cross referenced to the values in the drill database.
		Visual check of collar location and hole orientation.
3-2	Site Visits	The Competent Person had not visited the Mixy deposit site.
		No site visits were reported for the initial resource modelling conducted in 2007. A site visit as part of the model update was not warranted, as there was no additional exploration or geological updates and the trial mining pit had been partially backfilled and flooded.
3-3	Geological Interpretation	Trial mining has confirmed the geological and grade continuity of the Mixy gold deposit shear and quartz vein mineralisation in the vicinity of the trial pit. Drill holes in other areas have intercepted the quartz structure and infer the continuity of the lode.
		The geological interpretation of the main quartz lode was supplied as a triangulation model. It was assumed that this was the primary control on gold mineralisation and used to guide the grade estimation domain interpretation.
		Observations of the geological controls in the trial pit give high confidence in the interpretation. Continuity and tenor of the drill intersections on sub-parallel mineralised zones could alter the resource to a minor degree.
		Estimation of the resource tonnage and grade was restricted to the interpreted zone of mineralisation. Only samples which were located within the interpreted mineralisation zone were used for grade estimation of the mineralisation.
		Gold distribution is highly variable as demonstrated by the large nugget proportion (~35%) and very short range (5m) in the downhole variograms. The geological continuity of the main quartz lode is well defined by open pit mining and close spaced drilling. Less continuity is observed in the footwall and hanging wall mineralisation.
3-4	Dimensions	The main load extends over a strike length of 400m and is 2-4m in width. It is open at depth and has been well tested to a depth of 200m but has been intersected at depths of 300m.
3-5	Estimation and Modelling Techniques	Ordinary Kriging (OK) on Vulcan software was used to estimate the gold grade of blocks modelled within mineralised domain solid triangulations. Mineralised domains are extrapolated half way between drill holes on or between sections or to a maximum distance of 30-40m from drill holes. Composite values were cut to 60g/t Au. Search limits of 20mE x 10mN x 10mRL were applied to composites >30g/t Au to limit their spatial influence. Indicated blocks used a minimum of 8 composites to complete an estimation. Inferred blocks used a minimum of 2 composites.
		The updated estimate was compared to the estimation conducted in 2007 and to an inverse distance estimate using the same sample search criteria. Global tonnage and grades for each estimate were compared. The tonnage of the updated resource were higher than the 2007 due to an updated domain interpretation but this increased the grade. Smoothing of the OK estimate gave lower grades than predicted by the IVD check estimate.
		Gold recovery is assumed to be high based on metallurgical test work and trial mining results.
		Only gold has been estimated. There are no know deleterious or non-grade variables of economic significance.
		Estimation block size is approximately half the closest drill spacing. Block size is 10mE x 5mN x 5m RL.
		Estimation block sizes are based on drill density and are larger than the expected SMU size. Infill drilling and mining would probably require smaller SMU size and result in higher tonnages at higher grades.
		Only gold grade was estimated.
		The interpretation of the quartz vein structure was used to guide the orientation and shape of the main gold mineralisation domain.
		Eight composites greater than 60g/t Au were cut. This resulted in the CV of the data being lowered from 2.7 to 1.9. This was expected to allow the linear OK estimation to give a more representative grade estimation. In addition the search range to select composites of >30g/t Au was restricted to 20mE x 10mN x 10m RL to reduce the spatial influence of these composites.

Part	Criteria	Comment
		Global comparisons of estimated grades to composite grades were made for each domain showed that block grades were lower than the mean composite grades. Swath plots comparing the block and composite values over incremental Easting and RL bands showed the block model grades were less variable than the composites but honoured the general trends in the composite grades. The resource contained within the trial pit volume reconciled well with mill production figures for the mined material. Tonnages were slightly (5%) higher but with similar grade.
3-6	**Moisture**	Tonnages are estimated on a dry basis.
3-7	**Cut-off Parameters**	It was assumed that open pit mining would be used in the top 100m of the deposit and a low 0.5g/t Au cut-off was used. Below 100m a cut-off of 2g/t au was used to reflect the requirements for underground mining at greater depth.
3-8	**Mining Factors or Assumptions**	Open pit mining and narrow view underground mining methods are assumed which will allow al high degree of mining selectivity. Internal dilution of up to 2m was used in the interpretation of the mineralised domains.
3-9	**Metallurgical Factors or Assumptions**	High gold recovery was predicted by metallurgical test work. This is backed up by the 98.5% recovery reported from the trial mining pit ore treatment.
3-10	**Environmental Factors or Assumptions**	It has been assumed that waste disposal is possible on the mining lease. Tailings is managed by toll treatment.
3-11	**Bulk Density**	A dry in-situ bulk density (DISBD) of 2.6 was applied to the resource. This value is derived from metallurgical test samples. It is possible that with further test work the DISBD used in the fresh rock resource could be higher than 2.6 which would increase the resource tonnage. It is not anticipated that significant void or porosity is present in the mineralised material.
		It is not anticipated that significant void or porosity is present in the mineralised material.
		It is possible that a higher DISBD is reasonable for the fresh material at depth. Further diamond drilling and test work will be required to confirm this and could lead to an increase in the resource tonnage.
3-12	**Classification**	Geological continuity and data quality were the primary consideration in classification of part of the main mineralised zone as Indicated Resource. Estimation quality parameters (slope of regression <0.6) were used to define the area of lower grade estimation confidence to assign as an Inferred Resource. Lack of continuity in the footwall and hanging wall zone reduced confidence in these areas and they were classified as Inferred Resource.
		Consideration of the following factors was used in assessment of the resource classification: • Survey location of drill hole • Sample and assay quality • Geological continuity • Grade distribution and estimation • Production reconciliation
		This mineral resource estimate was completed by the Competent Person and reflects their view of the deposit.
3-13	**Audits or Reviews.**	Ravensgate conducted an internal peer review of the resource update.
3-14	**Discussion of Relative Accuracy / Confidence**	No quantitative assessment of accuracy of the resource estimate has been conducted. Production reconciliation covering 15% of the resource show that the tonnage was 5% lower than predicted by the resource estimate but with similar grade.
		This statement relates to both global and local estimates of tonnes and grade. The parts of the deposit classified as Indicated Resource is expected to have reasonable local accuracy for use in scoping level studies.
		Excellent production reconciliation was achieved in the trial pit mining. This improves the confidence in the geological understanding and gold grade estimation.

Page 69 of 79

APPENDIX 2

JORC Code Table One : A-Zone Deposit

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Part	Criteria	Comment
1-1	**Sampling Techniques**	The deposit was sampled from reverse circulation (RC), air core (AC) and diamond core (DDH) drill holes. Early exploration used rotary air blast (RAB) drilling, these were not used in the resource estimation. A total of 2 DDH hole for 415m, 5 aircore for 139m and 208 RC holes for 11,885m were drilled to define the A-Zone deposit resource. RC drilling was sampled on 1 or 2m intervals. Diamond core was sampled on 1m intervals.
		There is no reported collection of duplicates or use of standards. Note that the drilling was completed in 1986-87 and this was standard practice at the time.
		Sampling practice is appropriate to the geology and mineralisation of the deposit.
	Drilling Techniques	RC drilling logs did not specify the size of the hammer. Based on the date of drilling it is expected that conventional percussion hammer with crossover sub was used. Diamond holes are recorded as being NQ size core.
1-2	**Drill Sample Recovery**	Sample recovery was observed on the original drill logs but this was not transferred to the digital drill hole database and was not assessed as part of this resource update.
		No documentation was available at the time of the resource update.
		No documentation was available at the time of the resource update.
1-3	**Logging**	Core and RC chips were geologically logged. Lithology and veining are recorded in the geology table of the drill hole database. Logging is appropriate to the style of deposit and potential mine plan.
		Logging is qualitative and descriptive in nature.
		12,138m of the total 12,439m drilling was logged which represents 98% of the drilling interval.
1-4	**Sub-Sampling Techniques and Sample Preparation**	Sampling method for the drill core was not specified.
		RC sample collection method was not specified.
		Sample preparation was not documented.
		Sub-sampling QC procedures were not documented.
		Duplicate sample collection was not common practice at the time of drilling. No documentation of duplicate collection is recorded.
		Sample size was not documented.
1-5	**Quality of Assay Data and Laboratory Tests**	Aqua regia partial digest analysis were used with AAS for Au, Cu and Pb. Repeat assays used fire assay for analysis of Au.
		No instrument based analysis was conducted.
		No use of standards is recorded. The assay laboratory reports contain values for repeat readings but these are not entered in the digital drill data. It is not possible to assess the sample and assay accuracy and this is reflected in the low confidence Inferred Resource classification.
1-6	**Verification of Sampling and Assaying**	Verification of significant intersections was not documented.
		Twining of drill holes was not documented.
		Digital data for three drill holes was compared to the original assay report sheets and no errors were observed.

Part	Criteria	Comment
		No assay adjustment has been performed.
1-7	**Location of Data Points**	No survey of drill collars has been conducted. Drill collars appear to be measured from a project baseline. Downhole surveys were conducted using single shot Eastman camera.
		Hole collar locations are recorded in local grid co-ordinates.
		No topography data was used and an assumed flat surface was applied to the model. Surface relief in the project area relief is very low to flat, so this assumption will make minimal difference to the resource estimate.
1-8	**Data Spacing and Distribution**	Drill spacing is 20m x 10m over about a quarter of the deposit with the remainder drilled to 40m x 20m spacing.
		This spacing is sufficient to confirm the continuity and thickness of the mineralised zone to a medium to high level of confidence. This drill spacing exceeds the requirements for an Inferred Resource classification and could support higher confidence classification if other factors were of higher quality.
		Sample compositing was not specified. A check estimation on a sub-section of the resource using two metre composites did not show a material difference to the estimated grade in this area.
1-9	**Orientation of Data in Relation to Geological Structure**	The majority of drilling is inclined to the north to intersect the steeply south dipping mineralised lode at the highest possible angle and give the most representative sample of the mineralisation.
		The majority of drilling cross-cuts the mineralised structures and should not have introduced any sample bias.
1-10	**Sample Security**	No documentation on sample security.
1-11	**Audits or Reviews**	No documentation of audits on sampling or data.

Page 71 of 79

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Part	Criteria	Comment
2-1	**Mineral Tenement and Land Tenure Status**	The Snake Well project consists of five granted mining leases and one exploration licence application. The A-Zone deposit is located on granted mining lease M59/474.
		Ravensgate has not confirmed tenure status for these mineral tenements. In 2015 the DMP granted Kalamazoo all clearances to conduct trial mining activities on the nearby Mixy deposit. This gives a strong indication that there are no impediments to obtaining a licence to operate open cut mining activities.
2-2	**Exploration Done by Other Parties**	The majority of exploration work was conducted by Roebuck Resources NL in 1986-88.
2-3	**Geology**	Gold, copper, lead, zinc and silver mineralisation is associated with quartz veined pyritic quartz-sericite schists. The sub-parallel zones dip steeply to the southeast. Barren cross cutting dolerite dykes are associated with elevated copper grades in the surrounding rocks. Weathering has oxidised the deposit to a depth of approximately 40m below surface.
2-4	**Drill Hole Information**	Exploration results are not reported. List of drill holes used in the resource estimation is provided in the Appendix 2 of the modelling report.
2-5	**Data Aggregation Methods**	Exploration results are not reported.
		Exploration results with drill intercept information is not reported.
		No metal equivalent was used.
2-6	**Relationship Between Mineralisation Widths and Intercept Lengths**	Mineralisation is steep to moderately dipping and drill holes are angled to cross-cut the mineralised domain at the highest possible angle. Downhole intervals do not represent the true thickness but should give a reasonable representation of the grade of the zone.
		Drill angle and local lode orientation are variable.
		Downhole intervals are not true mineralisation widths.
2-7	**Diagrams**	Plans and maps are provided in the resource modelling report.
2-8	**Balanced Reporting**	Exploration results are not reported.
2-9	**Other Substantive Exploration Data**	Metallurgical test work indicates that grinding and conventional cyanide leach should give excellent gold recovery (92-99%) in the highly oxidised upper part of the deposit. Permeability issues are likely to give poor recovery (13-32%) by heap leaching. Poor recovery (43-90%) is also indicated for the high copper oxide zones and for the fresh sulfide mineralisation at depth.
2-10	**Further Work**	Plans for future work are yet to be determined.
		Future drill planning is yet to be determined.

Section 3 Estimation and Reporting of Mineral Resources (Criteria listed in Section 1, and where relevant in Section 2, also apply to this section.)

Part	Criteria	Comment
3-1	Database Integrity	As part of the initial resource model estimation drilling data was reviewed and corrected where needed based on original drilling logs. As part of the resource update documentation digital data for three drill holes were compared to the original assay certificates and no errors were noted.
		Database validation procedures were not documented.
3-2	Site Visits	The Competent Person has not visited the A-Zone deposit site.
		No site visits were reported for the initial resource modelling conducted in 2004. A site visit as part of the model update was not warranted, as there was no additional exploration or geological updates.
3-3	Geological Interpretation	Surface outcrop and close spaced drilling has confirmed that the geological features and continuity of the mineralisation are well defined to a high level of confidence.
		Wireframes of the weathering intensity interpretation provided by Giralia Resources were available to check against the 2004 resource model. Sectional and level plan interpretations used to generate the 2004 model were not located and could not be verified.
		Continuity of the geological features and mineralisation was established in the very close spaced drilled sections of the deposit. It is unlikely significantly different geological controls will be encountered in the less well drilled sections of the deposit. Weathering intensity is highly variable and most likely to be more complicated than the interpretation suggests.
		Estimation of the resource tonnage and grade was restricted to the interpreted zone of gold mineralisation. Only samples which were located within the interpreted mineralisation zone were used for grade estimation of the mineralisation. Supergene processes and the presence of cross cutting dolerite dykes have had a strong influence on the copper mineralisation. Gold domaining has been used to control the copper grade estimation which is not optimal. Future work should focus on domaining the copper mineralisation independently.
		Gold distribution is variable. Not all samples were analysed for copper. Mineralisation is sub-continuous on two main zones.
3-4	Dimensions	The mineralisation extends over a strike length of 1000m and is 5-10m in width. It is open at depth but has been constrained to a depth of 100m below surface for resource reporting.
3-5	Estimation and Modelling Techniques	Inverse distance cubed weighting was used to estimated gold and copper grade into a block model using Minemap software. Estimations were constrained to mineralised domains interpreted on gold grade. Mineralised domains are extrapolated half way between drill holes on or between sections or to a maximum distance of 30-40 from drill holes. An inclined search ellipse 50m x 20m x 15m was used for select samples for estimation. A minimum of 5 samples was used for an estimate. Sample/Composite values were cut to 7.5g/t Au. This represents the 95th percentile of the mineralised samples and was expected to give a conservative estimate of grade.
		No mine production has been conducted on the deposit. A check estimate on a subsection of the deposit using identical estimation parameters in Vulcan software yielded similar (10% higher) grade than the Minemap estimate.
		Gold recovery is assumed to be high in the oxidised part of the deposit. Further metallurgical test work will be required to establish a reasonable process for recovery of gold and copper from the fresh sulfide mineralisation.
		Only gold and copper has been estimated.
		Estimation block size is approximately half the closest section spacing and about a quarter of the on section spacing. This size is appropriate in the closer spaced drilling but is too small in the areas of wider drill spacing but is not expected to be material at the confidence range for inferred classification. Block size is 10mE x 2.5mN x 2.5m RL.
		Estimation block sizes are based on drill density but are likely to be similar to the expected SMU size.
		Copper grade was estimated using gold mineralisation domaining. Separate domaining for copper is recommended for any model updates.

Page 73 of 79

Part	Criteria	Comment
		The interpretation of the mineralised zones was aligned to the orientation of shear zones. Interpretation of post mineralisation dolerite dykes were excluded from mineralisation. domain
		A high grade cut of 7.5g/t Au was used. This represents the 95th percentile of the mineralised composites. The basis for the choice of this cut-off was not documented and is lower than typically would be applied to a gold deposit of this type. The low cut-off lead to a conservative estimate of the resource.
		There was no documentation on the original 2004 grade estimation validation. Global comparisons of the estimated grades to composite grades made during the model update demonstrated similar grade. A check estimate of a sub-set of the resource resulted in a slightly higher (10%) estimate than the reported estimate. No production reconciliation was possible.
3-6	**Moisture**	Tonnages are estimated on a dry basis.
3-7	**Cut-off Parameters**	It was assumed that open pit mining would be used in the top 100m of the deposit and a low 0.5g/t Au cut-off was used.
3-8	**Mining Factors or Assumptions**	Open pit mining with selective grade control is the assumed mine extraction method.
3-9	**Metallurgical Factors or Assumptions**	High gold recovery was predicted by metallurgical test work for the near surface oxide material. Fresh sulfide mineralisation and oxide mineralisation with supergene copper mineralisation showed poor gold recovery.
3-10	**Environmental Factors or Assumptions**	An environmental and social impact assessment on the Snake Well Project area was completed as part of the trial open pit mining of the Mixy Deposit. The proposal noted that there were no endangered species in the project area and that there was negligible negative impact and marginal positive impact of the trial pit mine. No potential archaeological or ethnographic sites were identified within the project area and that there were native title agreements in place with all three of the claimant groups.
3-11	**Bulk Density**	Dry in-situ bulk density (DISBD) values were assumed. No bulk density measurements were made.
		DISBD values assume some porosity, particularly in the oxidised material. Significant void space is not expected.
		DISBD are assigned based on the weathering classification. Weathering variability is highly localised and is reasonable for the fresh material at depth. Further diamond drilling and test work will be required to confirm this and could lead to an increase in the resource tonnage
3-12	**Classification**	Good geological continuity observed in the close spaced drilling gives a high confidence in the resource. This was offset by a lack of information and QAQC on sample and assay, assumed ISBD, no survey information and lack of detail on the estimation validation. Overall the deposit has been classified as an Inferred Resource.
		Consideration of the following factors was used in assessment of the resource classification • Geological continuity • Survey location of drill holes • Sample and assay quality • Grade distribution and estimation • Assumed bulk density
		This mineral resource estimate was completed by the competent person and reflects their view of the deposit.
3-13	**Audits or Reviews.**	Ravensgate conducted an internal peer review of the resource update.
3-14	**Discussion of Relative Accuracy / Confidence**	No quantitative assessment of accuracy of the resource estimate has been conducted. Based on the low top cut (7.5g/t Au) used in the estimation it is expected that the resource grade is conservative.
		This statement relates to both global and local estimates of tonnes and grade. The resource is expected to have reasonable local accuracy for use in scoping level studies.
		No production data was available.

