



ACN 168 295 092

# PROSPECTUS

**For an initial offer of up to 50 million Shares at an issue price of \$0.20 each to raise up to \$10 million.**

This Prospectus has been issued to provide information on the offer of a minimum of 35 million Shares and a maximum of 50 million Shares to be issued at a price of \$0.20 per Share to raise a total of a minimum of \$7 million and a maximum of \$10 million (before costs) (**Offer**).

The Offer pursuant to this Prospectus is subject to a number of conditions precedent as outlined in Section 1.2 of this Prospectus.

It is proposed that the Offer will close at 5.00pm (WST) on Friday, 4 December 2020. The Directors reserve the right to close the Offer earlier or to extend this date without notice. Applications must be received before that time.

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

Investment in the Shares offered pursuant to this Prospectus should be regarded as **highly speculative** in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 3 for a summary of the key risks associated with an investment in the Shares.

A decorative graphic in the bottom-left corner consisting of overlapping geometric shapes: a yellow triangle pointing right, a blue rectangle, and another yellow triangle pointing left.

*Maireana (bluebush).  
An arid-lands plant indigenous to Torrens Mining Limited's Elizabeth Creek Project area.*

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# Important Information

## *Prospectus*

This Prospectus is dated, and was lodged with ASIC on, 13 November 2020. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with ASIC. No Shares will be issued on the basis of this Prospectus after that expiry date.

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

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

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

## *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. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

## *Conditional Offer*

The Offer contained in this Prospectus is conditional on certain events occurring. If these events do not occur, the Offer will not proceed and investors will be refunded their Application Monies without interest. Please refer to Section 1.2 for further details on the conditions attaching to the Offer.

## *Electronic Prospectus and Application Forms*

This Prospectus will generally be made available in electronic form by being posted on the Company's website at [www.torrensmining.com](http://www.torrensmining.com). Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company as detailed in the Corporate Directory. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia, Canada, European Union (Germany), Hong Kong, New Zealand, Papua New Guinea, Singapore and the United Kingdom.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

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

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

## *Offers outside Australia*

No action has been taken to register or qualify the Shares the subject of this Prospectus, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia, Canada, European Union (Germany), Hong Kong, New Zealand, Papua New Guinea, Singapore and the United Kingdom should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus, except to the extent permitted below.

The Offer constituted by this Prospectus is only available to persons receiving this Prospectus and an Application Form within Australia, or, subject to the provisions outlined in Section 1.13 certain investors located in Canada, European Union (Germany), Hong Kong, New Zealand, Papua New Guinea, Singapore and the United Kingdom.

## *Speculative Investment*

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

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 3 for details relating to the key risks applicable to an investment in the Shares.

### **Using this Prospectus**

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

### **Forward-Looking Statements**

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

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

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

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied

in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

### **Photographs and Diagrams**

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

### **Competent Persons Statements**

The information in this Prospectus that relates to exploration results on the Mount Piper and Laloki exploration licences and applications is based on, and fairly represents, information and supporting documentation prepared by Patrick Say, a Competent Person who is a member of the Australian Institute of Mining and Metallurgy. Mr Say is an independent contractor and holds securities in the Company. Mr Say has a minimum of five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Say consents to the inclusion of the matters based on his information in the form and context in which it appears in this Prospectus and has not withdrawn his consent before lodgement of this Prospectus with ASIC.

The information in this Prospectus that relates to the exploration target and exploration results for Emmie Bluff is based on, and fairly represents, information and supporting documentation compiled by Craig Went, a Senior Associate Geologist of

Mining & Process Solutions Pty. Ltd. Mr Went is a Member of the Australasian Institute of Mining and Metallurgy, and has a minimum of five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Went has consented to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

The information in this Prospectus that relates to the Elizabeth Creek mineral resource estimates is based on, and fairly represents, information and supporting documentation compiled by Tim Callaghan, who is self-employed. Mr Callaghan is a Member of the Australasian Institute of Mining and Metallurgy, and has a minimum of five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Callaghan has consented to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

### **Miscellaneous**

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to '\$' or '\$' are references to Australian dollars and all references to 'US\$' are references to US dollars.

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

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 9.



# Corporate Directory

## *Directors*

William (Bill) Bloking  
Steve Shedden  
Michael Collings  
Richard Grauaug

Non-Executive Chairman  
Managing Director  
Non-Executive Director  
Non-Executive Director

## *CFO & Company Secretary*

David Palumbo

## *Registered and Principal Office*

Level 11, 216 St Georges Terrace  
Perth WA 6000

Phone: +61 8 9481 0389  
Fax: +61 8 9463 6103  
Email: [info@torrensmining.com](mailto:info@torrensmining.com)  
Website: [www.torrensmining.com](http://www.torrensmining.com)

## *Share Registry\**

Computershare Investor Services Pty Limited  
172 St Georges Terrace  
Perth WA 6000  
Phone (within Australia): 1300 850 505  
Phone (outside Australia): +61 3 9415 4000

## *Corporate Lawyers*

HWL Ebsworth Lawyers  
Level 20, 240 St Georges Terrace  
Perth WA 6000

## *Mining and Resources Lawyers - Australia*

Clayton Utz  
Level 27, 250 St Georges Terrace  
Perth WA 6000

## *Auditor\**

RSM Australia Partners  
Level 32, Exchange Tower  
2 The Esplanade  
Perth WA 6000

## *Mining and Resources Lawyers - PNG*

Allens  
Level 8, Deloitte Haus  
MacGregor Street  
Port Moresby, NCD  
Papua New Guinea

## *Investigating Accountant*

RSM Corporate Australia Pty Ltd  
Level 32, Exchange Tower  
2 The Esplanade  
Perth WA 6000

## *Lead Manager*

Taylor Collison Limited  
Level 16, 211 Victoria Square  
Adelaide SA 5000

## *Independent Geologist*

SRK Consulting (Australasia Pty Ltd)  
Level 3, 18-32 Parliament Place  
West Perth WA 6005

## *Proposed Stock Exchange Listing*

Australian Securities Exchange (ASX)  
**Proposed ASX Code: TRN**

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



*“At Mount Piper in Central Victoria, exploration is focused on structurally-controlled gold-antimony mineralisation similar to that being successfully mined at the nearby Fosterville and Costerfield mines.”*



# Letter from the Chairman

Dear Investor

On behalf of the board of Torrens Mining Limited (**Company**), I am pleased to present this Prospectus and to invite you to become a Shareholder in the Company.

The Company is focused on exploration for gold, copper and cobalt and has positioned itself for growth through its positions in the Victorian Goldfields, the advanced and active Elizabeth Creek Copper-Cobalt Project in South Australia, and, if an exploration licence application is granted, at the formerly producing high-grade copper-gold Laloki Project in Papua New Guinea.

The Company's Victorian gold portfolio is built around two strategically significant, 100%-owned, projects in Central and Eastern Victoria. The Central Victorian position (Mount Piper) covers about 1,609 km<sup>2</sup> and includes a granted exploration licence and five exploration licence applications (one of which is pending acceptance) which are proceeding through the regulatory approval process. The Eastern Victoria acreage (Club Terrace) covers about 383 km<sup>2</sup> and is comprised of a granted exploration licence and an exploration licence application.

At Mount Piper in Central Victoria, exploration is focused on structurally-controlled gold-antimony mineralisation similar to that being successfully mined at the nearby Fosterfield and Costerfield mines. Previous exploration has generated several targets for follow-up, including the exciting Northwood Hill gold prospect (presently an exploration licence application), where previous drilling results suggest potentially economic gold intersections.

The Club Terrace Project in Eastern Victoria covers some 50 km of the Combianbar Fault Zone, where historical mining and exploration activities have generated targets that are yet to be drill-tested. The main target at Club Terrace is gold mineralisation associated with regional-scale fault structures.

The Elizabeth Creek Copper-Cobalt Project in South Australia covers an area of approximately 739 km<sup>2</sup> in the Olympic Copper Province, which is Australia's most productive copper province. The Company presently holds a 49% in this project (further reducing) which is subject to a Farm-in Agreement with recently ASX-listed Coda Minerals Limited. The project includes established copper-cobalt Mineral Resources at Windabout and MG14 as well as the Emmie Bluff Exploration Target. Following completion of seismic geophysical surveys and drilling carried out in 2019 and 2020, a further drilling program by Coda to test the extent of the Emmie Bluff mineralisation has commenced.

The proximity of BHP's Olympic Dam copper-gold-uranium mine 100km north of Elizabeth Creek, and its recent discovery of high grade copper mineralisation at its Oak Dam Prospect just a few kilometres north of Elizabeth Creek, has stimulated a renewal of exploration interest within the project area for iron oxide copper gold (IOCG) mineralisation. The recent development of OZ Minerals Limited's Carrapateena IOCG mine, which is located about 30km to the north-east of Elizabeth Creek, further underlines the potential for discovery of new IOCG deposits in the region.

Subject to an exploration licence application being granted, the Company also intends to explore high-grade copper-gold Volcanogenic Massive Sulphide (VMS) mineralisation at Laloki, located about 15 km from Port Moresby, the capital of Papua New Guinea (PNG).

During the 1920s and 1930s, significant mining and smelting of high-grade copper-gold ores were undertaken at Laloki. Drilling and feasibility studies were also undertaken during the 1980s, but the property has been largely neglected since then.

Laloki, if granted, represents a unique opportunity to discover additional high-grade copper-gold mineralisation, building on significant known bodies of copper-gold sulphide mineralisation. The Company is currently awaiting the grant of its exploration licence application by the PNG Minister for Mining, and has commenced legal proceedings for the grant.

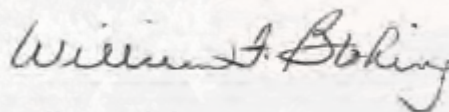
The purpose of the Offer is to raise up to \$10 million (before associated costs) by the issue of up to 50 million Shares at an issue price of \$0.20 per share. The Lead Manager of the Offer is Taylor Collison Limited (see Section 6.6 for further details).

The proceeds of the Offer will be utilised to enable the Company to systematically explore across its wholly owned projects, fund anticipated joint venture expenditure at Elizabeth Creek and pay for the costs of the Offer.

This Prospectus contains detailed information about the Offer and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (detailed in Section 3).

We look forward to welcoming you as a Shareholder should you decide to take up Shares pursuant to the Offer.

**Yours faithfully**



**William Bloking**  
Non-Executive Chairman

# Key Offer Details

KEY DETAILS OF THE OFFER <sup>1</sup>	NO. OF SECURITIES (MINIMUM SUBSCRIPTION)	%	NO. OF SECURITIES (MAXIMUM SUBSCRIPTION)	%
Existing Shares on Issue <sup>2</sup>	63,451,662	64.4	63,451,662	55.9
Shares offered under the Offer (at an Offer Price of \$0.20 per Share)	35,000,000	35.6	50,000,000	44.1
<b>Total Shares on issue on completion of the Offer<sup>3</sup></b>	<b>98,451,662</b>	<b>100</b>	<b>113,451,662</b>	<b>100</b>
Existing Options on issue <sup>2</sup>	7,500,000	58.6	7,500,000	55.4
Lead Manager Options <sup>2</sup>	5,297,583	41.4	6,047,583	44.6
<b>Total Options on issue on completion of the Offer<sup>3</sup></b>	<b>12,797,583</b>	<b>100</b>	<b>13,547,583</b>	<b>100</b>

**Notes:**

1. Please refer to Section 1.4 for further details relating to the proposed capital structure of the Company.
2. See Section 2.2 for further details of the current capital structure of the Company. See Sections 7.2 and 7.3 for the terms and conditions of the Options.
3. Assuming no further Shares are issued and none of the above Options are exercised.

Logging drill cuttings with a hand-held XRF (X-ray fluorescence) analyser, at Torrens Mining Limited's Elizabeth Creek Project. This technique can give a useful indication of the metal content of drilled material in the field.

# Indicative Timetable

EVENT	DATE
Lodgement of this Prospectus with ASIC	Friday, 13 November 2020
Opening Date for the Offer	Monday, 23 November 2020
Closing Date for the Offer	Friday, 4 December 2020
Issue Date	Thursday, 10 December 2020
Despatch of holding statements	Friday, 11 December 2020
Expected date for Official Quotation on ASX	Wednesday, 16 December 2020

**Note:**

*The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Dates without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form and deposit the Application Monies as soon as possible after the Opening Date if they wish to invest in the Company*

# Investment Overview

This Section is 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. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

TOPIC	SUMMARY	MORE INFORMATION
<b>INTRODUCTION</b>		
Who is the Company and what does it do?	<p>Torrens Mining Limited (ACN 168 295 092) (<b>Company</b>) is an Australian company incorporated on 27 February 2014 with a focus on Australian high-grade gold projects, including the acquisition of attractive exploration and development resource projects.</p> <p>Since incorporation, the Company has built an enviable portfolio of gold and base metal exploration projects in Victoria, South Australia and Papua New Guinea via acquisition and direct application.</p>	Section 2.1
What are the Company's projects?	<p>The Company's project portfolio includes important gold exploration positions in Central and Eastern Victoria (Mount Piper and Club Terrace projects) (100%), a 49% interest in the active Elizabeth Creek Copper-Cobalt Project, which is located in the heart of South Australia's highly productive Olympic Copper Province, and a 100% interest in the drill-proven high grade copper-gold mineralisation at the formerly producing Laloki Copper-Gold Project in Papua New Guinea (presently an exploration licence application).</p> <p>The Mount Piper project (approximately 1,609km<sup>2</sup>) is comprised of one exploration licence, four exploration licence applications and a further application for an exploration licence that is under review. It is located approximately 80km north of Melbourne, Victoria and approximately 30km from Kirkland Lake Gold Ltd's Fosterville Gold Mine. Mount Piper is classified as an advanced exploration project.</p> <p>The Club Terrace project is comprised of one exploration licence and one exploration application for a total of approximately 383 km<sup>2</sup> in the Eastern Gippsland region of Victoria. Club Terrace is classified as early stage and speculative.</p> <p>The Company, through its wholly owned subsidiary Terrace Mining Pty Ltd (<b>Terrace Mining</b>), holds a 49% interest in the Elizabeth Creek project. The 51% majority interest in the project is held by Coda Minerals Limited (<b>Coda</b>), which recently listed on the ASX on 28 October 2020.</p> <p>Under the Farm-in Agreement between Coda and Terrace Mining, Coda has the right to earn up to a 70% interest in the Elizabeth Creek project following it incurring expenditure of approximately \$6.6 million, with Terrace also free carried for a further \$2 million of expenditure. Assuming Coda continues to progress the project, and completes its earn in commitment, as set out in the Farm-in Agreement, the relationship between Coda and Terrace will transition from a farm-in to a joint venture, also managed by Coda. Coda also has the option to acquire an additional 5% interest for \$1.5 million following completion of the initial 3-stage farm-in process, allowing it to earn up to a 75% interest in the Elizabeth Creek project.</p>	Section 2.4, the Solicitors' Report in Annexure B and Annexure C, the Independent Geologist Reports in Annexure D and Annexure E, and the JORC Table 1 disclosure in Annexure F, Annexure G and Annexure H

TOPIC	SUMMARY	MORE INFORMATION
	<p>The Elizabeth Creek project comprises three granted contiguous exploration licences covering a combined area of approximately 739 km<sup>2</sup> in the Stuart Shelf of central South Australia. The project hosts Indicated Mineral Resources at the Windabout and MG14 prospects and an exploration target at the Emmie Bluff prospect. Elizabeth Creek is classified as a pre-development project with advanced exploration tenure.</p> <p>The Laloki copper-gold project comprises a single exploration licence application covering an area of approximately 126 km<sup>2</sup> on the East Papuan Peninsula in Papua New Guinea (PNG). The Laloki project is centred approximately 15 km from the capital city from Port Moresby and is classified as an advanced exploration project.</p> <p>The Company's application for Laloki was lodged in November 2017. As at the date of this Prospectus, the application remains undetermined by the Minister for Mining in PNG.</p> <p>Given the delay in the Minister determining the application, on 30 September 2020 Torrens Mining PNG, a wholly owned subsidiary of the Company, commenced proceedings to obtain an order to compel the Minister to, in effect, deal with the exploration licence application.</p> <p>The Court proceedings, if contested, are not expected to be heard and determined until the first quarter of 2021. However, the Minister may well deal with the application before that date.</p>	
<p><b>What is the Company's financial position?</b></p>	<p>Historical and pro-forma financial information about the Company is set out in Section 4. An Independent Limited Assurance Report is included in Annexure A.</p> <p>The Board is satisfied that upon completion of the Offer, the Company will have adequate working capital to meet its stated objectives.</p>	<p>Section 4 and Annexure A</p>
<p><b>What is the proposed capital structure of the Company?</b></p>	<p>Following completion of the Offer under this Prospectus, the proposed capital structure of the Company will be as set out in Section 1.4.</p>	<p>Section 1.4</p>
<p><b>What is the proposed use of funds raised under the Offer?</b></p>	<p>The Company proposes to use the funds raised from the Offer towards exploration activities at the Mount Piper, Club Terrace and Laloki (if granted) projects, anticipated joint venture contributions at Elizabeth Creek, expenses of the Offer, and general administration fees and working capital.</p>	<p>Section 1.3</p>
<p><b>What is the Company's strategy?</b></p>	<p>Torrens' vision is to build a profitable mining and exploration business.</p> <p>Supported by an experienced management and consulting team, the Company's business strategy is to acquire highly prospective gold and base metal exploration projects that could potentially yield the discovery of an economically viable mineral deposit.</p> <p>Following listing on the ASX, the Company will commence systematic exploration on its Central Victorian Mount Piper Gold project using the latest exploration techniques. It will also continue its work on the Eastern Victorian Club Terrace Gold project and actively evaluate results of ongoing work at the Elizabeth Creek Copper project, which is managed by Coda Minerals. In the event the exploration licence application for the Laloki Copper-Gold project is granted, the Company also expects to commence exploration at Laloki.</p> <p>The Company will also continue to evaluate new acquisition opportunities, both by tenement application and commercial acquisitions, to maintain a pipeline of projects.</p>	<p>Section 2.5</p>

TOPIC	SUMMARY	MORE INFORMATION
<b>SUMMARY OF KEY RISKS</b>		
<p>Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors set out in Section 3, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises the key risks which apply to an investment in the Company and investors should refer to Section 3 for a more detailed summary of the risks.</p>		
<b>Limited operational history</b>	<p>The Company has limited operational history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Projects. Until the Company is able to realise value from the Projects, it is likely to incur operational losses.</p>	Section 3.1(a)
<b>Contractual Risk</b>	<p>The ability of the Company to achieve its stated objectives may be materially affected by the performance by the parties of obligations under certain agreements details of which are in Section 6. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p> <p>If the Company enters into agreements with third parties for the acquisition or divestment of equity interests in mineral exploration and mining projects there are no guarantees that any such contractual obligations will be satisfied in part or in full.</p> <p>Pursuant to the Farm-In Agreement, if Coda Minerals Limited (<b>Coda</b>) exits from the farm-in arrangement after Stage 1 or upon a decision to mine, a formal unincorporated Joint Venture will be formed and Terrace Mining Pty Ltd, a wholly owned subsidiary of the Company (<b>Terrace Mining</b>), will be responsible for its share of ongoing project expenditure subject to the terms of the Farm-in Agreement. If Terrace Mining fails to pay all or any portion of its cash calls properly rendered under the Farm-in Agreement, pursuant to properly approved programmes and budgets, after commencement of the Joint Venture, its interest is subject to dilution in accordance with the dilution formula defined under the Farm-in Agreement. Further details of the farm-in arrangement is set out in Section 6.1.</p>	Section 3.1(b)

TOPIC	SUMMARY	MORE INFORMATION
<b>Future capital requirements</b>	<p>The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.</p> <p>In order to successfully develop the Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Offer (particularly if only the Minimum Subscription is met). Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or 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.</p>	Section 3.1(d)
<b>Grant Risk for Exploration Licence Applications</b>	<p>Tenements ELA7342, ELA7331, ELA7337, ELA7366, ELA7380 and ELA2557 are applications for exploration licences which must be granted to the Company before the Company may acquire 100% legal and beneficial interest in those Tenements. Licence application 007481 is at the review stage and is yet to be accepted as an exploration licence application. There is a risk that these applications may not be granted in their entirety or only granted on conditions unacceptable to the Company.</p> <p>If the tenement applications are not granted, the Company will not acquire an interest in these tenements. The tenement applications therefore should not be considered as assets of the Company. Information in respect of the tenement applications is provided in this Prospectus to provide investors with sufficient information about each in the event such applications are granted.</p>	Section 3.2(a)

TOPIC	SUMMARY	MORE INFORMATION
Exploration and development risks	<p>Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource.</p> <p>Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk.</p> <p>Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing funding, adverse government policy, geological conditions, commodity prices or other technical difficulties.</p> <p>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.</p> <p>The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of its projects.</p>	Section 3.2(c)
Sovereign risk	<p>The Laloki Project, presently under application and for which the Company has commenced proceedings to grant (see Annexure C for further information), is located in Papua New Guinea and if granted, will mean the Company is subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.</p> <p>Any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects that affect foreign ownership, exploration, development or activities of companies involved in exploration and production, may affect the viability and profitability of the Company.</p>	Section 3.2(j)
Land access risks	<p>Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the mineral tenements.</p> <p>The Company notes licence application 007481 is over part of the Puckapunyal Military Area. Even if that application were granted, there is no guarantee access to all or part of it will be provided.</p>	Section 3.2(k)



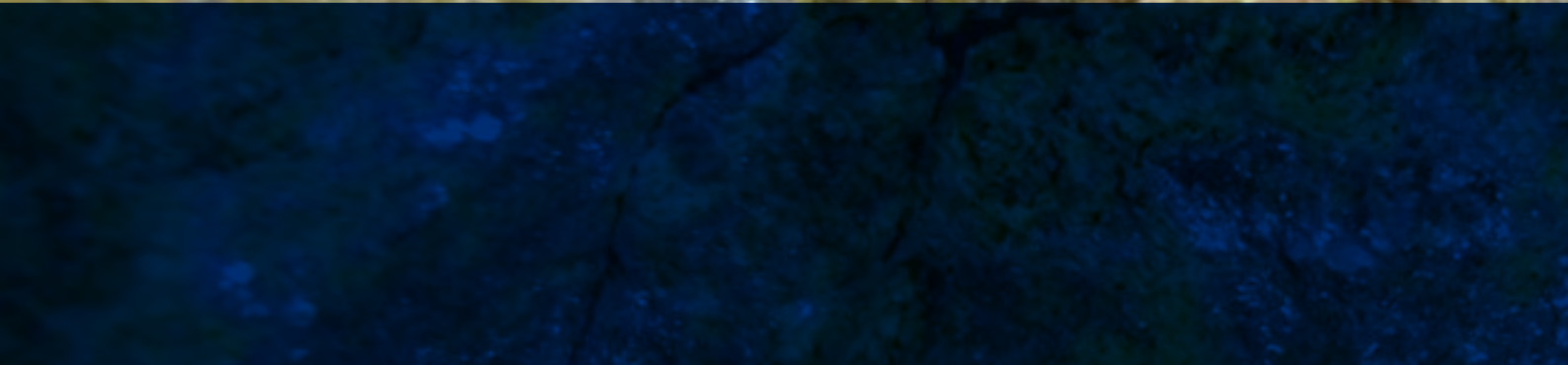
TOPIC	SUMMARY	MORE INFORMATION
Infectious diseases	<p>The outbreak of the coronavirus disease (COVID-19) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets.</p> <p>The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and may interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains.</p>	Section 3.3(j)
<b>DIRECTORS, RELATED PARTY INTEREST AND SUBSTANTIAL HOLDERS</b>		
Who are the Directors?	<p>The Board of the Company comprises:</p> <ul style="list-style-type: none"> <li>(a) Mr William (Bill) Bloking - Non-Executive Chairman;</li> <li>(b) Mr Steve Shedden - Managing Director;</li> <li>(c) Mr Michael Collings - Non-Executive Director; and</li> <li>(d) Mr Richard Grauaug - Non-Executive Director.</li> </ul>	"Corporate Directory" and Section 5.1
What benefits are being paid to the Directors?	<p>Mr William (Bill) Bloking has entered into a non-executive director letter of appointment with the Company, pursuant to which Mr Bloking will receive \$85,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Chairman.</p> <p>Mr Steve Shedden has entered into an executive services agreement with the Company, pursuant to which he is engaged as Managing Director of the Company and entitled to receive \$215,000 per annum (excluding statutory superannuation).</p> <p>Mr Richard Grauaug has entered into a non-executive director letter of appointment with the Company, pursuant to which Mr Grauaug will receive \$60,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.</p> <p>Mr Michael Collings has entered into a non-executive director letter of appointment with the Company, pursuant to which Mr Collings will receive \$60,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.</p> <p>Thecia Pty Ltd, an entity related to Mr Michael Collings (a former executive director, now a non-executive director), has entered into a consultancy agreement with the Company pursuant to which Thecia will receive \$10,000 per month for a three month period post-admission for technical consultancy services.</p> <p>Directors did not receive any remuneration for the 2017, 2018 or 2019 financial year. For work undertaken in respect of the Company's listing from 1 July 2020 (and up to the date the Company is admitted to the Official List of ASX) the Directors will receive a fee of \$6,560 per month (excluding superannuation).</p> <p>Shareholders also recently approved the issue of Incentive Options to Messrs Bloking, Shedden, Collings and Grauaug (6,125,000 in aggregate).</p>	Sections 5.6 and 6.8 and 6.10

TOPIC	SUMMARY	MORE INFORMATION																																																
What interests do Directors have in the securities of the Company?	The Directors and their related entities hold the following interests in Securities in the Company as at the date of this Prospectus:	Section 5.4																																																
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What important contracts with related parties is the Company a party to?	<p>The Company has entered into the following related party transactions on arms' length terms:</p> <p>(a) executive services agreements or letters of appointment with each of its Directors on standard terms (refer to Section 6.8 for details);</p> <p>(b) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 6.11 for details);</p> <p>(c) an agreement for the provision of legal services with Richard Simon Legal, an entity in which Non-Executive Director Mr Richard Grauaug has an 100% interest (refer Section 6.9 for details); and</p> <p>(d) an agreement for the provision of consulting services with Thecia Pty Ltd, an entity in which Non-Executive Director Mr Michael Collings holds the position of Director and in which he holds a beneficial interest (refer Section 6.10 for details).</p>	Section 5.7																																																

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Who will be the substantial holders of the Company?	Shareholders (and their associates) holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are set out in the table below.	Section 7.5																																		
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What fees are payable to the Lead Manager?	<p>The Company will pay to the Lead Manager the following fees in connection with the Offer, subject to the successful completion of the Offer:</p> <p>(a) a management fee of 2% of the amount raised in the Offer; and</p> <p>(b) a selling fee of 4% total gross funds raised under the Offer, however no selling fee will be payable on funds raised from investors agreed by the Lead Manager to be introduced by the Company.</p> <p>In addition, the Company has agreed to pay the Lead Manager a retainer of \$5,000 (exclusive of GST) per month for a term of 12 months upon Admission.</p> <p>Pursuant to the Lead Manager Mandate, the Company has also agreed to issue the Lead Manager (or its nominees) Lead Manager Options equal to 5% of the fully diluted issued capital of the Company exercisable at \$0.30 each within 3 years of Admission on the terms and conditions set out in Section 7.3.</p>	Sections 1.5 and 6.6																																		
What are the Lead Manager's interests in the Securities of the Company?	<p>The Lead Manager and its associates have a relevant interest in the following Securities as at the date of this Prospectus:</p> <table border="1"> <thead> <tr> <th>Shares</th> <th>%</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>411,574</td> <td>0.6</td> <td>Nil</td> </tr> </tbody> </table>	Shares	%	Options	411,574	0.6	Nil	Section 1.5(b)																												
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TOPIC	SUMMARY	MORE INFORMATION
<b>WHAT IS THE OFFER?</b>		
What is the Offer?	The Offer is for an initial public offering of a minimum of 35 million and a maximum of 50 million Shares at an issue price of \$0.20 each to raise a minimum of \$7 million and a maximum of \$10 million (before associated costs).	Section 1.1
What is the Offer Price?	\$0.20 per Share.	Section 1.1
What is the minimum subscription amount under the Offer?	The Offer is conditional on the Company raising at least \$7 million. If the Company fails to raise the Minimum Subscription within four months after the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).	Section 1.1(b)
Will the Shares be quoted?	The Company will apply to the ASX for its admission to the Official List and quotation of Shares on the ASX (expected to be under the code "TRN") within seven days of the date of this Prospectus.	"Corporate Directory" and Section 1.9
What is the purpose of the Offer?	The purpose of the Offer is to: <ul style="list-style-type: none"> <li>(a) raise a minimum of \$7 million and up to a maximum of \$10 million pursuant to the Offer;</li> <li>(b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List; and</li> <li>(c) position the Company to seek to achieve the objectives details in Section 2.</li> </ul>	Section 1.1(c)
What are the conditions of the Offer?	The Offer under this Prospectus is conditional upon: <ul style="list-style-type: none"> <li>(a) the Company raising the Minimum Subscription (\$7 million) under the Offer; and</li> <li>(b) the ASX providing the Company with a list of conditions which, once satisfied, will result in ASX admitting the Company to the Official List.</li> </ul> <p>If these conditions are not satisfied then the Offer will not proceed and the Company will repay all Application Monies received under the Offer in accordance with the Corporations Act.</p>	Section 1.2
Are there any escrow arrangements?	Yes, there are compulsory escrow arrangements under the ASX Listing Rules. None of the Shares issued pursuant to the Offer are expected to be restricted securities. <p>The Company anticipates that upon Admission approximately 41.3m Shares will be classified as restricted securities by ASX (including 36.7m Shares restricted for a period of 24 months from quotation of the Company's Shares on ASX) which comprises approximately 42.0% of the issued share capital on an undiluted basis, and approximately 37.2% on a fully diluted basis (based on the Minimum Subscription and assuming all Options are exercised and that no other Securities are issued).</p>	Section 1.14
What is the Offer period?	An indicative timetable for the Offer is set out on page ix of this Prospectus.	"Indicative Timetable"
Is the Offer underwritten?	The Offer is not underwritten.	Section 1.15

TOPIC	SUMMARY	MORE INFORMATION
<b>ADDITIONAL INFORMATION</b>		
<b>Will the Company be adequately funded after completion of the Offer?</b>	The Board believes that the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.	Section 1.3
<b>What rights and liabilities attach to the Securities on issue?</b>	All Shares issued under the Offer will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 7.1.  The terms and conditions of the Options are set out in Section 7.2 and 7.3.	Sections 7.1 to 7.3
<b>Who is eligible to participate in the Offer?</b>	The Offer is open to investors with a registered address in Australia and, subject to various restrictions, investors with registered addresses in Canada, European Union (Germany), Hong Kong, New Zealand, Papua New Guinea, Singapore and the United Kingdom.	Section 1.13
<b>How do I apply for Shares under the Offer?</b>	Applications for Shares under the Offer can only be made using the relevant Application Form accompanying this Prospectus. For further information on how to complete the Application Form, Applicants should refer to the instructions set out on the form.	Section 1.7
<b>What is the allocation policy?</b>	The Directors, in conjunction with the Lead Manager, will allocate Shares under the Offer at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward (subject to any regulatory requirements).  There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the relevant Closing Date.  Subject to the satisfaction of the conditions to the Offer outlined in Section 1.2, Shares under the Offer are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.	Section 1.11
<b>When will I receive confirmation that my Application has been successful?</b>	It is expected that holding statements will be sent to successful applicants on or about Friday, 11 December 2020.	"Indicative Timetable"
<b>What is the Company's dividend policy?</b>	The Company does not expect to pay dividends in the near future as its focus will primarily be on exploration of the Projects and future acquisitions.	Section 2.7
<b>How can I find out more about the Prospectus or the Offer?</b>	Questions relating to the Offer and the completion of an Application Form can be directed to the Company Secretary on +61 8 9481 0389.	Section 1.20



*The grey sulphide mineral is stibnite ( $Sb_2S_3$ ) in oxidised surface rocks found in narrow veins at the historical Cunningham's mine in Torrens Mining Limited's Mt Piper Project area (no scale given).*



**DETAILS  
OF OFFER**

**1**

# The Offer

## 1.1 The Offer

### (a) General

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

The Offer is subject to a minimum subscription of \$7 million (refer to Section 1.1(b) for further details).