APPENDIX 3

JORC Code Table One : LOP Laterite Gold Deposit

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Part	Criteria	Comment
1-1	**Sampling Techniques**	The deposit was sampled from reverse circulation (RC), air core (AC) drilling. Early exploration used rotary air blast (RAB) drilling, these were not used in the resource estimation. A total of 14 aircore for 278m and 92 RC holes for 2,302m were drilled to define the LOP Laterite gold deposit resource. RC drilling was sampled on 1m intervals and assayed on 1, 2 and 4m intervals.
		There is no reported collection of duplicates or use of standards. This has resulted in a lowering of the resource classification.
		Sampling practice is appropriate to the geology and mineralisation of the deposit.
	Drilling Techniques	RC drilling reports did not specify the size of the hammer. Based on the date of drilling it is expected that an RC face sampling hammer was used. Aircore hole size was not reported.
1-2	**Drill Sample Recovery**	Sample recovery was not recorded in the digital drill hole database supplied.
		No documentation on sample recovery was available.
		No documentation on sample recovery was available.
1-3	**Logging**	Core and RC chips were geologically logged. Weathering, lithology, alteration and veining are recorded in the geology table of the drill hole database. Logging is appropriate to the style of deposit and potential mine plan.
		Logging is qualitative and descriptive in nature.
		All RC and aircore intervals were geologically logged.
1-4	**Sub-Sampling Techniques and Sample Preparation**	No core drilling.
		RC sample collection method was not specified. Aircore sample collection was by grab or spear.
		Sample preparation was not documented.
		Sub-sampling QC procedures were not documented.
		No documentation of duplicate collection is recorded.
		Sample size was not documented.
1-5	**Quality of Assay Data and Laboratory Tests**	Aqua regia partial digest analysis were used with AAS for gold only.
		No instrument based analysis was conducted.
		No use of standards is recorded. It is not possible to assess the sample and assay accuracy and this is reflected in the low confidence Inferred Resource classification.
1-6	**Verification of Sampling and Assaying**	Verification of significant intersections was not documented.
		Twining of drill holes was not documented.
		Documentation on data storage process was not sighted.
		No assay adjustment has been performed.
1-7	**Location of Data Points**	No survey of drill collars has been conducted. Drill collars appear to be measured from a project baseline. All holes are short and downhole surveys were not conducted. Any hole deflection would be insignificant.
		Hole collar locations are recorded in MGA94_50. They appear to have been transformed from local grid coordinates

Page 75 of 79

Part	Criteria	Comment
		No topography data was available and an assumed flat surface was applied to the model. Surface relief in the project area relief is very low to flat, so this assumption will make minimal difference to the resource estimate.
1-8	**Data Spacing and Distribution**	Drill spacing is 25m x 25m over the majority of the deposit.
		This spacing is sufficient to confirm the continuity and thickness of the mineralised zone to a high level of confidence. This drill spacing exceeds the requirements for an Inferred Resource classification and could support higher confidence classification if other factors were of higher quality.
		Samples were composited to one metre lengths.
1-9	**Orientation of Data in Relation to Geological Structure**	The majority of drilling is vertical with some holes inclined to the north. The mineralised zone is tabular and flat in orientation. All the drill holes intersect the mineralisation at lode at a high angle and give the most representative sample of the mineralisation.
		The majority of drilling cross-cuts the mineralised structures and should not have introduced any sample bias.
1-10	**Sample Security**	No documentation on sample security.
1-11	**Audits or Reviews**	No documentation of audits on sampling or data.

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Part	Criteria	Comment
2-1	**Mineral Tenement and Land Tenure Status**	The Snake Well project consists of five granted mining leases and one exploration licence application. The LOP Laterite gold deposit is located on granted mining lease M59/565.
		Ravensgate has not confirmed tenure status for these mineral tenements. In 2015 the DMP granted Kalamazoo all clearances to conduct trial mining activities on the nearby Mixy deposit also on M59/565. This gives a strong indication that there are no impediments to obtaining a licence to operate open cut mining activities.
2-2	**Exploration Done by Other Parties**	The majority of exploration work was conducted by Giralia Resources in 2002 - 2006.
2-3	**Geology**	Mineralisation within the LOP Laterite deposit consists of ferruginous pisolite channel fill. It is covered with 3m - 8m of variably hardpanned transported sand and clay. The channel fill is about 2m - 8m thick and runs from north to the south where it is the deepest.
2-4	**Drill Hole Information**	Exploration results are not reported. List of drill holes used in the resource estimation is provided in the Appendix 1 of the modelling report.
2-5	**Data Aggregation Methods**	Exploration results are not reported.
		Exploration results with drill intercept information is not reported.
		No metal equivalent was used.
2-6	**Relationship Between Mineralisation Widths and Intercept Lengths**	Mineralisation is tabular and flat lying. Mostly vertical and steeply inclined drill holes cross-cut the mineralised domain at the highest possible angle and should give a reasonably representation of the grade of the zone.
		Mineralisation is tabular and flat lying. Mostly vertical and steeply inclined drill holes cross-cut the mineralised domain at the highest possible angle.
		Downhole intervals of the vertical holes represent the true thickness of the deposit.
2-7	**Diagrams**	Plans and maps are provided in the resource modelling report.
2-8	**Balanced Reporting**	Exploration results are not reported.
2-9	**Other Substantive Exploration Data**	Metallurgical test work indicates that crushing to 6 - 12mm size cyanide leach should give reasonable gold recovery (55 - 70%). This suggests that open pit mining followed by heap leaching of the deposit could be viable. Further test work to evaluate reagent consumption with local water are required.
2-10	**Further Work**	Plans for future work are yet to be determined.
		Future drill planning is yet to be determined.

Page 77 of 79

Section 3 Estimation and Reporting of Mineral Resources
(Criteria listed in Section 1, and where relevant in Section 2, also apply to this section.)

Part	Criteria	Comment
3-1	**Database Integrity**	Digital drill data was loaded into Vulcan software and visually checked on screen. Hole RCRW088 was noted as having the identical coordinates as RCRW160.
		Database validation procedures were not documented.
3-2	**Site Visits**	The Competent Person had not visited the LOP Laterite gold deposit site.
		A site visit as part of the resource estimation was not warranted, as there was no recent exploration or geological activity.
3-3	**Geological Interpretation**	Close spaced drilling has confirmed that the geological features and continuity of the mineralisation are well defined to a high level of confidence.
		Interpretation of the mineralised zone was based on the sample gold grade. There is a strong grade contrast with samples above and below the horizon.
		The majority of the mineralised zone is very continuous and robust to alternative cut-off interpretations. At the margins of the mineralised zone the thickness and grade decreases and the domain interpretation is sensitive the grade and minimum thickness used.
		Estimation of the resource tonnage and grade was restricted to the interpreted zone of gold mineralisation. Only samples which were located within the interpreted mineralisation zone were used for grade estimation of the mineralisation.
		Gold distribution observed in the drill holes is reasonably consistent within the mineralised domain.
3-4	**Dimensions**	The mineralisation extends over an area 250m x 250m and is 2 - 5m in thickness and 5 - 10m below the surface.
3-5	**Estimation and Modelling Techniques**	Ordinary kriging was used to estimate gold grade into a block model using Vulcan software. Estimation block size was 10mE x 10mN x 1mRL with 5 x 5 x 1 discretisation. Estimations were constrained to mineralised domains interpreted on gold grade. Mineralised domains were thinned to zero thickness are extrapolated approximately 2/3 to the adjacent unmineralised drill hole (15 - 20m). A horizontal search ellipse 100m x 100m x 20m was used for select samples for estimation. A minimum of 5 and maximum of 30 samples was used for an estimate.
		No mine production has been conducted on the deposit. A check estimate using inverse distance cubed weighting, estimated the Au grade to be 4% higher than the ordinary kriging estimate.
		No by-products are expected.
		Only gold grade was estimated.
		Estimation block size is approximately half the drill spacing. The search size covers a large area of the deposit, but the effective search range was constrained by the maximum number of composites, set at 30.
		The minimum thickness of the mineralised zone was set to 2m which is assumed to be the minimum reasonable mining thickness.
		No other variables were modelled.
		Estimations were constrained to mineralised domains interpreted on gold grade.
		No grade cut or cap was used. With a maximum composite grade of 5.4g/t and a low CV of 0.77 it was expected that ordinary kriging would give a reasonable grade estimation without recourse to grade manipulation.
		Estimation grades were compared to composite grades on screen. Global comparison of the estimated grade (1.06g/t Au) was almost identical to the mean grade of the mineralised composites (1.05g/t Au). No mine production from the deposit.
3-6	**Moisture**	Tonnages are estimated on a dry basis.

Part	Criteria	Comment
3-7	**Cut-off Parameters**	No cut off analysis has been conducted. A 0.5g/t Au cut-off was used to estimate the resource to be consistent with previous work. A lower cut off would require a new domain interpretation.
3-8	**Mining Factors or Assumptions**	Shallow open pit mining. It is assumed that the overburden can be stripped to expose the mineralisation with minimal dilution and loss.
3-9	**Metallurgical Factors or Assumptions**	Reasonable recovery (55-70%) is expected for the entire deposit via crushing and heap leach gold extraction. Reagent use and gold recovery is yet to be tested with local process water.
3-10	**Environmental Factors or Assumptions**	An environmental and social impact assessment on the Snake Well Project area was completed as part of the trial open pit mining of the Mixy Deposit. The Mining Proposal noted that there were no endangered species in the project area and that there was negligible negative impact and marginal positive impact of the trial pit mine. No potential archaeological or ethnographic sites were identified within the project area and that there were native title agreements in place with all three of the claimant groups.
3-11	**Bulk Density**	Dry in-situ bulk density (DISBD) values were assumed. No bulk density measurements were made.
		DISBD values assume some porosity. Significant void space is not expected.
		The assumed DISBD were assigned to all blocks in the model and it is assumed these are representative of the global value for the material.
3-12	**Classification**	Good geological continuity observed in the close spaced drilling gives a high confidence in the resource. This was offset by a lack of information and QAQC on sample and assay, assumed DISBD and collar survey errors in the drill database. Overall the deposit has been classified as an Inferred Resource.
		Consideration of the following factors was used in assessment of the resource classification: • Geological continuity • Survey location of drill holes • Sample and assay quality • Grade distribution and estimation • Assumed bulk density
		This mineral resource estimate was completed by the competent person and reflects their view of the deposit.
3-13	**Audits or Reviews.**	Ravensgate conducted an internal peer review of the resource update.
3-14	**Discussion of Relative Accuracy / Confidence**	No quantitative assessment of accuracy of the resource estimate has been conducted.
		This statement relates to both global and local estimates of tonnes and grade. The resource is expected to have reasonable local accuracy for use in scoping level studies.
		No production data was available.

Page 79 of 79

6. FINANCIAL INFORMATION

6.1 Introduction

The financial information contained in this Section includes:

(a) summary statutory audited historical statement of profit or loss and other comprehensive income for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016;

(b) summary statutory audited historical statements of cash flow for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016;

(c) statutory audited historical statement of financial position for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016; and

(d) the pro forma historical statement of financial position as at 30 June 2016,

together referred to as the **Historical Financial Information**.

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

The information in this Section 6 should also be read in conjunction with the risk factors set out in Section 4 and other information contained in this Prospectus.

6.2 Basis of preparation of the Historical Financial Information

Background

The Historical Financial Information included in this Section has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act. The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act. Significant accounting policies applied to the Historical Financial Information are noted at the end of this section under the heading 'Significant accounting policies'.

The Historical Financial Information has been reviewed and reported on by Grant Thornton Corporate Finance Pty Ltd as set out in the Independent Limited Assurance Report in Section 7. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The Historical Financial Information has been prepared for the purpose of the Offer.

The Historical Financial Information of the Company has been extracted from the audited financial statements for financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 which were audited by Grant Thornton Audit Pty Ltd. An unmodified audit opinion was issued for the years ended 30 June 2015 and 30 June 2016. A qualified opinion in respect to opening balances was issued for the year ended 30 June 2014 as the Company had not been previously audited.

The information set out in this Section and Kalamazoo's selected financial information should be read together with:

(a) management's discussion and analysis set out in this Section;

(b) the risk factors described in Section 4;

(c) the use of proceeds of the offers described in Section 2.4;

(d) the indicative capital structure described in Section 3.10;

(e) the Independent Limited Assurance Report set out in Section 7; and

(f) the other information contained in this Prospectus.

Investors should also note that historical results are not a guarantee of future performance.

6.3 General factors affecting the operating results of the Company

Below is a discussion of the main factors which affected the Company's operations and relative financial performance for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 which the Company expects may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected the Company's historical operating and financial performance, nor everything which may affect the Company's operations and financial performance in the future.

Statutory Audited Historical Statement of profit or loss and other comprehensive income

The table below presents the Historical Statement of Profit or Loss and Other Comprehensive Income for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016.

	Year ended 30 June 2014	Year ended 30 June 2015	Year ended 30 June 2016
Revenue	51	-	5,045,808
Cost of sales	-	-	(3,929,000)
Exploration expenditure write off	(174,458)	(2,209,199)	(1,662,526)
Finance costs	(33,366)	(1,922)	(41,090)
Other expenses	(410,847)	(349,639)	(828,377)
Net (loss) before tax	(618,620)	(2,560,760)	(1,415,185)
Income tax expense/(benefit)	-	-	-
Net (loss) after tax	(618,620)	(2,560,760)	(1,415,185)

Revenue

During the 2016 financial year, the Company sold ore from a successful trial mining operation at the Snake Well Project which represented ore that was accessible and relatively easy to extract. The Company successfully outsourced this extraction and processing to third parties.

Cost of sales

Cost of sales is in respect to direct expenses incurred in relation to the extraction of ore sold to third parties which occurred for the first time in the 2016 financial year.

Exploration expenditure write offs

During the 2015 and 2016 years, the Company progressively reviewed each exploration licence held to determine whether the licence was prospective enough for the Company to continue expenditure on further exploration activities. As a result a number of licences were relinquished and the capitalised exploration expenditure associated with those licences was written off.

6.4 Cash flow statements

Statutory audited historical cash flows

The table below presents the Historical Cash Flows for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016.

	Year ended 30 June 2014	Year ended 30 June 2015	Year ended 30 June 2016
Cash flows from operating activities			
Receipts from customers	31,296	3,931	5,008,569
Payments to suppliers and employees	(328,409)	(358,558)	(4,330,898)
Interest paid	-	(1,922)	(41,090)
Net cash used in operating activities	(297,113)	(356,549)	636,581
Cash flows from investing activities			
Payments for exploration activities	(745,708)	(932,012)	(681,357)
Payments for plant and equipment	(1,329)	(3,251)	(13,180)
Payments for intangibles	(1,432)	1,820	-
Net cash used in investing activities	(748,469)	(933,443)	(694,537)
Cash flows from financing activities			
Proceeds from issue of Shares	1,151,106	680,014	20,000
Repayment of borrowings	(202,885)	-	(100,000)
Proceeds from borrowings	-	623,022	200,001
Net cash provided by financing activities	948,221	1,303,036	120,001
Net change in cash and cash equivalents held	(97,361)	13,044	62,045
Cash and cash equivalents at beginning of financial year	100,034	2,673	15,717
Cash and cash equivalents at end of financial year	2,673	15,717	77,762

Operating cash flows

Operating cash flows have historically been negative as the Company has not generated revenue as it concentrated on exploration activities. Costs have primarily consisted of employee benefits expense, financing costs and other administrative costs. During the 2016 year the Company generated positive cash flows from the sale of ore.

Investing cash flows

The Company's focus has been on exploration activities therefore investing cash flows have been negative as the Company incurs costs associated with those activities.

Financing activities

The Company's activities have been financed primarily through the funds raised from the issue of Shares in the Company, loans to the Company by related parties and operating cash flows.

6.5 Statements of financial position

6.5.1 Historical and pro forma historical statements of financial position

The table below sets out the Historical Statement of Financial Position and the pro forma adjustments that have been made to the Historical Statement of Financial Position as at 30 June 2016.

The pro forma adjustments reflect the impact of the Offer as if they had occurred at 30 June 2016.

The Pro Forma Historical 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.

	As at 30 June 2014	As at 30 June 2015	As at 30 June 2016	Pro-forma 30 June 2016
Current assets				
Cash & cash equivalents	2,673	15,717	77,762	9,931,462
Trade & other receivables	23,568	19,637	56,876	56,876
Other current assets	5,874	5,874	19,621	19,621
Total current assets	**32,115**	**41,228**	**154,259**	**10,007,959**
Non-current assets				
Exploration expenditure	4,138,705	2,861,518	1,605,440	1,605,440
Property, plant & equipment	100	-	11,723	11,723
Intangible assets	4,722	2,902	-	-
Total non-current assets	**4,143,527**	**2,864,420**	**1,617,163**	**1,617,163**
Total assets	**4,175,642**	**2,905,648**	**1,771,422**	**11,625,122**
Current liabilities				
Trade & other payables	85,785	73,516	82,739	82,739
Borrowings	-	623,021	200,000	-
Total current liabilities	**85,785**	**696,537**	**282,739**	**82,739**
Total liabilities	**85,785**	**696,537**	**282,739**	**82,739**
Net assets	**4,089,857**	**2,209,111**	**1,488,683**	**11,542,383**
Equity				
Share capital	5,106,646	5,786,660	6,329,681	16,183,786
Reserves	-	-	151,736	1,072,252
Accumulated (losses)	(1,016,789)	(3,577,549)	(4,992,734)	(5,713,655)
Total equity	**4,089,857**	**2,209,111**	**1,488,683**	**11,542,383**

Exploration expenditure

The Company has incurred certain expenditure in respect to the conduct of exploration on areas over which the Company held exploration licences. The Company capitalises this expenditure in line with its accounting policy and the Accounting Standards. During the 2015 and 2016 years the exploration expenditure decreased as a result of the Company writing off expenditure relating to exploration licences that the Company had elected to relinquish.