The Shares to be issued pursuant to the Offer are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 7.1.

Applications for Shares under the Offer must be made on the Application Form accompanying this Prospectus or using the online Application Form and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Offer should refer to Section 1.7 for further details and instructions.

### (b) Minimum Subscription

The minimum subscription under the Offer is \$7 million (being 35 million Shares) (**Minimum Subscription**).

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

### (c) Purpose of the Offer

The purpose of this Prospectus is to:

- (i) raise up to \$10 million pursuant to the Offer (before associated costs);
- (ii) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission; and
- (iii) position the Company to seek to achieve the objectives detailed in Section 2.

## 1.2 Conditional Offer

The Offer under this Prospectus is conditional upon the following events occurring:

- (a) the Company raising the Minimum Subscription, being \$7 million, under the Offer (refer to Section 1.1(b)); and
- (b) ASX providing the Company with a list of conditions which, once satisfied, will result in ASX admitting the Company to the Official List.

If these conditions are not satisfied then the Offer will not proceed and the Company will repay all Application Monies received under the Offer in accordance with the Corporations Act.

## 1.3 Proposed use of Funds

Following the Offer, it is anticipated that the following funds will be available to the Company:

SOURCE OF FUNDS	MINIMUM SUBSCRIPTION \$	MAXIMUM SUBSCRIPTION \$
Existing cash reserves <sup>1</sup>	400,000	400,000
Proceeds from Offer	7,000,000	10,000,000
Total funds available	7,400,000	10,400,000

**Note:**

1. Existing cash reserves estimate as at date of Prospectus.



The following table shows the intended use of funds in the two year period following Admission:

USE OF FUNDS - YEAR 1	MINIMUM SUBSCRIPTION		MAXIMUM SUBSCRIPTION	
	\$	%	\$	%
Exploration expenditure - Mount Piper <sup>1</sup>	1,107,000	15.0	2,215,000	21.3
Exploration expenditure - Club Terrace <sup>1</sup>	279,000	3.8	537,000	5.2
Exploration expenditure - Laloki <sup>1</sup>	250,000	3.4	250,000	2.4
Elizabeth Creek - JV contributions <sup>1</sup>	876,000	11.8	876,000	8.4
Payment to Strandline <sup>3</sup>	250,000	3.4	250,000	2.4
General administration fees and working capital <sup>2</sup>	942,500	12.7	930,000	8.9
Estimated expenses of the Offer <sup>4</sup>	660,000	8.9	845,000	8.1
<b>Total Funds allocated - Year 1</b>	<b>4,364,500</b>	<b>59.0</b>	<b>5,903,000</b>	<b>56.7</b>

USE OF FUNDS - YEAR 2	MINIMUM SUBSCRIPTION		MAXIMUM SUBSCRIPTION	
	\$	%	\$	%
Exploration expenditure - Mount Piper <sup>1</sup>	832,000	11.2	2,014,000	19.4
Exploration expenditure - Club Terrace <sup>1</sup>	297,000	4.0	589,000	5.7
Exploration expenditure - Laloki <sup>1</sup>	100,000	1.4	100,000	1.0
Elizabeth Creek - JV contributions <sup>1</sup>	864,000	11.7	864,000	8.3
General administration fees and working capital <sup>2</sup>	942,500	12.7	930,000	8.9
<b>Total Funds allocated - Year 2</b>	<b>3,035,500</b>	<b>41.0</b>	<b>4,497,000</b>	<b>43.3</b>
<b>Total Funds - Years 1 and 2</b>	<b>7,400,000</b>	<b>100</b>	<b>10,400,000</b>	<b>100</b>

**Notes:**

1. See Section 2.6 for further information on the Company's exploration budget.
2. Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent and other associated costs. Working capital also includes surplus funds.
3. Deferred consideration payment to Strandline Resources Limited for acquisition of Elizabeth Creek Project. See Section 6.2 for further details.
4. Expenses paid or payable by the Company in relation to the Offer are set out in Section 7.8.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above tables may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 3). Actual expenditure levels may differ significantly from the above estimates depending on the level of exploration success and the grant of licences which the Company has applied for.

The Company proposes to actively pursue further acquisitions which complement its existing focus. If and when a viable investment opportunity is identified, the Board may elect to acquire or exploit such opportunity by way of acquisition, joint venture or earn-in arrangement which may involve the payment of consideration in cash, equity or a combination of both.

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

The use of further equity funding may be considered by the Board where it is appropriate to accelerate a specific project or strategy.

Based on the intended use of funds detailed above, the amounts raised pursuant to the Offer will provide the Company sufficient funding for approximately 2 years' operations. As the Company has no operating revenue, the Company will require further financing in the future. See Section 3.1(d) for further details about the risks associated with the Company's future capital requirements.

## 1.4 Capital Structure on Admission

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

SECURITY	NO. OF SECURITIES (MINIMUM SUBSCRIPTION)	%	NO. OF SECURITIES (MAXIMUM SUBSCRIPTION)	%
Existing Shares on Issue <sup>1</sup>	63,451,662	64.4	63,451,662	55.9
Shares offered under the Offer (at an Offer Price of \$0.20 per Share)	35,000,000	35.6	50,000,000	44.1
<b>Total Shares on issue on completion of the Offer</b>	<b>98,451,662</b>	<b>100</b>	<b>113,451,662</b>	<b>100</b>
Existing Options on issue <sup>1,2</sup>	7,500,000	58.6	7,500,000	55.4
Lead Manager Options <sup>2</sup>	5,297,583	41.4	6,047,583	44.6
<b>Total Options on issue on completion of the Offer</b>	<b>12,797,583</b>	<b>100</b>	<b>13,547,583</b>	<b>100</b>

### Notes:

- Please refer to Section 2.2 for further details relating to the Company's current capital structure.
- See Sections 7.2 and 7.3 for the terms of issue of the Options.

The Company's free float at the time of Admission will be not less than 20%.

## 1.5 Lead Manager's interest in the Offer

Taylor Collison (also referred to in this Prospectus as the "Lead Manager") has been appointed as lead manager to the Offer. Taylor Collison is party to the Lead Manager Mandate that is summarised in Section 6.6.

### (a) Fees payable to Lead Manager

The Company has or will pay to Taylor Collison the following fees in connection with the Offer:

- a management fee of 2% of the total gross funds raised under the Offer; and
- a selling fee of 4% total gross funds raised under the Offer, however no selling fee will be payable on funds raised from investors agreed by the Lead Manager to be introduced by the Company, in accordance with the Lead Manager Mandate summarised in Section 6.6.

Pursuant to the Lead Manager Mandate, the Company has also agreed to issue the Lead Manager (or its nominees) Lead Manager Options equal to 5% of the fully diluted issued capital of the Company exercisable at \$0.30 each within 3 years of Admission on the terms and conditions set out in Section 7.3.

In addition, the Company has agreed to pay the Lead Manager a retainer of \$5,000 (exclusive of GST) per month for a term of 12 months upon Admission.

### (b) Lead Manager's interests in Securities

As at the date of this Prospectus, the Lead Manager and its associates have a relevant interest in 411,574 Shares (a percentage shareholding of 0.6%).

Based on the information available to the Company as at the date of the Prospectus regarding the intentions of the Lead Manager and its associates in relation to the Offer and assuming:

- only the Minimum Subscription is achieved under the Offer; and
- neither the Lead Manager nor its associates take up Shares under the Offer,

the Lead Manager and its associates will have a relevant interest in 411,574 Shares (a percentage shareholding of 0.4%) and 5,297,583 Lead Manager Options on Admission.

### (c) Lead Manager's participation in previous placements

The Lead Manager has participated in a placement of Securities by the Company in the 2 years preceding lodgement of this Prospectus. On 4 September 2020, an entity associated with the Lead Manager converted \$300,000 of convertible notes at an issue price of \$0.085 per Share for the issue of 3,529,412 Shares.

## 1.6 Forecasts

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

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

Refer to Sections 2.1 and 2.5 for further information in respect to the Company's proposed activities.

## 1.7 Applications

### (a) General

Applications for Shares under the Offer can be made using the Application Form accompanying this Prospectus or otherwise provided by the Company. The Application Form must be completed in accordance with the instructions set out on the form. Application payment must be made via cheque when using the paper Application Form. Online applications are encouraged.

No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account.

### (b) Submit an online Application Form and pay with BPAY®

For online applications, investors can apply online with payment made electronically via BPAY®. Investors applying online will be directed to use an online Application Form and make payment by BPAY®. Applicants will be given a BPAY® biller code and a customer reference number (**CRN**) unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Applicants must:

- (A) access their participating BPAY® Australian financial institution either via telephone or internet banking;
- (B) select to use BPAY® and follow the prompts; enter the biller code and unique CRN that corresponds to the online Application;
- (C) enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- (D) select which account payment is to be made from;
- (E) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (F) record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution whether there are any limits on the Investor's account that may limit the amount of any BPAY® payment and the cut off time for the BPAY® payment.

Investors can apply online by following the instructions at [www.torrensmine.com](http://www.torrensmine.com) and completing a BPAY® payment. If payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

### (c) Offer

Applications under the Offer must be for a minimum of 10,000 Shares (\$2,000) and then in increments of 2,500 Shares (\$500).

Applications for Shares under the Offer must be made on the relevant Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to Section 1.7(a) and the relevant Application Form for further details and instructions.

## 1.8 CHESS and issuer sponsorship

The Company will apply to participate in CHESS. All trading on the ASX will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for

Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

## 1.9 ASX Listing and Official Quotation

Within seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

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

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

## 1.10 Application Monies to be held in trust

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

- (a) the Minimum Subscription is achieved (refer to Section 1.1(b)); and
- (b) ASX grants conditional approval for the Company to be admitted to the Official List (refer to Section 1.9).

## 1.11 Allocation and issue of Shares

The Directors, in conjunction with the Lead Manager will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward. The allocation of Shares will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Offer;
- (c) the desire for a spread of investors, including institutional investors;
- (d) the desire for an informed and active market for trading Shares following completion of the Offer.

There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Subject to the matters in Section 1.2, Shares under the Offer are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

## 1.12 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 3 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

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

## 1.13 Overseas Applicants

### (a) General

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside of Australia, Canada, European Union (Germany), Hong Kong, New Zealand, Papua New Guinea, Singapore and the United Kingdom.

The distribution of this Prospectus within jurisdictions outside of Australia, Canada, European Union, Hong Kong, New Zealand, Papua New Guinea, Singapore and the United Kingdom may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

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

### (b) Canada

This Prospectus constitutes an offering of new Shares only in the Provinces of British Columbia, Ontario and Quebec (the “**Provinces**”), only to persons to whom new Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such Securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are “accredited investors” within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the new Shares or the offering of the new Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of new Shares or the resale of such securities. Any person in the Provinces lawfully participating in the Offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the new Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the new Shares.

The Company as well as its Directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its Directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this Prospectus has been prepared in accordance with Australian Accounting Standards and also complies with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

*Statutory rights of action for damages and rescission.* Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser’s Province for particulars of these rights or consult with a legal adviser.

*Certain Canadian income tax considerations.* Prospective purchasers of the new Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the new Shares as there are Canadian tax implications for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this Prospectus, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the new Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglais seulement.*

### (c) European Union (Germany)

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Prospectus may not be made available, nor may the new Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the “**Prospectus Regulation**”).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of new Shares in the European Union is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation).

### (d) Hong Kong

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

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

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

### (e) New Zealand

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

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

### (f) Papua New Guinea

**WARNING:** This document has not been, and will not be, registered by the Securities Commission of PNG and does not comply with the provisions of the Capital Markets Act 2015 of the Independent State of PNG. Accordingly, the new Shares have not been, and will not be, offered in PNG other than in circumstances where the Offer qualifies as an “excluded offer” or “excluded invitation” (as such terms are defined in the Capital Markets Act 2015).

The contents of this document have not been reviewed or approved by any PNG regulatory authority. No advertisement, invitation or document relating to the new Shares has been, or will be, issued in PNG or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of PNG (except if permitted to do so under the Capital Markets Act 2015).

### (g) Singapore

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

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

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

#### (h) United Kingdom

Neither this Prospectus nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) has been published or is intended to be published in respect of the new Shares.

The new Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

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

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

### 1.14 Escrow arrangements

ASX will classify certain existing Shares on issue in the Company (as opposed to those to be issued under this Prospectus) as being subject to the restricted securities provisions of the Listing Rules. Classified Shares would be required to be held in escrow for up to 24 months and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

None of the Shares issued pursuant to the Offer are expected to be restricted securities.

The Company anticipates that upon Admission approximately 41.3m Shares will be classified as restricted securities by ASX, which:

- (a) based on the Minimum Subscription, comprises approximately 42.0% of the issued share capital on an undiluted basis, and approximately 37.2% on a fully diluted basis (assuming all Options are issued and exercised and that no other Shares are issued); and
- (b) based on the Maximum Subscription, comprises approximately 36.4% of the issued share capital on an undiluted basis, and approximately 32.6% on a fully diluted basis (assuming all Options are issued and exercised and that no other Shares are issued).

Prior to the Company's Shares being admitted to quotation on the ASX, the Company will enter into escrow agreements with certain recipients of the restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow.

As at the date of this Prospectus the Company expects approximately 36.7m Shares to be subject to 24 months escrow.

### **1.15 Underwriting**

The Offer is not underwritten.

### **1.16 Lead Manager**

Taylor Collison has been appointed as Lead Manager to the Offer on the terms and conditions summarised in Section 6.6 of this Prospectus.

### **1.17 Withdrawal**

The Directors may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

### **1.18 Privacy disclosure**

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to Security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

### **1.19 Paper Copies of Prospectus**

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the Application Form to investors upon request and free of charge. Requests for a paper copy from should be directed to the Company Secretary on +61 8 9481 0389.

### **1.20 Enquiries**

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Offer and the completion of an Application Form can be directed to the Company Secretary on +61 8 9481 0389.





# COMPANY OVERVIEW

# 2

 **TORRENS**  
MINING LIMITED

*Geologists collecting geochemical soil samples in Torrens Mining Limited's Club Terrace Project area.*

# Company Overview

## 2.1 Company

The Company was incorporated on 27 February 2014 in the State of Western Australia. Since incorporation, the Company has built an enviable portfolio of gold and base metal exploration projects in Victoria, South Australia and Papua New Guinea via acquisition and direct application.

Its project portfolio includes important gold exploration positions in Central and Eastern Victoria (Mount Piper and Club Terrace projects) (100%), a 49% interest in the active Elizabeth Creek Copper-Cobalt Project, which is located in the heart of South Australia's highly productive Olympic Copper Province, and a 100% interest in the drill-proven high grade copper-gold mineralisation at the formerly producing Laloki Copper-Gold Project in Papua New Guinea (presently an exploration licence application). The Company offers investors exposure to the potential of this diversified portfolio of gold, copper and cobalt exploration and development activities.

The Company's Board comprises Messrs William (Bill) Bloking (Non-Executive Chairman), Steve Shedden (Managing Director), Michael Collings (Non-Executive Director) and Richard Grauaug (Non-Executive Director). The Chief Financial Officer and Company Secretary is Mr David Palumbo. Further information on the Board is set out in Section 5.

## 2.2 Capital Structure of the Company

As at the date of this Prospectus, the capital structure of the Company, and particulars of its current Shareholders (and their related entities), are as follows:

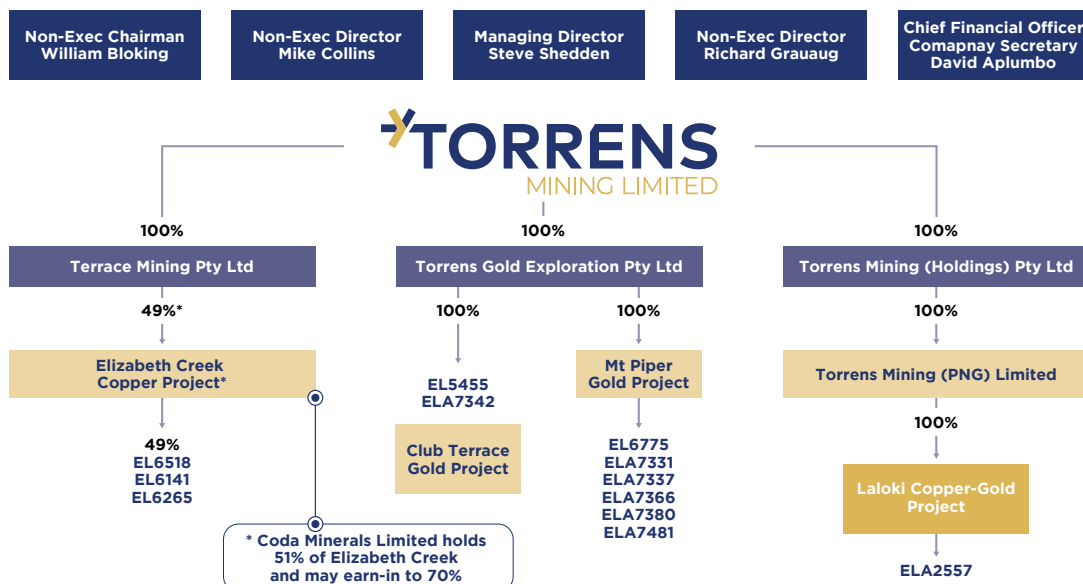
SHAREHOLDER	SHARES	%	OPTIONS	%
William (Bill) Bloking (Director) <sup>1</sup>	11,500,000	18.1	1,225,000	16.3
Steve Shedden (Director) <sup>1</sup>	7,400,000	11.7	2,100,000	28.0
Michael Collings (Director) <sup>1</sup>	7,600,000	12	1,575,000	21.0
Richard Grauaug (Director) <sup>1</sup>	4,120,000	6.5	1,225,000	16.3
Other	32,831,662	51.7	1,375,000	18.3
<b>Shares on issue as at the date of this Prospectus</b>	<b>63,451,662</b>	<b>100</b>	<b>7,500,000</b>	<b>100</b>

### Notes:

- Messrs Bloking, Shedden, Collings and Grauaug are Directors of the Company.
- Refer to Section 7.1 for a summary of the rights attaching to the Shares and Section 7.2 for a summary of the rights attaching to the existing Options.

## 2.3 Corporate Structure

Upon the Company's admission to the Official List, its corporate structure will be as set out in the following diagram.



As detailed above, the Company is the holding company of the four incorporated and registered 100% owned subsidiaries (together the **Group Subsidiaries**).

## 2.4 Overview of the Projects

### (a) Tenements

A comprehensive summary of regional and local geology, historical mining and historical exploration pertaining to the Tenements is contained in the Independent Geologist Reports in Annexure D (Mount Piper, Club Terrace and Laloki) and Annexure E (Elizabeth Creek). A comprehensive summary of the status of the Tenements can be found in the Solicitor's Reports in Annexure B (Australia) and Annexure C (PNG).

Details of the Emmie Bluff exploration target (Elizabeth Creek), mineral resource estimate at Elizabeth Creek and exploration results for Mount Piper and Laloki are set out in Annexures F-H.

The Projects are located in Victoria, South Australia and Papua New Guinea as shown in Figure 1.

Figure 1: Project location map



## (b) Mount Piper Central Victorian Gold Project

### (i) Introduction

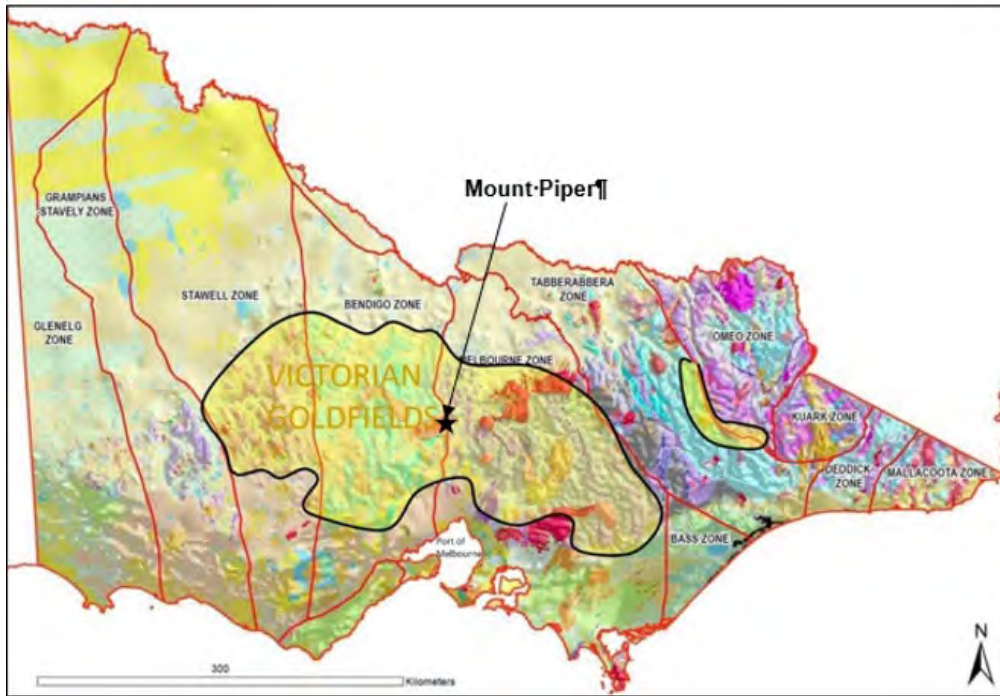
The Mount Piper project comprises a single granted Exploration Licence (EL6775), four Exploration Licence Applications (ELA7331, ELA7337, ELA7366 and ELA7380) and one application for exploration licence 007481 which is currently being reviewed covering a total area of 1,609 km<sup>2</sup> in Central Victoria, Australia. Licence application 007481 (approximately 447 km<sup>2</sup>) lies over parts of the Puckapunyal Military Area (PMA) and surrounding areas.

The Mount Piper project is located approximately 80 km north of the Victorian capital city of Melbourne adjacent to the sealed Hume Highway. Electrical grid power and scheme water are connected to the project area. Skilled and unskilled labour, wholesale goods and services are readily sourced from Melbourne.

### (ii) Geology

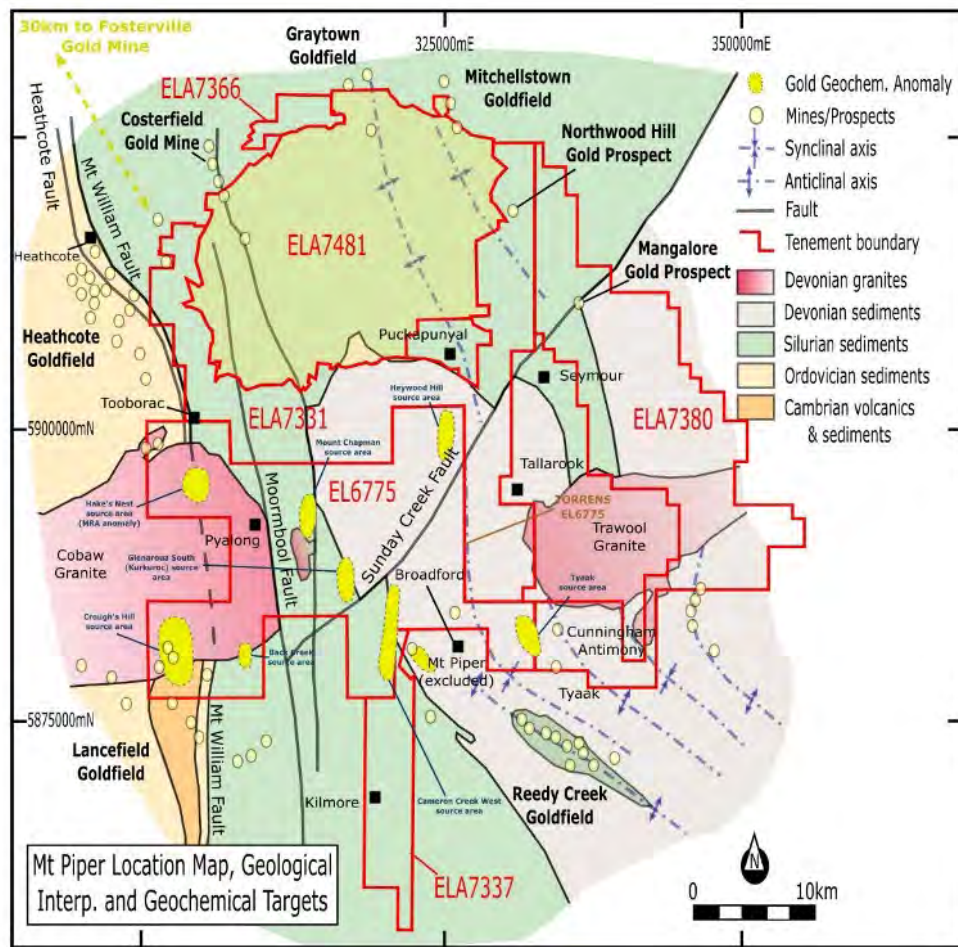
Geologically, the Mount Piper project is located within the Victorian Gold Province which forms the south-central part of the Lachlan Fold Belt. The Victorian Gold Province host approximately 130,000 known gold occurrences, including 12 deposits which have each yielded over 30,000 tonnes of gold. The largest gold deposits are hosted by Cambrian to Silurian metasedimentary rocks of the Bendigo and (lesser) Stawell zones.

Figure 2: Mount Piper Locality Diagram



Each of the structural zones (Stawell, Bendigo and Melbourne) in the Victorian Gold Province are unique in their geological character and mineralisation history. The Mount Piper project straddles the boundary between the Bendigo and Melbourne zones, marked by the presence of the defining Mount William Fault in granted tenement EL6775 (see Figure 3).

Figure 3: Mount Piper Location Map with Geological Interpretation and Geochemical Targets



Note: In the diagram above ELA7481 is under review and is yet to be accepted as an exploration licence application.

Major gold deposits of the Bendigo Zone include those of the historically important Ballarat, Bendigo, Castlemaine and Clunes gold production centres, and numerous other smaller goldfields. Gold mineralisation in the Melbourne Zone is orogenic in origin and mesothermal in style. The Fosterville goldfield, operated by Kirkland Lake Gold Ltd., is regarded as the only major known epizonal gold deposit in the Bendigo Zone, and is located approximately 30km north west of the Company's Mount Piper project. Mineralisation mined by the mine operator, Kirkland Lake Gold Inc., in recent years has been remarkable for the high gold production grades achieved, making the Fosterville mine the largest gold producer in Victoria.

Known gold mineralisation in the Melbourne Zone includes the Heathcote, Costerfield, Nagambie and Bailieston goldfields. These goldfields are part of a broad gold-antimony province largely confined to the Melbourne Zone, with the notable exception of the Fosterville goldfield in the Bendigo Zone.

Further information on the geology of the Mount Piper project is set out in section of the Independent Geologist's Report at Annexure D.

### (iii) Historical work on EL6775

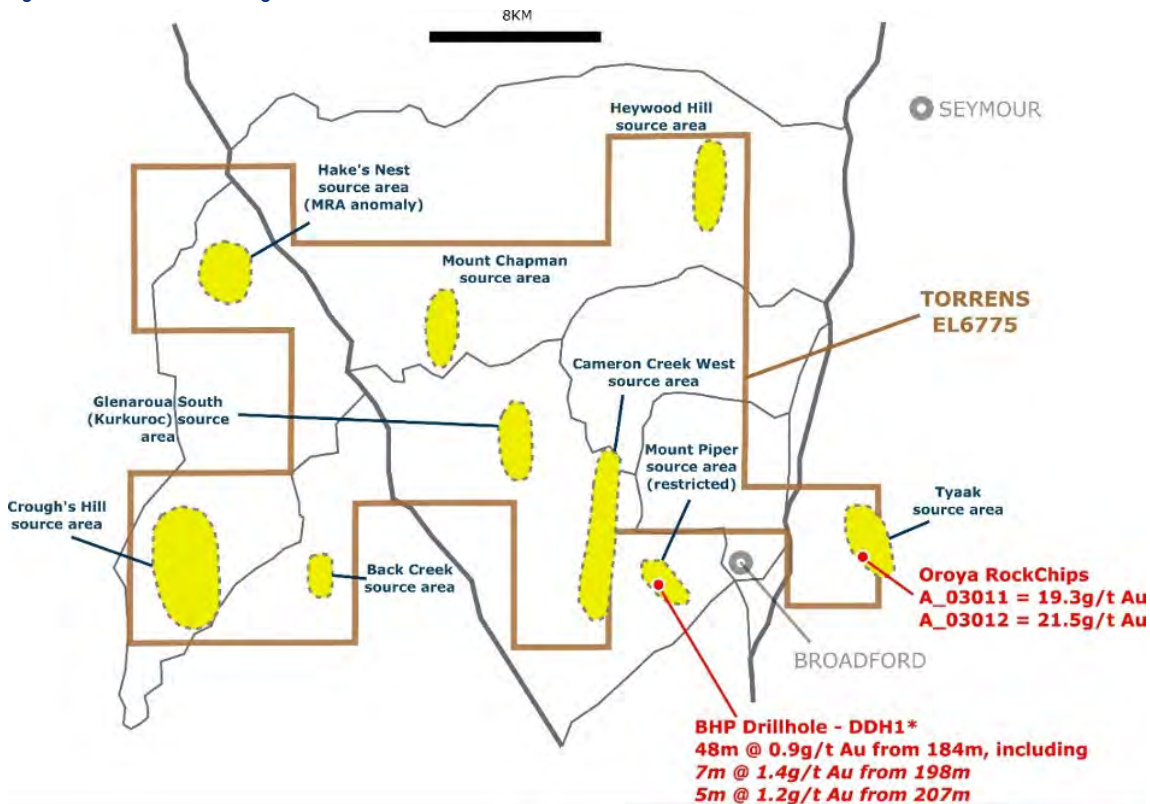
Several historical workings are present on EL6775, although the total gold production is unknown. To date, no detailed mapping or sampling has been undertaken over these workings.

Historical exploration work on the area now principally covered by granted EL6775 included:

- a. 12 stream sediment sampling campaigns;
- b. limited soil sampling, mainly focused on the southeast area;
- c. limited rock chip sampling;
- d. detailed geological mapping of two small areas, the Mount Piper prospect and the old Koala-Sugarloaf mining area (in the northeast); and
- e. induced polarisation (IP) geophysical surveying and diamond drilling.

Figure 4 below shows the location of anomalous geochemical zones at Mount Piper on EL6775.

Figure 4: EL6775 anomalous geochemical zones



Further detail is set out in the Independent Geologist's Report at Annexure D and in the JORC Table 1 disclosure for Mount Piper at Annexure G.

(iv) Historical work on exploration licence application areas

Historical work on the exploration licence application (ELA) areas at Mount Piper is limited. It is understood that Perseverance Mining began work in the area in 1992 and undertook reverse circulation exploration drilling on an area which included the Northwood Hill prospect in 1993. Torrens has compiled the historical data, which show a 5 km long corridor defined by gold mineralisation intersected in reverse circulation drilling and gold geochemical anomalism in soil sampling and rock chip sampling (see Figure 5). Drilling results are detailed in Annexure G.

A total of 25 reverse circulation drill holes were drilled by Perseverance within ELA7331 at Northwood Hill, with a further 8 reverse circulation drill holes drilled along strike from the first 25 in a northwest direction within the Puckapunyal Military Area (PMA), an area subject to licence application 007481 (under review). The average depth of all the reverse circulation drilling completed by Perseverance Mining is only 53 m and it appears that the drilling was conducted using industry standard techniques. Assay results included grades of up to 3.78 g/t Au (Table 2-3 of Annexure D and Table 2 of Annexure G).

Figure 5: Northwood Hill Drilling and 5km Long Anomalous Gold Corridor

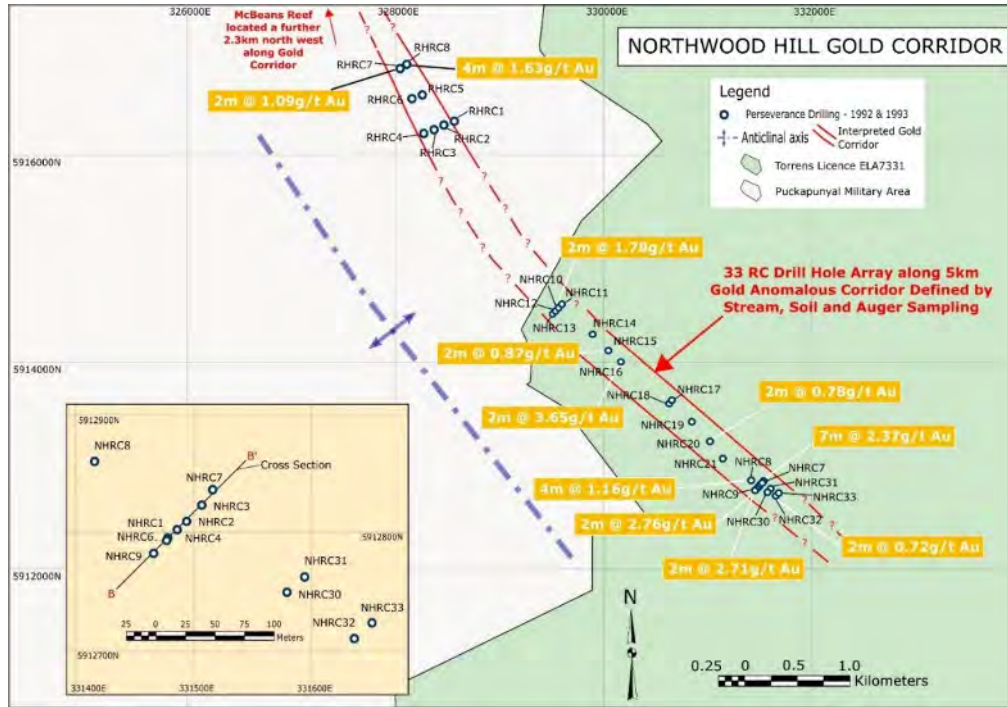
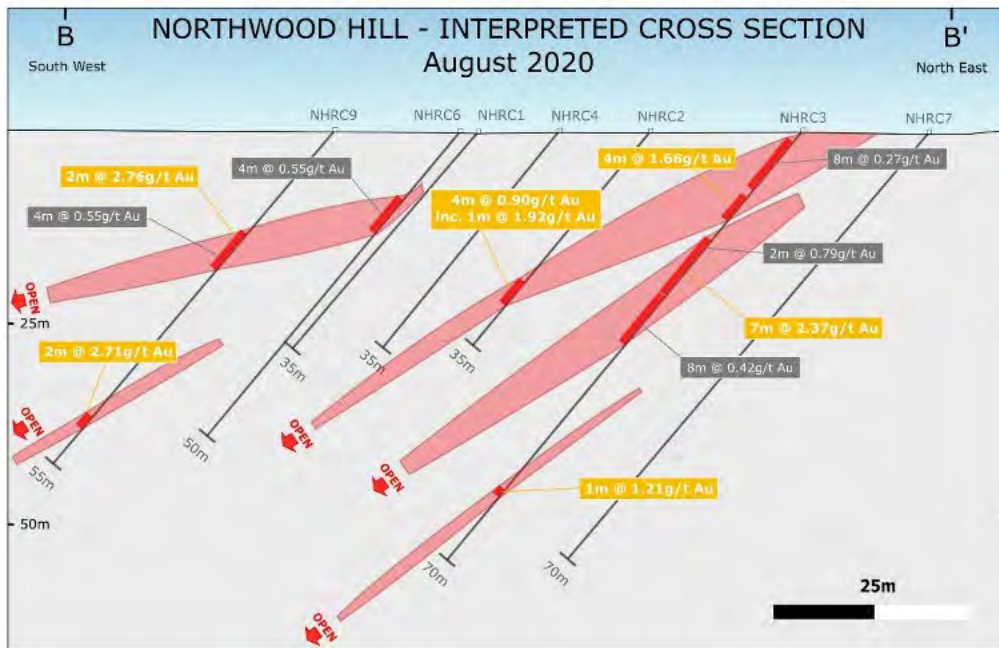


Figure 6: Northwood Hill - Interpreted cross section



(v) Prospectivity and work plan

The Company's principal exploration focus for the Mount Piper project is to target disseminated, sulphidic, structurally controlled, quartz-poor stockwork and veined gold-arsenic-antimony mineralisation similar to that found in the Bendigo zone (including at the nearby Fosterville gold mine) ('Fosterville style gold mineralisation') or to that found in the Nagambie and Costerfield gold mining centres within the Melbourne zone. The Company's exploration objective is to discover and delineate Fosterville style gold mineralisation within the Mount Piper project and elsewhere in Victoria.

The Company's work plan includes a comprehensive desktop review and database development, mapping and sampling programs and, significantly, an airborne geophysics program that will be used from a local architecture/geological framework model and allow detailed local targeting. A drilling campaign is planned to follow completion of the abovementioned work.

A detailed exploration budget is set out in Section 2.6.

### (c) Club Terrace Eastern Victorian Gold Project

#### (i) Introduction

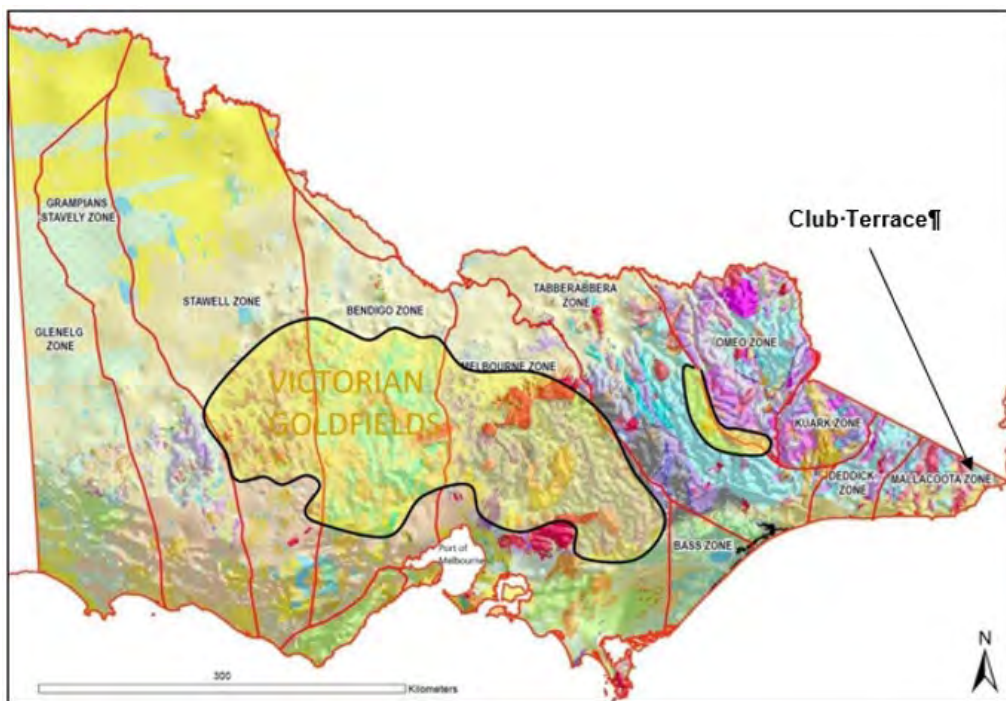
The Club Terrace project, an early stage speculative exploration project, comprises a single granted Exploration Licence (EL5455) and one Exploration Licence Application (ELA7342), for a total of 383 km<sup>2</sup> in the Eastern Gippsland region of Victoria.

The tenements which comprise the Club Terrace project are located in Crown Forestry land and abut the New South Wales–Victoria state border to the north. The Club Terrace project is readily accessed by a network of all-weather forestry roads from the sealed Monaro Highway, which links the township of Cann River in Victoria with Bombala in the state of New South Wales and Canberra in the Australian Capital Territory.

#### (ii) Geology

The Club Terrace project is geologically located within the Mallecoota Zone, which forms the far south-eastern part of the Lachlan Fold Belt. The Mallecoota Zone is dominated by low-grade metasedimentary lithologies of Ordovician age with later (Devonian) granitic intrusions.

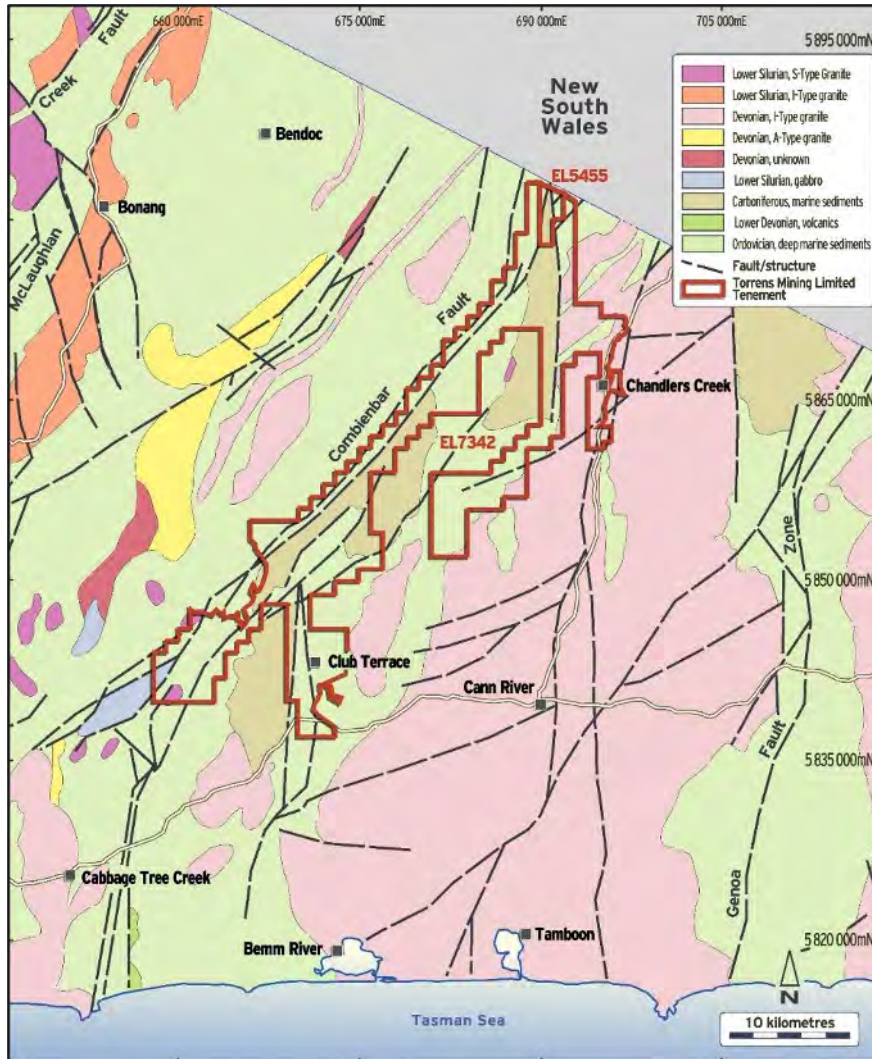
Figure 7: Club Terrace Locality Diagram



Key geological features of the Club Terrace Project include the eastern Kuark Metamorphic Complex (KMC) and Pheasant Creek-Combienbar faults (the Combienbar Fault is a major structure extending the length of the project area from the New South Wales border), the Bemm Fault in the southwest of the tenements which forms the eastern limit of a structurally-complex triangular area that is bounded on the west by the Pheasant Creek-Combienbar faults, and the Buldah Fault, in the northeast of the tenements, which, together with the Bega Batholith, forms the approximate eastern boundary of the area of interest within the tenements (see Figure 8).



Figure 8: Club Terrace Licences showing Geology and Structure



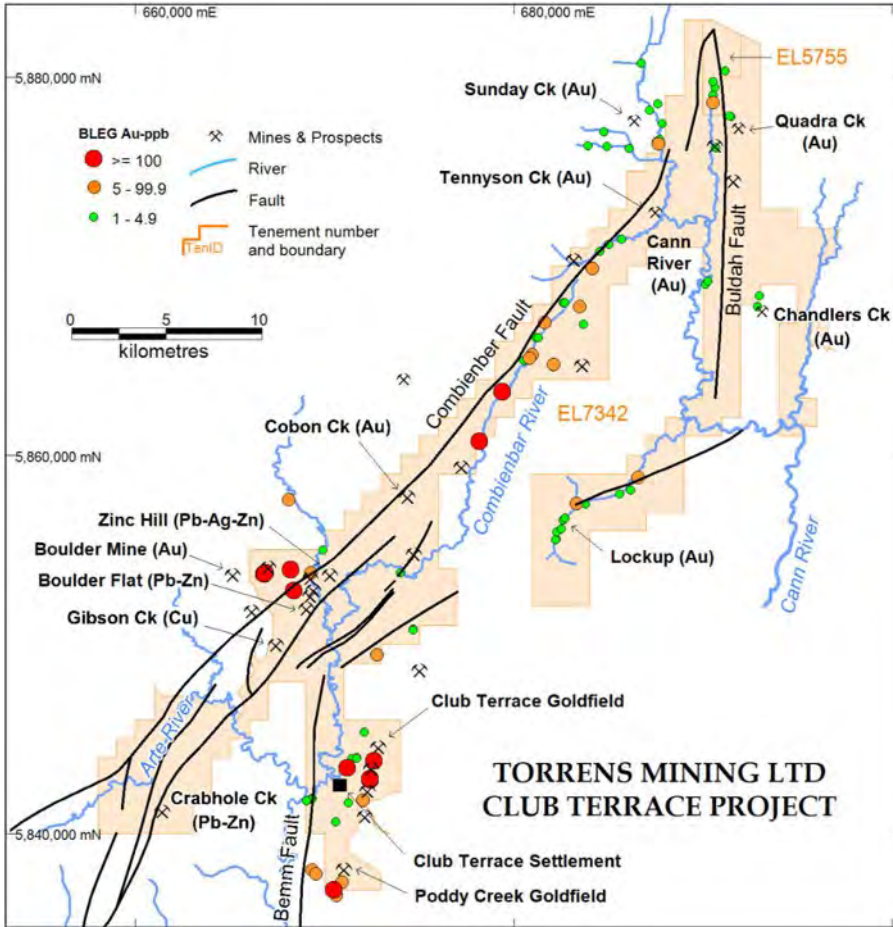
### (iii) Historical work

The Club Terrace area attracted artisanal-scale gold miners in the 19th and 20th centuries, although formal records are limited. It is understood that limited modern exploration has taken place on the tenements which make up the Club Terrace project.

In the mid-1970s, Jennings Mining Ltd undertook stream sediment sampling, limited drilling and ran induced polarisation surveys. Between 1982 and 1986, Samedan Oil Company carried out a small drilling program to target base metal mineralisation, returning limited elevated copper values around the area now known as the western limb of ELA7342. Between 2007 and 2012, Oroya Mining Ltd undertook various regional stream sediment sampling programs targeting gold. Several of these programs identified elevated copper, zinc and gold along the northern part of the Buldah Creek trend. Follow-up rock chip and multi-element soil sampling also reported anomalous gold, silver, lead, copper, arsenic, molybdenum and antimony values – although these values are unknown.

A map of the Club Terrace project showing anomalous gold locations is set out below.

Figure 9: Club Terrace Licences showing Historical Geochemical Sampling and Structure



(iv) Prospectivity and work plan

While the presence and continuity of gold mineralisation at the Club Terrace project is untested, there are known association of sulphides with gold and lead-zinc mineralisation throughout the Combienbar Fault mineralisation system.

The Company's exploration plan for the Club Terrace project includes a comprehensive desktop review and database development, mapping and sampling programs, an airborne geophysics program and scout drilling.

A detailed exploration budget is set out in Section 2.6.

(d) Elizabeth Creek

(i) Introduction

The Company, through its wholly owned subsidiary Terrace Mining Pty Ltd (Terrace Mining), holds a 49% interest in the Elizabeth Creek project. The 51% majority interest in the project is held by Coda Minerals Limited (Coda), which recently listed on the ASX on 28 October 2020.

Under the Farm-in Agreement between Coda and Terrace Mining, Coda has the right to earn up to a 70% interest in the Elizabeth Creek project following it incurring expenditure of approximately \$6.6 million (see table below).

STAGE	STUDY PHASE	CODA OWNERSHIP	EXPENDITURE COMMITMENT	CUMULATIVE EXPENDITURE	STATUS
Stage 1	Scoping Study Update	25%	\$1.37m	\$1.37m	Completed August 2018
Stage 2	Pre-feasibility study (Phase 1)	51%	\$2.5m	\$3.87m	Completed September 2019
Stage 3	Pre-feasibility study (Phase 2)	70%	\$2.75m	\$6.62m	Expected H12021

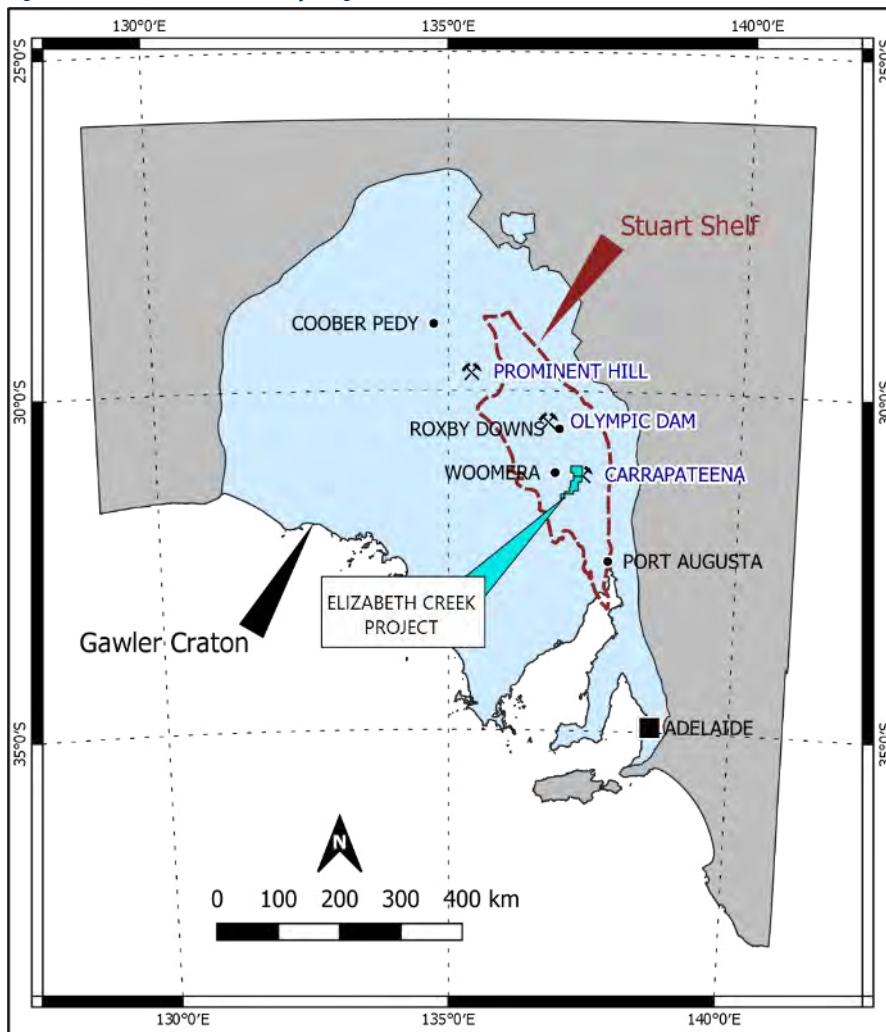
Coda has the option to acquire an additional 5% interest for \$1.5 million following completion of the initial 3-stage farm-in process. As part of the Farm-in Agreement, Terrace Mining is free carried to a maximum of \$8.62 million. Once the free carry limit has been reached, the joint venture phase will come into effect.

The Company anticipates Coda will meet both its Stage 3 commitment and the Terrace Mining free-carry limit in 2020/2021 financial year.

A fulsome summary of the arrangements between Terrace Mining and Coda is set out in Section 6.1.

The project comprises three granted contiguous exploration licences, EL6518 (formerly EL5636) (host to the Windabout and MG14 prospects), EL6141 (early stage exploration only) and EL6265 (host to the Emmie Bluff prospect), covering a combined area of approximately 739 km<sup>2</sup> in the Stuart Shelf of central South Australia. The project is centred approximately 35 km southeast of the town of Woomera and 135 km northwest of Port Augusta.

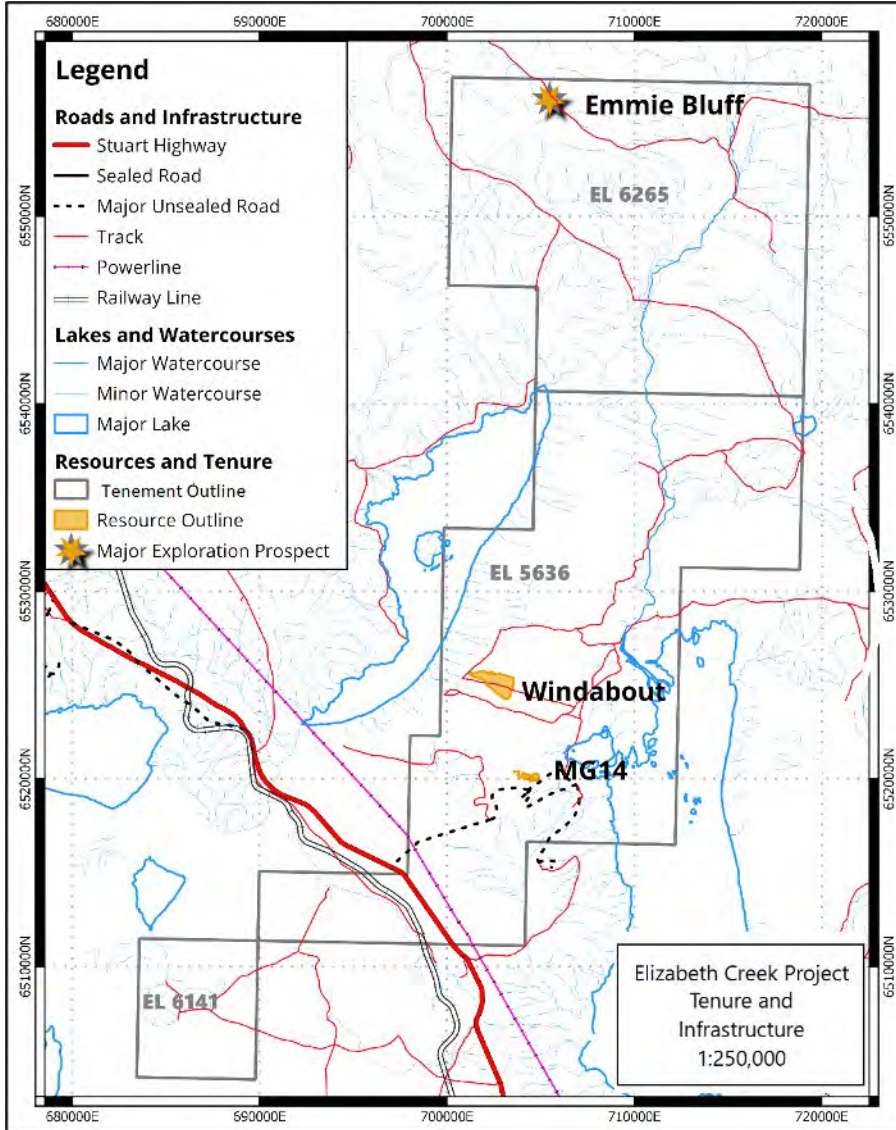
Figure 10: Elizabeth Creek Locality Diagram



Nearby mining projects include BHP Group Limited's Olympic Dam copper-gold-uranium mine, which is located 100 km to the north, and OZ Minerals Limited's Carrapateena copper-gold project, which is located approximately 50 km to the east.

The Project is accessed from the town of Woomera via the Stuart Highway and then along unsealed roads for approximately 10 km. The main transcontinental railway (Adelaide to Perth, and Adelaide to Darwin) runs parallel to the Stuart Highway and electrical grid power and scheme water are connected to the Project area.

Figure 11: Elizabeth Creek Tenure and Infrastructure



## (ii) Mineralisation

The project hosts mineral resource estimates at the Windabout and MG14 prospects, as set out below.

**WINDABOUT INDICATED MINERAL RESOURCE**

Cu-Eq >0.5% cut-off					Cu-Eq >1.0% cut-off				
Tonnage (Mt)	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)	Tonnage (Mt)	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)
17.67	0.77	492	8	1.41	11.86	0.95	599	10	1.73

**MG14 INDICATED MINERAL RESOURCE**

Cu-Eq >0.5% cut-off					Cu-Eq >1.0% cut-off				
Tonnage (Mt)	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)	Tonnage (Mt)	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)
1.83	1.24	334	14	1.67	1.59	1.33	360	15	1.8

Notes: Tonnes have been rounded. Discrepancies in totals may exist due to rounding. Cu-Eq has been calculated from copper and cobalt metal selling prices, recoveries and other assumptions contained in the Mineral Resource estimation report.

Full details of the mineral resource estimate are set out in Annexure F.

The project also hosts an exploration target at the Emmie Bluff prospect, as detailed below.

TAPLEY HILL FORMATION	LAYER THICKNESS (M)	VOLUME (M3)	TONNAGE RANGE (MT)	COPPER GRADE RANGE (%)	COBALT GRADE RANGE (%)	SILVER GRADE RANGE (G/T)
Upper Layer	1.7–6.1	14,271,000	28.7–47.8	0.935–1.558	0.038–0.064	11.3–18.9
Lower Layer	0.8–4.7	8,642,000	17.4–29.0	0.336–0.560	0.016–0.027	5.0–18.4
<b>Total</b>	<b>0.8–6.1</b>	<b>22,913,000</b>	<b>46.1–76.8</b>	<b>0.336–1.558</b>	<b>0.016–0.064</b>	<b>5.0–18.9</b>

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

Full details of exploration target are set out in Annexure F.

A detailed history of the studies undertaken on the project is set out in the Independent Geologist Report at Annexure E (section 2.10 of that report).