Borrowings

Borrowings represent funds provided by related parties to fund exploration activities, acquisitions, general expenditure and overheads. These borrowings have regularly been converted to shares in the Company or repaid.

6.5.2 Pro-forma transactions

The following transactions contemplated in this Prospectus which are to take place on or before the completion of the Offer, referred to as the pro forma adjustments, are presented as if they, together with the Offer, had occurred on or before 30 June 2016 and are set out below.

With the exception of the subsequent events and pro forma transactions noted below no other material transactions have occurred between 30 June 2016 and the date of this Prospectus which the Directors consider require disclosure.

Subsequent events:

(a) On 26 August 2016 and 27 September 2016, the Company issued a total of 10,550,000 Shares at $0.10 per Share to raise $1,055,000, less costs of $63,300; and

(b) The Company repaid the loan outstanding to Rockrose Pty Ltd of $200,000 using the proceeds from the above capital raise.

Pro-Forma transactions:

(a) The issue of 50,000,000 Shares at $0.20 per Share to raise $10,000,000 under the Offer;

(b) Total expenses associated with the Offer (including broking, legal, accounting and administrative fees as well as printing, advertising and other expenses) are estimated to be approximately $1,316,000 (exclusive of GST). Approximately $178,400 has been attributed to the income statement under the Offer with the residual being capitalised against Share capital; and

(c) The Company has issued 12,250,000 unquoted Options to certain executives of the Company for services rendered.

6.5.3 Cash or cash equivalents

	$
Cash or cash equivalents as at 30 June 2016	77,762
Subsequent event:	
Proceeds from issue of Shares pre IPO	991,700
Pro-forma adjustments	
Proceeds from issue of Shares	10,000,000
Cash costs associated with the Offer	(938,000)
Repayment of loan from Rockrose Pty Ltd	(200,000)
Pro-forma cash or cash equivalents	9,931,462

6.5.4 Share capital

Share capital as at 30 June 2016	6,329,681
Subsequent event:	
Issue of Shares pre IPO	991,700
Pro-forma adjustments	
Issue of Shares in relation to the Offer	10,000,000
Costs associated with the Offer	(1,137,595)
Pro-forma Share capital	16,183,786

6.5.5 Accumulated losses

Accumulated (losses) as at 30 June 2016	(4,992,734)
Pro-forma adjustments	
Costs associated with the Offer expensed	(178,400)
Options issued to executives in conjunction with the Offer	(542,521)
Pro-forma accumulated (losses)	(5,713,655)

6.5.6 Reserves

Reserves as at 30 June 2016	151,736
Pro-forma adjustments	
Options issued to executives	542,521
Options issued to the Lead Manager	377,995
Pro-forma reserves	1,072,252

6.6 Significant accounting policies

The following are the significant accounting policies adopted by the Company in the preparation of the financial information.

Exploration and evaluation assets

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full in the year in which the decision to abandon the area is made.

Where a decision is made to proceed with the development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and reclassified to development assets.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Revenue

Revenue from the sale of ore is recognised at the time of the rights transferring to the purchaser.

Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

Loans and receivables

All financial assets except for those at fair value through profit and loss are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified Company.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include related party borrowings and trade and other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Employee benefits

Short-term employee benefits

Short-term employee benefits, including annual leave entitlement, are current liabilities included in employee benefits, measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

Share-based payments

Share-based compensation benefits are provided to employees via the Company or Shareholders for no cash consideration.

The fair value of Shares granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the Shares.

7. independent limited assurance report

The Directors
Kalamazoo Resources Limited
Unit 3 611 Hay Street
Jolimont WA 6014

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000
Correspondence to:
GPO Box 4736
Melbourne Victoria 3001
T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

3 October 2016

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

Introduction

We have been engaged by Kalamazoo Resources Limited ("Kalamazoo", or the "Company") to report on the historical and pro forma financial information of the Company for inclusion in the Prospectus (the "Prospectus") to be dated on or about 3 October 2016 and to be issued by Kalamazoo in respect of the Offer.

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

Scope

You have requested Grant Thornton Corporate Finance to review the following Historical Financial Information of the Company included in the Prospectus:

Historical Financial Information

The Historical Financial Information, as set out in the Prospectus comprises:

- The audited historical statement of comprehensive income of the Company for financial years ended 30 June 2014, 30 June 2015 and 30 June 2016
- The audited historical statement of cash flows of the Company for the financial years ended 30 June, 30 June 2015 and 30 June 2016;

- The audited historical statement of financial position of the Company as at 30 June 2014, 30 June 2015 and 30 June 2016; and

The Historical Financial Information has been extracted from the audited financial statements for financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 which were audited by Grant Thornton Audit Pty Ltd. Grant Thornton Audit Pty Ltd issued unqualified audit opinions in respect of the periods ended 30 June 2015 and 30 June 2016. A qualified opinion in respect to opening balances was issued for the year ended 30 June 2014 as the Company had not been previously audited.

Pro Forma Financial Information

- The pro forma statement of financial position of the Company as at 30 June 2016

The stated basis of preparation is the recognition and measurement principles contained under Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in the Section headed "Financial Information" under the heading "pro forma transactions, as if those events or transactions had occurred as at the date of the Historical Financial Information.

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

This report has been prepared for inclusion in the Prospectus. Grant Thornton Corporate Finance disclaim any assumption of responsibility for any reliance on this report or on the Historical Financial Information to which this report relates for any purpose other than the purposes for which it was prepared. This report should be read in conjunction with the Prospectus.

Directors' Responsibility

The Directors of Kalamazoo are responsible for the preparation and presentation of the Historical Financial Information. The Directors are also responsible for the determination of the Pro Forma Transactions as set out in the section headed "Financial Information" under the heading "pro forma transactions", and the basis of preparation of the Historical Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine necessary to enable the preparation of the Historical Financial Information that are free from material misstatement.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: "*Assurance Engagements involving Corporate Fundraisings and/ or Prospective Historical Financial Information*" and ASAE 3420: "*Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information*". Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Historical Financial Information.

These procedures are substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical Financial Information.

Conclusion

Historical Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that the Historical Financial Information of the Company as described in the section headed "Financial Information" of the Prospectus does not present fairly:

- The audited historical statement of comprehensive income of the Company for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016;
- The audited historical statement of cash flows of the Company for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016;
- The audited historical statement of financial position of the Company as at 30 June 2014, 30 June 2015 and 30 June 2016; or
- The Pro Forma Transactions set out in the section headed "Financial Information" under the heading "pro forma transactions" are a reasonable basis for the pro forma statement of financial position as at 30 June 2016;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements under AIFRS as if the Pro Forma Transactions as set out in the section headed "Financial Information" under the heading "pro forma transactions" had occurred at 30 June 2016.

Restriction on Use

Without modifying our conclusion, we draw attention to the "Financial Information" section of the Prospectus, which describes the purpose of the Historical Financial Information, being for inclusion in the Prospectus. As a result, the Historical Financial Information may not be suitable for use for another purpose.

Consent

Grant Thornton Corporate Finance consents to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD

Brad Taylor
Partner

Peter Thornely
Partner

Appendix A (Financial Services Guide)

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000
Correspondence to:
GPO Box 4736
Melbourne Victoria 3001
T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

This Financial Services Guide is dated 3 October 2016.

About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by Kalamazoo Resources Limited ("the Company") to provide general product advice in the form of an Independent Limited Assurance Report ("the Report") in relation to the offer of fully paid shares in the Company ("the Issue"). The Report is included in the Prospectus dated on or about 3 October 2016 ("the Prospectus"). You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

This Financial Services Guide

This Financial Services Guide ("FSG") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and to deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail finance product advice directly to retail investors nor does it provide market related advice directly to retail investors.

Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the Report. These fees are negotiated and agreed with the entity who engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report Grant Thornton Corporate Finance will receive from the Company a fee of $11,000 plus GST which is based on commercial rates plus reimbursement of out of pocket expenses.

Partners, Directors or employees of Grant Thornton Corporate Finance, and related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd. None of those persons or entities receives non-monetary benefits in respect of, or that is attributable to the provision of the services described in the FSG.

Referrals

Grant Thornton Corporate Finance including its Partners, Directors, employees or associates and related bodies corporate, does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licenced to provide.

Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business. Grant Thornton Audit Pty Ltd is the auditor of the Company.

In the context of this report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the National Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint.

If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

PO Box 579 – Collins Street West
Melbourne, VIC 8007
Telephone: 1800 335 405

Grant Thornton Corporate Finance is only responsible for the Report and this FSG.
Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under it professional indemnity insurance policy. This policy meets the compensation arrangements requirements of Section 912B of the Corporations Act 2001.

Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

National Head of Corporate Finance
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000

8. solicitor's report on tenements

WILLIAMS +HUGHES
COMMERCIAL AND LITIGATION LAWYERS

SECTION 8 SOLICITORS REPORT

3 October 2016

The Directors
Kalamazoo Resources Limited
Unit 3, 611 Hay Street
JOLIMONT WA 6014

Dear Sirs

SOLICITOR'S REPORT

1. **INTRODUCTION**

1.1 This Report is prepared for inclusion in a prospectus (**Prospectus**) to be dated on or about 3 October 2016 for the issue by Kalamazoo Resources Limited (**Company**) of 50,000,000 shares in the capital of the Company at an issue price of 20 cents per share to raise $10,000,000.

1.2 This Report relates to 9 mining tenements in Western Australia and one application for an exploration licence in Western Australia.

(a) Six of the tenements (one exploration licence and five mining leases) are owned by the Company (**Company Tenements**);

(b) Pursuant to the Giralia Farmout Agreement and Joint Venture Agreement (as defined in this Report), the Company has earned a beneficial interest of 51% in two exploration licences and may earn a further 29% by completing a feasibility study as referred to in this Report (**Farmin Tenements**);

(c) The Company has entered into an agreement with Pembery Prospecting Pty Ltd to acquire an exploration licence (which was the subject of an application when the agreement was entered into), once granted. The exploration licence was granted on 15 September 2016. Any transfer or dealing with the tenement within 12 months of it being granted is subject to consent of the Minister pursuant to section 64 of the Mining Act 1971 (WA) (**the Pembery Tenement**); and

(d) the Company has made an application in respect of an exploration licence (**the Company Application**).

The Company Tenements, the Farmin Tenements, the Pembery Tenement and the Company Application are collectively referred to as "**the Tenements**". The Company Tenements, the Farmin Tenements and the Pembery Tenement are referred to collectively as "**the Granted Tenements**".

The Tenements are comprised in what the Company has termed the "**Corktree Project**" and the "**Snake Well Project**". The Corktree Project comprises the Farmin Tenements and one further Exploration Licence owned by the Company. The "Snake Well Project comprises the 5 mining leases, the Pembery Tenement and the Company Application which are referred to in this Report.

The Tenements are located in Western Australia. Details of the Tenements are set out in Part 1 of the Schedule to this Report including the current registered holders of the Tenements. This report is limited to the searches set out in paragraph 2 of this Report. We note that records disclosed by such searches may not be complete or up to date and we have not made any independent investigations or enquiries in relation to those searches. We express no opinion as to the accuracy of the results of those searches or any factual matter contained in those searches. We express no opinion of the status of the Tenements after the date of the relevant search.

2. SEARCHES

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

(a) We have obtained searches of the Tenements from the registers maintained by the Western Australian Department of Mines and Petroleum (**DMP**) pursuant to the Mining Act 1978 (WA) and Mining Regulations (**Mining Act**). These searches were conducted on 5 September 2016 and updated on 30 September 2016. Key details on the status of the Tenements are set out in Part 1 of the Schedule to this Report.

(b) We have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (**ILUAs**) that overlap or apply to the Tenements. The material was obtained on 23 August 2016 and updated on 29 September 2016. Details of any native title claims (registered or unregistered), native title determinations and ILUA's are set out in Part 2 of the Schedule to this Report.

(c) We have obtained searches from the online Aboriginal Heritage Enquiry System maintained by the Department of Indigenous Affairs (**DIA**) for any aboriginal sites registered on the Western Australian Register of Aboriginal Sites over the Tenements (**Heritage Searches**). These searches were conducted on [22 August 2016 and updated on 30 September]. Details of any Aboriginal Sites are set out in Part 3 of the Schedule to this Report.

(d) We have conducted quick appraisal searches of the Tenements summarising information obtained online from the "TENGRAPH" system maintained by the DMP conducted on 30 September 2016.

(e) We have reviewed all material agreements relating to the Tenements provided to us or registered as dealings against the Tenements as at the date of the DMP searches and have summarised the material terms of dealings and registrations which are current (details of which are set out in Part 4 of the Schedule to this Report).

3. OPINION

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

(a) (**Tenements**): this Report provides an accurate statement as to the Company's interest in the Tenements;

(b) (**Good Standing**): this Report provides an accurate statement as to the validity and good standing of the Granted Tenements. In this regard we refer to paragraph 6 of this Report headed "Report as to Good Standing of the Tenements";

(c) (**Conditions**): the conditions which apply to the Granted Tenements;

(d) (**Third party interests**): this Report provides an accurate statement of third party interests, including encumbrances, in relation to the Tenements;

(e) (**Agreements**): this Report provides an accurate summary of agreements which relate to the Tenements.

4. EXECUTIVE SUMMARY

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Tenements.

4.1 The Corktree Project – the Farmin Tenements

(a) The Farmin Tenements are owned by Giralia Resources Pty Ltd (**Giralia**) and are the subject of the Giralia Farmout Agreement. The Giralia Farmout and Joint Venture Agreement (**Giralia Agreement**) is summarised in Schedule 4 to this Report. Pursuant to the Giralia Agreement, the Company may earn an interest in the Farmin Tenements by meeting the commitments referred to below as follows:

Stage 1 Earn-In

The Company may earn a 51% interest in the Farmin Tenements by undertaking expenditure of $234,500 by 26 February 2015. Giralia has written to the Company confirming that it has accepted the Company's notice that it has completed the Stage 1 Earn In.

Stage 2 Earn-In

After completing the Stage 1 Earn-In the Company may earn a further 29% interest in the Farmin Tenements, which will take its interest to 80% by completing a feasibility study by 26 February 2018. The level of the Feasibility Study required is to the standard required by reputable lenders.

The period in which the Stage 2 Earn-In may be completed may be extended by a further period of 12 months with the consent of Giralia, not to be unreasonably withheld where the Company determines that a feasibility study will be completed during the extended period.

(b) **Other Minerals**

The Giralia Agreement provides that the rights to the following minerals (defined as **Other Minerals**) will remain with Giralia:

(i) all forms of iron ore; and

(ii) stone, clay, sand and other substances for construction purposes.

(c) **Transfer of Title**

The Giralia Agreement provides that on the date on which the "Earn-In Period" ends the Company is entitled to a legal interest in the Farmin Tenements equal to the interest earned. The "Earn-In Period" is defined as the period between the date on which the Giralia Agreement is entered into and the date by which the Stage 2 Earn-In must be completed. We are satisfied that on the basis that the Company has completed the First Stage Earn-In in accordance with the Giralia Agreement that it is entitled to a beneficial interest of 51% in the Farmin Tenements.

(d) **Caveats Lodged by the Company**

The Company has registered caveats over the Farmin Tenements in respect of its 51% beneficial interest and its right to acquire a further 29% by completing the feasibility study.

(e) The 3 Exploration Licences comprised in the Corktree Project are grouped for the purposes of combined reporting.

(f) **Heritage Agreements**

(i) The Farmin Tenements are the subject of a Heritage Agreement with The Yamatji Bana Baba Maaja Aboriginal Corporation as agent for the Yununga Nya People, which is summarised in Schedule 4 to this Report.

(ii) E52/3042 is the subject of a Heritage Agreement with the Yamatji Marlpa Aboriginal Corporation as agent for the Yununga-Nya Claimant Group which is summarised in Schedule 4 to this Report.

4.2 **The Snake Well Project**

(a) The Snake Well Project comprises the 5 Mining Leases (which are all Company Tenements), the Pembery Tenement and the Company Application.

(b) The Mining Leases were purchased by the Company from Carlinga Mining Pty Ltd (**Carlinga**) and Giralia by the Snake Well Sale Agreement dated 5 April 2013, as part of a larger suite of tenements and applications. A number of the tenements comprised in the Snake Well Agreement have either been surrendered or converted into Mining Leases and the Mining Leases referred to in this Report are now the only tenements covered by the Snake Well Agreement.

(c) The Snake Well Agreement has been subject to a number of variations. Settlement has occurred under the Snake Well Agreement.

(d) The Company has advised that the purchase price under the Snake Well Agreement has been partly paid and that a balance of $625,000 remains to be paid. The balance of the purchase price is to be paid by a royalty to Carlinga and Giralia of $16.00 per ounce in respect of gold produced and sold from the Mining Leases.

(e) The 5 Mining Leases are grouped for the purpose of combined reporting.

(f) The Pembery Tenement and the Company Application also form part of the Snake Well Project.

(g) By the Pembery Agreement dated 25 June 2015, the Company agreed to acquire what was then the application for the Pembery Tenement from Pembery Prospecting Pty Ltd (**Pembery)** and that the exploration licence if and when granted pursuant to the Pembery Application will be transferred to the Company.

(h) As explained in section 5 of this Report, it is not possible to transfer an application for a tenement and that under the provisions of the Mining Act, the consent of the Minister is necessary to transfer a legal or beneficial interest in an exploration tenement within 12 months of it being granted.

(i) By a deed of variation dated 12 August 2016 the Pembery Agreement was amended to provide as follows:

(A) the transfer of any exploration licence granted pursuant to the application for the Pembery Tenement within the first 12 months since the grant is subject to the Minister's Consent; and

(B) Pembery is required to execute a power of attorney in favour of the Company to enable the Company to deal with the Pembery Application (the Power of Attorney has been signed).

(i) The Pembery Agreement and the deed of variation are summarised in Schedule 4 of this Report.

(j) The Pembery Tenement was granted on 15 September 2016. As explained in this Report, it is not possible to transfer the Pembery Tenement within the first 12 months of it being granted without the Minister's approval.