### (iii) Work programs

The project is operating under a farm-in and joint venture agreement between Terrace and Coda (**Farm-in Agreement**). The terms of the Farm-in Agreement are summarised in Section 6.1.

The project is managed by a steering committee with representatives from Torrens and Coda, with Coda as manager.

On completion of Coda's earn-in phase, it will have expended \$8.62 million and have earned a 70% interest in the project. Assuming Coda continues to progress the project, and completes its earn in commitment, as set out in the Farm-in Agreement, the relationship between Coda and Terrace will transition from a farm-in to a joint venture, also managed by Coda.

The Company intends to continue to contribute to the exploration and development of the project, but may elect to reduce or cease its financial contribution.

Based on the exploration results and prospectivity work undertaken to date, Coda has developed a budget for ongoing technical assessment of the project over the next 2 years (see Table 3-1 of the Independent Geologist's Report at Annexure E), and based on this budget, the Company has calculated that it may be required to elect to contribute \$876,000 in Year 1 and \$864,000 in Year 2 to maintain its equity position in the joint venture over the next 2 years. Such amounts may vary according to a range of operation contingencies, including the progress of the project and whether or not Coda elects to exercise its option to acquire an additional 5% of the project.

If Coda exercises its option to acquire a further 5% of the project, the Company will have an additional \$1.5 million for exploration expenditure, part or all of which may be reserved for servicing future pro-rata contributions to project expenditure.

## (e) Laloki Project

### (i) Introduction

The Laloki copper-gold project comprises a single Exploration Licence Application (ELA2557) covering an area of 126 km<sup>2</sup> on the East Papuan Peninsula in Papua New Guinea. The Laloki project is centred approximately 15 km from the capital city from Port Moresby and is readily accessed via the Hubert Murray highway to the north or the Magi Highway to the south. The unsealed Old Rigo Road, which traverses the Laloki project area, links the two highways. The Laloki project area is covered by a network of unsealed local roads and tracks.

Electrical grid power and scheme water are connected to the project area via the Rouna Falls Hydropower Station and the Port Moresby high-tension powerline. Skilled and unskilled labour, wholesale goods and services are readily sourced from Port Moresby, which serves as the main port of entry to Papua New Guinea via the Jackson International Airport.

Figure 12: Laloki Locality Diagram



The Company's application for ELA2557 was lodged in November 2017. As at the date of this Prospectus, the application remains undetermined by the Minister for Mining in PNG.

Given the delay in the Minister determining the application, on 30 September 2020 Torrens Mining PNG, a wholly owned subsidiary of the Company, commenced proceedings to obtain an order to compel the Minister to, in effect, deal with ELA2557.

The Court proceedings, if contested, are not expected to be heard and determined until the first quarter of 2021. However, the Minister may well deal with the application before that date.

Further information on the tenure of ELA2557 is set out in the solicitor's report at Annexure C.

## (ii) Geology

Geologically, the Laloki project is located within the Papuan Geologic Province which is a fold belt on the northern side of the Papuan Thrust. It is one of approximately 40 known polymetallic massive sulphide deposits or gossans that occur in the Astrolabe Mineral Field. These mineral occurrences are stratiform (or associated with gossanous zones) and are hosted within Tertiary shale and siltstones comprising lutite facies of the Port Moresby Beds. Previous work has suggested that mineralisation occurrences within the Astrolabe Mineral Field represent examples of common volcanogenic massive sulphide (VMS) mineralisation, with numerous historical references to the 'Besshi style', named after a type of VMS deposit in Japan.

Three main rock types have been identified within the area covered by the Laloki project:

- (A) Sediments belonging to the Varirata Argillite member of the Port Moresby Beds: These comprise mudstones, shales, lutite and calc-lutite with lesser amounts of limestone, sandstone, conglomerate and tuff. Fossil evidence suggests mid-Miocene age and probably deposited in water between depths of 3,000 and 4,000 m.
- (B) Gabbro and dolerite of the Sadowa intrusive complex: Its contact with the sediment is rarely seen but is generally thought to be conformable. The gabbro is coarse-grained and varies in composition from olivine gabbro to quartz gabbro.
- (C) Scree and talus from the Pliocene Astrolabe Agglomerate occurring on the western edge of the tenement: The agglomerate forms prominent scarps to the north and east of the tenement and is predominantly mafic lahatic agglomerate and tuff and is unconformable over the gabbro and sediments. Scree apron around the prominent Varirata Escarpment may mask areas that are prospective for mineralisation.

## (iii) Historical work

The Laloki project has a long work history, which includes the production of approximately 40,000 tonnes grading 4.5% Cu, 4 g/t Au and 15.3 g/t Ag. There are no current Ore Reserve, Mineral Resource or Exploration Target estimates for the Laloki project.

A summary of the work history is set out below, with exploration results for the project reported in Annexure H. The historical database reviewed by the Company contained data for a total of 118 drill holes, with details for 85 holes presented. Excluded holes either had no listed coordinates or available assay data.

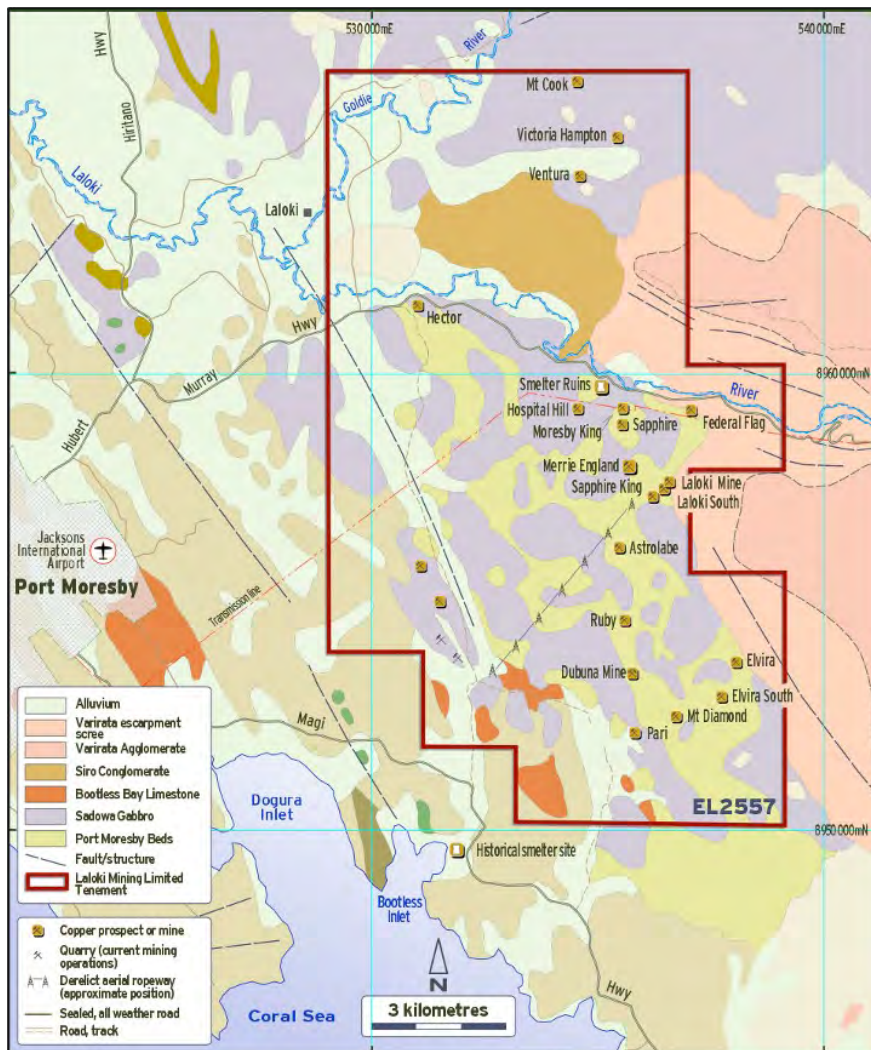
YEAR	COMPANY	ACTIVITY
1891	J MacDonald	Discovered copper mineralisation of Astrolabe Range
1906		Proclamation of Astrolabe Mineral Field in the Australian Parliament
1907	British New Guinea Development Company (BNGDC)	Laloki lease taken up
1908-10	BNGDC	Dubuna, Elvira, Sapphire-Moresby King leases taken up
1912	BNGDC	Federal Flag lease taken up
1914	Great Fitzroy Mines	Leases transferred to Great Fitzroy Mining
1915	Great Fitzroy Mines	Underground mining commences at Laloki
1917	Laloki Gold Mines Ltd	Laloki and Dubuna leases transferred to Laloki Gold Mines
1920	New Guinea Copper Company	Mining at Laloki and Dubuna Smelter, railway and aerial ropeway constructed Mining ceased in 1926, after mining at Laloki and Dubuna and extensive smelting operations at Bootless Bay
1936	Mandated Alluvials NL	Acquired lease to Sapphire-Moresby King Built and operated smelter
1939	Mandated Alluvials NL	Acquired lease to Laloki Smelted Laloki ore at Sapphire-Moresby King smelter in 1940
1942	Mandated Alluvials NL	Production halted due to Japanese invasion
1949	Australian Bureau of Mineral Resources (ABMR)	Geophysical surveys – VLF, Turam, IP
1950	Zinc Corporation	Haddon King examines property
1954	J C Kennett	K P Glasson examines property
1957	Consolidated Zinc Pty Ltd	Mapping, magnetic survey
1960-61	Consolidated Zinc Pty Ltd	Drilled 13 holes at Laloki – four holes intersected lode
1962	ABMR	Drilling at Dubuna, regional exploration
1963-64	CRA	Examined area
1964	ABMR (Yates and Ferranti)	Mapping, stream sediment surveys
1965	ABMR (Pontifex)	Mineralogical study
1965	PNG Ministry	Examined Dubuna, SP survey, drilling of anomalies
1967	ABMR	Airborne magnetic survey
1968	Lionel Goss	Took out prospecting application
1968-69	Watts Griffith & McQuat	Soil sampling
1969-70	Nittetsu Pty Ltd	Joint venture Laloki (JV) with Lionel Goss IP survey
1970	ABMR	Geophysical surveys – VLF, Turam, IP
1972	Nittestu Pty Ltd	Mapping, soil sampling and geophysical surveys
1974	Placer Prospecting	Took out prospecting application Geochemical and geophysical surveys
1980	Newmont	Prospecting lease Geophysical surveys – EMP
1982	EC Mines	Prospecting application Carried out metallurgical work, environmental impact statement (EIS), engineering study, drilled 3 holes Conducted studies of Laloki and Mount Diamond

YEAR	COMPANY	ACTIVITY
1984-85	Laloki JV	50/50 Newmex/Chase Minerals NL A500 became PA561 Minproc bought out EC Mines
1985-86	Newmex	Exploration and drilling (Laloki JV)
1987	Newmex	Feasibility study by Minproc Airborne geophysical surveys
1988	Newmex	Buys out Chase Minerals NL (Minproc)
1989	Newmex	Drilling at Laloki South
1990-92	Newmex	Re-evaluation of project PA re-applied for
1993	Laloki Gold Mines and Elands Pty Ltd	PA 561 replaced by EL1047
1994	Elands Pty Ltd	Ministerial approval granted to JV
1995	Elands Pty Ltd	Drilled 4 holes Program halted due to customary landowner concerns
1996	Elands Pty Ltd	Wardens hearing held to resolve customary landowner concerns
1997	Kilborn Engineering	Study (Reddy)

(iv) Prospectivity and work plan

A map of the prospects at Laloki is set out below, with details on the Laloki Mine, Laloki South, Dubuna, Sapphire-Moresby King, Federal Flag and Merrie England prospects set out in section 3.5 of the Independent Geologist's Report at Annexure D.

Figure 13: Map showing the Prospects within the Laloki project





The Company has developed a work plan which includes an airborne geophysics program, a comprehensive desktop review and database development and mapping and sampling programs which will be used to form a local architecture/geological framework model and allow detailed local targeting.

Given the issues related to tenure noted above and in the solicitor's report at Annexure C, minimal funds have presently been allocated to Laloki. In the event the Company is granted an exploration licence for Laloki, it may consider re-allocating funds from other exploration programs, depending on the results of those programs.

## 2.5 Business strategy/objectives of the Company

Torrens' vision is to build a profitable mining and exploration business.

Supported by an experienced management and consulting team, the Company's business strategy is to acquire highly prospective gold and base metal exploration projects that could potentially yield the discovery of an economically viable mineral deposit.

Following listing on the ASX, the Company will commence systematic exploration on its Central Victorian Mount Piper Gold Project using the latest exploration techniques. It will also continue its work on the Eastern Victorian Club Terrace Gold Project and actively evaluate results of ongoing work at the Elizabeth Creek Copper Project, which is managed by Coda Minerals. In the event the exploration licence application for the Laloki Copper-Gold Project is granted, the Company also expects to commence exploration at Laloki.

The Company will also continue to evaluate new acquisition opportunities, both by tenement application and commercial acquisitions, to maintain a pipeline of projects.

The Company seeks to protect shareholders from excessive exploration and finance risk exposure by maintaining a blend of self-funded exploration and farm-ins or joint venture agreements, with financially sound and technically competent companies.

The Board will assess the suitability of investment opportunities by utilising its experience in evaluating projects. There are uncertainties in the process of identifying and acquiring new and suitable projects. The Company confirms that it is not currently considering other acquisitions and that future acquisitions are likely to be in the mineral resource sector.

## 2.6 Proposed exploration budgets

The Company proposes to fund its intended activities as outlined in the tables below from the proceeds of the Offer. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration undertaken. This will involve an ongoing assessment of the Company's Projects and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the following budget takes into account the proposed expenses over the next 2 years following listing.

Expenditure	MINIMUM SUBSCRIPTION			MAXIMUM SUBSCRIPTION		
	Year 1 (\$'000)	Year 2 (\$'000)	Total (\$'000)	Year 1 (\$'000)	Year 2 (\$'000)	Total (\$'000)
Mount Piper Central Victorian Gold Project						
Mapping and sampling	161	57	218	210	160	370
Geophysics	343	0	343	343	0	343
Drilling	603	775	1,378	1,662	1,854	3,516
<b>Sub-total for Mount Piper Central Victorian Gold Project</b>	<b>1,107</b>	<b>832</b>	<b>1,939</b>	<b>2,215</b>	<b>2,014</b>	<b>4,229</b>
Club Terrace Eastern Victorian Gold Project						
Mapping and sampling	79	77	156	99	79	178
Geophysics	21	0	21	21	0	21
Drilling	179	220	399	417	510	927
<b>Sub-total for Club Terrace Eastern Victorian Gold Project</b>	<b>279</b>	<b>297</b>	<b>576</b>	<b>537</b>	<b>589</b>	<b>1,126</b>
Elizabeth Creek Project						
JV contribution	876	864	1,740	876	864	1,740
<b>Sub-total for Elizabeth Creek Project</b>	<b>876</b>	<b>864</b>	<b>1,740</b>	<b>876</b>	<b>864</b>	<b>1,740</b>
Laloki Project						
Geophysics	250	0	250	250	0	250
Geology	0	100	100	0	100	100
<b>Sub-total for Laloki Project</b>	<b>250</b>	<b>100</b>	<b>350</b>	<b>250</b>	<b>100</b>	<b>350</b>

## 2.7 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing businesses.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.



# RISK FACTORS

# 3

 **TORRENS**  
MINING LIMITED

Handling diamond drill core at Torrens Mining Limited's  
Elizabeth Creek Project.

# Risk Factors

As with any share investment, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Shares.

Any investment in the Company under this Prospectus should be considered highly speculative.

## 3.1 Risks specific to the Company

### (a) Limited operational history

The Company has limited operational history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Projects. Until the Company is able to realise value from the Projects, it is likely to incur operational losses.

### (b) Contractual risk

The ability of the Company to achieve its stated objectives may be materially affected by the performance by the parties of obligations under certain agreements details of which are in Section 6. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

If the Company enters into agreements with third parties for the acquisition or divestment of equity interests in mineral exploration and mining projects there are no guarantees that any such contractual obligations will be satisfied in part or in full.

Pursuant to the Farm-in Agreement, if Coda Minerals Limited (**Coda**) exits from the farm-in arrangement after Stage 1 or upon a decision to mine, a formal unincorporated Joint Venture will be formed and Terrace Mining Pty Ltd, a wholly owned subsidiary of the Company (**Terrace Mining**), will be responsible for its share of ongoing project expenditure subject to the terms of the Farm-in Agreement. If Terrace Mining fails to pay all or any portion of its cash calls properly rendered under the Farm-in Agreement, pursuant to properly approved programmes and budgets, after commencement of the Joint Venture, its interest is subject to dilution in accordance with the dilution formula defined under the Farm-in Agreement. Further details of the farm-in arrangement is set out in Section 6.1.

### (c) New projects and acquisitions

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from the Projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

### (d) Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.

In order to successfully develop the Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Offer (particularly if only the Minimum Subscription is met). Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or 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.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Securities in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares 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.

**(e) Farmin or Joint venture risk**

The Company operates certain projects with third parties through farmins or joint ventures and the Company may be adversely affected by the financial failure, withdrawal or default of a farmin or joint venture party. This may have an adverse effect on the operations and performance of the Company.

## 3.2 Mining Industry Risks

**(a) Grant Risk for Exploration Licence Applications**

Tenements ELA7342, ELA7331, ELA7337, ELA7366, ELA7380 and ELA2557 are applications for exploration licences which must be granted to the Company before the Company may acquire 100% legal and beneficial interest in those Tenements. Licence application 007481 is at the review stage and is yet to be accepted as an exploration licence application. There is a risk that these applications may not be granted in their entirety or only granted on conditions unacceptable to the Company.

If the tenement applications are not granted, the Company will not acquire an interest in these tenements. The tenement applications therefore should not be considered as assets of the Company. Information in respect of the tenement applications is provided in this Prospectus to provide investors with sufficient information about each in the event such applications are granted.

**(b) Permitting Risk**

Mineral exploration and mining in both Australia and PNG require an exploration licence and a mining lease (respectively), which may be granted once certain criteria are fulfilled. For example, in order to be granted a mining lease or similar production title, completion of a feasibility study and obtaining requisite environmental permits is required (amongst other criteria). There can be no assurance that the Company will be able to obtain all requisite permits and licences notwithstanding that it has fulfilled all these licensing criteria or, even if such permits and licences are obtained, renew them in the future, either at all or on a timely basis or on commercially acceptable terms and conditions.

**(c) Exploration and development risks**

Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource.

Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk.

Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing funding, adverse government policy, geological conditions, commodity prices or other technical difficulties.

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 having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of its projects.

**(d) Operating risk**

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

**(e) Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

**(f) Resource estimation risks**

Whilst the Company intends to undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted. The calculation and interpretation of resource estimates are by their nature expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly through additional fieldwork or when new information or techniques become available. This may result in alterations to development and mining plans, which may in turn adversely affect the Company's operations.

**(g) Payment obligations**

Pursuant to the licences comprising the Company's projects, the Company will become subject to payment and other obligations. In particular, holders are required to expend the funds necessary to meet the minimum work commitments attaching to the Tenements. Failure to meet these work commitments may render the Tenements subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in the Projects. Further details of these conditions and obligations are set out in the Solicitor's Reports at Annexure B and Annexure C.

**(h) Metals and currency price volatility**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The price of gold and base metals fluctuate and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. Future serious price declines in the market values of gold, and other minerals could cause the development of, and eventually the commercial production from, the Company's projects and the Company's other properties to be rendered uneconomic. Depending on the prices of commodities, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of gold and base metals are produced, a profitable market will exist for it.

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

In addition to adversely affecting any potential future reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

**(i) Competition risk**

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

Some of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

**(j) Sovereign risk**

The Laloki Project, presently under application and for which the Company has commenced proceedings to grant (see Annexure C for further information), is located in Papua New Guinea and if granted, will mean the Company is subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects that affect foreign ownership, exploration, development or activities of companies involved in exploration and production, may affect the viability and profitability of the Company.

**(k) Land access risk**

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the mineral tenements.

The Company notes licence application 007481 is over part of the Puckapunyal Military Area. Even if that application were granted, there is no guarantee access to all or part of it will be provided.

**(l) Native title risks**

There remains a risk that in the future, native title and/or registered native title claims may affect the land the subject of the Tenements or in the vicinity.

The existence of native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder under the Tenements provided the Tenements have been validly granted in accordance with the Native Title Act.

However, if any Tenement was not validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities. There is nothing in our enquiries to indicate that any of the Tenements were not validly granted in accordance with the Native Title Act.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

**(m) Aboriginal Heritage Risk**

There remains a risk that additional Aboriginal sites may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements.

**(n) Third party risks**

Under Victorian, South Australian, Commonwealth and Papua New Guinean legislation (as applicable), the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas

within the Tenements, including pastoral leases, petroleum tenure and other mining tenure in respect of exploration or mining activities on the Tenements.

Any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

**(o) Environmental risk**

The operations and proposed activities of the Company are subject to Australian and Papua New Guinean laws and regulations concerning the environment. The costs of complying with these laws and regulations may impact the development of economically viable projects. 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 field 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.

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

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

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

**(p) Heritage and sociological risk**

Some of the tenements which the Company proposes to mine may be of significance from a heritage or sociological perspective, including native title issues. Some sites of significance may be identified within the tenements and the Company may be hindered by legal and cultural restrictions on mining those tenements. The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

**(q) Tenure and access risk**

As the Company's rights in the tenements may be obtained by grant by regulatory authorities or be subject to contracts with third parties, any third party may terminate or rescind the relevant agreement whether lawfully or not and, accordingly, the Company may lose its rights to exclusive use of, and access to any, or all, of the tenements. Third parties may also default on their obligations under the contracts which may lead to termination of the contracts. Additionally, the Company may not be able to access the tenements due to natural disasters or adverse weather conditions, political unrest, hostilities or failure to obtain the relevant approvals and consents.

**(r) Regulatory risk**

The Company will need to obtain regulatory approvals and licences to undertake its operations. There is no guarantee that such approvals and licences will be granted. In addition, various conditions may be imposed on the grants of such regulatory approvals and licences which may impact on the cost or the ability of the Company to mine the tenements.

**(s) Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.



### 3.3 General Risks

#### (a) Economic risks

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

As with any exploration or mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for minerals, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

#### (b) Market conditions

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

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

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

#### (c) 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, subversive activities or sabotage, fires, floods, explosions or other catastrophes.

#### (d) Government and legal risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect the Projects. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its projects. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

#### (e) 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.

As noted in the Solicitor's Report at Annexure C, a subsidiary of the Company has commenced proceedings to compel the Minister for Mining in Papua New Guinea to grant, or not grant, ELA2557 (Laloki). Other than as disclosed above, the Company is currently not engaged in any litigation.

**(f) Insurance risks**

The Company intends to insure 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 against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

**(g) Taxation**

The acquisition and disposal of Securities 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 Securities from a taxation point of view and generally.

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

**(h) Unforeseen expenditure risk**

The Company may be subject to significant unforeseen expenses or actions, which may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

**(i) Climate change risks**

Climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

**(j) Infectious diseases**

The outbreak of the coronavirus disease (COVID-19) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets.

The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and may interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains.

**3.4 Speculative investment**

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

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

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

# FINANCIAL INFORMATION

# 4

*Bedrock exposure at the historical Cunningham's Mine in Torrens Mining Limited's Mt Piper Project area (geological hammer for scale).*

**TORRENS**  
MINING LIMITED

# Financial Information

## 4.1 Introduction

The financial information in this Section 4 consists of:

- (a) the historical consolidated statements of comprehensive income and statements of cash flows of the Company for the three years ended 30 June 2020;
- (b) the historical consolidated statement of financial position of the Company as at 30 June 2020;

(together, the **Historical Financial Information**) and

- (c) the pro forma consolidated statement of financial position of the Company as at 30 June 2020, prepared on the basis that the pro forma adjustments and subsequent events detailed in Note 2 of Section 4.6 had occurred as at 30 June 2020 (**Pro Forma Statement of Financial Position**),

(collectively referred to as the **Financial Information**).

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

The Directors are responsible for the preparation and inclusion of the Financial Information in the Prospectus. RSM Corporate Australia Pty Ltd, as Investigating Accountant, has prepared an Independent Limited Assurance Report in respect of the Financial Information. A copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant's work, is set out in Annexure A.

The information presented in this Section 4 should be read in conjunction with the Independent Limited Assurance Report contained in Annexure A, the risk factors as detailed in Section 3 and other information included in this Prospectus.

## 4.2 Basis of preparation and presentation of the Financial Information

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and the accounting policies adopted by the Company (as detailed in Note 3 of Section 4.6). The Pro Forma Statement of Financial Position has been derived from the Historical Financial Information and includes pro forma adjustments for certain subsequent events and transactions associated with the Offer (as detailed in Note 2 of Section 4.6) as if those events and transactions had occurred as at 30 June 2020.

The Financial Information contained in this Section 4 is presented in an abbreviated form and does not include all the presentation and disclosures, statements or comparative information required by Australian Accounting Standards and other mandatory reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Historical Financial Information of the Company has been extracted from its financial statements for the three years ended 30 June 2020, which were audited by RSM Australia Partners in accordance with Australian Auditing Standards.

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

### 4.3 Statement of Comprehensive Income

The table below sets out the Statement of Comprehensive Income of the Company for the three years ended 30 June 2020:

	Year Ended 30-Jun-18 Audited \$	Year Ended 30-Jun-19 Audited \$	Year Ended 30-Jun-20 Audited \$
Revenue	267,466	1,786,309	6,371
Exploration, evaluation and tenement acquisition expense	(581,713)	(590,433)	(31,303)
Directors' fees	(170,000)	(170,000)	-
Corporate compliance expense	(82,281)	(51,480)	(37,861)
Administration expense	(21,928)	(38,366)	(19,135)
<b>Profit/(loss) before income tax</b>	<b>(588,456)</b>	<b>936,030</b>	<b>(81,928)</b>
Income tax expense	-	-	-
<b>Net profit/(loss) for the year</b>	<b>(588,456)</b>	<b>936,030</b>	<b>(81,928)</b>
Other comprehensive income	-	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>(588,456)</b>	<b>936,030</b>	<b>(81,928)</b>

Revenue primarily comprised a research and development grant for the year ended 30 June 2018, forgiveness of Director fees accrued by the Board for the year ended 30 June 2019, and a nominal amount of other revenue for the year ended 30 June 2020.

As set out in Note 3(d) of Section 4.6, all exploration, evaluation and tenement acquisition costs incurred by the Company in the three years ended 30 June 2020 have been expensed as incurred.

Amounts shown as expenses in the years ended 30 June 2018 and 30 June 2019 include fees and other amounts payable to directors amounting in total to \$670,000 in each of those years. These amounts were waived by the directors on 30 June 2019 (in addition to amounts relating to the prior year), with the waived amounts being recorded as revenue in the year ended 30 June 2019.

#### 4.4 Statement of Cash Flows

The table below sets out the Statement of Cash Flows of the Company for the three years ended 30 June 2020:

	Year Ended 30-Jun-18 Audited \$	Year Ended 30-Jun-19 Audited \$	Year Ended 30-Jun-20 Audited \$
<b>Cash flows from operating activities</b>			
Other income	121,419	12,066	11,138
Research and development grant	228,814	-	-
Payments to suppliers and employees	(314,930)	(294,306)	(107,843)
<b>Net cash from/(used in) operating activities</b>	<b>35,303</b>	<b>(282,240)</b>	<b>(96,705)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of convertible notes	-	-	300,000
Proceeds from issue of shares (net of costs)	215,000	31,025	222,750
<b>Net cash from financing activities</b>	<b>215,000</b>	<b>31,025</b>	<b>522,750</b>
Net increase/(decrease) in cash and cash equivalents	250,303	(251,215)	426,045
Cash and cash equivalents at the beginning of the year	22,797	273,100	21,885
<b>Cash and cash equivalents at the end of the year</b>	<b>273,100</b>	<b>21,885</b>	<b>447,930</b>

#### 4.5 Historical and Pro Forma Statements of Financial Position

The table below sets out the Historical Statement of Financial Position of the Company as at 30 June 2020, extracted from the audited financial statements, and the Pro Forma Statement of Financial Position of the Company as at that date.

	Note	Audited		Subsequent events		Minimum Pro forma adjustments		Minimum Pro forma adjustments		Maximum Pro forma adjustments		Maximum Pro forma adjustments	
		30-Jun-20	\$	30-Jun-20	\$	30-Jun-20	\$	30-Jun-20	\$	30-Jun-20	\$	30-Jun-20	\$
<b>Assets</b>													
<b>Current assets</b>													
Cash and cash equivalents	4	447,930		268,000		6,300,000		7,015,930		9,115,000		9,830,930	
Trade and other receivables		1,381		-		-		1,381		-		1,381	
Other assets		11,785		-		-		11,785		-		11,785	
<b>Total current assets</b>		<b>461,096</b>		<b>268,000</b>		<b>6,300,000</b>		<b>7,029,096</b>		<b>9,115,000</b>		<b>9,844,096</b>	
<b>Total assets</b>		<b>461,096</b>		<b>268,000</b>		<b>6,300,000</b>		<b>7,029,096</b>		<b>9,115,000</b>		<b>9,844,096</b>	
<b>Liabilities</b>													
<b>Current liabilities</b>													
Trade and other payables	5	15,293		-		250,000		265,293		250,000		265,293	
Convertible loans	6	300,000		(300,000)		-		-		-		-	
<b>Total current liabilities</b>		<b>315,293</b>		<b>(300,000)</b>		<b>250,000</b>		<b>265,293</b>		<b>250,000</b>		<b>265,293</b>	
<b>Total liabilities</b>		<b>315,293</b>		<b>(300,000)</b>		<b>250,000</b>		<b>265,293</b>		<b>250,000</b>		<b>265,293</b>	
<b>Net assets</b>		<b>145,803</b>		<b>568,000</b>		<b>6,050,000</b>		<b>6,763,803</b>		<b>8,865,000</b>		<b>9,578,803</b>	
<b>Equity</b>													
Issued capital	7	2,003,089		568,000		6,512,699		9,083,788		9,315,815		11,886,904	
Reserves	8	803,547		289,875		485,735		1,579,157		554,503		1,647,925	
Accumulated losses	9	(2,660,833)		(289,875)		(948,434)		(3,899,142)		(1,005,318)		(3,956,026)	
<b>Total equity</b>		<b>145,803</b>		<b>568,000</b>		<b>6,050,000</b>		<b>6,763,803</b>		<b>8,865,000</b>		<b>9,578,803</b>	

The unaudited Pro Forma Statement of Financial Position represents the audited statement of financial position of the Company as at 30 June 2020 adjusted for the subsequent events and pro forma transactions outlined in Note 2 of Section 4.6 below. It should be read in conjunction with the notes to the historical and pro forma financial information.