(k) There are three native title agreements which apply to four of the mining leases. The mining leases which are subject to the native title agreements are: M59/474; M59/476; M59/477 and M59/565. The native title agreements were entered into by Carlinga with the following groups:

- the Mullewa Wadjari People;
- the Widi Mob;
- the Wadjari Yamatji Claim Group.

The native title agreements have been assigned to the Company and the Company is bound by them through assumption deeds which it has entered into. The Pembery Tenement is also subject to the native title agreements. This is because as we understand the Pembery Tenement covers part of the area covered by an earlier mining lease which was surrendered. The heritage protection and native title agreements are summarised in Schedule 4 of this Report.

A Heritage Agreement has been entered by Pembery with the Wajirri Yamatji People relating to the Pembery Application, which is summarised in Schedule 4 of this Report.

5. DESCRIPTION OF TENEMENTS

5.1 The Tenements

The Tenements are comprised in two Projects, the "**Corktree Project**' and the "**Snake Well Project**", as follows:

Corktree Project

The following exploration licences:

(i) E52/2056; and
E52/2057

which are owned by Giralia Resources Pty Ltd and are the Farmin Tenements. These tenements are the subject of the Giralia Farmout Agreement. As noted, the Company has earned a beneficial interest of 51% in the Farmin Tenements and may earn a further 29% by completing a feasibility study as referred to in this Report.

(ii) E52/3042 which is a Company Tenement.

Snake Well Project

(i) The following mining leases which are Company Tenements:

M59/41
M59/474
M59/476
M59/477
M59/565.

(ii) Exploration Licence number E59/2137 which is "**the Pembery Tenement**"**.**

(iii) The application for an exploration licence under number ELA59/2200 which is "**the Company Application**".

Nature and the Key Terms Applicable to the Tenements

The following provides a description of the nature and key terms which apply to Exploration Licences; Applications for Exploration Licences and Mining Leases.

5.2 Exploration Licences

Rights: The holder of an exploration licence is entitled to enter the land and undertake operations for the purposes of exploration for minerals in accordance with any conditions imposed on the grant of the licence.

Term: An exploration licence has a term of 5 years from the date of grant. The Minister may extend the term by a further period of 5 years followed by a further period or periods of 2 years.

Rent: The holder of an exploration licence is required to pay an annual rent to the DMP. A tenement is liable to forfeiture where rent is not paid when due.

Conditions: Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. Conditions may be imposed pursuant to the Mining Act and the Native Title Act 1993 (Cth) (**NTA**). A failure to comply with these conditions may lead to forfeiture of the exploration licence.

Relinquishment: The holder of an exploration licence applied for and granted after 10 February 2006 must relinquish not less than 40% of the blocks comprising the licence at the end of the fifth year. A failure to lodge the required partial surrender could render the tenement liable for forfeiture.

Priority to apply for Mining Lease: The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

Transfer: No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Such a transaction entered into without consent will be void. Thereafter, there is no restriction on transfer or other dealing.

Under Expenditure and Forfeiture: The holder of an exploration licence must comply with the prescribed minimum expenditure conditions unless the holder has been granted an exemption (in whole or part) from those conditions by the Minister. To obtain an exemption, the holder of an exploration licence must apply to the Minister for the exemption before the end of the tenement year to which the minimum expenditure relates, or within 60 days after the end of that tenement year (unless an extension has been granted).

There are prescribed grounds upon which the Minister may grant an exemption, set out in the Mining Act. If the exemption is granted, the Minister will issue a Certificate of Exemption and the holder will be deemed to be relieved to the extent, and subject to the conditions, specified in the certificate.

If the exemption is refused, the DMP will commence forfeiture proceedings and the Minister may declare the tenement to be forfeited or may impose a fine in lieu of forfeiture or decide to take no further action. Where the Minister has imposed a fine, if the fine is not paid by the date specified by the Minister, or within 30 days of written notice of the fine being imposed, the licence is forfeited.

Retention Status: The holder of an exploration licence granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource within the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease. The holder of an exploration licence applied for, or granted before, 10 February 2006, can apply for a retention licence.

5.3 Applications for Exploration Licence

An application for an exploration licence cannot be transferred. Where parties wish to undertake a transaction in relation to an application for an exploration licence, in practice it is common for the agreement relating to the transaction to provide as follows:

(a) that the transferor will execute a power of attorney in favour of the transferee to enable the transferee to deal with the application;

(b) that the transferor will do all acts and things in relation to the application as directed by the transferee;

(c) that following the grant of the tenement, the tenement will be transferred to the transferee upon the earlier of obtaining the Minister's consent to the transfer of the exploration licence within 12 months of it being granted, or following the first anniversary of the grant of the tenement. As noted above, no legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister unless an agreement relating to the transfer during this period is expressed to be subject to Ministerial Consent.

5.4 Mining Leases

Application: Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister decides whether to grant an application for a mining lease.

The application where made after 10 February 2006, must be accompanied by either a mining proposal or a "mineralization report" indicating there is significant mineralization in the area over which a mining lease is sought. A mining lease accompanied by a "mineralization report" will only be approved where the director, Geological survey considers that there is a reasonable prospect that the mineralization identified will result in a mining operation.

Rights: The holder of a mining lease is entitled to enter the land and undertake operations for the purposes of mining and extracting minerals. The holder has exclusive rights to the land for mining purposes.

Term: A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Conditions: Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. Mining leases granted or applied for before 10 February 2006 are subject to a condition that a mining proposal is lodged and approved before mining operations commence. An unconditional performance bond may be required to secure performance of these obligations. A failure to comply with these conditions may lead to forfeiture of the mining lease. These standard conditions are not detailed in the Schedule.

Transfer: The consent of the Minister is required to transfer a mining lease.

6. REPORT AS TO GOOD STANDING OF THE TENEMENTS

As a result of our searches but subject to the assumptions and qualifications set out in this Report (and subject as stated in this section in respect of Mining Lease 59/41), we are of the view that at the date of the relevant searches, all of the Granted Tenements have been granted and are in good standing as far as payment of rent or incurring of expenditure.

We have been advised by the Company that Mining Lease M59/41, which is comprised in the Snake Well Project, is unlikely to meet its expenditure commitments for the most recent reporting year which ended on 14 September 2016.

Mining Lease M59/41 is aggregated with Mining Leases M59/474; M59/476; M59/477 and M59/565 for reporting purposes (although a separate report in respect of operations and expenditure must be lodged in respect of each tenement).

The Company has advised that it has been unable to complete its expenditure on M59/41 because the proximity of a fibre optic cable has restricted or prevented exploration or development.

The Company has advised that it intends to make an application for exemption in respect of expenditure requirements in respect of Mining Lease M59/41. The application for expenditure must be lodged within 60 days of the anniversary of the grant of the tenement (14 September 2016) and it is open to objection within 35 days of lodgement of the application for exemption. At the date of this Report the application for exemption has not yet been lodged.

The circumstances in which an application for exemption may be granted under section 102 of the Mining Act 1971 (WA) include:

(a) where the mining tenement is one of 2 or more mining tenements which are the subject of combined reporting (**combined reporting tenements**); and

(b) the aggregate exploration expenditure for the combined reporting tenements would have been such as to satisfy the expenditure requirements for the mining tenement concerned had that aggregate exploration expenditure been apportioned between the combined reporting tenements.

The Company was granted exemptions from expenditure requirements in respect of Mining Lease M59/41 in respect of years ending 14 September 2013; 14 September 2014 and 14 September 2015.

7. ABORIGINAL HERITAGE

7.1 There may be areas or objects of Aboriginal heritage located on the Tenements.

7.2 We have obtained searches from the online Aboriginal Heritage Enquiry System maintained by the DIA for the Aboriginal sites registered on the Western Australian Register of Aboriginal sites over the Tenements. Certain Aboriginal sites were identified. Details of the Aboriginal sites are set out in Part 3 of the Schedule to this Report. However, there is no obligation under the relevant legislation to register sites or objects and the exact location of Aboriginal sites within the area of a known site cannot be ascertained from these searches.

7.3 We have not obtained information from the Commonwealth in connection with any places, areas and objects, which are the registered or recognised in the National Heritage List, the Commonwealth Heritage List or other heritage lists or registers maintained by the Commonwealth.

7.4 We have not undertaken searches to ascertain if any Aboriginal sites or objects have been registered in the vicinity of the Tenements, as there is no obligation under the relevant legislation to register sites or objects. Furthermore, the exact location of Aboriginal sites cannot be ascertained from these searches.

7.5 The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage as set out below. The Aboriginal heritage and access agreements that apply to the Tenements (as summarised in Section 4(f) Part 4 of the Schedule to this Report) require that the Company ensures that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal sites or objects exist within the area of the Tenements. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation. It may also be necessary for the Company to enter into separate arrangements with the traditional owners of the sites.

Commonwealth Legislation

7.6 The Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

7.7 Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

7.8 It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

Western Australian Legislation

7.9 Tenements are granted subject to a condition requiring observance of the Aboriginal Heritage Act 1972 (WA) **(WA Heritage Act**).

7.10 The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons (whether or not they are recorded on the register or otherwise known to the Register of Aboriginal Sites, the DIA or the Aboriginal Cultural Material Committee).

7.11 The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

7.12 Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered. The WA Heritage Act protects all registered and unregistered sites.

8. NATIVE TITLE

Introduction

8.1 This section of the Report examines the effect of native title on the Tenements.

8.2 The existence of native title rights held by indigenous Australians was first recognised In Australia in 1992 by the High Court in the case *Mabo v. Queensland (no.2) (1992) 175 CLR 1* (**Mabo. No.2**).

8.3 The High Court in Mabo No. 2 held that certain land tenure existing as at the date of that case, including mining tenements, where granted or renewed without due regard to native title rights, were invalid. As a result of Mabo No. *2,* the Native title Act 1993 (Cth) (**NTA**) was passed to:

(a) provide a process for indigenous people to lodge claims for native title rights over land, for those claims to be registered by the National Native Title Tribunal (**NNTT**) and for the Courts to assess native title claims and determine if native title rights exist. Where a Court completes the assessment of a native title claim, it will issue a native title determination that specifies whether or not native title rights exist;

(b) provide (together with associated State legislation) that any land tenures granted or renewed before 1 January 1994 were valid despite Mabo No. 2 (**Past Acts**). This retrospective validation of land tenure was subsequently extended by the NTA to include freehold and certain leasehold (including pastoral leases) granted or renewed before 23 December 1996 (**Intermediate Period Acts**). Broadly speaking, this means that native title is not extinguished, merely suspended, for the duration of the mining tenement; and

(c) provide that an act that may affect native title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA. These requirements are called the **Future Act Provisions.**

The NTA was amended in 1998 by the Native Title Amendment Act 1998 (Cth). The Western Australian parliament enacted the Titles (Validation) and Native Title (Effect of Past Acts) Act 1995 which adopted the NTA in Western Australia.

Native Title Claims

8.4 A person claiming to hold native title may lodge an application for determination of native title with the Federal Court. The Federal Court will refer a native title claim to the NNTT for the purposes of determining the claim. If the Native Title Registrar is satisfied that the claim satisfies the registration test set out in the Native Title Act (**Registration Test**) it will be entered on the Register of Native Title Claims maintained by the NNTT. Registered native title claimants are afforded certain procedural rights, including rights to negotiation, consultation and compensation. Claims which fail the Registration Test are, nevertheless heard by the Federal Court.

Impact of Native Title on Tenements

8.5 To establish whether native title may impact on the Tenements, it is first necessary to determine whether there is current or former land tenure (e.g. freehold) or use made of the land which has already extinguished native title. Native title is extinguished in respect of land the subject of freehold, public works and other previous "exclusive possession" acts.

We have not undertaken searches in respect of the underlying land tenure of the Tenements in order to determine the extent of the extinguishment of native title for the purposes of this Report. It follows that we are unable to determine whether or not native title has been extinguished in relation to any part of the land underlying the Tenements.

Further, we have not undertaken the considerable historical, anthropological or ethnographic work that would be required to determine whether any native title finding over the land the subject of the Tenements could be challenged or if any further native title claims in respect of such land could be made in the future.

Unless it is clear that native title does not exist, the usual practice of the State Government is to comply with the Future Act Provisions when granting a tenement. This provides the State and the applicant with a degree of certainty that the grant will be valid. In the event that it is determined that native title rights do exist over the land the subject of the tenement and the Future Acts Provisions apply.

Where a tenement has been retrospectively validated or validity granted under the Native Title Act, the rights conferred by the tenement prevail over any inconsistent native title rights.

Future Act Provisions

8.6 The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are four alternatives: the Right to Negotiate, an ILUA, the Infrastructure Process and the Expedited Procedure. These are summarised below.

(a) **Right to Negotiate**

The Right to Negotiate involves a formal negotiation between the State, the applicant for the Tenement and any registered native title claimants and holders of native title rights. The aim is to agree the terms on which the Tenement can be granted. The applicant for the Tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the Tenement (e.g. in relation to heritage surveys).

If agreement is not reached to enable the Tenement to be granted, the matter may be referred to arbitration before the NNTT, which has six (6) months to decide whether the State, the applicant for the tenement and any registered native title claimants and holders of native title rights have negotiated in good faith (only if the issue is raised by one of the parties) and then whether the tenement can be granted and if so, on what conditions. The earliest an application can be made to the NNTT is six months after the date of notification of commencement of negotiations by the DMP.

(b) **INDIGENOUS LAND USE AGREEMENTS (ILUA)**

An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the Tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the Tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

(c) **Infrastructure Process**

The NTA establishes a simplified process for the carrying out of a Future Act that is the creation of a right to mine for the sole purpose of the construction of an infrastructure facility (**Infrastructure Process**). The NTA defines infrastructure facility to include a range of transportation, marine, aeronautical, electrical, oil, gas, mineral, and communication facilities. In Western Australia, DMP applies the Infrastructure Process to two classes of mining tenements:

(i) miscellaneous licences for most purposes under the Mining Regulations 1981 (WA) that but not for a mine site administration facility or a mine site accommodation facility (both of which are dealt with under the right to negotiate) or for a search for groundwater (which is dealt with under the Expedited Procedure); and

(ii) most general purpose leases.

The State commences the Infrastructure Process by giving notice of the proposed grant of the tenement to any registered native title claimants or native title holders in relation to the land to be subject to the tenement. Those registered native title claimants or holders have two months after the notification date to object to the effect of the grant of the tenement on any registered or determined native title rights. Any objection is lodged with the DMP.

If a registered native title claimant or holder objects, the applicant for the tenement must consult with that claimant or holder about:

(i) ways of minimising the effect of the grant of the tenement on any registered or determined native title rights;

(ii) if relevant, any access to the land; and

(iii) the way in which anything authorised by the tenement may be done.

If the registered native title claimant or holder does not subsequently withdraw their objection, the State is required to ensure that the objection is heard by an independent person (in Western Australia the Chief Magistrate). The independent person must determine whether or not the registered native title claimant or holder's objection should be upheld or other conditions should be imposed on the tenement.

(d) **Expedited Procedure**

The NTA establishes a simplified process for the carrying out of a Future Act that is unlikely to adversely affect native title rights (**Expedited Procedure**)**.** The grant of a tenement can occur under the Expedited Procedure if:

(i) the grant will not interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;

(ii) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and

(iii) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

If the State considers the above criteria are satisfied, it commences the Expedited Procedure by giving notice of the proposed grant of the Tenement in accordance with the NTA. Persons have until three (3) months after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the Tenement.

If there is no objection lodged by a registered native title claimant or a native title holder within four (4) months of the notification date, the State may grant the Tenement.

If one or more registered native title claimants or native title holders object within that four (4) month notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure, If the NNTT determines that the Expedited Procedure applies, the State may grant the Tenement. Otherwise, the Future Act Provisions (e.g. Right to Negotiate or ILUA) must be followed before the Tenement can be granted.

The State of Western Australia currently follows a policy of granting prospecting and exploration licenses under the Expedited Procedure where the applicant has entered into a standard aboriginal heritage agreement with the relevant registered native title claimants and native title holders. The standard heritage agreement (and ancillary agreements) usually provide for payment of compensation by the applicant for the tenement and conditions that apply to activates carried out within the tenement.

Exception to requirement to comply with Future Act Provisions

8.7 The grant of a Tenement does not need to comply with the Future Act Provisions if in fact native title has never existed over the land covered by the Tenement, or has been validly extinguished prior to the grant of the Tenement. We have not undertaken the extensive research needed to determine if in fact native title does not exist, or has been validly extinguished in relation to the Tenements.

Where a Tenement has been retrospectively validated or validly granted under the NTA, the rights under the Tenement prevail over any inconsistent native title rights.

Application to the Tenements

8.8 Part 2 of the Schedule to this Report identifies:

(a) any native title claims, native title determinations and ILUAs that are registered against the Tenements;

(b) any Tenements which have been retrospectively validated under the NTA as being granted before 23 December 1996;

(c) any Tenements which have been granted after 23 December 1996 and as such will need to have been granted following compliance with the Future Act Provisions to be valid under the NTA. This Report assumes that the Future Act Provisions have been complied with in relation to these Tenements; and

(d) any Tenements which are yet to be granted and as such may need to be granted in compliance with the Future Act Provisions in order to be valid under the NTA.

Registered Native Title Claims and Determinations and ILUAs

8.9 The status of any native title claims, native title determinations and ILUAs is summarised in Part 2 of the Schedule to this Report.

8.10 Native title claimants, holders of native title under the determinations and native title parties under ILUAs are entitled to certain rights under the Future Act Provisions.

Validity of Tenements under the NTA

8.11 Our searches indicate that the following Tenements were granted after 23 December 1996:

Project	Tenement	Date of Grant
Corktree	E52/2056	19/9/2008
Corktree	E52/2057	19/9/2008
Corktree	E52/3042	10/4/2015
Snake Well	M59/474	19/1/2015
Snake Well	M59/476	19/1/2015
Snake Well	M59/477	19/1/2015
Snake Well	M59/565	19/1/2015
Snake Well	E59/2137	15/9/2016

We have assumed that these Tenements were granted in accordance with the Future Act Provisions and as such are valid under the NTA.

8.12 Our searches indicate that Mining Lease M59/41 was granted on 15 September 1986 and was renewed on 26 July 2007. Under the NTA, mining tenements granted before 1 January 1994 are valid, subject to "the non-extinguishment principle". This means that native title is not extinguished but merely suspended for the duration of the tenement.

8.13 **Tenements renewed after 23 December 1996**

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act Provisions in order to be valid under the NTA.

An exception is where the renewal is the first renewal of a mining tenement that was validly granted before 23 December 1996 and the following criteria are satisfied:

(a) the area to which the mining tenement applies is not extended;

(b) the term of the renewed mining tenement is not longer than the term of the old mining tenement; and

(c) the rights to be created are not greater than the rights conferred by the old mining tenement.

In normal cases, the mining tenement can be renewed without complying with the Future Act Provisions. It is currently uncertain whether this exemption applies to a second or subsequent renewal of such a mining tenement.

It is assumed that M59/41 was renewed in accordance with the Future Act Provisions although we have not undertaken an independent verification of this.

9. MATERIAL AGREEMENTS

We have reviewed all material agreements relating to the Tenements provided to us. We have summarised the material terms of these agreements in Part 4 of the Schedule. There are no agreements registered as dealings against the Tenements as at the date of our DMP searches which appear to be current.

10. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

(a) we have assumed the accuracy and completeness of all Tenement searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;

(b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;

(c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our searches and the information provided to us;

(d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;

(e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;

(f) with respect to the renewal of M59/41 we have assumed that Future Act provisions were complied with on the renewal;

(g) we have not independently verified whether the Company has completed its expenditure obligations in respect of the Stage 1 Earn-In in respect of the Farmin Tenements;

(h) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;

(i) unless apparent from our searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;

(j) with respect to the application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;

(k) references in the Schedule to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;

(l) the information in the Schedule is accurate as at the date the relevant searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the searches and the date of the Prospectus;

(m) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;

(n) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of the Environment and Conservation;

(o) native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or nonexistence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and

(p) Aboriginal heritage sites or objects (as defined in the WA Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the WA Heritage Act or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

11. CONSENT

This report is given on the date set out at the commencement and unless specified to the contrary, speaks only to the laws in force on that date, This report is provided solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

12. DISCLOSURE OF INTEREST

Williams + Hughes will be paid normal and usual professional fees for the preparation of this report and related matters, as set out elsewhere in the Prospectus.

Yours faithfully

Williams & Hughes.

WILLIAMS + HUGHES

SCHEDULE

PART 1 – TENEMENT SCHEDULE

Tenement No	Registered Holder/Applicant	Shares Held/Interest Held	Grant Date	Expiry Date	Area Size	Annual Rent ($)	Minimum Annual Expenditure (5)	Current Registered Dealings/Encumbrances	Applicable Endorsements(E) /Conditions (C) (see Notes below)	Native Title Claims, ILUAs and Heritage Sites
E52/2056	Giralia Resources Pty Ltd[1]	100	19/9/2008	18/9/2018	20 BL	$10,352.00	$70,000.00	Caveat registered by the Company	E 1-2 C1-15	**Native Title Claim:** WC1999/046 Yugunga-Nya People **ILUA:** WI2012/001 Yugunga-Nya People & Sandfire
E52/2057	Giralia Resources Pty Ltd[1]	100	19/9/2008	18/9/2018	20 BL	$10,352.00	$70,000.00	Caveat registered by the Company	E 1-2 C 1-7	**Native Title Claim:** WC1999/046 Yugunga-Nya People **ILUA:** WI2012/001 Yugunga-Nya People & Sandfire
E52/3042	The Company	100	10/4/2015	9/4/2020	10 BL	$1,295.00	$20,000.00	No Material Dealings/ Encumbrances	E 1-2; 4-8; 10 C 1-6	**Native Title Claim:** WC1999/046 Yugunga-Nya People **ILUA**: WI2012/001 Yugunga-Nya People & Sandfire
M59/41	The Company	010	15/9/1986	14/9/2028	557.95 HA	$9,513.90	$55,800.00	No Material Dealings/ Encumbrances	No endorsements C 16-20	**Native Title Claim:** WC1996/093 Mullewa Wadjari Community **Native Title Claim:** WC1997/072 Widi Mob **Native Title Claim:** WC2004/010 Wajarri Yamatji **Heritage Site:** 24761 Greenough River
M59/474	The Company	100	19/1/2015	18/1/2036	1,000.00 HA	$17,050.00	$100,000.00	No Material Dealings/ Encumbrances	E 1-10 C 1-6; 21-22	**Native Title Claim:** WC1996/093 Mullewa Wadjari Community **Native Title Claim:** WC1997/072 Widi Mob **Native Title Claim:** WC2004/010 Wajarri Yamatji **Heritage Site:** 24761 Greenough River

M59/476	The Company	100	19/1/2015	18/1/2036	1,000.00 HA	$17,050.00	$100,000.00	No Material Dealings/ Encumbrances	E 1-10 C 1-6; 21	**Native Title Claim:** WC1996/093 Mullewa Wadjari Community **Native Title Claim:** WC1997/072 Widi Mob **Native Title Claim:** WC2004/010 Wajarri Yamatji **Heritage Site:** 24761 Greenough River
M59/477	The Company	100	19/1/2015	18/1/2036	1,000.00 HA	$17,050.00	$100,000.00	No Material Dealings/ Encumbrances	E 1-10 C 1-6; 21	**Native Title Claim:** WC1996/093 Mullewa Wadjari Community **Native Title Claim:** WC1997/072 Widi Mob **Native Title Claim:** WC2004/010 Wajarri Yamatji **Heritage Site:** 24761 Greenough River
M59/565	The Company	100	19/1/2015	18/1/2036	609.90 HA	$10,400.50	$61,000.00	No Material Dealings/ Encumbrances	E 1-15 C 1-6; 21-34	**Native Title Claim:** WC1996/093 Mullewa Wadjari Community **Native Title Claim:** WC1997/072 Widi Mob **Native Title Claim:** WC2004/010 Wajarri Yamatji
E59/2137	Pembery Prospecting Ltd	100	15/9/2016	14/9/2021	46 BL	$5,957	$46,000	No material Dealings/Encumbrances	E 1-2; 4-7; 9-12; 14; 16-17 C 3-6; 22; 35-36	**Native Title Claim:** WC1996/093 Mullewa Wadjari Community **Native Title Claim:** WC1997/072 Widi Mob **Native Title Claim:** WC2004/010 Wajarri Yamatji **Heritage Site:** 24761 Greenough River
Application ELA59/2200	The Company	100	N/A	N/A	38 BL	N/A	N/A	Not applicable	No endorsements No conditions	**Native Title Claim:** WC1996/093 Mullewa Wadjari Community **Native Title Claim:** WC1997/072 Widi Mob **Native Title Claim:** WC2004/010 Wajarri Yamatji

[1] Notes: The Company has a 51% beneficial Interest.

NOTES

The notes below refer to particular conditions and endorsements of the Tenements. It is not an exhaustive list. For all conditions and endorsements attached to the Tenements, a search of the DMP register should be conducted. Each granted tenement is subject to standard conditions that must be complied with including rent payments, annual expenditure requirements and the requirement to lodge annual technical reports. Standard conditions also stipulate that a tenement holder obtain the consent of an officer of the DMP prior to conducting any ground disturbing work, basic environmental and rehabilitation conditions {such as the removal of all waste, capping of drill holes etc) and prohibitions or restrictions on disturbing infrastructure such as roads, power lines and airstrips. In addition to these the following applies:

TENEMENT CONDITIONS AND ENDORSEMENTS

Tenement Endorsements

1. The licensee's/lessee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.
2. The licensee's/lessee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
3. Persons claiming native title to the land the subject of this mining tenement entered into a deed under the Native Title Act 1993 with the State of Western Australia, the Minister responsible for the Mining Act 1978 and the tenement holder agreeing to the grant of the tenement. Copies of the deed were given to the National Native Title Tribunal pursuant to Section 34 of the Native Title Act and filed at the Department of Mines and Petroleum.

   In respect to Water Resource Management Areas (WRMA) the following endorsements apply:

4. The Licensee/lessee attention is drawn to the provisions of the:
   a. Waterways Conservation Act, 1976
   b. Rights in Water and Irrigation Act, 1914
   c. Metropolitan Water Supply, Sewerage and Drainage Act, 1909
   d. Country Areas Water Supply Act, 1947
   e. Water Agencies (Powers) Act 1984
   f. Water Resources Legislation Amendment Act 2007
5. The rights of ingress to and egress from the mining tenement being at all reasonable times preserved to officers of Department of Water (DoW) for inspection and investigation purposes.
6. The storage and disposal of petroleum hydrocarbons, chemicals and potentially hazardous substances being in accordance with the current published version of the DoWs relevant Water Quality Protection Notes and Guidelines for mining and mineral processing.

In respect to Artesian (confined) Aquifers and Wells the following endorsement applies:

7. The abstraction of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless a current licence for these activities has been issued by the DoW.

In respect to Waterways the following endorsement applies:

8. Advice shall be sought from the DoW if proposing any exploration within a defined waterway and within a lateral distance of:
    a. 50 metres from the outer-most water dependent vegetation of any perennial waterway, and
    b. 30 metres from the outer-most water dependent vegetation of any seasonal waterway.
9. Measures such as effective drainage controls, sediment traps and stormwater retention facilities being implemented to minimise erosion and sedimentation of receiving catchments and adjacent areas.

In respect to Proclaimed Ground Water Areas the following endorsement applies:

10. The abstraction of groundwater is prohibited unless a current licence to construct/alter a well and a licence to take groundwater has been issued by the DoW.

In respect to Proclaimed Surface Water and Irrigation District Areas the following endorsements apply:

11. The abstraction of surface water from any watercourse is prohibited unless a current licence to take surface water has been issued by the DoW.
12. All activities to be undertaken with minimal disturbance to riparian vegetation.
13. No mining/activities in respect to mining operations being carried out that may disrupt the natural flow of any waterway unless in accordance with a current licence to take surface water or permit to obstruct or interfere with beds of banks issued by the DoW.
14. Advice shall be sought from the DoW and the relevant service provider if proposing mining/activities in respect to mining operations being carried out in an existing or designated future irrigation area, or within 50 metres of an irrigation channel, drain or waterway.
15. Measures such as effective drainage controls, sediment traps and stormwater retention facilities being implemented to minimise erosion and sedimentation of receiving catchments and adjacent areas.
16. No exploration activity is to be carried out if:
    - it may obstruct or interfere with the waters, bed or banks of a watercourse or wetland
    - it relates to the taking or diversion of water, including diversion of the watercourse or wetland

    unless in accordance with a permit issued by the DoW.
17. The Licensee pursuant to the approval of the Minister responsible for the Mining Act 1978 under Section 111 of the Mining Act 1978 is authorized to explore for Iron.

1. **Tenement Conditions**: All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.
2. All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Industry and Resources (DoIR). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DoIR.
3. All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
4. Unless the written approval of the Environmental Officer, DoIR is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
5. The Licensee/Lessee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanized equipment.
6. The Licensee/Lessee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:-

    a. the grant of the Licence; or

    b. registration of a transfer introducing a new Licensee;

    advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
7. No excavation, excepting shafts, approaching closer to the Great Northern Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the Great Northern Highway or Highway verge being confined to below a depth of 30 metres from the natural surface, and on any other road or road verge, to below a depth of 15 metres from the natural surface.
8. No mining within 25 metres of either side of the Gas pipeline.
9. No surface excavation approaching closer to the boundary of the Safety Zone established by condition 8 hereof than a distance equal to three times the depth of the excavation without the prior written approval of the State Mining Engineer, DoCEP.
10. No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition 8 hereof without the prior approval of the operators of the Gas pipeline.
11. The Licensee shall not excavate, drill, install, erect, deposit or permit to be excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition 8 hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of the State Mining Engineer, DoCEP.
12. No explosives being used or stored within one hundred and fifty (150) metres of the Gas pipeline without the prior written consent of the State Mining Engineer, DoCEP.

13. Mining on the Safety Zone established in Condition 8 hereof being confined to below a depth of 50 metres from the natural surface unless otherwise approved by the State Mining engineer, DoCEP.

14. The rights of ingress to and egress from the pipeline easement established in Condition 8 hereof being at all times preserved for employees, contractors and agents of the operators of the Gas pipeline.

15. Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 for the purpose of protecting the Gas pipeline.

16. Survey.

17. Compliance with the provisions of the Aboriginal Heritage Act, 1972 to ensure that no action is taken which is likely to interfere with or damage any Aboriginal Site.

18. No developmental or productive mining or construction activity being commenced until the tenement holder has submitted a plan of the proposed operations and measures to safeguard the environment to the Director, Environment, DoIR for assessment; and until his written approval has been obtained.

19. All topsoil being removed ahead of mining operations and stockpiled for replacement in accordance with the directions of the District Mining Engineer.

20. Mining on any road or road reserve being confined to below a depth of 15 metres from the natural surface.

21. The lessee submitting a plan of proposed operations and measures to safeguard the environment to the Executive Director, Environment Division, DMP for his assessment and written approval prior to commencing any developmental or productive mining or construction activity.

22. No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.

23. The construction and operation of the project and measures to protect the environment to be carried out in accordance with the document titled:

    a. (MP Reg ID 55127) "Mining Proposal Mixy Project" dated 6 August 2015 signed by Belinda Fourie and retained on Department of Mines and Petroleum File No. EARSMPMCP-55127;

    b. (MCP Reg ID 55127) "Mine Closure Plan Mixy Project" dated 6 August 2015 signed by Belinda Fourtie and retained on Department of Mines and Petroleum File No. EARS-MPMCP-55127

    Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.

24. Any alteration or expansion of operations within the lease boundaries beyond that outlined in the above document(s) not commencing until a plan of operations and a programme to safeguard the environment are submitted to the Executive Director, Environment Division, DMP for his assessment and until his written approval to proceed has been obtained.

25. The development and operation of the project being carried out in such a manner so as to create the minimum practicable disturbance to the existing vegetation and natural landform.

26. All topsoil and vegetation being removed ahead of all mining operations and being stockpiled appropriately for later respreading or immediately respread as rehabilitation progresses.

27. At the completion of operations, all buildings and structures being removed from site or demolished and buried to the satisfaction of the Executive Director, Environment Division, DMP.
28. All rubbish and scrap is to be progressively disposed of in a suitable manner.
29. The lessee taking all reasonable measures to prevent or minimise the generation of dust from all materials handling operations, stockpiles, open areas and transport activities.
30. Where saline water is used for dust suppression, all reasonable measures being taken to avoid any detrimental effects to surrounding vegetation and topsoil stockpiles.
31. Placement of waste material must be such that the final footprint after rehabilitation will not be impacted upon by pit wall subsidence or be within the zone of pit instability.
32. On the completion of operations or progressively when possible, all waste dumps, tailings storage facilities, stockpiles or other mining related landforms must be rehabilitated to form safe, stable, non-polluting structures which are integrated with the surrounding landscape and support self-sustaining, functional ecosystems comprising suitable, local provenance species or alternative agreed outcome to the satisfaction of the Executive Director, Environment Division, DMP.
33. The Lessee submitting to the Executive Director, Environment Division, DMP, a brief annual report outlining the project operations, minesite environmental management and rehabilitation work undertaken in the previous 12 months and the proposed operations, environmental management plans and rehabilitation programmes for the next 12 months. This report is to be submitted each year in July.
34. A Mine Closure Plan is to be submitted in the Annual Environmental Reporting month specified in tenement conditions in the year specified below, unless otherwise directed by an Environmental Officer, DMP. The Mine Closure Plan is to be prepared in accordance with the "Guidelines for Preparing Mine Closure Plans" available on DMP's website: 2016.
35. Mining on a strip of land 30 metres wide with the Rabbit Proof Fence as the centre-line being restricted to below a depth of 15 metres from the natural surface.
36. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Hall Site Reserve 10933 (Yuin Miners Union), Watering Place Reserve 414 and Rabbit Proof Fence No 3 Reserve 48494.

PART 2 – SEARCHES IN THE NATIONAL NATIVE TITLE TRIBUNAL

Native Title Claims

Application Name	NNTT Number	Federal Court File Number	Tenements Affected	Date Filed	Date Claim entered on Register	Status
Yugunga-Nya People	WC1999/046	WAD6132/1998	E52/2056 E52/2057 E52/3042	09/12/1999	12/06/2000	Active
Mullewa Wadjari Community	WC1996/093	WAD6119/1998	M59/41 M59/474 M59/476 M59/477 M59/565 ELA59/2200	19/08/1996	19/08/1996	Active
Widi Mob	WC1997/072	WAD6193/1998	M59/41 M59/474 M59/476 M59/477 M59/565 ELA59/2200	26/08/1997	12/12/2011	Active
Wajarri Yamatji	WC2004/010	WAD6033/1998	M59/41 M59/474 M59/476 M59/477 M59/565 ELA59/2200	21/12/2004	05/12/2005	Active

ILUAs

ILUA Name	NNTT Number	ILUA Type	Tenements Affected	Registered	Parties to ILUA	Period within which ILUA will operate
Yugunga-Nya People & Sandfire ILUA (Non-overlapping area)	WI2012/001	Area Agreement	E52/2056 E52/2057 E52/3042	21/09/2012	1. Rex Shay, William Shay, Name Witheld for Cultural Reasons and Evelyn Gilla for and on behalf of the Yugunga-Nya People Native Title Claim WAD6132/98 2. Sandfire Resources N/L	Not specified

PART 3 – HERITAGE SEARCHES

Heritage Sites

Site ID	Site Name	Boundary Restricted	Site Type	Status	Coordinates	Tenements Affected
24761	Greenough River	No	Mythological, Natural Feature	Registered Site	389523mE 6893919mN Zone 50 [Reliable]	M59/41 M59/474 M59/476 M59/477 E59/2137

PART 4 – SUMMARY OF MATERIAL AGREEMENTS

SECTION 1 – CORKTREE PROJECT

1. Giralia Farmout and Joint Venture Agreement

Date:	26 February 2013
Parties:	Giralia Resources Pty Ltd (ABN 64 009 218 204) (**Giralia**) The Company
Tenements:	E52/2056 and E52/2057 (**Farmin Tenements**)
Earn In:	The Company may earn an interest in the Farmin Tenements as follows: Stage 1 Earn In: The Company earn a 51% interest in the Farmin Tenements and the Farmin Minerals by undertaking expenditure of $234,000 (excluding GST) by 26 February 2015. As noted in the main part of this Report, Giralia has confirmed that it has accepted the Company's notice that it has completed its Stage 1 Earn In. Stage 2 Earn In: After completing the Stage 1 Earn In the Company may earn a further 29% interest in the Farmin Tenements and the Farmin Minerals which will take its interest to 80% by completing a feasibility study by 26 February 2018. The level of the feasibility study is to the standard required by reputable lenders.
Farmin Minerals:	Are all minerals except the Other Minerals.
Other Minerals:	The rights to the following minerals (**Other Minerals**) will remain with Giralia: (i) all forms of iron ore; and (ii) stone, clay, sand and other substances required for construction purposes.
Transfer of Title:	The Agreement provides that on the date on which the "Earn In Period" ends the Company is entitled to a legal interest in the Farmin Tenements equal to the interest earned. The "Earn In Period" is defined as the period between the date on which the Farmin Agreement is entered into and the date by which the Stage 2 Earn In must be completed. As noted in the main part of the Report we are satisfied that on the basis that the Company has completed the First Stage Earn In in accordance with the Giralia Farmout Agreement that it is entitled to a beneficial interest of 51% in the Farmin Tenements.