## 4.6 Notes to the Financial Information

### 1. Historical Statement of Financial Position

The Historical Statement of Financial Position of the Company set out above has been extracted without adjustment from the audited financial statements of the Company for the year ended 30 June 2020.

### 2. Pro Forma Historical Statement of Financial Position

The Pro Forma Statement of Financial Position has been compiled by aggregating the Historical Statement of Financial Position of the Company as at 30 June 2020, and reflecting the Directors' pro forma adjustments for the impact of the following subsequent events and other transactions which are proposed to occur immediately before or following completion of the Offer.

The following pro forma adjustments have been made in relation to events subsequent to 30 June 2020:

- (a) on 4 September 2020 the Company issued 3,000,000 fully paid ordinary shares at \$0.10 each (**Pre-IPO Shares**), to raise \$300,000 before costs;
- (b) the Company incurred cash costs related to the issue of the Pre-IPO Shares of \$32,000;
- (c) on 4 September 2020, as a result of the issue of the Pre-IPO Shares, convertible loans of \$300,000 automatically converted into 3,529,412 fully paid ordinary shares in the Company at a conversion price of \$0.085 per share; and
- (d) on 13 October 2020 7,500,000 unlisted options (**Director and Management Options**) were issued to certain Directors and Management of the Company with a \$0.30 exercise price and expiry date of 12 April 2024.

The following pro forma transactions are yet to occur, but are proposed to occur immediately before or following completion of the Offer:

- (e) the issue of between 35,000,000 and 50,000,000 fully paid ordinary shares in the Company at \$0.20 each (**Offer Shares**), to raise between \$7,000,000 and \$10,000,000 before costs pursuant to the Offer;
- (f) the payment of cash costs related to the Offer estimated to be between \$700,000 (Minimum Subscription) and \$885,000 (Maximum Subscription);
- (g) the issue of between 5,297,583 (Minimum Subscription) and 6,047,583 (Maximum Subscription) unlisted options (**Lead Manager Options**) to Taylor Collison in its capacity as Lead Manager. Lead Manager Options have a \$0.30 exercise price and expire 3 years from the date of issue; and
- (h) deferred consideration of \$250,000 (**Deferred Consideration**) to Strandline Resources Limited in connection with the acquisition of tenements, associated mining information and assets (**Project Assets**) under the terms of the Strandline Elizabeth Creek Agreement, which will become payable within 60 days of the completion of the Offer.

### 3. Significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of Preparation

The financial information has been prepared under the historical cost convention and on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

#### (b) New and Amended Accounting Policies Adopted by the Company

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Company:

#### AASB 16 Leases

The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to



lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The adoption of AASB 16 did not have any significant impact on the financial performance or position of the Company.

**(c) Basis of Consolidation**

The Financial Information comprises the financial information of Torrens Mining Limited and its subsidiaries as at 30 June in each financial year.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and loss resulting from intra-Company transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is gained and cease to be consolidated from the date on which control is lost. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of the subsidiaries for the financial period from their acquisition.

**(d) Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure in relation to the Company's mineral tenements is expensed as incurred. When the Directors decide to progress the development of an area of interest all further expenditure incurred relating to the area will be capitalised. Projects are advanced to development status and classified as mine development when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest. Such expenditure is carried forward up to commencement of production at which time it is amortised over the life of the economically recoverable reserves. All projects are subject to detailed review on an annual basis and accumulated costs written off to the extent that they will not be recoverable in the future.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

**(f) Trade and Other Payables**

Liability for trade creditors and other amounts are carried at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed.

**(g) Trade and Other Receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**(h) Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a current liability until extinguished on conversion or redemption as the maturity date is within 12 months. The corresponding interest on convertible notes is expensed to profit or loss.

**(i) Contributed Equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(j) Revenue Recognition**

The Company recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Interest*

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**(k) Government Grants**

The Research and Development Tax Incentive Grant received from the Australian Taxation Office is recognised in the financial period in which it becomes receivable.

**(l) Income Tax**

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

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Income taxes relating to items recognised directly in equity are recognised in equity.

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

**(m) Investments and Other Financial Assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

*Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

*Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

**(n) Impairment of Assets**

At the end of each reporting period, the directors assess whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Accounting Standard.

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

**(o) Goods and Services Tax ("GST")**

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

- (i) Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Receivables and payables are stated with the amount of GST included.

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**(p) Employee Benefits**

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**(q) Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. In the opinion of the directors, there are no critical accounting estimates or judgments in this financial report. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below

*Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

#### 4. Cash and cash equivalents

	Audited	Minimum Pro forma Unaudited	Maximum Pro forma Unaudited
Note	30-Jun-20 \$	30-Jun-20 \$	30-Jun-20 \$
Cash and cash equivalents	447,930	7,015,930	9,830,930
Torrens cash and cash equivalents as at 30 June 2020		447,930	447,930
Subsequent events are summarised as follows:			
Pre-IPO capital raise	2(a)	300,000	300,000
Pre-IPO capital raising costs	2(b)	(32,000)	(32,000)
		268,000	268,000
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Proceeds from the Offer pursuant to the Prospectus	2(e)	7,000,000	10,000,000
Capital raising costs	2(f)	(700,000)	(885,000)
		6,300,000	9,115,000
<b>Pro forma cash and cash equivalents</b>		<b>7,015,930</b>	<b>9,830,930</b>

## 5. Trade and other payables

	Note	Audited 30-Jun-20 \$	Minimum Pro forma Unaudited 30-Jun-20 \$	Maximum Pro forma Unaudited 30-Jun-20 \$
Trade and other payables		15,293	265,293	265,293
Torrens trade and other payables as at 30 June 2020			15,293	15,293
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:				
Deferred Consideration for Project Assets	2(h)		250,000	250,000
			250,000	250,000
<b>Pro forma trade and other payables</b>			<b>265,293</b>	<b>265,293</b>

## 6. Convertible loans

	<b>Note</b>	<b>Audited 30-Jun-20 \$</b>	<b>Minimum Pro forma Unaudited 30-Jun-20 \$</b>	<b>Maximum Pro forma Unaudited 30-Jun-20 \$</b>
Convertible loans		300,000	-	-
Torrens convertible loans as at 30 June 2020			300,000	300,000
Subsequent events are summarised as follows:				
Conversion of convertible notes	2(c)		(300,000)	(300,000)
			(300,000)	(300,000)
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:				
Nil			-	-
			-	-
<b>Pro forma convertible loans</b>			-	-

## 7. Issued capital

	Note	Minimum		Maximum	
		Pro forma Unaudited 30-Jun-20 No. of Shares	Pro forma Unaudited 30-Jun-20 \$	Pro forma Unaudited 30-Jun-20 No. of Shares	Pro forma Unaudited 30-Jun-20 \$
Issued share capital as at 30 June 2020		98,451,662	9,083,788	113,451,662	11,886,904
Torrens issued capital as at 30 June 2020		56,922,250	2,003,089	56,922,250	2,003,089
Subsequent events are summarised as follows:					
Pre-IPO capital raise	2(a)	3,000,000	300,000	3,000,000	300,000
Pre-IPO capital raising costs	2(b)	-	(32,000)	-	(32,000)
Conversion of convertible notes	2(c)	3,529,412	300,000	3,529,412	300,000
		6,529,412	568,000	6,529,412	568,000
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:					
Proceeds from the Offer	2(e)	35,000,000	7,000,000	50,000,000	10,000,000
Cash costs associated with the Offer	2(f)	-	(487,301)	-	(684,185)
		35,000,000	6,512,699	50,000,000	9,315,815
<b>Pro forma issued share capital</b>		<b>98,451,662</b>	<b>9,083,788</b>	<b>113,451,662</b>	<b>11,886,904</b>



## 8. Reserves

	Note	Audited 30-Jun-20 \$	Minimum Pro forma Unaudited 30-Jun-20 \$	Maximum Pro forma Unaudited 30-Jun-20 \$
Reserves		803,547	1,579,157	1,647,925
Torrens reserves as at 30 June 2020			803,547	803,547
Subsequent events are summarised as follows:				
Issue of Director and Management Options	2(d)		289,875	289,875
			289,875	289,875
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:				
Issue of Lead Manager Options	2(g)		485,735	554,503
			485,735	554,503
<b>Pro forma reserves</b>			<b>1,579,157</b>	<b>1,647,925</b>

### (a) Unlisted Options

On 13 October 2020, the Company granted 7,500,000 Options to certain Directors and Management of the Company. The Options will each be convertible into one ordinary share in the Company.

<b>Assumptions</b>	<b>Director and Management Options</b>
Stock price	\$0.10
Exercise price	\$0.30
Expiry period	3.5 years
Expected future volatility	100%
Risk free rate	0.29%
Dividend yield	0%

Pursuant to the Offer, the Company will issue between 5,297,583 (Minimum Subscription) and 6,047,583 (Maximum Subscription) Options to Taylor Collison in its capacity as Lead Manager in connection with the Offer. The Options will each be convertible into one ordinary share in the Company.

<b>Assumptions</b>	<b>Lead Manager Options</b>
Stock price	\$0.20
Exercise price	\$0.30
Expiry date	3 years
Expected future volatility	100%
Risk free rate	0.14%
Dividend yield	0%

The Lead Manager Options have been valued using a standard trinomial pricing model on the assumption that the Offer price represents the fair value of a Share at the grant date, using the above assumptions.

## 9. Accumulated losses

	Note	Audited 30-Jun-20 \$	Minimum Pro forma Unaudited 30-Jun-20 \$	Maximum Pro forma Unaudited 30-Jun-20 \$
Accumulated losses		(2,660,833)	(3,899,142)	(3,956,026)
Torrens accumulated losses as at 30 June 2020			(2,660,833)	(2,660,833)
Subsequent events are summarised as follows:				
Issue of Director and Management Options	2(d)		(289,875)	(289,875)
			(289,875)	(289,875)
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:				
Listing costs expensed	2(f)		(212,699)	(200,815)
Issue of Lead Manager Options	2(g)		(485,735)	(554,503)
Deferred Consideration for Project Assets	2(h)		(250,000)	(250,000)
			(948,434)	(1,005,318)
<b>Pro forma accumulated losses</b>			<b>(3,899,142)</b>	<b>(3,956,026)</b>

**BOARD, MANAGEMENT  
AND CORPORATE  
GOVERNANCE**

**5**

**TORRENS**  
MINING LIMITED

*Drilling support truck, at Torrens Mining Limited's  
Elizabeth Creek Project.*

# Board, Management and Corporate Governance

## 5.1 Board of Directors

As at the date of this Prospectus, the Board comprises of:

- (a) Mr William (Bill) Bloking - Non-Executive Chairman (FAICD);
- (b) Mr Steve Shedden - Managing Director;
- (c) Mr Michael Collings - Non-Executive Director; and
- (d) Mr Richard Grauaug - Non-Executive Director.

## 5.2 Directors' Profiles

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

### (a) William (Bill) Bloking – Non-Executive Chairman (FAICD)

Mr William Bloking has more than 45 years of experience in the energy and minerals sector. Until 2007, he was President of Australia/Asia Gas at BHP Billiton Petroleum and, prior to that, he spent 24 years with ExxonMobil in a variety of senior executive roles in Asia, Europe, South America, and the USA. He is currently the Managing Director of Australia Asia Energy Pty Ltd and a Fellow of the Australian Institute of Company Directors (FAICD). Mr Bloking previously held the position of Non-Executive Chairman in Nido Petroleum Limited, Transerv Energy Limited, Norwest Energy NL, the National Offshore Petroleum Safety Authority, Cambodia Energy Limited, Cool Energy Limited, and Cullen Wines (Australia) Pty Limited. He was also the Vice Chairman of the Australia China Business Council and a Non-Executive Director of the John Holland Group, Miclyn Express Offshore Limited, Prominence Energy NL, the Australian Petroleum Exploration and Production Association, the Lions Eye Institute and the West Australian Symphony Orchestra.

Mr Bloking also held the positions of Managing Director of Gunson Resources Limited – the former owner of the Elizabeth Creek Copper Project, Managing Director of Eureka Energy Limited, Governor of the American Chamber of Commerce in Australia, Councillor of the Western Australia Branch of the Australian Institute of Company Directors and Adjunct Professor at Murdoch University.

### (b) Steve Shedden – Managing Director

Steve Shedden is a minerals geologist and company director with over 40 years' industry experience. A graduate in Applied Geology of the Ballarat School of Mines and Industries and its successor institutions, he has wide corporate and field experience in exploration and mining in Australia, Papua New Guinea and South America. Mr Shedden co-founded three ASX-listed mineral companies; Gindalbie Metals Limited (ASX: GBG) in 1993, Oroya Mining Limited (ASX: ORO) in 2002, and Argentina Mining Limited (ASX: AVK) in 2010, in all of which he held senior management roles, before establishing the Company in 2014. Mr Shedden is currently a Director of Shedden Associates Pty Ltd and Oroya Mining and Exploration Pty Ltd.

### (c) Michael Collings – Non-Executive Director

Mike Collings is a mining engineer and minerals geologist with 40 years' industrial experience. As a graduate of the Royal School of Mines, London, Mr Collings has worked in Australia for most of his career, which has included periods as a mine geologist at Broken Hill and in South Africa, and as a mining engineer in Mt Isa and in various locations in WA and Victoria. He is a registered mine manager in both Western Australia and Queensland. Mr Collings has significant corporate experience, having served on the boards of several listed companies. His chief professional interest is in the development of mining projects from exploration through to production. Mr Collings is currently a Director of Thecia Pty Ltd which provides consultancy services to the Company.

### (d) Richard Grauaug – Non-Executive Director

Richard Grauaug is a legal practitioner and was admitted as a Barrister & Solicitor in Western Australia in 1987. He is a director of his own law practice, Richard Simon Legal, in Perth, which provides legal services to mining & energy companies including the Company and its subsidiaries. He has practiced as a solicitor for over 26 years, including as an in-house lawyer and prior to that in top tier private firms. His areas of practice include commercial agreements, debt and capital raisings, farm-ins, joint ventures, technology transactions, general corporate and commercial matters and corporate governance. Mr Grauaug is also experienced in mergers, acquisitions and project development. His legal and commercial experience extends to both Australian and overseas jurisdictions, including the legal function and in-house counsel role for a number of Australian companies.

Mr Graaug graduated in Jurisprudence and Law at the University of Western Australia and holds a Graduate Diploma in Applied Finance and Investment with the Securities Institute of Australia and has postgraduate qualifications in Applied Corporate Governance and is a Fellow of the Governance Institute of Australia. He is a member of the Law Society of Western Australia and various other professional bodies. From 1997 to 2008 he held various positions, including directorships with Halliburton Energy Services covering Australasian, South East Asian and African jurisdictions during which period he was based in Africa, including Egypt, for several years. From 2008 to 2010 he was Senior Legal Counsel with Apache Energy in Perth.

### 5.3 Company Secretary

#### David Palumbo - Chief Financial Officer & Company Secretary

David Palumbo is a Chartered Accountant and a graduate of the Australian Institute of Company Directors with over fourteen years' experience across company secretarial, corporate advisory and financial management and reporting of ASX listed companies. Mr Palumbo is an employee of Mining Corporate Pty Ltd, where he has been actively involved in numerous corporate transactions. He currently also serves on the Board of Krakatoa Resources Limited (ASX: KTA) and Kaiser Reef Limited (ASX:KAU).

### 5.4 Interests of Directors

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

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

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

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

except as disclosed in this Prospectus and as follows.

### 5.5 Security holdings of Directors

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

DIRECTOR	SHARES	% <sup>1</sup>	INCENTIVE OPTIONS <sup>2</sup>	% <sup>1</sup>
William (Bill) Bloking	11,500,000	18.1	1,225,000	16.3
Steve Shedden	7,400,000	11.7	2,100,000	28.0
Michael Collings	7,600,000	12.0	1,575,000	21.0
Richard Graaug	4,120,000	6.5	1,225,000	16.3

Notes:

1. Based on 63,451,662 Shares and 7,500,000 Options being on issue at the date of this Prospectus.
2. See Section 7.2 for terms and conditions of the Options.

Based on the intentions of the Directors at the date of this Prospectus in relation to the Offer, the Directors and their related entities will have the following interests in Shares on Admission (on a Minimum Subscription basis):

DIRECTOR	SHARES	% <sup>1</sup>	INCENTIVE OPTIONS	% <sup>1</sup>
William (Bill) Bloking	11,500,000	11.7	1,225,000	16.3
Steve Shedden	7,400,000	7.5	2,100,000	28.0
Michael Collings	7,600,000	7.7	1,575,000	21.0
Richard Graaug	4,120,000	4.2	1,225,000	16.3

Note:

1. Based on 98,451,662 Shares and 7,500,000 Options being on issue at Admission (i.e. the Minimum Subscription under the Offer) and that no further Shares are issued or Options exercised.

## 5.6 Remuneration of Directors

The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors. The maximum aggregate amount of fees that can be paid to non-executive Directors is currently set at \$350,000 per annum. The remuneration of the executive Directors will be determined by the Board.

The Company has entered into a letter of appointment and an executive services agreement with Stephen Shedden as well as letters of appointment with Messrs Bloking, Collings and Grauaug as set out in Section 6.

The total remuneration package for each of the Directors for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

DIRECTOR	CURRENT FINANCIAL YEAR				FY2019/20 (\$)
	CASH (\$)	INCENTIVE OPTIONS VALUE (\$)	CONSULTANCY FEES (\$)	TOTAL (\$)	
William (Bill) Bloking	81,860 <sup>1</sup>	47,346	Nil	129,206	Nil
Steve Shedden	146,860 <sup>2</sup>	81,165	Nil	228,025	Nil
Michael Collings	69,360 <sup>3</sup>	60,874	30,000	160,234	Nil
Richard Grauaug	69,360 <sup>4</sup>	47,346	Nil	116,706	Nil

Notes:

1. Comprising pre-ASX admission director fees of \$39,360 exclusive of superannuation and effective from ASX listing, annual Director's fees of \$85,000 exclusive of superannuation. Mr Bloking was appointed director of the Company on 25 January 2016.
2. Comprising pre-ASX admission director fees of \$39,360 exclusive of superannuation and effective from ASX listing, annual salary of \$215,000 exclusive of superannuation. Mr Shedden was appointed director of the Company on 27 February 2014.
3. Comprising pre-ASX admission director fees of \$39,360 exclusive of superannuation and effective from ASX listing, annual Director's fees of \$60,000 exclusive of superannuation, a 3 month technical consulting fee of \$10,000 per month. Mr Collings was appointed director of the Company on 27 February 2014.
4. Comprising pre-ASX admission director fees of \$39,360 exclusive of superannuation and effective from ASX listing, annual Director's fees of \$60,000 exclusive of superannuation. Mr Grauaug was appointed director of the Company on 27 February 2014.

## 5.7 Related Party Transactions

The Company has entered into the following related party transactions on arms' length terms:

- letters of appointment with each of its Directors on standard terms (refer Section 6.8 for details);
- deeds of indemnity, insurance and access with each of its Directors on standard terms (refer Section 6.11) for details);
- an agreement for the provision of legal services with Richard Simon Legal, an entity in which Non-Executive Director Mr Richard Grauaug has an 100% interest (refer Section 6.9 for details); and
- an agreement for the provision of consulting services with Thecia Pty Ltd, an entity in which Non-Executive Director Mr Michael Collings holds the position of director and in which he holds a beneficial interest (refer Section 6.10 for details).

At the date of this Prospectus, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

## 5.8 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 Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**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 detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at [www.torrensmine.com](http://www.torrensmine.com).

### (a) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the Executive Directors;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;
- (v) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (vi) approving operating budgets and major capital expenditure;
- (vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;
- (viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and
- (x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

#### **(b) Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of the one Executive Director and three Non-Executive Directors (one of which the Company considers independent). As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

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

The Company is committed to the identification, monitoring and management of risks associated with its business activities and has established policies in relation to the implementation of practical and effective control systems. The Company has established a Risk Management Policy, which is available on the Corporate Governance page of the Company's website.

#### **(d) Ethical standards**

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

#### **(e) 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.

#### **(f) Remuneration arrangements**

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

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

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Board reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

#### **(g) Securities 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 key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

**(h) Diversity policy**

The Company recognises the positive advantages of a diverse workplace and is committed to:

- (i) creating a working environment conducive to the appointment of well-qualified employees, Senior Management and Board candidates; and
- (ii) identifying ways to promote a corporate culture which embraces diversity.

The small size of, and low turnover within, the Company's workforce are such that it cannot realistically be expected to reflect the degree of diversity within the general population. Given those circumstances, and the current nature and scale of the Company's activities, the Board has formally adopted a diversity policy but has determined that it is not practicable to set measurable objectives for achieving gender diversity. The Board monitors the extent to which the level of diversity within the Company is appropriate on an ongoing basis and periodically considers measure to improve it. The Board will further consider the establishment of objectives for achieving gender diversity as the Company develops and its circumstances change.

**(i) Audit and risk**

The Company's Audit and Risk Committee was formed on 6 August 2020 and operates under the Audit and Risk Committee Charter also adopted with effect from 6 August 2020. The Charter is included on the Corporate Governance page of the Company's website.

As a consequence of the size and composition of the Company's Board, the committee has only two members, both of whom are Non-Executive Directors but only one is independent. Their experience and qualifications are outlined in the Directors' Report of the latest Annual Report, which can be found at the Company's website.

The Committee is chaired by Mr. Richard Grauaug, who is not the Chair of the Board.

The Committee's responsibilities include, but are not limited to:

- (i) verifying and safeguarding the integrity of the Company's stakeholder reporting;
- (ii) reviewing and recommending approval to the Board of the audited annual and half-yearly financial reports;
- (iii) reviewing the appointment of the external auditor, their independence and performance, the audit fee, any questions of their resignation or dismissal and assessing the scope and adequacy of the external audit and making appropriate recommendations to the full Board; and
- (iv) performing a risk management function (refer to Recommendation 7.1 for further details).

**(j) 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.

**(k) Social media policy**

The Board has adopted a social media policy to regulate the use of social media by people associated with the Company or its subsidiaries to preserve the Company's reputation and integrity. The policy outlines requirements for compliance with confidentiality, governance, legal, privacy and regulatory parameters when using social media to conduct Company business.

**(l) Whistleblower policy**

The Board has adopted a whistleblower protection policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The purpose of this policy is to promote responsible whistle blowing about issues where the interests of others, including the public, or of the organisation itself are at risk.

**(m) Anti-bribery and anti-corruption policy**

The Board has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Board has adopted an anti-bribery and anti-corruption policy for the purpose of setting out the responsibilities in observing and upholding the Company's position on bribery and corruption provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.

**5.9 Departures from Recommendations**

Under the 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 will also be announced prior to admission to the Official List of ASX.



# MATERIAL CONTRACTS

# 6

# Material Contracts

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Shares under the Offer. The provisions of such material contracts are summarised in this Section.

## 6.1 Elizabeth Creek Project Farm-in Agreement

On 17 March 2017, Gindalbie Metals Limited (ACN 060 857 614) and Terrace Mining Pty Ltd (ACN 161 377 340) (**Terrace Mining**), a wholly owned subsidiary of the Company, entered into the Mt Gunson farm-in agreement (**Farm-in Agreement**). The Farm-in Agreement was subsequently novated to Coda Minerals Limited (ACN 625 763 957) (**Coda**) in May 2018 (with the conditions to the novation being satisfied in August 2018).

On 12 March 2020, Coda announced that it had renamed the project from "Mt Gunson" to "Elizabeth Creek" to reflect Coda's changing priorities and minimise confusion with other similarly named projects. The contract governing the farm-in retained the legacy "Mt Gunson" name, and this has not been changed to reflect the new name. For the avoidance of doubt, any references to the Mt Gunson project in the "Mt Gunson Farm-in Agreement" refers to the Elizabeth Creek project.

Under the Farm-in Agreement:

- (a) Coda has, by satisfying its expenditure obligations during the specified time period, earned a 51% interest in the Elizabeth Creek project (stages one and two);
- (b) Coda has elected to earn a further 19% interest in Elizabeth Creek by making additional expenditure of \$2.75 million to a total of \$6.62 million before 19 May 2023 (to take its interest in Elizabeth Creek to 70% in total) (stage three) and, if a decision to mine is made prior to Coda satisfying this earning obligation, Coda will pay the unexpended portion to Terrace Mining;
- (c) if Coda earns the stage three interest but no decision to mine has been made, Coda will contribute additional expenditure up to \$2 million as reasonably required to complete a bankable feasibility study and any other matters needed for a decision to mine being made (i.e. up to a free carry limit of \$8.62 million);
- (d) within 60 days of Coda either earning the stage three interest or a decision to mine being made, whichever is later, Coda can exercise an option for an exercise price of \$1.5 million to earn an additional 5% interest in Elizabeth Creek (to take its interest in Elizabeth Creek to 75% in total);
- (e) if, after Coda earns the stage two interest, Coda elects (or is deemed to have elected) not to proceed to stage three, Terrace Mining has been granted an option to acquire an additional 2% interest in Elizabeth Creek for nominal consideration, which will dilute Coda's interest in Elizabeth Creek to 49%;
- (f) a steering committee has been created to oversee the development and progress of the farm-in, including the management of the farm-in and the making of all strategic decisions in relation to the conduct of farm-in activities, and the Farm-in Agreement contains clauses relating to the steering committee's functions and meetings (and similar provisions apply in relation to a joint venture management committee, which is to be established as soon as practical after the Joint Venture is formed);
- (g) Coda can elect not to proceed with the farm-in by giving Terrace Mining a notice to that effect (and in certain circumstances will be deemed to have made such an election), in which case Coda will have no further obligations to farm-in or contribute funding in relation to any remaining earning obligations and the Joint Venture will be formed);
- (h) a joint venture (**Joint Venture**) will be formed on the earlier of the date on which:
  - (i) Coda elects not to proceed with the farm-in (or is deemed to have made such an election);
  - (ii) a decision to mine is made by the steering committee (provided no buy-out has been agreed and no buy-out notice has been given - please refer below for further details); or
  - (iii) Coda contributes expenditure in respect of the Farm-in Agreement to the free carry limit of \$8.62 million;
- (i) the objectives of the Joint Venture will be to maintain the tenements and explore Elizabeth Creek for minerals and, if exploration indicates the probable existence of commercially mineable minerals, carry out a feasibility study on the development of any commercial deposits;
- (j) Coda will be the manager of the Joint Venture unless one or more of certain events occur (such as an insolvency event occurring in relation to Coda) or if the parties agree otherwise;
- (k) all joint venture expenditure incurred in accordance with an approved program and budget, or as otherwise permitted by the Farm-in Agreement, must be borne and paid for by Coda and Terrace Mining severally in their respective percentage share interest in the Joint Venture; and
- (l) after a feasibility study has been completed, a development proposal may be proposed to the steering committee (or the joint venture management committee), and if a decision to mine is made following the receipt of that development proposal the Farm-in Agreement contains a process under which:
  - (i) Coda and Terrace Mining will negotiate the terms of a buy-out of Terrace Mining's interest in the Joint Venture at first instance;
  - (ii) if those terms cannot be agreed, each party may elect whether it wishes to proceed with the development; if only one party elects to proceed, that party is given the opportunity to purchase the other party's joint venture interest in the area the subject of the development proposal (at a price to be agreed or, if the parties are unable

to agree the price, fair market value) and if both parties elect to proceed they will negotiate in good faith with a view to entering into a separate mining joint venture agreement in respect of the area the subject of the development proposal; and

- (iii) if a party's interest is diluted below 10%, then its interest will be converted to a net smelter return. If the parties cannot reach agreement on the percentage of the net smelter return within 28 days, the return must be determined by an expert.

The Farm-in Agreement contains other terms and conditions considered standard for an agreement of its nature.

## 6.2 Strandline Elizabeth Creek Project Acquisition Agreement

Terrace Mining and Strandline Resources Limited (**Strandline**) entered into a letter agreement dated 14 December 2015 (**Strandline Elizabeth Creek Agreement**) pursuant to which Terrace Mining acquired sole ownership of the Elizabeth Creek Project tenements.

Pursuant to the Strandline Elizabeth Creek Agreement, the Project tenements, associated mining information and assets were acquired for \$200,000 cash and 4,000,000 ordinary fully paid shares in the Company, with a further \$1,000,000 cash (**Deferred Consideration**) payable subject to and within three (3) business days of a formal "decision to mine" being made by the board of Terrace Mining based on, amongst other things, financial close of debt or equity finance in respect of a mining project located on the Elizabeth Creek Project tenements (**Decision to Mine**).

Under certain circumstances, including the:

- (a) listing of the Company on ASX;
- (b) substantially all of the assets (including the Elizabeth Creek Project tenements) are sold by Terrace Mining to a third party; or
- (c) all of the share capital of Terrace Mining are sold to a third party,

\$250,000 of the Deferred Consideration, or, at the Company's election, an equivalent value in the Company shares calculated at the IPO share price, will become payable within 60 days of listing on ASX. In those circumstances, the remaining amount of the Deferred Consideration will be converted to a 2% Net Smelter Royalty (**NSR**) capped at \$1,250,000, payable from production from the Elizabeth Creek Project tenements. In addition, Terrace Mining will have the option to buy-back the NSR for an amount of \$750,000. As at the date of this Prospectus, the Company's intention is to pay the cash amount of Deferred Consideration, though it reserves the right to issue shares instead.

A further Deed of Acknowledgment and Consent dated 4 May 2017 was entered into between Terrace Mining, Gindalbie Metals and Strandline concerning the Deferred Consideration in the context of and relating to the Elizabeth Creek Project Farm-in Agreement, acknowledging that Terrace Mining remains responsible for the payment of the Deferred Consideration.