Joint Venture:	A joint venture (**JV**) was formed between Giralia and the Company when the Agreement was entered into. The interests of the parties in the JV are by reference to the interests in the Farmin Tenement. The Company is the Manager of the JV. The rights and obligations of the Manager are set out in the section of this summary headed "Rights of Obligations of the Manager".
Decisions during the Earn In Period:	During the Earn In Period the Company is entitled to make all decisions regarding the nature and manner of Expenditure in respect of each Earn In.
Obligations of the Company during the Earn In Period:	During the Earn In Period the Company is responsible for the following: - keeping the Farmin Tenements in good standing; - reporting to the Department of Mines and Petroleum - contributing to the costs associated with performance bonds for any works programmes which Giralia lodged to support exploration for Farmin Minerals including in respect of any levy or bond prescribed under the Mining Rehabilitation Fund Bill 2012 if it becomes law (the Bill has now been enacted as the Mining Rehabilitation Fund Act 2012 (WA)).
Rights and Obligations of the Manager:	The Manager is the agent of the parties to carry out activities of the JV, except in relation to the following matters which require the consent of the JV parties (**Reserved Matters**): - Entry into a Land Access Agreement; - A decision to incur capital expenditure of $500,000; - A decision to acquire or dispose of assets over $500,000; - Commencement of any dispute or proceeding with a third party involving JV Property; - Settlement of any dispute involving JV Property with a third party for a value of over $500,000; - The acquisition of goods and services from a Related Body Corporate of the Manager.

The duties of the Manager include (subject to the Reserved Matters):

- conducting the activities and operations of the JV;
- keeping the Farmin Tenements in good standing;
- obtaining all authorisations; mining tenements, land the rights and other ancillary rights.

The Manager will make Cash Calls based on the participating interests of the JV participants.

The Manager may charge an overhead fee of 5% of the aggregate expenditure incurred in any calendar year.

The JV participants to the JV agree to indemnify the Manager in respect of all liabilities incurred in connection with the Manager performing its duties, except in relation to gross negligence or wilful misconduct.

The Manager will indemnify the JV participants from losses, liabilities, expenses and taxes in respect of the gross negligence or wilful misconduct of the Manager or any of its delegates.

The Manager may be removed if it is guilty of wilful misconduct or gross negligence or with the agreement of the JV participants.

Governance of the JV After the Earn Period Ends:

(1) An Operating Committee will be established. The Operating Committee will give directions to the Manager.

(2) Voting shall be by simple majority vote except for Unanimous Consent Items. Each percentage attached to each participant's interest will carry one vote. For example, a participant which holds an 80% participating interest will have 80 votes. Matters which require Unanimous Consent are:

- Changing the objects of the JV;
- Borrowing on behalf of all participants;
- Acquisition of other tenements;
- Surrender of any Tenement (except as required under the Mining Act);
- Approval of a work program and budget;
- Authorising expenditure in excess of any limits on Expenditure;

- Disposal of the Farmin Tenements or any of them;
- A decision to relinquish or not to apply for renewal of the Farmin Tenements or any of them.

After the Earn In Period, the Manager must provide annual work programs and budgets to the Operating Committee.

The Manager must not incur any expenditure which exceeds 10% of approved costs and expenses without approval.

Assignment:

A participant in the JV may assign its interest to a Related Body Corporate provided that it covenants to be bound by the provisions of the Agreement.

If a participant proposes to assign its interest to a party other than a Related Body Corporate, the following provisions will apply:

(1) the transferring party must give the non-transferring party a notice specifying the consideration (which must be in cash or work commitments) and other terms on which it proposes to sell (”Sale Notice”);

(2) within 30 days of the Sale Notice, the non-transferring party may elect to purchase the transferring party’s interest on the terms set out in the Sale Notice;

(3) if the non-transferring party does not purchase the transferring party’s interest pursuant to the Sub Notice, the transferring party may sell its interest on the terms no more favourable than set out in the Sale Notice within 120 days of the Sale Notice;

(4) the transferring party only sell all of its participating interest;

(5) the transferee must enter into a deed assuming all of the liabilities of the transferring party.

Identification of a Mine/Decision to Mine:

The Company, as Manager, may propose a decision to mine in respect of any Indicated or Measured Mineral Resource in respect of the Farmin Minerals, as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (JORC Code) (**Defined Mineralisation**).

The Operating Committee must authorise the decision to mine provided:

- that the feasibility study has been completed;
- each matter requiring unanimous consent has been complied with;
- the participants have been provided with all reasonable technical economic and other information relating to a decision to mine, including information relating to the Defined Mineralisation.

For the purposes of making a decision to mine, the participants must:

(1) confer in good faith on how to excise the proposed mining area from the tenements and from the JV for the purposes of forming a mining joint venture to carry out commercial mining activities (**Mining JV**);

(2) use best endeavours to negotiate in good faith and agree and enter into a comprehensive mining joint venture agreement based on the principles below and with other terms and conditions agreed to by reputable miners engaged in the Western Australian Mining Industry.

Terms of the Mining JV:

The Agreement relating to the Mining JV must contain the following provisions:

- a process for making a decision to mine;
- the administration of the Mining JV will broadly be the same JV arrangements set out in the Giralia Farmout Agreement and referred to above;
- after completion of the feasibility study, Giralia will be required to contribute its participating interest share of JV costs (**Mining JV Costs**);
- Giralia may at any time elect either:
  - (a) to contribute its proportion of the Mining JV costs; or
  - (b) convert to a Royalty and not participate any further Mining JV Costs (**Royalty Election Notice**);

  Royalty rate is 2% of the gross proceeds of all Farmin Minerals;

- the day to day management of the Mining JV will be with a Manager.
- a nominee of the Company will be appointed Manager provided the Company holds a participating interest of at least 50% in the Mining JV;
- the provision relating to indemnity of and by the Manager as set out in the Giralia Farmin Agreement will apply;
- the Manager will issue notices to participants calling for a contribution of cots;
- a participant who fails to contribute its share of costs will dilute according to a straight line dilution method, except if Giralia is dilute it will issue a Royalty Election Notice;
- the Manager will act as sales agent in respect of any Farmin Minerals reduced from the tenements covered by the Mining JV, subject to each party having a right of pre-emption in respect of those contracts;
- Giralia may propose a development of Other Minerals which may coincide with the developments for the Farmin Minerals. The agreement relating to the Mining JV will set out the process to determine:
    (a) priority of developments;
    (b) process in separate the Tenements between Farmin Minerals and Other Minerals;
    (c) sharing of operational and capital expenditure;
    (d) put and call options if the Company and Giralia cannot reach an agreement;
- provisions relating to assignment applicable to the JV during the exploration stage will apply.

2. **HERITAGE AGREEMENT – E52/2056 AND E52/2057**

Date:	4 September 2007
Parties:	Southern Magnesium Pty Ltd The Yamatji Barna Baba Maaja Aboriginal Corporation as agent for the Yugunga Nya People (**YBBMAC**)
Tenement Affected:	E52/2056 and E52/2057
Summary of Provisions:	Before the Company undertakes Exploration Activity on the Tenements, it must give a Heritage Notice to YBBMAC. "Exploration Activity" means any activity that may be conducted on the tenements under the Mining Act. After a Heritage Notice is issued, the parties will consult on whether a Heritage Survey is required. It will be presumed that a Heritage Survey is required unless a previous Heritage Survey has been undertaken. "Low Impact Exploration" includes aerial surveys, geological mapping, metal detecting, rock chip, hand specimen and soil and drainage sampling, using only hand held tools and non ground disturbing surveys. YBMACC will appoint the survey team. The Company will pay the costs of the survey. Prior to the survey being undertaken YBMACC will submit an estimate of the costs of the survey. Part of the costs must be paid in advance. The Survey Report and the Final Survey Report must be issued within 90 days of delivery of the Heritage Notice.
Native Title Not Extinguished	The Agreement does not extinguish native title.

3. **HERITAGE AGREEMENT – E52/3042**

Date:	20 March 2015
Parties:	The Company Yamatji Marlpa Aboriginal Corporation as agent for the Yununga – Nya Claim Group (**YMAC**)
Tenement Affected:	E52/3042
Summary of Provisions:	Before the Company undertakes Exploration Activity on the Tenements, it must give a Heritage Notice to YMAC. "Exploration Activity" means entering the Tenement with vehicles, machinery and equipment to explore, including digging pits, trenches and holes and sinking bores. Low Impact Exploration may be undertaken without undertaking a Heritage Survey. "Low Impact Exploration" includes aerial surveys, geological mapping, metal detecting, rock chip, hand specimen and soil and drainage sampling, only using hand-held tools and non-ground disturbing geophysical surveys. After a Heritage Notice is issued, the parties will consult on whether a Heritage Survey is required. Unless the agreement deals with a particular circumstance, it will be presumed that a Heritage Survey is required. YMAC will appoint the survey team. The Company will pay the costs of the survey. Prior to the survey being undertaken YMAC will submit an estimate of the costs of the survey. Part of the costs must be paid in advance. Fieldwork must be completed within 90 days of the Heritage Notice and the Survey Report and the Final Survey Report must be issued within 30 working days of completion of the fieldwork. If any Aboriginal Object is located: - work must cease; - the location of the Aboriginal Object must be reported to the Registrar of Aboriginal sites at the DAA

- no activity must be undertaken which interferes with damages, disturbs or alters or impacts on Aboriginal Object.

An “Aboriginal Object” is defined as:

(1) any natural or created object of spiritual sacred, ritual or ceremonial importance to persons of Aboriginal descent or which is or was used for, or made or adapted for use for any purpose connected with the spiritual life of Aboriginal people past; or

(2) any natural or created object of ethnological or archaeological value.

There is provision for monitoring if:

- the Final Survey Report identifies Aboriginal Sites or protected areas under the Heritage Act and Exploration Activity is to be undertaken in the vicinity;

- government approval relating to Aboriginal sites requires this; or

- an Aboriginal Object is to be moved or altered to accommodate Exploration Activity.

Native Title Not Extinguished: The Agreement does not extinguish native title.

SECTION 2 – SNAKE WELL PROJECT

1. The Snake Well Sale Agreement

Date:	5 April 2013, as varied by deeds of various dates the latest of which was made in 2015.
Parties:	Carlinga Mining Pty Ltd (**Carlinga**) and Giralia (**Sellers**) The Company.
Tenements:	Mining Leases: M59/41; M59/474; M59/476; M59/477; and M59/565.
Summary of Provisions:	Under the Agreement, the Sellers agreed to sell various Tenements to the Company. A number of the Tenements which were the subject of the Agreement are no longer in existence and others have been converted to the Mining Leases referred to above. This summary refers to the current provisions of the Agreement which are in force and relate to continuing obligations. The Company has paid part of the purchase price to the Sellers. The Company advises that the balance of the purchase price outstanding is $625,000. The balance of the purchase price will be satisfied by a gross royalty of $16 per ounce of gold produced and sold from the Tenement Area (the area from time to time comprised in the Tenements).

2. Native Title Agreement – The Mullewa Wadjari People

Date:	4 March 2014
Parties:	Carlinga Leedham Papertalk, Malcom Papertalk, Douglas Comeagain, Robert Flanagan, Charles Colland, Charles Green, Jamie Joseph, Glenda Jackamarra, Karen Jones and Raymond Merritt on behalf of the Mullewa Wadjari People (the **Claimants**).
Assumption by the Company:	The Company assumed the obligations under the Agreement by a Deed of Assumption dated 22 April 2015.

Tenements Affected: Mining Leases M59/474, M59/476, M59/477 and M59/565

Native Title Claim: The Claimants have made on application for determination of Native Title in Federal Court No WAD 6119 of 1998 (WC 96/93).

Deed Runs with the Land: The Deed is intended to run with the land and bind successors and the parties.

Claimant Consents: The Claimants consent to:

(1) the grant of the Tenements and approvals required by Carlinga in connection with Mining Operations on the Tenements;

(2) conduct of mining operations on the Snake well Project;

(3) Claimants will do all things reasonably required to facilitate grant of the Tenements including executing future act deeds.

Non-Extinguishment of Native Title: The Deed does not extinguish Native Title.

Payments to Claimants:

(1) A one-off payment of $40,000 on execution of the Deed;

(2) $5,000 on the grant of each of the Tenements;

(3) A one-off $40,000 payable within 15 days of commencement of Commercial Production;

(4) From commencement of Commercial Production, an annual payment of $15,000.00;

(5) A production royalty in relation to Gold recovered and sold by Carlinga as follows:

Gold Price	Royalty Rate
Less than $800	0.116%
$800 - $1,200	0.166%
$1,201 - $1,600	0.216%
$1,601 - $2,000	0.266%
Greater than $2,000	0.333%

(6) The production royalty will be calculated daily based on Gold sold by Carlinga each day using the Gold Price applicable for that day. The Gold Price is the London Gold Market PM Fixed Price as published by the London Bullion Market Association per ounce converted into Australian Dollars using exchange rates published on the website of the Reserve Bank of Australia or the index is ceased to be published such index nominated by Carlinga acting reasonably.

(7) Where gold is subject to hedging or forward contracts the date of delivery under the contract will be deemed to be the date of sale and the royalty shall be calculated on the Gold Price or the date of delivery regardless of the forward or hedged price.

(8) Payments are CPI Indexed.

Set Off and Release: Carlinga may deduct from its payment obligations:

(1) loss or damage arising from breach of the agreement by the claimants;

(2) Native Title compensation;

(3) any payment which Carlinga is ordered or agrees to pay to the State of Western Australia which the State is ordered or agrees to pay.

Full Satisfaction and Release: The Claimants agree that the payments by Carlinga are in full and final satisfaction of all claims.

Preservation of Access: The rights of access of the Claimants will not be restricted except:

(a) as reasonably required in connection with safe and efficient conduct of Mining Operations;

(b) for safety or security;

(c) as required by law.

Employment and Contracting: Carlinga will use reasonable endeavours to provide employment opportunities. After commencement of commercial production, Carlinga will endeavour to provide contracting opportunities.

Other Compensation Claims: If any applications are made for Native Title Compensation by any other person, the claimants must take reasonable steps to oppose these claims and enter into negotiations to have the claims dismissed.

Other Native Title Agreements: See comments below under heading “Three Overlapping Claim Groups”.

Heritage Protocol: The Agreement contains a Heritage protocol in relation to Ethnographic Surveys; Archaeological Surveys; Site Avoidance Surveys or surveys in relation to Section 16 of the Aboriginal Heritage Act 1972 WA.

3. **Native Title Agreement – The Widi Mob**

Date:	3 June 2014
Parties:	Carlinga Irwin Tasman Lewis, Darryl Noel Woods [Name withheld for cultural reasons], Julie Lewis, Bill Lewis and Gloria May Lewis on behalf of the Widi Mob (**Claim Group**).
Assumption by the Company:	The Company assumed the obligations under the Agreement by a Deed of Assumption dated 22 April 2015.
Tenements Affected:	Mining Leases M59/474; M59/476; M59/477 and M59/565.
Native Title Claim:	The Claimants have made on application for determination of native title in Federal Court No WAD 6193 of 1998 (WC 97/72).
Deed Runs with the Land:	The Deed is intended to run with the land and bind successors and the parties.
Claimant Consents:	The Claimants consent to: (1) the grant of the Tenements and approvals required by Carlinga in connection with Mining Operations on the Tenements; (2) conduct of mining operations on the Snake Well Project; (3) Claimants will do all tings reasonably required to facilitate grant of the Tenements including executing future act deeds.
Non-Extinguishment of Native Title:	The Deed does not extinguish Native Title.
Payments to Claimants:	A one-off lump sum of $100,000 on the grant of the Mining Leases.
Full Satisfaction and Release:	The Claimants agree that the payments by Carlinga are in full and final satisfaction of all claims.
Preservation of Access:	The rights of access of the Claimants will not be restricted except: (a) as reasonably required in connection with safe and efficient conduct of Mining Operations; (b) for safety or security; (c) as required by law.
Other Compensation Claims:	If any applications are made for Native Title Compensation by any other person, the claimants must take reasonable steps to oppose these claims and enter into negotiations to have the claims dismissed.

Other Native Title Agreements:	See comments below under heading “Three Overlapping Claim Groups”.
Clearance Process;	Prior to commencement of Ground Disturbing Works, Carlinga shall provide the Claim Group with maps and aerial photographs to show the areas on which ground breaking works will be conducted. A Heritage Survey will be undertaken.