## 6.3 Dual Tenement Elizabeth Creek Agreement

Under the Dual Tenement Agreement between OZ Minerals Carrapateena Pty Ltd (**OZ Minerals**), OZM Carrapateena Pty Ltd (**OZM**) and Terrace Mining dated 11 May 2017 (**Dual Tenement Agreement**), Terrace Mining granted consent to OZ Minerals and OZM to jointly apply for:

- (a) up to 10 miscellaneous purposes licences in relation to a mineral lease applied for by OZ Minerals and OZM jointly for an east/west site access and haulage road, power transmission line with access corridors and associated infrastructure;
- (b) up to 10 miscellaneous purposes licences in relation to a mineral lease applied for by OZ Minerals and OZM jointly, within the area of an exploration licence tenement (or tenements) held by them, for bore fields, pipelines and access roads and associated infrastructure;
- (c) mineral claims for up to 25 extractive minerals leases to be applied for by OZ Minerals and OZM jointly; and
- (d) up to 25 extractive minerals leases to be applied for by OZ Minerals and OZM jointly, over an area to the east of EL 6518 (formerly EL 5636) and EL 6252 (formerly EL 5333) held by Terrace Mining for the purpose of the Carrapateena copper/gold project.

Since the commencement of the Dual Tenement Agreement, OZ Minerals and OZM have jointly been granted the following tenements: MPL 152, EML 6480, EML 6481 and EML 6482 (**OZ Tenements**). The OZ Tenements are overlapped by the area of EL 6518 held by Terrace Mining.

As a consequence, currently the Dual Tenement Agreement regulates the respective mining operations of the common operations areas the subject of both of the OZ Tenements and EL 6518 to the extent of any overlap.

Key relevant provisions of the Dual Tenement Agreement include:

- (a) Terrace Mining must seek written consent from OZ Minerals and OZM prior to conducting any drilling, exploration activity or other mining operations as permitted under the grant of EL 6518 and EL 6265 that occurs within 100 metres of any infrastructure constructed by or on behalf of the OZ Minerals and OZM located within the area of the granted mineral purposes licence (being MPL 152);

- (b) each party acknowledges that the other party has a right to carry on mining operations within the common operations area provided that OZ Minerals and OZM are not in breach of any material provision of the Dual Tenement Agreement, OZ Minerals and OZM have a right to carry on mining operations with the common operations area pursuant to the instruments of grant for the OZ Tenements in priority to Terrace Mining pursuant to the instruments of grant for EL 6518 and EL 6265;
- (c) the parties have agreed to use best endeavours to minimise interference caused by their operations in the common operations area and co-operate to reduce or minimise capital and operational costs;
- (d) Terrace Mining has a right of first refusal in circumstances where OZ Minerals and OZM propose or decide to dispose of infrastructure located within the area of the OZ Tenements, subject to requirements under any applicable laws or conditions of the OZ Tenements to remove or dispose of the infrastructure; and
- (e) agreement by the parties that their rights, interests or obligations under the Dual Tenement Agreement may only be assigned with written consent of the other party (which must not be unreasonably withheld) and the assignor must procure that the assignee enter into a deed of assumption that covenants that the assignee is bound to the obligations of the assignor and the terms and conditions of the Dual Tenement Agreement.

The Dual Tenement Agreement contains other terms and conditions considered standard for an agreement of its nature.

#### 6.4 Glycine Licence for Elizabeth Creek

Terrace Mining executed the Glycine Licence in May 2017.

The Glycine Licence relates to GlyLeach technology, which can be used to leach low grade ores, differentially leach copper and gold ores, upgrade concentrates, and for the purposes of tailings retreatment.

Under the Glycine Licence:

- (a) Coda and Terrace Mining have been granted a territory-specific non-exclusive licence for the use of GlyLeach technology at Elizabeth Creek; and
- (b) Mining and Processing Solutions Pty Ltd will receive a royalty for the use of the GlyLeach technology based on a net smelter return from future revenue flows of projects where the technology is applied.  
Unless terminated earlier in accordance with its terms, the Glycine Licence entered will expire on 14 February 2024 if Coda and Terrace Mining have not entered into a binding and unconditional contract with one or more contractors to build an operating plant by that date or, otherwise, on the later of:
- (c) on or about 4 May 2032; and
- (d) the date on which the first granted patent that forms part of the patent rights the subject of the Glycine Licence expires.

The Glycine Licence also contains other terms and conditions considered standard for an agreement of this nature.

#### 6.5 Native Title Mining Agreement for Exploration at Elizabeth Creek

Terrace Mining entered into a Native Title Mining Agreement for exploration with the Kokatha Aboriginal Corporation (**KAC**) in 2016.

KAC is the Registered Native Title Body Corporate in respect of the determined Native Title claim over the Elizabeth Creek Project.

The material terms of the agreement are as follows:

- (a) Terrace Mining and other owner of the Tenements such as Coda (**Explorers**) may conduct uninterrupted mining exploration operations on the area of the Tenements that is covered by KAC's native title determination, provided that they comply with the agreement, including (among other things) a clearance process whereby KAC assess operations to ensure they will not affect native title or be likely to offend Aboriginal tradition, or confirm a clearance is not required.
- (b) The Explorers must pay for various costs in respect of the clearance process, including clearance teams organised by KAC.
- (c) The Explorers must comply with the Aboriginal Heritage Act 1988 (SA) and the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth). KAC will not make complaints under such Acts provided the Explorers comply with the agreement.
- (d) The Explorers are not liable for the personal health or safety or otherwise of persons engaged by Kokatha in relation to the conduct of activities under the agreement, except in respect of negligence or wilful misconduct.
- (e) The Explorers must use reasonable endeavours to engage Native Title holders and offer them employment where practicable.
- (f) The Explorers may assign the agreement provided the incoming party executes a deed of assignment and assumption under which they agree to comply with and be bound by the agreement.
- (g) The agreement will come to an end when the Explorers relinquish all of the Tenements, and divest their non-proprietary interest in any other Tenements.

The agreement otherwise contains terms and conditions considered customary for an agreement of this nature.

## 6.6 Lead Manager Mandate

The Company entered into a mandate agreement appointing Taylor Collison (**Lead Manager**) to provide corporate advisory services and to act as lead manager and broker in respect of the Offer on 25 May 2020 (**Lead Manager Mandate**).

Under the agreement, the Lead Manager will provide services and assistance customarily provided in connection with marketing and execution of an initial public offer.

The Company will pay the following fees to the Lead Manager (or its nominees) pursuant to the Lead Manager Mandate, subject to the successful completion of the Offer:

- (a) a management fee of 2% of the total amount raised in the Offer; and
- (b) a selling fee of 4% total amount raised in the Offer, however no selling fee will be payable on funds raised from investors agreed by the Lead Manager to be introduced by the Company directly which will be set out in an agreed Chairman's list for pre-IPO and IPO capital raisings.

In addition, the Company has agreed to pay the Lead Manager a retainer of \$5,000 (exclusive of GST) per month for a term of 12 months upon Admission.

Pursuant to the Lead Manager Mandate, the Company has also agreed to issue the Lead Manager (or its nominees) Lead Manager Options equal to 5% of the fully diluted issued capital of the Company exercisable at \$0.30 each within 3 years of Admission on the terms and conditions set out in Section 7.3.

Please see Section 1.5(b) for further information regarding the Lead Manager's interests in the Offer.

The Lead Manager Mandate contains additional provisions considered standard for agreements of this nature.

## 6.7 Mining Corporate Services Agreement

The Company has entered into a services agreement with Mining Corporate Pty Ltd (ABN 69 165 688 022) (**Mining Corporate**), pursuant to which David Palumbo is engaged to act as corporate and statutory compliance and financial advisor in the roles of Company Secretary and Chief Financial Officer, and performing the accounting and bookkeeping role on an ongoing basis to the Company on behalf of Mining Corporate.

Pursuant to the agreement, it is acknowledged that Mr Palumbo is appointed as the Chief Financial Officer and Company Secretary. The Company has agreed to pay Mining Corporate a monthly fee of \$9,000 (excluding GST) upon the Company's Admission to the ASX. Mr Palumbo does not receive separate Company Secretary fees. In addition, the Company has agreed to pay Mining Corporate for pre-listing and IPO services, capped at \$50,000.

The agreement is for a minimum of 12 months and on and from the expiry of the initial term, the appointment of Mining Corporate by the Company will automatically continue on a month to month basis, until terminated by either the Company or Mining Corporate giving not less than 28 days' written notice of termination to the other party.

Mining Corporate is also subject to restrictions in relation to the use of confidential information and intellectual property during and after the arrangement with the Company ceases. The agreement contains additional provisions considered standard for agreements of this nature.

## 6.8 Executive services and employment agreements

### (a) Executive Services Agreement - Stephen Shedden

The Company has entered into an executive services agreement with Mr Stephen Shedden, pursuant to which Mr Shedden serves as Managing Director responsible for the overall management and supervision of the activities, operations and affairs of the Company, subject to overall control and direction of the Board.

Pursuant to the agreement, Mr Shedden is entitled to receive \$215,000 per annum (excluding statutory superannuation). In addition, the Company has issued Mr Shedden (or his nominee) 2,100,000 Options on the terms and conditions set out in Section 7.2.

The Board may, in its absolute discretion invite Mr Shedden to participate in bonus and/or other incentive schemes in the Company that it may implement from time to time, subject to compliance with the Corporations Act and Listing Rules.

The agreement is for an indefinite term, continuing until terminated by either the Company or Mr Shedden giving not less than three months' written notice of termination to the other party (or shorter period in limited circumstances).

Mr Shedden is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company and for a period of 12 months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

In addition, the agreement contains additional provisions considered standard for agreements of this nature.

**(b) Non-Executive Director Letter of Appointment – Bill Bloking**

The Company has entered into a non-executive director and chairman letter of appointment with Mr Bill Bloking pursuant to which the Company has agreed to pay Mr Bloking \$85,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director and Chairman, commencing from the date the Company is admitted to the Official List of ASX. From 1 July 2020 up to the date the Company is admitted to the Official List of ASX, Mr Bloking will receive \$6,560 (excluding statutory superannuation) per month.

In addition, the Company has issued Mr Bloking (or his nominee) 1,225,000 Options on the terms and conditions set out in Section 7.2.

The agreement contains additional provisions considered standard for agreements of this nature.

**(c) Non-Executive Director Letter of Appointment – Michael Collings**

The Company has entered into a non-executive director letter of appointment with Mr Michael Collings pursuant to which the Company has agreed to pay Mr Collings \$60,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director. From 1 July 2020 up to the date the Company is admitted to the Official List of ASX, Mr Collings will receive \$6,560 (excluding statutory superannuation) per month.

In addition, the Company has issued Mr Collings 1,575,000 Options on the terms and conditions set out in Section 7.2.

The agreement contains additional provisions considered standard for agreements of this nature.

**(d) Non-Executive Director Letter of Appointment – Richard Graaug**

The Company has entered into a non-executive director letter of appointment with Mr Richard Graaug pursuant to which the Company has agreed to pay Mr Graaug \$60,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director. From 1 July 2020 up to the date the Company is admitted to the Official List of ASX, Mr Graaug will receive \$6,560 (excluding statutory superannuation) per month.

In addition, the Company has issued Mr Graaug (or his nominee) 1,225,000 Options set out in Section 7.2.

The agreement contains additional provisions considered standard for agreements of this nature.

**6.9 Richard Simon Legal**

Mr Graaug as well as being one of the founders of the Company is also the principal and practice director of the incorporated legal practice, Richard Simon Legal Pty Ltd, as trustee of the Richard Simon Legal Unit Trust, trading as “Richard Simon Legal” (**RSL**) in connection with which he has an ultimate beneficial interest.

RSL is a commercial, corporate, mining and energy law firm, the legal professional services of which have been regularly used by the Company since the founding of the Company in 2014.

RSL has entered into a services agreement with the Company constituted by a letter of offer issued by RSL to the Company dated 29 January 2018 which was accepted by the Company on 6 April 2018. There is no obligation on the Company to instruct RSL nor is there any obligation on RSL to accept all and every instruction.

Under the agreement, RSL will provide professional legal services to the Company as may be ordered by the Company from time to time at the rate of \$300 per hour (plus GST) provided that RSL will also receive reimbursement of any reasonable and properly incurred expenses and disbursements.

The agreement applies when the Company instructs RSL to act on a legal matter and RSL accepts those instructions and continues, unless terminated earlier at any time by the Company or RSL ceases to act, in accordance with the terms of the agreement.

The agreement also contains all usual and customary terms and conditions considered standard for agreements of that nature.

**6.10 Technical Consultancy Agreement - Thecia Pty Ltd**

The Company has entered into a consultancy agreement with Thecia Pty Ltd (**Thecia**), an entity in which Mr Michael Collings holds the position of director and in which he holds a beneficial interest. Through Thecia, Mr Collings, who is also a Non-Executive Director of the Company, will provide consultancy services that extend beyond those normally provided by a Non-Executive Director. These services will include advice and assistance on technical matters related to mining engineering and metallurgical studies, representation on project steering, technical, and management committees, and any other matters that may be requested by the Board of Directors.

The agreement will commence on the date of the Company’s admission to the Official List of the ASX and will end three (3) months later.

The Company will pay Thecia Pty Ltd the sum of \$10,000 per month plus GST for the services during the term.

The agreement also contains additional provisions considered standard and customary for such agreements.

**6.11 Deeds of indemnity, insurance and access**

The Company is party to a deed of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by law against any liability arising as a result of the Director acting as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must allow the Directors to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.



# ADDITIONAL INFORMATION

# 7

# Additional information

## 7.1 Rights attaching to Shares

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

- (a) **(Ranking of Shares)**: At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) **(Voting rights)**: Subject to any rights or restrictions, at general meetings:
  - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
  - (ii) has one vote on a show of hands; and
  - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights)**: Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

- (d) **(Variation of rights)**: The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares)**: Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.
 

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.
- (f) **(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.
 

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.
- (g) **(Unmarketable parcels)**: The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) **(Rights on winding up)**: If the Company is wound up, the liquidator may with the sanction of special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on 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.
- (i) **(Restricted Securities)**: a holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.

## 7.2 Terms and conditions of existing Options

### (a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### (b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).

### (c) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date that is 42 months following the date of the Meeting (being 12 April 2024) (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.



**(d) Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

**(e) Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

**(f) Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

**(g) Cashless Exercise of Options**

The Option holder may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or issue to the Option holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the date of the Notice of Exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

Where **Market Value** means the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding the date of the Notice of Exercise.

**(h) Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 7.2(h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(i) Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

**(j) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and, if applicable, the ASX Listing Rules at the time of the reconstruction.

**(k) Participation in new issues**

There are no participation 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 without exercising the Options.

**(l) Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(m) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**7.3 Terms and conditions of Lead Manager Options****(a) Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

**(b) Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).

**(c) Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is 3 years following the date the Company is admitted to the Official List (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

**(e) Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

**(f) Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

**(g) Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 7.3(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(h) Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

**(i) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and, if applicable, the ASX Listing Rules at the time of the reconstruction.

**(j) Participation in new issues**

There are no participation 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 without exercising the Options.

**(k) Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(l) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**7.4 Summary of the Company's Employee Securities Incentive Plan**

A summary of the terms of the Company's Employee Securities Incentive Plan (**Plan**) is set out below. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours.

- (a) (**Eligible Participant**): Eligible Participant means a person that:
- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000). For the avoidance of doubt, this term includes Directors; and
  - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) (**Purpose**): The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
  - (ii) link the reward of Eligible Participants to Shareholder value creation; and
  - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) (**Plan administration**): The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (d) (**Eligibility, invitation and application**): The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
- On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
- (e) (**Grant of Securities**): The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) (**Terms of Convertible Securities**): Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.
- Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over, collateralise a margin loan against, utilise for the purposes of short selling, enter into a derivative with reference to, or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
- (g) (**Vesting of Convertible Securities**): Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

- (h) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

At the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

"Market Value" means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (j) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently, dishonestly, negligently, or in contravention of a Group policy, or has wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (k) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (l) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (m) **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (o) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (p) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (q) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

For the purposes of Listing Rule 7.2 Exception 13, for the three year period post-listing the Company proposes to issue a maximum of 14.8 million securities (on a minimum subscription basis) and 17.1 million securities under the Plan (equating to approximately 15% of the post-listing Share capital).

## 7.5 Effect of the Offer on control and substantial Shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows. See Section 1.1(b) for further details on each of the Shareholders' holdings listed in the tables below.

NAME	NUMBER OF SHARES	% OF SHARES
William Bloking	11,500,000	18.1
Paul Duncan	10,598,125	16.7
Mike Collings	7,600,000	12.0
Steve Shedden	7,400,000	11.7
Strandline Resources Limited	4,200,000	6.6
Richard Grauaug	4,120,000	6.5

Based on the information known as at the date of this Prospectus, and assuming only the Minimum Subscription is achieved, on Admission the following persons will have an interest in 5% or more of the Shares on issue:

NAME	NUMBER OF SHARES	% OF SHARES
William Bloking	11,500,000	11.7
Paul Duncan	10,598,125	10.8
Mike Collings	7,600,000	7.7
Steve Shedden	7,400,000	7.5

## 7.6 Interests of Promoters, Experts and Advisers

### (a) No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no persons or entity 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 holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- (iii) the Offer,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

**(b) Share registry**

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

**(c) Auditor**

RSM Australia Partners has been appointed to act as auditor to the Company. The Company estimates it will pay RSM Australia Partners a total of \$7,500 (excluding GST) for these services.

During the 24 months preceding lodgement of this Prospectus with ASIC, RSM Australia Partners has been paid approximately \$11,500 (excluding GST) for audit services and approximately \$2,700 (excluding GST) for non-audit services.

**(d) Corporate Lawyer**

HWL Ebsworth Lawyers (**HWLE**) has acted as the corporate solicitor to the Company in relation to the Offer. The Company estimates it will pay HWLE \$85,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

During the 24 months preceding lodgement of this Prospectus with ASIC, HWLE has not provided legal services to the Company.

**(e) Independent Geologist**

SRK Consulting (Australasia Pty Ltd) (**SRK**) has acted as the Independent Geologist to the Offer. The Company estimates it will pay SRK a total of \$29,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, SRK has not provided services to the Company.

**(f) Investigating Accountant**

RSM Corporate Australia Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure A of this Prospectus. The Company estimates it will pay RSM Corporate Australia Pty Ltd a total of \$15,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, RSM Corporate Australia Pty Ltd has not provided services to the Company.

**(g) Mining and Resources Lawyers**

Allens and Clayton Utz acted as the Mining and Resources solicitors to the Company in relation to the Offer. The Company estimates it will pay Allens approximately \$31,000 (excluding GST) and Clayton Utz \$25,500 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

During the 24 months preceding lodgement of this Prospectus with ASIC, Clayton Utz has not provided services to the Company.

During the 24 months preceding lodgement of this Prospectus with ASIC, Allens has provided legal services to the Company, the total value of these services as billed to date, for matters other than the present matter was \$11,103 (excluding GST).

**(h) Lead Manager**

Taylor Collison has acted as the Lead Manager to the Offer. Details of the payments to be made to the Lead Manager are set out in Section 6.6. During the 24 months preceding lodgement of this Prospectus with ASIC, the Lead Manager was paid \$32,000 (excluding GST) for capital raising services provided to the Company.

## 7.7 Consents

**(a) Each of the parties referred to below:**

- (i) do not make the Offer;
- (ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;

- (iii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

**(b) Share Registry**

Computershare Investor Services Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

**(c) Auditor**

RSM Australia Partners has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company in the form and context in which it is named.

**(d) Corporate Lawyer**

HWLE has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the corporate lawyer to the Company in the form and context in which it is named.

**(e) Independent Geologist**

SRK Consulting (Australasia Pty Ltd) has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Independent Geologist to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Geologist Reports in the form and context in which they are included.

**(f) Investigating Accountant**

RSM Corporate Australia Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Limited Assurance Report in the form and context in which it is included.

**(g) Mining and Resources Lawyers**

Allens has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the mining and resources lawyers to the Company in Papua New Guinea in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Solicitor's Report (PNG) in the form and context in which it is included.

Clayton Utz has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the mining and resources lawyers to the Company in Australia in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Solicitor's Report (Australia) in the form and context in which it is included.

**(h) Lead Manager**

Taylor Collison has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Lead Manager to the Offer in the form and context in which it is named.

## 7.8 Expenses of Offer

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

	MINIMUM SUBSCRIPTION \$	MAXIMUM SUBSCRIPTION \$
ASX Quotation and ASIC Lodgement Fee	90,688	93,981
Legal Fees <sup>1</sup>	141,500	141,500
Investigating Accountant Fees	15,000	15,000
Lead Manager fees <sup>2</sup>	420,000	600,000
Independent Geologist fees	29,000	29,000
Printing, Postage and Administration Fees	3,812	5,519
<b>TOTAL</b>	<b>700,000</b>	<b>885,000</b>

**Notes:**

1. Legal fees comprising of fees paid to Allens, Clayton Utz and HWLE.
2. Refer to Section 6 for a summary of the Lead Manager Mandate.

## 7.9 Continuous Disclosure Obligations

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

## 7.10 Litigation

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

As noted in the Solicitor's Report at Annexure C, a subsidiary of the Company has commenced proceedings to compel the Minister for Mining in Papua New Guinea to grant, or not grant, ELA2557 (Laloki).

## 7.11 Electronic Prospectus

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

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

## 7.12 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 7.7 of this Prospectus.

## 7.13 Statement of Directors

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



# AUTHORISATION

# 8

**TORRENS**  
MINING LIMITED

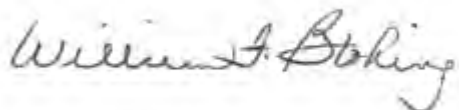
*A contractor's diamond drilling rig in operation at  
Torrens Mining Limited's Elizabeth Creek Project.*

# Authorisation

The 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 ASIC and has not withdrawn that consent.

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

A handwritten signature in black ink that reads "William J. Bloking". The signature is written in a cursive style with a large initial 'W' and 'B'.

**William Bloking**  
**Non-Executive Chairman**  
Dated: 13 November 2020



# GLOSSARY OF TERMS

# 9

*Handling drilling samples at Torrens Mining Limited's Elizabeth Creek Project, prior to shipment of the samples to Western Australia by road transport.*

**TORRENS**  
MINING LIMITED

# Glossary of Terms

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

<b>\$ or \$</b>	means Australian dollars.
<b>Admission</b>	means admission of the Company to the Official List, following completion of the Offer.
<b>Applicant</b>	means a person who submits an Application Form.
<b>Application</b>	means a valid application for Shares pursuant to this Prospectus.
<b>Application Form</b>	means the application form attached to this Prospectus.
<b>Application Monies</b>	means application monies for Shares under the Offer received and banked by the Company.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
<b>ASX Settlement</b>	means ASX Settlement Pty Limited ACN 008 504 532.
<b>ASX Settlement Rules</b>	means ASX Settlement Operating Rules of ASX Settlement Pty Ltd ABN 49 008 504 532.
<b>Board</b>	means the board of Directors of the Company as at the date of this Prospectus.
<b>CHESS</b>	means the Clearing House Electronic Subregister System operated by ASX Settlement.
<b>Closing Date</b>	means the date that the Offer close which is 5.00pm (WST) on Friday, 4 December 2020 or such other time and date as the Board determines.
<b>Coda</b>	means Coda Minerals Limited (ACN 625 763 957).
<b>Company</b>	means Torrens Mining Limited (ACN 168 295 092).
<b>Constitution</b>	means the constitution of the Company.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth).
<b>Directors</b>	means the directors of the Company.
<b>Dual Tenement Agreement</b>	means the agreement entered into between OZ Minerals, OZM and Terrace Mining on 11 May 2017.
<b>Electronic Prospectus</b>	means the electronic copy of this Prospectus located at the Company's website <a href="http://www.torrensmining.com">www.torrensmining.com</a> .
<b>Exposure Period</b>	means the period of seven days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than seven days pursuant to section 727(3) of the Corporations Act.
<b>Farm-in Agreement</b>	means the farm-in agreement for the Elizabeth Creek project entered between Gindalbie Metals (novated to Coda on 21 May 2018) and Terrace Mining dated 17 March 2017, a summary of which is in Section 6.1.
<b>General Meeting</b>	means the general meeting held on 12 October 2020.
<b>Gindalbie Metals</b>	means Gindalbie Metals Limited (ACN 060 857 614).
<b>GST</b>	means Goods and Services Tax.
<b>Group</b>	means the Company and the Group Subsidiaries.
<b>Group Subsidiaries</b>	has the meaning given in Section 2.3.
<b>Indicative Timetable</b>	means the indicative timetable for the Offer on page ix of this Prospectus.
<b>Independent Geologist</b>	means SRK Consulting (Australasia Pty Ltd).
<b>Independent Geologist Report</b>	means the relevant report contained in Annexure D (Mount Piper, Club Terrace and Laloki) or Annexure E (Elizabeth Creek).
<b>Independent Limited Assurance Report</b>	means the report contained in Annexure A.
<b>Investigating Accountant</b>	means RSM Corporate Australia Pty Ltd.
<b>Issue Date</b>	means the date, as determined by the Directors, on which the Shares offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable.

<b>Joint Venture</b>	means an unincorporated joint venture between Coda and Terrace Mining, to be formed in accordance with the terms of the Farm-in Agreement, further described in Section 6.1.
<b>JORC</b>	means the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.
<b>JORC Code</b>	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) prepared by JORC.
<b>KAC</b>	means Kokatha Aboriginal Corporation.
<b>Lead Manager</b>	means Taylor Collison Limited (ACN 008 172 450) (AFSL 247083).
<b>Lead Manager Mandate</b>	means the mandate entered between the Company and the Lead Manager dated 25 May 2020 for the provision of corporate advisory services.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Maximum Subscription</b>	means the raising of \$10 million pursuant to the Offer.
<b>Minimum Subscription</b>	means the raising of \$7 million pursuant to the Offer.
<b>Mining Corporate</b>	means Mining Corporate Pty Ltd (ABN 69 165 688 022).
<b>NSR</b>	means net smelter royalty.
<b>Offer</b>	means the offer by the Company, pursuant to this Prospectus, of a minimum of 35 million Shares and a maximum of 50 million Shares at the Offer Price to raise a minimum of \$7 million and up to a maximum of \$10 million.
<b>Offer Price</b>	means \$0.20 per Share under the Offer.
<b>Official List</b>	means the official list of ASX.
<b>Official Quotation</b>	means official quotation by ASX in accordance with the Listing Rules.
<b>Opening Date</b>	means the date specified as the opening date in the Indicative Timetable.
<b>Option</b>	means an option to acquire a Share.
<b>OZM</b>	means OZM Carrapateena Pty Ltd (ACN 007 756 443).
<b>OZ Minerals</b>	means OZ Minerals Carrapateena Pty Ltd (ACN 149 626 255).
<b>OZ Tenements</b>	means MPL 152, EML 6480, EML 6481 and EML 6482.
<b>Plan</b>	means the Torrens Mining Limited Employee Securities Incentive Plan.
<b>Projects</b>	means the Mount Piper Central Victorian Gold, Club Terrace Eastern Victorian Gold, Elizabeth Creek and Laloki projects, each described in Section 2.4.
<b>Prospectus</b>	means this prospectus dated 13 November 2020.
<b>Relevant Interest</b>	has the meaning given in the Corporations Act.
<b>Section</b>	means a section of this Prospectus.
<b>Securities</b>	means any securities, including Shares, Options or Performance Shares, issued or granted by the Company.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Share Registry</b>	means Computershare Investor Services Pty Limited.
<b>Shareholder</b>	means a holder of one or more Shares.
<b>Solicitor's Report</b>	means the relevant report set out in Annexure B (Australia) or Annexure C (Papua New Guinea).
<b>Strandline</b>	means Strandline Resources Limited (ACN 090 603 642).
<b>Strandline Elizabeth Creek Agreement</b>	means the agreement between Terrace Mining and Strandline dated 14 December 2015.
<b>Tenements</b>	means the exploration licences and exploration licence applications in which the Company has an interest, summarised in Section 2.3.
<b>Terrace Mining</b>	means Terrace Mining Pty Ltd (ACN 161 377 340).
<b>WST</b>	means Western Standard Time, being the time in Perth, Western Australia.



*View towards South Australia's Flinders Ranges from the Stuart Highway, south of Torrens Mining Limited's Elizabeth Creek Project area.*

# ANNEXURES

**RSM Corporate Australia Pty Ltd**

Level 32, Exchange Tower,  
2 The Esplanade Perth WA 6000

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9199

[www.rsm.com.au](http://www.rsm.com.au)

12 November 2020

The Directors  
Torrens Mining Limited  
Level 11, 216 St Georges Terrace  
PERTH WA 6000

Dear Directors

## INVESTIGATING ACCOUNTANT'S REPORT

### Independent Limited Assurance Report on Torrens Mining Limited Historical and Pro Forma Historical Financial Information

#### Introduction

We have been engaged by Torrens Mining Limited ("Torrens" or the "Company") to report on the historical and pro forma historical financial information of the Company for the three years ended 30 June 2020 for inclusion in a prospectus ("Prospectus") of Torrens to be dated on or about 12 November 2020. The Prospectus is in connection with the Company's initial public offering and listing on the Australian Securities Exchange ("ASX"), pursuant to which the Company is offering between 35,000,000 and 50,000,000 ordinary shares at an issue price of \$0.20 per share to raise between \$7 million and \$10 million before costs ("Offer").

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

The future prospects of the Company, other than the preparation of Pro Forma Historical Financial Information, assuming completion of the transactions summarised in Section 4.6 of the Prospectus, are not addressed in this Report.

#### Background

Torrens Mining Limited is an unlisted public company which was incorporated on 27 February 2014. The Company is focused on advanced exploration projects with a focus on gold, copper and cobalt. The Company's portfolio includes projects in the Central and Eastern Victorian Goldfields, a copper-cobalt project in South Australia, and a high grade copper-gold project in Papua New Guinea.

#### THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847





## Scope

### Historical financial information

You have requested RSM Corporate Australia Pty Ltd (“RSM”) to review the historical financial information of the Company included in Section 4 of the Prospectus, and comprising:

- the consolidated statements of comprehensive income and consolidated statements of cash flows of the Company for the three years ended 30 June 2020; and
- the consolidated statement of financial position of the Company as at 30 June 2020.