4. **MINING AGREEMENT – WAJARRI YAMATJI CLAIM GROUP**

Date:	12 December 2014
Parties:	Carlinga Robert Boddington, Ron Simpson, Charlie Snowball, David Jones, Colin Hamlett, Gavin Egan, Timothy Simpson, Bill Pearce, Malcolm Ryan, Neville Mongoo, Gordon Fraser, Rochelle Baumgarten, Pam Mongoo on behalf of the Wajarri Yamatji Native Title Claim Group (**Claim Group**).
Assumption by the Company:	The Company assumed the obligations under the Agreement by a Deed of Assumption dated 22 April 2015.
Tenements Affected:	Mining Leases M59/474; M59/476; M59/477 and M59/565.
Native Title Claim:	The Claim Group have made on application for determination of native title in Federal Court No WAD 6033 of 1998 (WC 04/10).
Deed Runs with the Land:	The Deed is intended to run with the land and bind successors and the parties.
Claimant Consents:	The Claimants consent to: (1) the grant of the Tenements and approvals required by Carlinga in connection with Mining Operations on the Tenements; (2) conduct of mining operations on the Snake Well Project; (3) Claimants will do all things reasonably required to facilitate grant of the Tenements including executing future act deeds.
Non-Extinguishment of Native Title:	The Deed does not extinguish Native Title.
Payments to Claimants:	A one-off lump sum of $80,000; and (1) $5,000 on the grant of each Mining Lease. (2) $5,000 on the grant of each of the Tenements. (3) From commencement of Commercial Production, an annual payment of $15,000.00. (4) A production royalty in relation to Gold recovered and sold by Carlinga as follows:

Gold Price	Royalty Rate
Less than $800	0.116%
$800 - $1,200	0.166%
$1,201 - $1,600	0.216%
$1,601 - $2,000	0.266%
Greater than $2,000	0.333%

(5) The production royalty will be calculated daily based on Gold sold by Carlinga each day using the Gold Price applicable for that day. The Gold Price is the London Gold Market PM Fixed Price as published by the London Bullion Market Association per ounce converted into Australian Dollars using exchange rates published on the website of the Reserve Bank of Australia or the index is ceased to be published such index nominated by Carlinga acting reasonably.

(6) Where Gold is subject to hedging or forward contracts the date of delivery under the contract will be deemed to be the date of sale and the royalty shall be calculated on the Gold Price or the date of delivery regardless of the forward or hedged price.

Full Satisfaction and Release: The Claimants agree that the payments by Carlinga are in full and final satisfaction of all claims.

Preservation of Access: The rights of access of the Claimants will not be restricted except:

(a) as reasonably required in connection with safe and efficient conduct of Mining Operations;

(b) for safety or security;

(c) as required by law.

Employment and Contracting: Carlinga will use reasonable endeavours to provide employment opportunities. After commencement of commercial production Carlinga will endeavour to provide contracting opportunities.

Other Compensation Claims: If any applications are made for Native Title Compensation by any other person, the claimants must take reasonable steps to oppose these claims and enter into negotiations to have the claims dismissed.

Other Native Title Agreements: See comments below under heading “Three Overlapping Claim Groups”.

Clearance Process; Prior to commencement of Ground Disturbing Works, Carlinga shall provide the Claim Group with maps and aerial photographs to show the areas on which ground breaking works will be conducted. A Heritage Survey will be undertaken.

NOTE: Three Overlapping Claim Groups

Each of the Native Title Agreements and Mining Agreements with the Mullewa Wadjari People; the Widi Mob and the Wajarri Yamatji Native Title Claim Group provide that if a determination of native title is made in favour of one or several of the claim groups, it is intended that the determined native title holders will be entitled to the full benefits of collective native title agreements entered into by Carlinga in respect of the Snake Well Project.

5. **Agreement to Purchase Pembery Tenement**

Date:	22 October 2015 as varied by a Deed of Variation of 12 August 2016.
Parties:	The Company Pembery Prospecting Pty Ltd (**Pembery**).
Tenement:	E59/2137 [formerly Application ELA 59/2137].
Summary:	The Company to acquire the Tenement for the Purchase Price of $2,600 plus GST. The agreement to transfer the tenement in the first year of the grant is subject to the consent of the Minister under Section 64(1) of the Mining Act WA. Pembery has given the Company a Power of Attorney to apply for and deal with the application and the tenement.

6. **Heritage Agreement – Wajarri Yamatji People**

Date:	9 September 2016
Parties:	Pembery The Wajarri Yamatji People C/- Yamatji Maripa Aboriginal Corporation (**Claimant Group**).
Tenement:	E 59/2137.
Summary of Provisions:	Before the Company undertakes Exploration Activity on the Tenements, it must give a Heritage Notice to YMAC. "Exploration Activity" means entering the Tenement with vehicles, machinery and equipment to explore, including digging pits, trenches and holes and sinking bores. Low Impact Exploration may be undertaken without undertaking a Heritage Survey. "Low

Impact Exploration" includes aerial surveys, geological mapping, metal detecting, rock chip, hand specimen and soil and drainage sampling, only using hand-held tools and non-ground disturbing geophysical surveys after a Heritage Notice is issued, the parties will consult on whether a Heritage Survey is required. Unless the agreement deals with a particular circumstance, it will be presumed that a Heritage Survey is required.

Yamatji Maripa Aboriginal Corporation (**YMAC**) is the Claimant Group's Heritage Survey Provider

The Company will pay the costs of the survey. Prior to the survey being undertaken YMAC will submit an estimate of the costs of the survey. Part of the costs must be paid in advance.

Fieldwork must be completed within 90 days of the Heritage Notice and the Survey Report and the Final Survey Report must be issued within 30 working days of completion of the fieldworks.

If any Aboriginal Object is located:

- work must cease;
- the location of the Aboriginal Object must be reported to the Registrar of Aboriginal sites at the DAA;
- no activity must be undertaken which interferes with damages, disturbs or alters or impacts on Aboriginal Object.

An "Aboriginal Object" is defined as:

(1) any natural or created object of spiritual sacred, ritual or ceremonial importance to persons of Aboriginal descent or which is or was used for, or made or adapted for use for any purpose connected with the spiritual life of Aboriginal people past; or

(2) any natural or created object of ethnological or archaeological value.

There is provision for monitoring if:

- the Final Survey Report identifies Aboriginal Sites or protected areas under the Heritage Act and Exploration Activity is to be undertaken in the vicinity;
- government approval relating to Aboriginal sites requires this; or
- an Aboriginal Object is to be moved or altered to accommodate Exploration Activity.

Exclusion Zone:

The Company must not conduct Exploration Activity within the external boundaries of the following Site: Greenough River DIA Registered Site ID 24761 without:

- consulting with the Wajarri Yamatji People;
- making an application and receiving consent under sections 16 or 18 of the Aboriginal Heritage Act.

9. BOARD, MANAGEMENT AND INTERESTS

9.1 Directors and key personnel

The Board of the Company consists of:

(a) **Luke Reinehr** *(LL.B, B.A) – Executive Chairman* – Refer to Section 3.7 for Mr Reinehr's biography;

(b) **Peter Benjamin** *(B. Sc. (Hons), Grad Dip (Exploration), (Bus Admin), (GAICD, MAusIMM, AAIM) – Managing Director* – Refer to Section 3.7 for Mr Benjamin's biography; and

(c) **Angus Middleton** *(SA Fin, MSAA)* **-** *Non-Executive Director* – Refer to Section 3.7 for Mr Middleton's biography.

Other senior management positions held by the Company are Bernard Crawford appointed as the Chief Financial Officer and the Company Secretary and Lance Govey appointed as the Exploration Manager.

Biographies for Mr Crawford and Mr Govey are contained in Section 3.7.

The Company is aware of the need to have sufficient management to properly supervise the exploration and (if successful) for the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As the Company's Projects require an increased level of involvement, the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's Projects.

9.2 Disclosure of interests

The Company has paid the following remuneration to its Board during the 24 months preceding lodgement of this Prospectus with the ASIC.

Director	Remuneration	Description of services
Luke Reinehr	$480,000	Managing Director and general consulting services
Peter Benjamin	$93,344	Project management services for the Mixy Trial Open Pit operation.

For each of the Directors, the proposed annual remuneration for the financial year following the Company being admitted to the Official List together with the relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table overleaf.

Director	Remuneration[1]	Shares	Options
Luke Reinehr	$80,000	Nil	4,000,000
Peter Benjamin	$240,000	75,000[2]	4,857,143[2]
Angus Middleton	$36,000	261,905[3]	2,857,143[4]

Notes:

1. Excludes statuary superannuation.
2. 75,000 Shares and 4,857,143 Options are held by Southern Blue Resources Pty Ltd (ACN 602 149 084) which is controlled by Mr Peter Benjamin, a Director.
3. These are held by Tornado Nominees Pty Ltd (ACN 066 563 611) <Angus Middleton Superfund A/C>, an entity controlled by Mr Angus Middleton, a Director.
4. 857,143 Options are held by SA Capital (ACN 114 959 803), an entity controlled by Mr Angus Middleton, a Director.

9.3 Agreements with directors and related parties

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

(a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

(b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Section 11.

9.4 Agreements with management

Contractor employment agreement - Mr Lance Govey

On 19 July 2016, the Company entered into a contractor employment agreement with Lance Govey whereby Mr Govey is appointed as an exploration manager to provide geological consulting services to the Company. The key terms of the agreement are as follows:

(a) (**Term**): the term of the agreement is for 6 months commencing on 1 August 2016 until 31 January 2017;

(b) (**Fee**): Mr Govey is paid an hourly fee of $80 or daily fee of $650 (plus GST) for work completed each month, payable monthly, half in advance and half in arrears;

(c) (**Expenses**): the Company will reimburse Mr Govey for any expenses incurred in the performance of his services, provided that such expenses are incurred to an agreed expenditure budget and are within agreed expenditure parameters or with the approval of the Managing Director;

(d) (**Termination without notice**): the Company may terminate the agreement immediately without notice in the following circumstances where Mr Govey:

(i) is convicted of an offence punishable by imprisonment;

(ii) breaches the terms of the agreement;

(iii) becomes subject to bankruptcy or insolvency order;

(iv) found to be under the influence of alcohol or other substances while providing his services; or

(v) is alleged to have breached any of the Company's policies or procedures.

(e) (**Termination with notice**): the Company or Mr Govey may terminate the agreement:

(i) by giving notice expiring on the end of the term of the agreement; or

(ii) by giving four week's written notice at any other time.

The contractor employment agreement otherwise contains terms considered standard for an agreement of its nature.

Executive services agreement - Mr Bernard Crawford

On 24 August 2016, the Company and Mr Bernard Crawford entered into an executive services agreement (ESA) pursuant to which Mr Crawford is appointed as "Chief Financial Officer" and "Company Secretary" of the Company. The material terms of the Crawford ESA are as follows:

(a) (**Term**): Mr Crawford's employment will continue until the Crawford ESA is validly terminated in accordance with its terms;

(b) (**Termination**): the Company may terminate Mr Crawford's employment as follows and in accordance with the National Employment Standards under the Fair Work Act:

(i) by giving not less than 3 months' written notice if Mr Crawford becomes incapacitated or becomes of unsound mind;

(ii) by giving one months' written notice is Mr Crawford commits any serious or persistent breach (which is not remedied within 14 days of receipt of notice to do so), is absent in or demonstrates incompetence with regard to the performance of his duties, commits or becomes guilty of gross misconduct or refuses or neglects to comply with any lawful director or order given by the Company;

(iii) summarily without notice if Mr Crawford is convicted of any major criminal offence; and

(iv) otherwise in accordance with the terms and conditions of the Crawford ESA;

(c) (**Termination by the Executive**): Mr Crawford may terminate his employment in the following matter:

(i) by giving notice effective immediately if at any time the Company commits any serious or persistent breach of any of the provisions of the Crawford ESA and the breach is not remedied within 28 days of receipt of notice to do so; or

(ii) by giving 3 months' written notice to the Company;

(d) (**Remuneration**): a salary of $190,000 is payable by the Company to Mr Crawford per annum (exclusive of superannuation) effective 1 December 2016 and is paid half in advance and half in arrears on a monthly basis. Mr Crawford's salary will be reviewed annually by the Company in accordance with the policy of the Company for the review of salaries;

(e) (**Performance based bonuses**)**:** the Company may at any time pay a performance-based bonus over and above Mr Crawford's salary; and

(f) (**Expenses**): the Company will reimburse Mr Crawford for all reasonable expenses incurred by him in the performance of his duties in connection with the business of the Company.

The Crawford ESA also contains various other terms and conditions that are considered standard for an agreement of this nature.

9.5 Deeds of indemnity, insurance and access

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

10. CORPORATE GOVERNANCE

10.1 ASX Corporate Governance Council Principles and Recommendations

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

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

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

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

10.2 Board of directors

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

(a) maintain and increase Shareholder value;

(b) ensure a prudential and ethical basis for the Company's conduct and activities; and

(c) ensure compliance with the Company's legal and regulatory objectives.

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

(a) developing initiatives for profit and asset growth;

(b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;

(c) acting on behalf of, and being accountable to, the Shareholders; and

(d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

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

10.3 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto:

(a) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and

(b) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfil the business objectives of the Company.

The Board currently consists of three (3) directors of whom one (1) is considered independent, being Mr Angus Middleton. The Board considers the current balance of skills and expertise is appropriate for the Company for its currently planned level of activity.

To assist the Board in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board will maintain a Board Skills Matrix.

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

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

The Company shall develop and implement a formal induction program for Directors which allows new directors to participate fully and actively in Board decision-making at the earliest opportunity, and enable new Directors to gain an understanding of the Company's policies and procedures.

10.4 Identification and management of risk

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

10.5 Ethical standards

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

10.6 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

10.7 Remuneration arrangements

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

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed $250,000 per annum.

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

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

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

10.8 Trading policy

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

10.9 External audit

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

10.10 Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

10.11 Diversity policy

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

10.12 Departures from recommendations

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

The Company's compliance and departures from the Recommendations are set out in its Corporate Governance Statement in the corporate governance information section of the Company's website (www.kzr.com.au).

.

11. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

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

11.1 Giralia Farmout and Joint Venture Agreement

Refer to section 9 of the Solicitor's Report on Tenements at Section 8 of this Prospectus for a summary of the terms of the Joint Venture Agreement.

11.2 Minjar Terms Sheet

The Company has entered into a non-binding terms sheet with Minjar (**Terms Sheet**) whereby the parties have agreed the terms to be incorporated into an ore purchase agreement should ore be extracted by Minjar from the A-Zone Prospect on M59/474. The key terms of the Terms Sheet are as follows:

(a) (**Binding agreement**): a legally binding agreement to be executed by the parties no later than 31 January 2017;

(b) (**Staged Development**): there will be a staged approach to development, being:

(i) initial review and exclusivity;

(ii) preliminary works resource drilling and block modelling;

(iii) grade control and feasibility study; and

(iv) mine design,

at the end of each of these stages, Minjar has the option to 'walk away' from the agreement with no residual liability, cost or risk to Minjar and with no trailing rights to the project;

(c) (**Ore Purchase Price**): the purchase price for ore will be calculated as follows:

Gold recovered x AUD gold price – agreed cost = free cash flow x 60%.

Gold recovered = high grade: (dry tonnes x agreed grade (g/t) x agreed recovery (%)/g per ounce) *plus* low grade: (dry tonnes x agreed grade (g/t) x agreed recovery (%)/g per ounce)

AUD gold price – AUD gold price as at commencement of mining

agreed costs = estimated costs as described in the terms sheet

(**the Ore Purchase Price**);

(d) (**Purchase Price**): the purchase price will be paid as follows:

(i) an initial payment of 5% of the Ore Purchase Price to be paid on commencement of trucking and is to be made within 2 days of the nominated date; and

(ii) At the commencement of processing of ore, equal monthly payments will occur. The monthly payments will be equal to 95% of the ore purchase value divided over the monthly trucking schedule and will be payable 30 days after the month from the commencement of processing;

(e) (**Interest**): Interest at a rate of 6% per annum will apply on late payments;

(f) (**Costs**): Minjar will pay for pre-production costs, mining costs, haulage and Processing (excluding all government, Native Tile and third party royalties) and the Ore Purchase Price;

(g) (**Minjar Obligations**): Minjar will be responsible for:

(i) undertaking or arranging all necessary pre-production activities, mining activities and haulage activities; and

(ii) applying for all necessary permits and licences;

(h) (**Company Obligations**): Kalamazoo will be responsible for:

(i) undertaking, arranging or managing any pre-production activities as agreed with Minjar (with such activities to be at Minjar's sole cost and risk);

(ii) undertaking, arranging or managing any road maintenance activities as agreed with Minjar (with such activities to be at Minjar's sole cost and risk); and

(iii) Shire approvals;

(i) (**Tailings**): Kalamazoo will have no rights to any tailings produced as a result of Minjar processing the ore;

(j) (**Disposal**): Minjar must not dispose of (which includes any agreement to sell or part possession with) any ore or gold until payment to the Company has been made in full; and

(k) (**Termination**): no party may terminate the agreement without the written consent of the other party unless there has been a breach of a material term of the agreement.

11.3 Lead Manager Mandate

The Company has entered a corporate advisory mandate with DJ Carmichael pursuant to which DJ Carmichael is engaged to act as corporate advisor to the Company and as lead manager of the Offer (**Lead Manager Mandate**). The material terms of the Lead Manager Mandate as are follows:

(a) (**Term**): 18 months commencing on 19 May 2016 (**Term**) with an option to extend on agreement;

(b) (**Fees**): on completion of the Offer, the following fees (plus GST) are payable by the Company to DJ Carmichael:

(i) (**Retainer Fee**): a corporate advisory retainer of $12,000 per month (or part thereof) will be payable by the Company to DJ Carmichael for the Term;

(ii) (**Base Success Fee**) a fee of $100,000 is payable in cash;

(iii) (**Options Success Fee**): a fee of:

(A) 5,000,000 unquoted Options, exercisable at $0.20 on or before the date that is two (2) years from the date of issue; and

(B) 5,000,000 unquoted Options, exercisable at $0.25 on or before the date that is two (2) years from the date of issue;

(iv) (**Capital Raising Selling Fee**): a fee of 6% of the gross amount raised under the Offer will be payable by the Company to DJ Carmichael. Third party fees will be paid out of this fee;

(c) (**Expenses**): DJ Carmichael is entitled to be reimbursed for all reasonable out-of-pocket expenses directly related to their role as corporate advisor and Lead Manager. DJ Carmichael will obtain the Company's consent prior to incurring any single expense greater than $2,000; and

(d) (**First Right of Refusal**): DJ Carmichael retains the right of first refusal to manage and carry out any capital raisings undertaken by the Company until 19 May 2017.

The Lead Manager Mandate contains other standard terms which are customary in agreements of this type.

11.4 Executive services agreement – Mr Peter Benjamin

On 24 August 2016, the Company and Mr Peter Benjamin entered into an executive services agreement (**Benjamin ESA**) pursuant to which Mr Benjamin is appointed as "Managing Director" commencing on 1 August 2016. The material terms of the Benjamin ESA are as follows:

(a) (**Term**): Mr Benjamin's employment will continue until the Benjamin ESA is validly terminated in accordance with its terms;

(b) (**Termination by the Company**): the Company may terminate Mr Benjamin's employment as follows and in accordance with the National Employment Standards under the Fair Work Act:

(i) by giving not less than 3 months' written notice if Mr Benjamin becomes incapacitated or becomes of unsound mind;

(ii) by giving one months' written notice is Mr Benjamin commits any serious or persistent breach (which is not remedied within 14 days of receipt of notice to do so), is absent in or demonstrates incompetence with regard to the performance of his duties, commits or becomes guilty of gross misconduct or refuses or neglects to comply with any lawful director or order given by the Company;

(iii) summarily without notice if Mr Benjamin is convicted of any major criminal offence; and

(iv) otherwise in accordance with the terms and conditions of the Benjamin ESA;

(c) (**Termination by the Executive**): Mr Benjamin may terminate his employment in the following matter:

(i) by giving notice effective immediately if at any time the Company commits any serious or persistent breach of any of the provisions of Benjamin ESA and the breach is not remedied within 28 days of receipt of notice to do so; or

(ii) by giving 3 months' written notice to the Company;

(d) (**Remuneration**): a salary of $240,000 is payable by the Company to Mr Benjamin per annum (exclusive of superannuation), half in advance and half in arrears on a monthly basis. Mr Benjamin's salary will be reviewed annually by the Company in accordance with the policy of the Company for the review of salaries;

(e) (**Directors Fees**): Mr Benjamin will not receive any additional director's fees from the Company;

(f) (**Performance Based Bonuses**)**:** the Company may at any time pay a performance-based bonus over and above Mr Benjamin's salary; and

(g) (**Expenses**): the Company will reimburse Mr Benjamin for all reasonable expenses incurred by him in the performance of his duties in connection with the business of the Company.

The Benjamin ESA also contains various other terms and conditions that are considered standard for an agreement of this nature.

11.5 Executive Chairman appointment letter – Mr Luke Reinehr

The Company has entered into a letter of appointment with Mr Luke Reinehr pursuant to which Mr Reinehr is appointed as Executive Chairman of the Company on the following terms:

(a) (**Fees**): director fees of $80,000 per annum (plus superannuation), are payable by the Company to Mr Reinehr, half in advance and half in arrears on a monthly basis, effective 1 December 2016;

(b) (**Term**): the term of Mr Reinehr's appointment is subject to provisions of the Constitution and the ASX Listing Rules relating to retirement by rotation and re-election of directors and will automatically cease at the end of any meeting at which Mr Reinehr is not re-elected as a director by Shareholders.

The appointment letter otherwise contains terms and conditions that are considered standard for agreements of this nature.

11.6 Non-Executive Director appointment letter – Mr Angus Middleton

The Company has entered into a letter of appointment with Mr Angus Middleton pursuant to which Mr Middleton is appointed a Non-Executive Director of the Company on the following terms:

(a) (**Fees**): director fees of $36,000 per annum (plus superannuation) are payable by the Company to Mr Middleton half in advance and half in arrears on a monthly basis, effective 1 August 2016;

(b) (**Term**): the term of Mr Middleton's appointment is subject to provisions of the Constitution and the ASX Listing Rules relating to retirement by rotation and re-election of directors and will automatically cease at the end of any meeting at which Mr Middleton is not re-elected as a director by Shareholders.

The appointment letter otherwise contains terms and conditions that are considered standard for agreements of this nature.

12. ADDITIONAL INFORMATION

12.1 Litigation

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

12.2 Rights attaching to Shares

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

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

(a) **General meetings**

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

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

(b) **Voting rights**

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

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

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

(c) **Dividend rights**

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

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

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of Shares**

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

(g) **Variation of rights**

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

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

(h) **Alteration of constitution**

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

12.3 Summary of Employee Incentive Option Plan

The Company has adopted an employee incentive option plan (**ESOP or Option Plan**) on the terms and conditions as set out below:

(a) **Eligibility**: Participants in the Option Plan may be:

(i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);

(ii) a full or part time employee of any Group Company;

(iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order);** or

(iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (a), (b) or (c) above,

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

(b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Participant (including a Participant who has previously received an offer) to apply for up to a specified number of Options, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.

(c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

(d) **Issue price:** unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.

(e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option (**Vesting Conditions**).

(f) **Vesting**: The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Options due to

(i) the Participant ceasing to be a Participant due to death or total and permanent disability; or

(ii) a change of control occurring; or

(iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(g) **Lapse of an Option**: An Option will lapse upon the earlier to occur of:

(i) an unauthorised dealing in the Option;

(ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to vest the Option (e.g. due to death, total and permanent disability);

(iii) in respect of unvested Option only, a Participant ceases to be a Participant, unless the Board exercises its discretion to vest the Right (e.g. due to death, total and permanent disability) or allow the unvested Options to remain unvested after the relevant person ceases to be a Participant;

(iv) in respect of vested Options only, a relevant person ceases to be a Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be a Participant;

(v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Participant;

(vi) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Option;

(vii) the expiry date of the Option; and

(viii) the 7 year anniversary of the date of grant of the Option.

(h) **Not transferrable**: Options are only transferrable with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

(i) **Shares**: Shares resulting from the exercise of the Options shall, subject to any Share Sale Restrictions (refer below) from the date of issue, rank on equal terms with all other Shares on issue.

(j) **Quotation of Shares**: If Shares of the same class as those issued upon exercise of Options issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.

(k) **Share Sale Restrictions**: The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant (or their eligible nominee) on exercise of those Options up to a maximum of seven (7) years from the grant date of the Options.

(l) **No Participation Rights**: There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

(m) **Reorganisation**: If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(n) **Amendments**: Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Option granted under the Plan including giving any amendment retrospective effect.

12.4 Interests of directors

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

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(c) the Offer,

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

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offer.

12.5 Interests of experts and advisers

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

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(b) promoter of the Company,

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

(c) the formation or promotion of the Company;

(d) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(e) the Offer,

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

(f) the formation or promotion of the Company; or

(g) the Offer.

Ravensgate has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Section 5 of this Prospectus. The Company estimates it will pay Ravensgate a total of $50,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Ravensgate has not received fees from the Company for any other services.

Grant Thornton Corporate Finance Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Section 7 of this Prospectus. The Company estimates it will pay Grant Thornton Corporate Finance Pty Ltd a total of $11,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Grant Thornton Corporate Finance Pty Ltd has not received any fees from the Company for any other services.

Grant Thornton Audit Pty Ltd has acted as auditor to the Company. The Company estimates it will pay Grant Thornton Audit Pty Ltd a total of $34,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Grant Thornton Audit Pty Ltd and its related entities have received fees of $19,115 (excluding GST) from the Company for non-audit services.

DJ Carmichael will receive 6% of the total amount raised under the Prospectus (plus GST) following the successful completion of the Offer for its services as Lead Manager to the Offer. DJ Carmichael will be responsible for paying all capital raising fees that DJ Carmichael and the Company agree with any other financial service licensees. Further details in respect to the Lead Manager Mandate with DJ Carmichael are summarised in Section 11.3. DJ Carmichael received fees of $69,630 (including GST) for managing the Company's seed capital raise and other than this, DJ Carmichael has not received any other fees for other services provided to the Company during the 24 months preceding lodgement of this Prospectus with the ASIC.

Williams and Hughes has acted as the solicitors to the Company and has prepared the Solicitor's Report on Tenements which is included in Section 7 of this Prospectus. The Company estimates it will pay Williams and Hughes $8,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Williams and Hughes has received fees of $15,155 from the Company for legal services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin $60,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

12.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Ravensgate has given its written consent to being named as Independent Geologist in this Prospectus, the inclusion of the Independent Geologist's Report in Section 5 of this Prospectus in the form and context in which the report is included and the inclusion of statements contained in the Chairman's Letter, Investment Overview and Section 3 of this Prospectus in the form and context in which those statements are included. Ravensgate has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Grant Thornton Corporate Finance Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance included in Section 7 and the inclusion of information contained in Section 6 in the form and context in which the information and report is included. Grant Thornton Corporate Finance Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Grant Thornton Audit Pty Ltd has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in the Independent Limited Assurance included in Section 7 and the inclusion of information contained in Section 6 in the form and context in which it appears. Grant Thornton Audit Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

DJ Carmichael has given its written consent to being named as the Lead Manager to the Company in this Prospectus and the inclusion of statements contained in Sections 2.13, 11.3, 12.5 and 12.6 of this Prospectus in the form and context in which those statements are included. DJ Carmichael has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Williams and Hughes has given its written consent to being named as the solicitors to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Tenements in Section 7 of this Prospectus in the form and context in which the report is included. Williams and Hughes has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as lawyers to the Company in relation to the Offer.

Advanced Share Registry has given its written consent to being named as the share registry to the Company in this Prospectus. Advanced Share Registry has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

12.7 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately $1,315,995 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Full Subscription ($)
ASX Fees	76,650
ASIC Fees	2,350
DJ Carmichael Fees*	1,077,995
Legal Fees	68,000
Independent Geologist's Fees	50,000
Investigating Accountant's Fees	11,000
Printing and Distribution	15,000
Miscellaneous	15,000
TOTAL	**1,315,995**

*DJ Carmichael will be responsible for paying all capital raising fees that DJ Carmichael and the Company agree with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to DJ Carmichael. Included in these fees is the amount of $377,995 representing the valuation of options issued to DJ Carmichael which is a non-cash cost of the Offer. For a summary of the Lead Manager Mandate refer to Section 11.3.

12.8 Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

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

12.9 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.kzr.com.au

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

12.10 Financial forecasts

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

12.11 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

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

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

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

12.12 Privacy statement

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

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

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

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

13. DIRECTORS' AUTHORISATION

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

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

Luke Reinehr
Executive Chairman
For and on behalf of
Kalamazoo Resources Limited

14. GLOSSARY

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

$ means an Australian dollar.

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

ASIC means Australian Securities & Investments Commission.

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

ASX Listing Rules means the official listing rules of ASX.

Atlas means Atlas Iron Ltd (ACN 110 396 168).

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

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

Company or **Kalamazoo** means Kalamazoo Resources Limited (ACN 150 026 850).

Constitution means the constitution of the Company.

Cork Tree Project means the project described at Section 3 of the Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

CRA means Conzinc Riotinto Australia Ltd (now Rio Tinto Limited) (ACN 004 458 404).

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

DJ Carmichael or **Lead Manager** means DJ Carmichael Pty Limited (ABN 26 003 058 857) (AFSL No. 232571).

DMP means the Department of Mines and Petroleum Western Australia.

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

Independent Geologist or **Ravensgate** means Ravensgate Mining Industry Consultants.

Joint Venture has the meaning given to that term in Section 3.3.

Joint Venture Agreement means the agreement between the Company and Giralia Resources Pty Ltd (ACN 009 218 204) dated 26 February 2013 as summarised at Section 11.1 of the Prospectus and in the Independent Geologists Report at Section 5.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition).

km means kilometres.

Lead Manager Mandate has the meaning given to that term in Section 11.3.

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

Official List means the official list of ASX.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Projects means the Snake Well Project and the Cork Tree Project.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of Shares.

Snake Well Project or **Snake Well** means the Snake Well Gold and Base Metals Project as described at Section 3 of the Prospectus.

Tenements means the mining tenements (including applications) in which the Company has an interest as set out at 3.1 of this Prospectus and further described in the Solicitor's Report on Tenements set out in Section 8 of this Prospectus or any one of them as the context requires.

kalamazoo resources limited

ACN 150 026 850

Share Registrars use only	Broker/Dealer stamp only

PUBLIC OFFER APPLICATION FORM AND INSTRUCTIONS - SUPPLEMENTARY PROSPECTUS

This is an Application Form in **Kalamazoo Resources Limited** (**Company**) and relates to the offer of up to 25,000,000 Shares at an issue price of $0.20 per Share, to raise $5,000,000 (**Public Offer**) pursuant to the prospectus dated 3 October 2015 (**Prospectus**) as supplemented by the supplementary prospectus dated 14 November 2016 (**Supplementary Prospectus**). The Public Offer is scheduled to close at 5.00pm (WST) on 19 December 2016 (**Closing Date**) unless extended, closed early or withdrawn. Applications must be received before that time to be valid. A person who gives another person access to this Application Form must at the same time give the other person access to the Prospectus and the Supplementary Prospectus. **The Prospectus and the Supplementary Prospectus contain important information relevant to your decision to invest and you should read the entire and the Supplementary Prospectus together with the Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser.**

1 Number of Shares you are applying for

, ,

2 Total amount payable (multiply box 1 by $0.20 per share)

A$, , .

Applications for Shares must be a minimum of 10,000 Shares ($2,000.00) and thereafter, in multiples of $500 worth of shares (2,500 shares)

3 Write the name(s) you wish to register the shares in (see reverse for instructions)

Name of Applicant 1

Name of Applicant 2 or <Account Designation>

Name of Applicant 3 or <Account Designation>

4 Write your postal address here – to be registered against your holding

Number/Street

Suburb/Town

State

Postcode

5 CHESS Participants only – Holder Identification Number (HIN)

X

Note: *if the name and address details in sections 3 & 4 above do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.*

6 **EMAIL ADDRESS** (*see reverse of form – this is for all communications legally permissible and despatched by the Company*)

7 **TFN/ABN/EXEMPTION CODE**

Applicant 1

Applicant #2

Applicant #3

If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

8 **PAYMENT DETAILS**

Payment by Cheque

Cheques must be drawn on an Australian branch of a financial institutional in Australian currency, made payable to "**KALAMAZOO RESOURCES LIMITED – IPO ACCOUNT"** crossed "**Not Negotiable**" and forwarded to Advanced Share Registry to arrive no later than the Closing Date.

Please enter cheque, bank draft or money order details	**Drawer**	**Bank**	**Branch**	**Amount**
				$

9 **CONTACT DETAILS**

Please use details where we can contact you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

Telephone Number

( )

Contact Name (PRINT)

10 **DECLARATION AND STATEMENTS**

By lodging this application form:

- I/We declare that I/we have received a copy of the Prospectus and Supplementary Prospectus issued by Kalamazoo Resources Limited and that I/we are eligible to participate in the Offer.
- I/We declare that all details and statements made by me/us are complete and accurate.
- I/We agree to be bound by the terms and conditions set out in the Prospectus and Supplementary Prospectus and by the Constitution of the Company.
- I/We acknowledge that the Company will send me/us a paper copy of the Prospectus and Supplementary Prospectus free of charge if I/we request so during the currency of the Prospectus and Supplementary Prospectus.
- I/we authorise the Company to complete and execute any documentation necessary to effect the issue of shares to me/us; and
- I/We acknowledge that returning the application form with the application monies will constitute my/our offer to subscribe for Kalamazoo Resources Limited and that no notice of acceptance of the application will be provided.

INSTRUCTIONS FOR COMPLETION OF THIS APPLICATION FORM – SUPPLEMENTARY PROSPECTUS

YOU SHOULD READ THE PROSPECTUS AND THE SUPPLEMENTARY PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM

Please complete all relevant sections of this Application Form using BLOCK LETTERS
The below instructions are cross-referenced to each section of the Application Form.

1 Number of Shares

Insert the number of Shares you wish to apply for in section 1. Your application must be a minimum of 10,000 Shares ($2,000.00).

2 Payment Amount

Enter into section 2 the total amount payable. Multiply the number of Shares applied for by $0.20 – the application price per Share.

3 Name(s) in which the Shares are to be registered

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Help Club A/C>	Food Help Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

4 Postal Address

Enter into section 4 the postal address to be used for all written correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released. Should you wish to receive a hard copy of the annual report you must notify the Share Registry. You can notify any change to your communication preferences by visiting the registry website – www.advancedshare.com.au

5 CHESS Holders

If you are sponsored by a stockbroker or other participant and you wish to have your allocation directed into your HIN, please complete the details in section 5.

6 Email Address

Our company annual report and company information will be available at www.kzr.com.au. You may elect to receive all communications despatched by Kalamazoo Resources Limited electronically (where legally permissible) such as a notice of meeting, proxy form and annual report via email.

7 TFN/ABN/Exemption

If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 7. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application Form.

8 PAYMENT DETAILS

By making your payment, you confirm that you agree to all of the terms and conditions of the Kalamazoo Resources Limited Public Offer as outlined on this Application Form and within the Prospectus and the Supplementary Prospectus.

Your cheque should be made payable to "**KALAMAZOO RESOURCES LIMITED – IPO ACCOUNT**" in Australian currency, crossed "**Not Negotiable**" and drawn on an Australian branch of a financial institution. Please complete your cheque with the details overleaf and ensure that you submit the correct amount as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of New Shares you apply for, you will be taken to have applied for such lower number of New Shares as that amount will pay for, or your Application will be rejected.

9 Contact Details

Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

10 Declaration

Before completing the Application Form the Applicant(s) should read the Prospectus and Supplementary Prospectus in full. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of the Prospectus and Supplementary Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section 1 that may be issued to the Applicant(s) pursuant to the Prospectus and Supplementary Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign this Application Form.

HOW TO LODGE YOUR APPLICATION FORM

Mail or deliver your completed Application Form with your cheque to the following address.

Mailing Address
Kalamazoo Resources Limited
C/- Advanced Share Registry
PO Box 1156
Nedlands, WA 6909

Hand Delivery (*Please do not use this address for mailing purposes*)
Kalamazoo Resources Limited
C/- Advanced Share Registry
110 Stirling Highway
Nedlands, WA 6009

kalamazoo
resources limited

kzr.com.au