(together the “Historical Financial Information”).

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of Australian Accounting Standards and the Company’s adopted accounting policies.

The Historical Financial Information has been extracted from the financial statements of the Company for the three years ended 30 June 2020, which were audited by RSM Australia Partners in accordance with Australian Auditing Standards and the *Corporations Act 2001*. The audit reports issued with respect to these financial statements included an unmodified opinion.

The audit reports issued by RSM Australia Partners with respect to the financial statements for the years ended 30 June 2019 and 30 June 2018 both included an emphasis of matter in relation to material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. However, the audit opinions were not modified in this regard.

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

### Pro forma historical financial information

You have requested RSM to review the Company’s pro forma consolidated historical statement of financial position as at 30 June 2020 (“the Pro Forma Historical Financial Information”).

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company after adjusting for the effects of the pro forma adjustments described in Section 4.6 of the Prospectus. The stated basis of preparation is the recognition and measurement principles of Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the subsequent events and pro forma adjustments relate, as described in Section 4.2 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position.

### Directors’ responsibility

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



## Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- A consistency check of the application of the stated basis of preparation to the Historical and Pro Forma Historical Financial Information;
- A review of the Company's and its auditor's work papers, accounting records and other documents;
- Enquiry of directors, management personnel and advisors;
- Consideration of the pro forma adjustments described in Section 4.6 of the Prospectus; and
- Performance of analytical procedures applied to the Pro Forma Historical Financial Information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Historical Financial Information or the Pro Forma Historical Financial Information.

## Conclusions

### Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as set out in Sections 4.3, 4.4 and 4.5 of the Prospectus, and comprising:

- the consolidated statements of comprehensive income and consolidated statements of cash flows of the Company for the three years ended 30 June 2020; and
- the consolidated statement of financial position of the Company as at 30 June 2020;

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

### Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as set out in Section 4.5 of the Prospectus, and comprising the pro forma consolidated statement of financial position of the Company as at 30 June 2020, is not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2 of the Prospectus.

## Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

## Responsibility

RSM has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM has not authorised the issue of the Prospectus. Accordingly, RSM makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.



### Disclosure of Interest

RSM does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. RSM will receive a professional fee for the preparation of this Report.

Yours faithfully

A handwritten signature in black ink that reads 'Justin Audcent'.

JUSTIN AUDCENT  
Director

**Confidential**

The Directors  
Torrens Mining Limited  
Level 11, London House  
216 St Georges Terrace  
Perth WA 6000

11 November 2020

Dear Sir/Madam

**Solicitor's Report - Mining Tenements**

This report (**Report**) is prepared for inclusion in a prospectus (**Prospectus**) to be issued by Torrens Mining Limited ACN 168 295 092 (**Company**) for an initial public offer of ordinary fully paid shares at an issue price of \$0.20 each to raise a total of at least \$7 million and up to a maximum of \$10 million (before costs).

Part 1 of this Report relates to the tenements located in State of South Australia partly held by Terrace Mining Pty Ltd ACN 161 377 340 (**Terrace Mining**), and Part 2 of this Report concerns the tenements and applications for tenements located in the State of Victoria held by Terrace Mining and Torrens Gold Exploration Pty Ltd ACN 624 938 076 (**Torrens Gold Exploration**). Part 3 sets out the applicable jurisdictions, limitations, assumptions and qualifications made in this Report in relation to the tenements in South Australia and in Victoria.

Each of Terrace Mining and Torrens Gold Exploration are wholly owned subsidiaries of the Company.

**PART 1: South Australian Tenements****1. Tenements**

Part 1 of this Report relates to the following tenements granted under the *Mining Act 1971* (SA) (**SA Mining Act**) in Mt Gunson in South Australia, in respect of which the Company has interests through its wholly owned subsidiary, Terrace Mining:

- (a) EL 6518 (formerly EL 5636 and EL 4460);
- (b) EL 6141 (formerly EL 5108); and
- (c) EL 6265 (formerly EL 5333),

(together, the **SA Tenements**).

Details of the SA Tenements as disclosed by our searches are set out in Part 1 of Schedule 1.

This Report also contains information regarding the native title and other interests affecting the SA Tenements.

Details of the material contracts which affect the SA Tenements are set out in section 4(d) of Part 1 of this Report (**Material Contracts**).

**2. Searches**

We have conducted and considered the following searches and enquires in respect of the SA Tenements:

QV.1, 250 St Georges Terrace  
Perth WA 6000, Australia

GPO Box 9806  
Perth WA 6848

T +61 8 9426 8000  
F +61 8 9481 3095  
[www.claytonutz.com](http://www.claytonutz.com)

L\337637962.3

11 November 2020

- (a) the SARIG register maintained by the South Australian Department for Energy and Mining (**Mining Register**) pursuant to the SA Mining Act. The searches were conducted on 21 September 2020 and 1 October 2020;
- (b) the SAILIS database maintained by Land Services SA in connection with land interests held by any third party in the land underlying the SA Tenements. The searches were conducted on 29 September 2020 (**Title Searches**);
- (c) results of searches conducted by the National Native Title Tribunal (**NNTT**) of the Register of Native Title claims maintained by the NNTT in respect of the land covered by the SA Tenements. The searches were conducted on 21 September and 24 September 2020; and
- (d) a search of the Register of Aboriginal Sites and Objects kept under the *Aboriginal Heritage Act 1988* (SA) and maintained by the South Australian Department of the Premier and Cabinet for any Aboriginal sites registered over the SA Tenements (**Heritage Searches**). The searches were requested on 21 September and 23 September 2020 and returned on 23 September 2020 and 8 October 2020 respectively,

(together, the **SA Searches**).

### 3. **Opinion**

As a result of our SA 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 SA Searches, this Report provides an accurate statement as to:

- (a) (**Terrace Mining's interest**): Terrace Mining's interest in the SA Tenements; and
- (b) (**Good standing**): the validity and good standing of the SA Tenements.

### 4. **Results of searches**

We have summarised the results of the SA Searches in Part 1 of Schedule 1.

As a result of the SA Searches, and subject to the statements set out in this Report, we are satisfied that the information and particulars included in this Report in relation to the SA Tenements (including in Part 1 of Schedule 1), comprise an accurate statement of the status of the SA Tenements as at the date the SA Searches were conducted.

#### (a) **Ownership**

The SA Searches indicate that Terrace Mining is the registered holder of 49% of each of the SA Tenements, and Coda Minerals Ltd ACN 625 763 957 (previously Kobalamin Ltd) (**Coda Minerals**) holds the other 51% of each of the SA Tenements, as set out in Part 1 of Schedule 1. Under a Farm in and Joint Venture Agreement between Terrace Mining and Coda Minerals dated 17 March 2017 (as varied and novated) (**Farm In Agreement**), Terrace Mining has obligations to grant to Coda Minerals a further 24% interest in the SA Tenements (i.e. an aggregate 75% interest in the SA Tenements), subject to further expenditure by Coda Minerals of \$4.25 million.

11 November 2020

The Farm In Agreement was originally entered into between Terrace Mining and Gindalbie Metals Ltd ACN 060 857 614 (**Gindalbie**). It was novated from Gindalbie to Coda Minerals pursuant to a deed of novation between Gindalbie, Coda Minerals and Terrace Mining dated 18 May 2018.

The Farm In Agreement is registered as an encumbrance/dealing against each of EL 6141 and EL 6265. We note that the Farm In Agreement also applies to EL 6518 (notwithstanding that the Farm In Agreement is not registered in respect of EL 6518) as the definition of tenements in the Farm in Agreement extends to any further tenements applied for or held over the area of EL 5636 and any application for, and any extension, renewal, conversion or substitution of EL 5636. EL 6518 falls within that definition.

(b) **Encumbrances**

The SA Searches indicate that tenement EL 6518 is subject to Bond 1069 (**Bond 1069**), and tenement EL 6265 is subject to two bonds: Bond 1160 (**Bond 1160**) and Bond 1162 (**Bond 1162**) (as set out in Part 1 of Schedule 1).

Bond 1069, Bond 1160 and Bond 1162 are each granted pursuant to section 62 of the SA Mining Act to the Minister for Mineral Resources and Energy (**Minister**) in respect of any civil or statutory liability likely to be incurred in the course of carrying out mining operations on EL 6518 or EL 6265 (as applicable), as well as any present and future obligations in relation to the rehabilitation of the land disturbed by mining operations.

Bond 1069 is granted subject to various terms and conditions, including:

- (i) Terrace Mining paying the sum of \$10,000 to the Minister;
- (ii) any alteration to EL 6518 by Terrace Mining will not impair or discharge its liability under Bond 1069; and
- (iii) Bond 1069 remains in force until either the Minister refunds the sum paid (or any remaining part) by Terrace Mining, or the Minister has expended the whole of the sum of \$10,000.

Bond 1160 is granted subject to various terms and conditions, including:

- (i) Terrace Mining and Coda Minerals paying the sum of \$25,000 to the Minister;
- (ii) any alteration to EL 6265 by Terrace Mining and Coda Minerals will not impair or discharge its liability under Bond 1160; and
- (iii) Bond 1160 remains in force until either the Minister refunds the sum paid (or any remaining part) by Terrace Mining and Coda Minerals, or the Minister has expended the whole of the sum of \$25,000.

Bond 1162 is granted subject to various terms and conditions, including:

- (i) Terrace Mining and Coda Minerals paying the sum of \$30,000 to the Minister;

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- (ii) any alteration to EL 6265 by Terrace Mining and Coda Minerals will not impair or discharge its liability under Bond 1162; and
- (iii) Bond 1162 remains in force until either the Minister refunds the sum paid (or any remaining part) by Terrace Mining and Coda Minerals, or the Minister has expended the whole of the sum of \$30,000.

(c) **SA Tenement conditions**

Conditions are imposed on the grant of exploration licences in South Australia. These include conditions relating to the environment, payment of annual rent, and required minimum expenditure established pursuant to the SA Mining Act. In addition, more particular conditions are imposed on specific tenements. The conditions imposed on the SA Tenements as indicated from the SA Searches are set out in Part 1 of Schedule 1.

Pursuant to an Amalgamated Expenditure Arrangement (**AEA**), as extended by a letter to Coda Minerals from the Deputy Executive Director for Mineral Resources dated 3 August 2020, the SA Tenements are subject to special conditions relating to minimum expenditure and reduction of tenement area. The special conditions apply from 1 July 2020 to 30 June 2022. At the end of the term of the AEA, the AEA may be extended, subject to review and assessment of the exploration performance by the Mineral Resources Division. The conditions set out in the AEA override the conditions that would otherwise apply to the SA Tenements. On the expiry of the AEA, the conditions set out on the Mining Register will resume to apply. Alternatively, if one of the SA Tenements is removed from the operation of the AEA, the conditions set out on the Mining Register for the particular tenement would resume to apply. Further detail of the special conditions are set out in Part 1 of Schedule 1.

If the tenement conditions are not complied with, the tenement may be liable to forfeiture.

(d) **Material Contracts**

(i) *Farm In Agreement*

- A. Under the Farm In Agreement Coda Minerals may, subject to satisfying certain conditions and obligations, obtain an interest of up to 75% in the SA Tenements. As at the date of this Report, Coda Minerals has satisfied the stage 2 expenditure commitments under the Farm In Agreement and now holds a total interest of 51% in the SA Tenements. Coda Minerals has also notified Terrace Mining of its election to proceed with the third stage of activities under the Farm In Agreement which will, subject to Coda Minerals spending a further \$2.75 million by 19 May 2023, entitle Coda Minerals to a further 19% interest in the SA Tenements (i.e. an aggregate 70% interest in the SA Tenements). Following the stage 3 farm-in Coda Minerals will have the option of acquiring an additional 5% interest in the SA Tenements (aggregate 75% interest) for a purchase price of \$1.5 million.

11 November 2020

- B. Once Coda Minerals has completed farming-in to the SA Tenements, either Coda Minerals' interests or Terrace Mining' interests in the SA Tenements may be diluted if the relevant party does not contribute towards an approved program and budget for joint venture activities. If a party's joint venture interest is diluted below 10%, that party's interest in the SA Tenements converts to a net smelter return (i.e. the other party acquires 100% of the SA Tenements).
- (ii) *Strandline Deed of Acknowledgment and Consent*
- A. Under the Deed of Acknowledgement and Consent dated 4 May 2017 between Terrace Mining, Gindalbie and Strandline Resources Limited ACN 090 603 642 (**Strandline Deed of Acknowledgment and Consent**), the parties confirm the ongoing obligations of Terrace Mining under the Sale Agreement between Strandline and Terrace Mining dated 14 December 2015 (as amended or varied) (**Sale Agreement**). Under the Sale Agreement, Terrace Mining is liable to pay \$1,000,000 in cash (**Deferred Consideration**) when a formal decision to mine in respect of a mining project on the SA Tenements is made (**Decision to Mine**).
- B. In the event that, prior to a Decision to Mine is made:
- 1) substantially all of the assets (including the SA Tenements) become held by an entity (**Listed Entity**) which is included on the official list of the market operated by ASX Limited (whether by way of initial public offering or reverse takeover) (**IPO/RTO**);
  - 2) substantially all of the assets (including the SA Tenements) are sold by Terrace Mining to a third party (other than as part of any IPO/TRO) (**Asset Sale**); or
  - 3) all of the share capital of Terrace Mining (while it holds substantially all of the assets (including the SA Tenements)) is sold to a third party other than the Company (or any related entity) (other than as part of any IPO/RTO) (**Trade Sale**),

an amount of \$250,000 of the Deferred Consideration will be payable within 60 days of completion of the IPO/RTO, Asset Sale or Trade Sale (as applicable) to Strandline (in the case of an Asset Sale or Trade Sale, in immediately available funds, or in the case of an IPO/RTO, either in immediately available funds or shares in the Listed Entity).

The remaining amount of the Deferred Consideration will be deemed to be converted into an unsecured 2% net smelter royalty of all minerals produced from the area of the SA



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Tenements capped at a maximum amount payable of \$1,250,000 on the terms and conditions set out in the Model Minerals Royalty Deed - VERSION 2 published by the Resources and Energy Law Association (AMPLA) with the addition of an option for the "payer" to buy-back the royalty at any time for an amount of \$750,000.

Pursuant to the Strandline Deed of Acknowledgment and Consent the parties acknowledge and agree that Terrace Mining remains responsible for the payment of the Deferred Consideration under the Sale Agreement.

- C. Further, pursuant to the Sale Agreement, Terrace Mining may at any time, sell, assign, transfer, or otherwise deal with the whole or any part of its interest in the SA Tenements (whether by joint venture, sale, farm out or otherwise) provided that, until the obligations relating to the Deferred Consideration are discharged, such assignee has appropriate technical and/or financial capacity as agreed by Strandline (such agreement not to be unreasonably withheld) and provided that Terrace Mining procures that the assignee first enters into a deed of assumption and assignment in favour of Strandline by which the assignee agrees to be bound by and assume and perform the provisions of this letter which relate to payment of the Deferred Consideration.
- D. If Terrace Mining makes a future assignment in accordance with the assignment and assumption provisions of the Sale Agreement, it will be released from the relevant obligations under the Sale Agreement to the extent of the assignment.

(iii) *Glycine Licence*

- A. Under the Licence Agreement dated 4 May 2017 between Mining and Process Solutions Pty Ltd (**MPS**), Terrace Mining and Gindalbie (**Glycine Licence**), MPS grants non-transferable, non-exclusive intellectual property licences (including patent rights and know-how) relating to the processing of copper, cobalt and silver ores and concentrates thereof, and secondary processing of other metals that occur naturally, to Terrace Mining and Gindalbie for use on EL 5636 (now EL 6518), EL 5333 (now EL 6265) and EL 5108 (now EL 6141). The Glycine Licence was novated from Gindalbie to Coda Minerals with effect on 18 July 2019 pursuant to a novation deed between Gindalbie, Coda Minerals, Terrace Mining, MPS and Curtin University (**Glycine Novation Deed**).
  - B. Terrace Mining and Coda Minerals must pay licence fees to MPS and comply with the terms and conditions set out in the agreement, including in relation to sublicensing. Coda Minerals and Terrace Mining may sub-licence some or all of their rights under the Glycine Licence by written agreement and with prior notice to MPS.
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- C. The term of the Glycine Licence expires if Terrace Mining and Coda Minerals have not entered into a binding unconditional contract with one or more contractors to build an operating plant on or before 14 February 2024, or otherwise the date that is the later of 4 May 2032 and the date upon which the first granted patent expires.
- D. Curtin University (**Curtin**) entered into a contract with MPS dated 12 April 2017 pursuant to which Curtin authorised MPS to perform certain activities involving inventions (**Technology**) which are the subject of patent rights owned by Curtin (**Curtin Contract**). Under the Curtin Contract, MPS is authorised to sub-licence the Technology to third parties, one such example being the Glycine Licence. Curtin has a right to terminate the Curtin Contract (**Termination Right**), however under deeds of covenant between Curtin, Gindalbie and Terrace Mining dated 4 May 2017 and between Curtin and Gindalbie dated 4 May 2017 (both of which have also been novated to Coda Minerals pursuant to the Glycine Novation Deed), Curtin provided covenants to Gindalbie and Terrace Mining that in the event that Curtin exercises its Termination Right, their rights under the Glycine Licence will continue. We have not sighted a signed copy of the Curtin Contract.
- (iv) *Dual Tenement Agreement*
- A. Under the Dual Tenement Agreement dated 11 May 2017 between OZ Minerals Carrapateena Pty Ltd (**OZ Minerals**), OZM Carrapateena Pty Ltd (**OZM**) and Terrace Mining (**Dual Tenement Agreement**), Terrace Mining granted consent to OZ Minerals and OZM to jointly apply for:
- 1) up to 10 miscellaneous purposes licences in relation to a mineral lease applied for by OZ Minerals and OZM jointly for an east/west site access and haulage road, power transmission line with access corridors and associated infrastructure;
  - 2) up to 10 miscellaneous purposes licences in relation to a mineral lease applied for by OZ Minerals and OZM jointly, within the area of an exploration licence tenement (or tenements) held by them, for bore fields, pipelines and access roads and associated infrastructure;
  - 3) mineral claims for up to 25 extractive minerals leases to be applied for by OZ Minerals and OZM jointly; and
  - 4) up to 25 extractive minerals leases to be applied for by OZ Minerals and OZM jointly,

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over an area to the east of EL 6518 (formerly EL 5636) and EL 6265 (formerly EL 5333) held by Terrace Mining for the purpose of the Carrapateena copper/gold project.

- B. Since the commencement of the Dual Tenement Agreement, OZ Minerals and OZM have jointly been granted the following tenements: MPL 152, EML 6480, EML 6481 and EML 6482 (**OZ Tenements**). The OZ Tenements are overlapped by the area of EL 6518 held by Terrace Mining.
- C. As a consequence, currently the Dual Tenement Agreement regulates the respective mining operations of the common operations areas the subject of both of the OZ Tenements and EL 6518 to the extent of any overlap.
- D. Key relevant provisions of the Dual Tenement Agreement include:
- 1) Terrace Mining must seek written consent from OZ Minerals and OZM prior to conducting any drilling, exploration activity or other mining operations as permitted under the grant of EL 6518 and EL 6265 that occurs within 100 metres of any infrastructure constructed by or on behalf of the OZ Minerals and OZM located within the area of the granted mineral purposes licence (being MPL 152);
  - 2) each party acknowledges that the other party has a right to carry on mining operations within the common operations area provided that OZ Minerals and OZM are not in breach of any material provision of the Dual Tenement Agreement, OZ Minerals and OZM have a right to carry on mining operations with the common operations area pursuant to the instruments of grant for the OZ Tenements in priority to Terrace Mining pursuant to the instruments of grant for EL 6518 and EL 6265;
  - 3) the parties have agreed to use best endeavours to minimise interference caused by their operations in the common operations area and co-operate to reduce or minimise capital and operational costs;
  - 4) Terrace Mining has a right of first refusal in circumstances where OZ Minerals and OZM propose or decide to dispose of infrastructure located within the area of the OZ Tenements, subject to requirements under any applicable laws or conditions of the OZ Tenements to remove or dispose of the infrastructure; and

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- 5) agreement by the parties that their rights, interests or obligations under the Dual Tenement Agreement may only be assigned with written consent of the other party (which must not be unreasonably withheld) and the assignor must procure that the assignee enter into a deed of assumption that covenants that the assignee is bound to the obligations of the assignor and the terms and conditions of the Dual Tenement Agreement.

## 5. South Australian mining law

Each of the SA Tenements are exploration licences, which are subject to standard provisions under the SA Mining Act and the *Mining Regulations 2011 (SA)* (**Mining Regulations**). Outlined below is a summary of the key provisions that relate to mineral exploration licences within South Australia:

- (a) **Rights:** An exploration licence authorises the licensee to carry out exploratory operations of a kind described in the licence in respect of the land described, or referred to, in the licence. The licensee is, however, not permitted to carry out exploratory operations for precious stones on land within a precious stones field that is outside an opal development area.
- (b) **Term:** An exploration licence may be granted for an initial term not exceeding 5 years, which term may be extended at the discretion of the responsible Minister but not such that the aggregate term of the licence exceeds 5 years. If the licence is renewed, the terms and conditions may be varied, revoked or added to and the licence area may be reduced.

The SA Minister may, on the expiration of an exploration licence's 5 year term, or aggregate 5 year term, grant to the licensee an exploration licence over the area of land (or part thereof) to which the former licence applied. The subsequent tenement may be granted for a period of up to 5 years and will be subject to conditions in accordance with the SA Mining Act.

- (c) **Area:** The area of an exploration licence must not exceed 1,000 square kilometres unless the Minister considers there are justifiable reasons to allow a larger area.
- (d) **Conditions:** An exploration licence may be granted, subject to such conditions as the Minister determines. Exploration licences are also issued subject to a standard schedule of general exclusions and conditions under the SA Mining Act including environmental conditions, payment of rent, compliance with minimum expenditure and reporting requirements. These standard conditions are detailed in the notes of Part 1 of Schedule 1 of this Report.

A failure to comply with these conditions or obtain an exemption from compliance may lead to cancellation of the exploration licence. Where a licence is suspended or cancelled, the licence holder may, within 28 days after the cancellation or suspension, appeal to the Environmental, Resources and Development Court (**ERD**) and the ERD may, if it is satisfied that there is no proper ground for the cancellation or suspension, declare that cancellation or suspension void.

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The SA Tenements are also subject to statutory requirements of certain other Acts including Aboriginal heritage legislation, environmental protection legislation and rights in water legislation.

- (e) **Transfer:** An exploration licence, or an interest in an exploration licence (including a contractual interest), may not be assigned, transferred, mortgaged, sublet, or made the subject of any trust or other dealing, either directly or indirectly, without the written consent of the Minister. The term 'dealing' is not defined by the SA Mining Act.

Part 1 of Schedule 1 attached to this Report describes any exclusions, encumbrances and other specific conditions which attach to the SA Tenements.

## 6. Native title

### (a) SA Searches

The SA Searches reveal that the SA Tenements overlap with the following:

- (i) Kokatha People (Part A) Native Title determination (SCD2014/004).

The Federal Court determined on 1 September 2014 that Native Title exists in part of the determination area. The registered Native Title Body Corporate for the claim is Kokatha Aboriginal Corporation RNTBC.

- (ii) Kokatha Native Title Claim Settlement ILUA (SI2014/011) registered on 2 December 2014 (**Kokatha Native Title Claim Settlement ILUA**).

The Kokatha Native Title Claim Settlement ILUA is between the following parties:

- A. Attorney-General and the Minister for Mineral Resources and Energy on behalf of the State of South Australia;
- B. Kokatha Aboriginal Corporation RNTBC; and
- C. BHP Billiton Olympic Dam Corporation Pty Ltd.

Although the Kokatha Native Title Claim Settlement ILUA overlaps with the SA Tenements, it does not expressly contemplate or affect the SA Tenements. One of the purposes of the Kokatha Native Title Claim Settlement ILUA, which was submitted to the NNTT for registration as part of the making of the positive determination was to effect the surrender and extinguishment of Native Title (per the meaning given to the term in the *Native Title Act 1993* (Cth)) in relation to certain areas of land and waters (**Surrender Areas**).

There are various lots listed in the Kokatha People (Part A) determination that are not included within the determination area. Specifically, there are three freehold titles which underlie the SA Tenements and are listed within Schedule 5 of the determination as being areas where native title has been extinguished. The lots are:

- (i) Volume 6135 Folio 25;

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- (ii) Volume 6058 Folio 91; and
- (iii) Volume 5864 Folio 90.

The remaining underlying land, however, is classified as either unalienated Crown Land or held as a pastoral lease - some of these lots are listed in the determination as native title land. While we have not conducted an extensive extinguishment analysis of the tenure underlying the SA Tenements (particularly where that tenure was granted post-determination), it is likely that native title will continue to exist over these lots.

(b) **Native Title Agreements**

Future acts comprising the right to mine (such as the grant of exploration licences in relation to land and waters where Native Title may continue to exist) will be done validly where they are done in accordance with the "right to negotiate" procedure in Part 2, Division 3, Subdivision P of the NTA.

However, South Australia has an "alternative State procedure" for the validation of these future acts, which is prescribed by Part 9B of the SA Mining Act. As part of this procedure, section 63F(2) of the SA Mining Act allows for miners to acquire the right to carry out mining operations on land affected by Native Title by entering into a Native Title mining agreement with a current Native Title party (i.e. a registered Native Title body corporate (**RNTBC**), for areas where Native Title has been determined, or a registered Native Title claimant (**RNTC**), for areas subject to a registered Native Title claim).

A search of the Mining Register indicates that a Native Title mining agreement relating to access is registered on the title of EL 6518 with the following description:

'Access inspection agreement between Gunson Resources Limited (assigned by Stuart Petroleum NL) and the registered representatives of SC99/2 (Kokatha).'

The agreement was made with the then RNTC for the Kokatha Native Title Claim (SC1999/002), which was discontinued in 2009, well before the grant of EL 6518 in 2015. The purpose of the agreement is to permit mining exploration activities and establish procedures to obtain clearance from the native title claimants. The agreement also seeks to ensure adherence with Aboriginal heritage requirements, as well as avoid damage to significant areas. It is likely this agreement has ceased to be in force and will not bind the current authority, given that the claim was discontinued and there has been a positive native title determination made over the area held by another claimant.

The Mining Register also contains details of a Native Title mining agreement, dated 2016, that is registered in respect of each of the SA Tenements. The agreement is made pursuant to Part 9B of the SA Mining Act and has been entered into between Terrace Mining and Kokatha Aboriginal Corporation RNTBC (**Kokatha RNTBC**) (**Native Title Agreement**). Kokatha RNTBC, which holds the determined Native Title rights and interests in trust for the Kokatha People Native Title holders, has provided a warranty that it has the authority to execute the agreement on behalf of the Native Title holders.

The registered Native Title Agreement provides a process for clearance by the Kokatha RNTBC and to authorise the mining exploration operations. With respect to conduct of activities under the agreement, Terrace Mining is not liable for the personal health or safety or otherwise of persons engaged by Kokatha RNTBC except in cases of negligence or wilful misconduct.

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We note that, although this is not an Aboriginal heritage agreement under the *Aboriginal Heritage Act 1998 (SA) (AH Act)*, the provisions of the Agreement relating to the treatment of areas of significance or Aboriginal objects may assist Terrace Mining to comply with its obligations under the AH Act.

Assignment of the agreement can occur subject to the acquiring party signing a deed of assignment and assumption assuming obligations under and being bound by the terms and conditions of the agreement.

While there is no compensation regime under this Native Title Agreement, Terrace Mining does have an obligation to pay for various costs relating to Clearance Work. There is also an obligation on Terrace Mining to use reasonable endeavours to engage and offer employment opportunities to the Native Title holders.

## 7. Aboriginal heritage

Aboriginal heritage is regulated under the AH Act. Section 23 notes that a person must not, without the Minister's authority:

- (a) damage, disturb or interfere with any Aboriginal site; or
- (b) damage any Aboriginal object; or
- (c) where any Aboriginal object or remains are found—
  - (i) disturb or interfere with the object or remains; or
  - (ii) remove the object or remains.

There is also a duty under section 28 on a person to take reasonable measures to protect an Aboriginal object in that person's ownership or possession as part of a public or private collection.

An Aboriginal heritage agreement may be entered into under Division 6 of the AH Act, which, once registered, will be noted on the relevant instrument. A search of the Mining Register dated 21 September 2020 confirms there are no registered Aboriginal heritage agreements with respect to the SA Tenements.

A search of the Register of Aboriginal Sites and Objects indicates that there are no entries on the register within 100m of EL6141 and EL6265. We note that while the register contains no entries relating to Aboriginal cultural heritage, there may still be sites and objects of Aboriginal cultural significance on these sites.

There are, however, two registered cultural heritage sites within the boundaries of EL 6518, being:

Site Number	Site Type
1693	Painting
1694	Archaeological

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The Kokatha RNTBC is listed as a party that may have an interest in the registered sites. As noted above, while the Native Title Agreement is not an Aboriginal heritage agreement under the AH Act, the provisions of the Agreement relating to the treatment of areas of significance or Aboriginal objects may assist Terrace Mining to comply with its obligations under the AH Act.

#### 8. Land use

The land comprising the SA Tenements is used for mineral exploration and pastoral purposes.

The following relevant interests are registered on the land underlying the SA Tenements:

- (a) licence number OL055857 grants an annual licence to OZ Minerals Services Pty Ltd (ACN 629 461 481) (**OZ Minerals Services**) for infrastructure purposes commencing on 20/02/2019 and expiring on 19/02/2029, in relation to CL 6211/35;
- (b) licence number OL055858 grants an annual licence to OZ Minerals Services for infrastructure purposes commencing on 4/02/2019 and expiring on 3/02/2029, in relation to CL 5435/35;
- (c) licence number OL055861 grants an annual licence to OZ Minerals Services for infrastructure purposes commencing on 1/11/2019 and expiring on 31/10/2029, in relation to CL 6178/725; and
- (d) licence number OL055860 grants an annual licence to OZ Minerals Services for infrastructure purposes commencing on 5/12/2019 and expiring on 4/12/2029, in relation to CL 6239/126 (previously CL 6213/672).

Licences numbered OL055857, OL055858, OL055861 and OL055860 appear consistent with the Dual Tenement Agreement referred to in section 4(d)(iv) above.

#### 9. Woomera Restricted Airspace

The SA Tenements are located within the Woomera Restricted Airspace zones R273 and R22D, however the SA Tenements are not actually located within the Woomera Prohibited Area (which is a "Defence Premise" in respect of which access is restricted under the *Defence Act 1903* (Cth) and the *Woomera Prohibited Area Rule 2014*).



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## PART 2: Victorian Tenements

### 10. Tenements and tenement applications

Part 2 of this Report relates to the following tenements granted under the *Mineral Resources (Sustainable Development) Act 1990* (Vic) (**MRSD Act**) in Victoria:

- (a) EL 5455; and
- (b) EL 6775,

(together, the **Victorian Tenements**).

Part 2 of this Report also relates to the following applications for tenements made under the MRSD Act:

- (c) ELA7342;
- (d) ELA7331;
- (e) ELA7337;
- (f) ELA7366; and
- (g) ELA7380,

(together, the **Victorian Tenement Applications**).

There is a further pending application for an exploration licence made under the MRSD Act over parts of the Puckapunyal Military Area (**PMA**) and surrounding areas. This is discussed at part 16 below.

Details of the Victorian Tenements as disclosed by our searches and materials provided to us from the Company are set out in Part 2 of Schedule 1.

Details of the Victorian Tenement Applications as disclosed by our searches are set out in Schedule 2.

This Report also contains information regarding the native title, particularly to the extent relevant to the Victorian Tenements.

### 11. Searches

Regarding the Victorian Tenements, we:

- (a) conducted searches of the Victorian Mining Register, maintained by the Victorian Department of Jobs, Precincts and Regions (**DJPR**). The searches were conducted via GeoVic on 21 September 2020. The same searches were also undertaken in relation to the Victorian Tenement Applications; and
- (b) requested that the NNTT search the records it maintains in relation native title matters, to the extent there is overlap with the areas subject to the Victorian Tenements, including in respect of:

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- (i) Native Title Determination Applications as lodged in the Federal Court;
- (ii) Registered Native Title Determination Applications;
- (iii) Native Title Determinations; and
- (iv) Indigenous Land Use Agreements.

The results from the NNTT were provided on 22 September 2020.

Together, these inquiries are referred to in this letter as the **Victorian Searches**.

## 12. **Opinion**

As a result of the Victorian Searches, and subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Victorian Searches, this Report provides an accurate statement as to:

- (a) **(Company's interest)**: the respective interests in the Victorian Tenements; and
- (b) **(Good standing)**: the validity and good standing of the Victorian Tenements.

## 13. **Results of Victorian Searches**

We have summarised the results of the Victorian Searches relevant to the Victorian Tenements in Part 2 of Schedule 1, and the results of the Victorian Searches regarding the Victorian Tenement Applications in Schedule 2.

As a result of the Victorian Searches, and subject to the statements set out in this Report, we are satisfied that the information and particulars included in this Report in relation to the Victorian Tenements (including in Part 2 of Schedule 1), and in relation to the Victorian Tenement Applications (including in Schedule 2) comprise an accurate statement of the status of the Victorian Tenements as at the date the Victorian Searches were conducted.

### (a) **Ownership**

The Victorian Searches show that:

- (i) Terrace Mining is the sole registered holder of EL 5455; and
- (ii) Torrens Gold Exploration is the sole registered holder of EL 6775.

Each of the Victorian Tenement Applications were lodged by Torrens Gold Exploration.

### (b) **Encumbrances**

The Victorian Searches indicate that Victorian Tenements are not subject to any encumbrances.

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**(c) Victorian Tenement conditions**

The grant of exploration licences in Victoria may be subject to conditions, and the Victorian Tenements are each subject to a range of conditions. These include conditions relating to:

- (i) required minimum expenditure;
- (ii) the extent of permitted activities which may be undertaken within the licensed area;
- (iii) reporting requirements; and
- (iv) a requirement to pay rent.

The conditions of the Victorian Tenements, as disclosed in the Victorian Searches, are set out Part 2 of Schedule 1.

**14. Victorian mining law**

Each of the Victorian Tenements are exploration licences, which are granted under and are subject to the MRSD Act. Outlined below is a summary of the key provisions that relate to exploration licences in Victoria:

- (a) **Rights:** An exploration licence authorises the holder to carry out exploration on the land covered by the licence. It entitles the exploration licence holder to conduct geological, geochemical and geophysical surveys, drill, take samples for chemical and other analytes, extract minerals from the land (other than to produce them commercially) and do all other things that are specific in the licence.
- (b) **Term:** An exploration licence is current for the time specified in the licence unless surrendered, cancelled earlier or as otherwise provided in the MRSD Act.

An exploration licence may be granted for a period of up to five years from the date on which it is registered. An exploration licence can be renewed twice, each for a period of up to five years (which takes effect on the anniversary of the registration of the licence). The renewal or, if the renewal is refused, the refusal to renew, has no effect until the instrument of renewal or refusal to renew is registered.

The Minister may renew an exploration licence for a first term of up to five years if the Minister is satisfied that the licensee has identified minerals in the land and that additional time is required to assess the economic viability of a resources, or the resources is not presently economically viable but may become so in the future, or for any other reason.

The Minister may only renew the licence for a second term if the Minister considers there are exceptional circumstances to warrant the second renewal, and is satisfied that there is a likelihood of the licensee identifying minerals in the land covered by the licence during the period for which the licence may be renewed.

The Minister may renew an exploration licence subject to any conditions specified in the renewal, and grant a renewal for a smaller area than as stipulated in the application for renewal.

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- (c) **Area:** The area of an exploration licence must not be less than one or exceed 500 graticular sections specified in the licence, unless the Minister decides otherwise.

On the second, fourth, seventh and tenth anniversary of the initial registration of the exploration licence, the Minister must reduce the licensed area by 25%, 35%, 20% and 10% respectively. The reduced areas can be identified by the licensee if enough notice is provided to the Minister, but is otherwise chosen by the Minister. In some circumstances, the Minister may decide that there is no requirement to relinquish part of the licensed area under section 38A(2A) of the MRSD Act.<sup>1</sup>

In calculating the area to be cancelled, if the licensee holds two or more exploration licences, the combined areas covered by the licences may be treated as a single area (at the Minister's discretion).

- (d) **Conditions:** A standard condition of an exploration licence is the requirement to expend in connection with the exploration of land a minimum amount in every year of the term of the licence. An exploration licence may also be granted subject to other conditions, including matters such as:

- (i) rehabilitation of the land;
- (ii) elimination and minimisation of the risks that the work may pose to the environment, to any member of the public, or to land, property or infrastructure in the vicinity of the work;
- (iii) protection of groundwater;
- (iv) providing and implementing environmental offsets on the land or any other land;
- (v) work undertaken under a licence;
- (vi) expenditure;
- (vii) reporting the discovery of minerals;
- (viii) entering into a rehabilitation bond;
- (ix) payment of fees;
- (x) payment of an environmental levy;
- (xi) access to and use of the land by the holder of another licence that is limited to a particular stratum; and
- (xii) protection of community facilities.

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<sup>1</sup> The Minister has exercised this discretion in relation to EL 5455 for the next partial cancellation due to occur, as advised in a letter from the Minister's delegate dated 8 October 2020. The letter advises that the partial cancellation requirement on the seventh anniversary of EL 5455 would be waived.

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- (e) **Rent:** It is a condition of an exploration licence that the licensee pays rent from the date of registration of the grant of the licence, in accordance with the rate or method of assessment and at the times prescribed.
- (f) **Transfer:** An exploration licence must not be transferred during the first year of the term. After the first year, an exploration licence may be transferred by an instrument approved by the Minister.

The Minister must only approve an application to transfer an exploration licence if the transferee and licensee meet certain criteria.

An application for an exploration licence is not transferrable.

Part 2 of Schedule 1 of this Report describes specific conditions attached to the Victorian Tenements.

## 15. The Victorian Tenement Applications

Each of the Victorian Tenement Applications are for exploration licences. Outlined below is a summary of the key provisions of the MRSD Act that relate to applications for exploration licences in Victoria:

- (a) **Application:** Any person may apply for an exploration licence. Within 14 days of being notified that the application has the highest ranking, the applicant must advertise the proposal. The Minister must be satisfied that the applicant is a fit and proper person to hold a licence, intends to comply with the MRSD Act, genuinely intends to do work, has an appropriate program of work and can finance the proposal and any rehabilitation.
- (b) **Priority of applications:** On receipt of an application for an exploration licence, the Department Head must determine the priority of the application. If more than one application over the relevant area has been received, but on different days, the first in time has priority. If they are received on the same day, the priority will be determined by the Minister's opinion of their relative merits and the likely ability of each applicant to meet the application conditions. Once priority has been determined, the application which has priority must be considered without reference to any other application.
- (c) **Objections:** Any person may object to the grant of an exploration licence in writing and lodged with the Minister within 21 days after the application was advertised.
- (d) **Grant:** After considering any objections to the grant of an exploration licence, the Minister may grant the licence. A licence cannot be granted over land which:
  - (i) is covered by a mining licence;
  - (ii) is covered by an existing exploration licence;
  - (iii) is subject to another application with a higher ranking than the present application;
  - (iv) is subject to a tender process (unless the licence is granted to the successful tenderer);

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- (v) is limited to a particular stratum unless the Minister is satisfied that the applicant can obtain reasonable access to and use of the land; or
  - (vi) has been covered by an exploration licence for at least two years of more than 10 percent of the area that is covered by mining licenses granted before the commencement of section 12 of the *Mineral Resources Amendment (Sustainable Development) Act 2010 (Vic) (2010 MRSD Act)* (since repealed) or prospecting licences granted after the commencement of section 12 of the 2010 MRSD Act without the exploration licensee's consent under section 25A of the MRSD Act.
- (e) **Commencing work under an exploration licence:** Work must not commence on the licensed area unless the licensee, among other things, has:
- (i) an approved work plan;
  - (ii) entered into the required rehabilitation bonds;
  - (iii) complied with any condition to provide an environmental offset;
  - (iv) obtained all necessary consents and authorities or made the necessary agreements; and
  - (v) obtained the required insurance.

Schedule 2 to this Report describes the search results obtained in respect of the Victorian Tenement Applications.

As each of the Victorian Tenement Applications are pending, there is no certainty that tenements will be granted in response to the Victorian Tenement Applications.

16. **Application for exploration tenement over the PMA**

We understand that an application for exploration licence 007481 over parts of the PMA was submitted on 4 September 2020 and is being reviewed. As with the Victorian Tenement Applications, there is no certainty that an exploration licence will be granted in response to this application.

17. **Native title**

The Victorian Searches reveal that 95.98% of the area subject to Victorian Tenement EL 6775 overlaps with the Taungurung Settlement Indigenous Land Use Agreement (**Taungurung Settlement ILUA**) (V12018/002), which was registered on 30 April 2020 between the following parties:

- (b) State of Victoria;
- (c) Mick Hardy and Patsy Smith; and
- (d) Taungurung Clans Aboriginal Corporation.

Although the Taungurung Settlement ILUA overlaps with the Victorian Tenement, it does not expressly contemplate or affect the Victorian Tenement. One of the purposes of the Taungurung Settlement ILUA is to effect the surrender and extinguishment of Native Title in

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relation to certain areas of land and waters. The Taungurung Settlement ILUA also has the effect of validating the grant of EL 6775 as a valid future act, with the result that the grant of EL 6775 will be valid as to native title to the extent it relates to land that overlaps with land subject to the Taungurung Settlement ILUA.

The remaining underlying land subject to EL 6775 is classified as either private land or road and road reserves.

The Victorian Searches indicate that Victorian Tenement EL 5455 does not overlap with any current native title claims, native title determinations or ILUAs.

### **PART 3: Jurisdiction, limitations, assumptions and qualifications**

#### **18. Relevant jurisdictions and limitations to opinion**

This opinion relates only to the statute laws of South Australia, the laws of Victoria and the federal laws of the Commonwealth of Australia in force at, and to court decisions reported prior to, the date of this opinion.

We express no opinion:

- (a) as to the laws of any other jurisdiction;
- (b) as to factual matters;
- (c) as to the exact interpretation which would be placed by a court upon any particular wording in a Material Contract or any other document to which any relevant entity is a party or in some way connected; or
- (d) on any other document or agreement referred to in the Material Contracts or on the rights and obligations of the parties under such documents or agreements.

This opinion is strictly limited to the matters stated in it and does not apply by implication to other matters.

#### **19. Assumptions and qualifications**

Our Report is based on, and subject to, the assumptions and qualifications set out below and as otherwise specified elsewhere in this Report:

- (a) We have relied upon information provided by third parties in response to searches made, or caused to be made, by us and have relied upon that information being accurate, complete and up to date. We cannot comment on whether any changes have occurred in respect of the SA Tenements and the Victorian Tenements (together, the **Tenements**) between the date on which the searches were conducted and the date of the Prospectus.
- (b) We have relied upon information provided by third parties, including the Company and by Terrace Mining and its representatives and agents, in response to investigations and searches made, or caused to be made, by us and have relied

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upon that information as being accurate, complete and up to date. We cannot comment on whether any changes have occurred in respect of the Tenements between the date on which the information was provided to us and the date of the Prospectus.

- (c) Where dealings, interest or agreements have not been registered in relation to granted Tenements, we express no opinion as to whether such registration may be effected, or the consequences of non-registration.
- (d) Where Ministerial consent is required in relation to any agreements or to the transfer of any granted Tenements, 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 specific matter which would cause consent to be refused.
- (e) We have assumed that we have been provided with copies of all the material agreements in respect of the Tenements and express no opinion as to whether any additional agreements in respect of the Tenements exist.
- (f) We have not investigated whether a tenement holder is or may be in breach of any tenement conditions (other than to the extent that such breach may be disclosed in the SA Searches or the Victorian Searches).
- (g) Where compliance with the terms and conditions of any Tenement and the provisions of the SA Mining Act and the Mining Regulations or the MRSD Act (as applicable), including requirements necessary to maintain the Tenements in good standing, or a possible claim in relation to the Tenements by third parties is not disclosed on the face of the searches referred to in sections 2 and 11 above, we express no opinion as to such compliance or claim.
- (h) We have assumed that the seals and signatures on all the Material Contracts are authentic, and that the Material Contracts were within the capacity and powers of, and validly authorised, executed and delivered by and are binding on, the parties to them and comprise the entire agreement of the parties to each of them with respect to their respective subject matters.
- (i) We have assumed that the parties to each of the Material Contracts are complying with and will continue to comply with and fulfil the terms of the Material Contracts and that the representations made by third parties (including by Terrace Mining, its representatives and agents) in relation to the Material Contracts are true and correct.
- (j) Native title or Aboriginal heritage sites or objects may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims and heritage sites have been registered over these areas, we have not conducted any independent investigations regarding the likely existence or non-existence of native title or Aboriginal heritage sites or objects.
- (k) Save as set out in this Report, we have not undertaken any independent investigation as to whether the granted Tenements have been validly granted in relation to native title considerations.

## 20. Consent



**CLAYTON UTZ**

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Clayton Utz has given, and has not, before the lodgement of the Prospectus, withdrawn its consent to the issue of the Prospectus with this Report.

Clayton Utz was involved in the preparation of only this Report and, notwithstanding that it may be referred to elsewhere in the Prospectus, it shall not be taken to have authorised or caused the issue of any other part of the Prospectus.

Yours sincerely



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Our ref 14396/18448/81009561

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**Schedule 1 - Schedule of Tenements****Part 1: South Australian Tenements**

Tenement	Registered Holder / Applicant	% Held	Grant Date	Expiry Date	Commodities Permitted	Area	Current Bond	Minimum Expenditure (\$)	Registered Encumbrances / Dealings	Native Title	Notes and Conditions
<b>EL 6518* (formerly EL 5636 and EL 4460)</b>	Terrace Mining Pty Ltd (ACN 161 377 340)  Coda Minerals Ltd (ACN 625 763 957)	49%  51%	25 March 2020	24 March 2022	Silver, cobalt, gold and copper	401 square kilometres	\$10,000 cash bond (Bond 1069)	Pursuant to the AEA, the combined statutory minimum expenditure commitment for EL 6518, EL 6141 and EL 6265 totals \$1.1 million for the 24-month period ending 30 June 2022 (taking into account, on a pro-rata basis, the 12-month COVID-19 Exploration Expenditure Waiver announced by the Minister for Energy and Mining on 2 April 2020).  On the earlier of the expiry of the AEA, or when EL 6518 ceases to be subject to the AEA, the following expenditure condition will apply: \$900,000 during the period 25 March 2017 to 24 March 2020 (obligation to comply extended to 31 March 2021 pursuant to exemption granted 23 April 2020).	Memorandum of exemption extending minimum expenditure requirement to 31 March 2021, and deferring payment of annual fee to 31 December 2020 - 43033.  Appointment of Torrens Mining Limited as agent for certain provisions of the SA Mining Act.  Authorisation of Rhys Houlihan of Green Values Australia to act on behalf of Coda Minerals in the management of tenements in South Australia.	Kokatha People (Part A) Native Title determination (SCD2014/004)  Kokatha Native Title Claim Settlement ILUA (SI2014/011)  NTMA381 - Mining Native Title Agreement for Exploration  Mining Native Title Agreement 47 - Access Inspection Agreement  2 registered Aboriginal sites within the boundary.	1-25 and 26-27

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Tenement	Registered Holder / Applicant	% Held	Grant Date	Expiry Date	Commodities Permitted	Area	Current Bond	Minimum Expenditure (\$)	Registered Encumbrances / Dealings	Native Title	Notes and Conditions
<b>EL 6141 (formerly EL 5108)</b>	Terrace Mining Pty Ltd (ACN 161 377 340)  Coda Minerals Ltd (ACN 625 763 957)	49%  51%	29 October 2017	28 October 2022	Silver, cobalt, gold, copper and uranium	47 square kilometres	N/A	Pursuant to the AEA, the combined statutory minimum expenditure commitment for EL 6518, EL 6141 and EL 6265 totals \$1.1 million for the 24-month period ending 30 June 2022 (taking into account, on a pro-rata basis, the 12-month COVID-19 Exploration Expenditure Waiver announced by the Minister for Energy and Mining on 2 April 2020).  On the earlier of the expiry of the AEA, or when EL 6141 ceases to be subject to the AEA, the following expenditure condition will apply: \$420,000 during the period 29 October 2019 to 28 October 2022 (obligation to comply extended to 31 March 2021 pursuant to exemption granted 23 April 2020)	Memorandum of exemption extending minimum expenditure requirement to 31 March 2021, and deferring payment of annual fee to 31 December 2020 - 43033  Deed of Novation in relation to Farm-In Agreement 42473  Deed of Variation in relation to Farm-In Agreement 42472  Farm-In Agreement 41502  Appointment of Torrens Mining Limited as agent for certain provisions of the SA Mining Act	Kokatha People (Part A) Native Title determination (SCD2014/004)  Kokatha Native Title Claim Settlement ILUA (SI2014/011)  NTMA381 - Mining Native Title Agreement for Exploration	1-25 and 28
<b>EL 6265 (formerly EL 5333)</b>	Terrace Mining Pty Ltd (ACN 161 377 340)  Coda	49%	7 October 2018	6 October 2020  An application to renew	Gold and copper  If the renewal application is granted,	291 square kilometres	\$25,000 cash bond (Bond 1160)  \$30,000 cash	Pursuant to the AEA, the combined statutory minimum expenditure commitment for EL 6518, EL 6141 and EL 6265 totals \$1.1 million for the 24-month period ending 30 June 2022 (taking into	Memorandum of exemption extending minimum expenditure requirement to 31 March 2021, and deferring payment of annual fee to 31	Kokatha People (Part A) Native Title determination (SCD2014/004)  Kokatha Native Title Claim	1-25

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Tenement	Registered Holder / Applicant	% Held	Grant Date	Expiry Date	Commodities Permitted	Area	Current Bond	Minimum Expenditure (\$)	Registered Encumbrances / Dealings	Native Title	Notes and Conditions
	Minerals Ltd (ACN 625 763 957)	51%		licence EL 6265 was lodged on 30 June 2020	copper, cobalt and silver		bond (Bond 1162)	account, on a pro-rata basis, the 12-month COVID-19 Exploration Expenditure Waiver announced by the Minister for Energy and Mining on 2 April 2020). On the earlier of the expiry of the AEA, or when EL 6265 ceases to be subject to the AEA, the following expenditure condition will apply: \$960,000 during the period 7 October 2018 to 6 October 2020 (obligation to comply extended to 31 March 2021 pursuant to exemption granted 23 April 2020)	December 2020 - 43033 Deed of Novation in relation to Farm-In Agreement 42473 Deed of Variation in relation to Farm-In Agreement 42472 Farm-In Agreement 41502 Appointment of Torrens Mining Limited as agent for certain provisions of the SA Mining Act	Settlement ILUA (SI2014/011)  NTMA381 - Mining Native Title Agreement for Exploration	

**Notes:****General\*:**

- Licenses EL 6518, EL 6141 and EL 6265 cannot be granted for an aggregate term exceeding 5 years. Upon the expiration of the 5 year term, and if the respective Licensee wants to extend the term of the exploration licence for a period greater than 5 years, the Licensee must apply for a new exploration tenement over the relevant land.
- The Minister may, at any time, require the holders of Licences EL 6518, EL 6141 and EL 6265 to pay to any person an amount of compensation, stipulated by the Minister, to which that person is, in the opinion of the Minister, entitled in consequence of loss or damage suffered by him as a result of operations conducted in pursuance of the respective licence.
- The Licensees of EL 6518, EL 6141 and EL 6265 must, as soon as reasonably practicable, report to the Director the discovery on the land of minerals potentially capable of economic production.

4. The Licensees of EL 6518, EL 6141 and EL 6265 must give written notice to the Director of any proposal to carry out an airborne survey of the land or proposal to investigate the use of groundwater on the land for the purpose of water supplies, de-watering, in-situ leaching, waste disposal or other purpose.
5. The Licensees of EL 6518, EL 6141 and EL 6265 must within 60 days after making a request to the Minister for a reduction in the area of the land in respect of which the Licence operates submit to the Minister a technical report of the exploratory operations carried out in the area sought to be excluded from the Licence.
6. EL 6518, EL 6141 and EL 6265 confer no right on the Licensees to carry out operations on "native title land" (as defined in the *Native Title (South Australia) Act 1994*) within the area of the exploration licences other than in accordance with Part 9B of the Act.
7. Licensees EL 6518, EL 6141 and EL 6265 must conduct operations so as not to disturb the environment except in so far as it is necessary to undertake the relevant programme of exploration.
8. Licensees EL 6518, EL 6141 and EL 6265 must undertake all low impact exploration activities in accordance with the Ministerial Determination 001; *Generic Program for Environmental Protection and Rehabilitation - Low Impact Mineral Exploration in South Australia (PEPR)*.
9. Prior to conducting any on-ground exploration activity outside the scope of the PEPR, an application in accordance with Part 10A of the Act and Ministerial Determination 013 shall be submitted to and approved in writing by the Minister (or delegate).
10. Prior to commencing construction of major campsites, intensive track networks, airstrips and other major support facilities, an application in accordance with Part 10A of the SA Mining Act and Ministerial Determination 013 shall be submitted and approved in writing by the Minister (or delegate).
11. Failure to comply with an approved program or PEPR will constitute a failure to comply with the conditions of the relevant Licence.
12. The Licensees of EL 6518, EL 6141 and EL 6265 must comply with the laws in force in South Australia in the course of undertaking any activities pursuant to the respective license, including but not limited to the *Aboriginal Heritage Act 1988*, *Environment Protection Act 1993*, and *Work Health and Safety Act 2012*.
13. The Minister may request the Licensees of EL 6518, EL 6141 and EL 6265 to review and resubmit a revised PEPR for further approval at any time during the term of the Licence.
14. In the event the Licensees of EL 6518, EL 6141 and EL 6265 encounter significant underground water during drilling operations, the Licensees must notify the exact location of such underground water to the Director of Mines and shall, if practicable, collect samples and forward to the Director of Mines.
15. The Licensees of EL 6518, EL 6141 and EL 6265 must conduct exploratory operations in a manner that will prevent contamination or wastage of groundwater at all exploration drill hole sites and are required to complete all exploration drill holes in accordance with *Information Sheet M21 - Mineral Exploration Drillholes - General specification for construction and backfilling*, approved by the Director of Mines.
16. At least fourteen days prior to commencing drilling operations that are likely to intersect significant groundwater the Licensees of EL 6518, EL 6141 and EL 6265 must advise the Drilling Inspector. In the event of artesian conditions being encountered during drilling the Drilling Inspector must be contacted within 24 hours. Drilling Inspector contact details can be found within the Department for Environment and Water advice accompanying this Licence.
17. The Licensees of EL 6518, EL 6141 and EL 6265 must provide an Annual Expenditure Report to the Director of Mines within sixty days after the expiry of each twelve calendar months from the grant date of the Licence.
18. The Licensees of EL 6518, EL 6141 and EL 6265 must provide an Annual Technical Report to the Director of Mines within sixty days after the expiry of each twelve calendar months from the grant date of each respective Licence. A Final Annual Technical Report must also be provided within 60 days after the expiry of or surrender of the respective Licence.

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19. In the event the Licensees of EL 6518, EL 6141 and EL 6265 request the Minister to consider reducing the area of the respective licence, the Licensees must submit a Partial Surrender Report within 60 days of making its application to the Minister.
20. Representative drill hole samples are offered to the Geological Survey of South Australia on completion of the program or expiry of the tenement as per the Department's Information Sheet MG18, *Submission of Representative Samples for Mineral Exploration Drillholes*.
21. Exploration reports, data and samples required to be submitted under the SA Mining Act must be in a manner and form acceptable to the Director of Mines.
22. Unless an exception applies, the Minister will endeavour to keep exploration reports, data and samples submitted in accordance with the EL 6518, EL 6141 and EL 6265 confidential while the respective licence or any flow-on title is in force.
23. At the planning stage of any aerial survey, the Licensees of EL 6518, EL 6141 and EL 6265 must provide details to the Director of Mines of the type of airborne survey, area to be surveyed, flight-line spacing and flight height.
24. EL 6518, EL 6141 and EL 6265 do not authorise the Licensees to undertake any activities which may significantly deleteriously affect the potential for coal seam methane drainage or in situ gasification of coal within any overlapping Exploration Licence under the *Petroleum and Geothermal Energy Act 2000*, the application for which predates the application for the licence and any former licence, without the agreement of the relevant licensee under the *Petroleum and Geothermal Energy Act 2000* unless otherwise agreed by the Minister in consultation with the parties concerned.
25. Pursuant to the AEA, a minimum of 10% of the combined tenement area of EL 6518, EL 6141 and EL 6265 is identified for surrender in the 24-month period ending 30 June 2022, however if more than double the minimum exploration expenditure is spent this will reduce to 5% and if more than triple is spent, this will reduce to 0%. Given the likely difficulties of implementing exploration work programs during the COVID-19 Exploration Expenditure Exemption period, including identifying areas for relinquishment, a pro-rata adjustment to the required area reduction will be made where the minimum exploration expenditure has been met. On the earlier of the expiry of the AEA, or when one of the Tenements ceases to be subject to the AEA, the following expenditure condition will apply: unless the Minister determines otherwise, if the expenditure commitment under EL 6518, EL 6141 and EL 6265 is not satisfied, the area of land to which the relevant licence applies shall be reduced by at least 25% by the end of the current term.

#### EL 6518:

26. EL 6518 is overlapped by tenements jointly held and operated by OZM Carrapateena Pty Ltd/ OZ Minerals Carrapateena Pty Ltd being MPL 152, EML 6480, EML 6481, EML 6482. This overlap is managed in accordance with the Dual Tenement Agreement, see section 4(d)(iv) of this Report.
27. EL 6518 is also overlapped by MPL 1, ML 5599, ML 5598, ML 3718, ML 3719, ML 3720, ML 3721, ML 3717 which are tenements held and operated by A & MJ Musolino Pty Ltd and EML 6192 which is held by A & MJ Musolino Pty Ltd and operated by Hornet Resource Assessment Services Pty Ltd. These tenements were excluded from the area of grant for EL 6518.

#### EL 6141:

28. EL 6141 permits the exploration of uranium. The general condition under s 10A of the SA Mining Act provides that a grant of mining tenure for the mining of uranium requires consent of the Minister and the grant of an EL which permits the exploration of uranium does not automatically give rise to the grant of mining tenure for the mining of uranium.

\*Note: The new Exploration Licence document issued for EL 6518 has been executed by the tenement holders but it has not yet been signed by the Mining Registrar. The conditions are therefore subject to change. A binding version will be uploaded to the South Australian Mining Register once executed.

### Part 2: Victorian Tenements

Tenement	Registered Holder	% Held	Grant Date	Expiry Date	Area (GRS)	Expenditure amount(\$)	Registered events	Native Title	Notes and Conditions
EL 5455	Terrace Mining Pty Ltd	100%	22 October 2013	21 October 2023	8	\$19,000 for the current year ending 21 October 2020 and for each subsequent year to 21 October 2023.	<p>Creation of Interest R90012138 (6 November 2019) [Being a transfer of interest and tenement from Terrace Mining Pty Ltd to Torrens Gold Exploration Pty Ltd pursuant to a Deed of Assignment]</p> <p>Renewal of Title F90011857 (29 March 2019)</p> <p>Variations of Licence Conditions F90011061 (2 November 2017)</p> <p>Part Cancellation F90011060 (2 November 2017)</p> <p>Variation of Conditions F90010349 (22 January 2016)</p> <p>Part Cancellation F90010348 (22 January 2016)</p> <p>Grant of Title (22 October</p>	None.	<p>See notes 1 - 39 below.</p> <p>Correspondence from the Tenement Administration Services (acting as agent for Terrace Mining Pty Ltd) (TAS) to the DJPR dated 22 September 2020 indicates that:</p> <ul style="list-style-type: none"> <li>DJPR emailed TAS on 18 August 2020 indicating that Terrace Mining Pty Ltd must nominate 5 graticular sections for relinquishment from EL 5455 or provide justification as to why the relinquishment requirement should be waived;</li> <li>there are a range of reasons why the relinquishment requirement should be waived for one year; and</li> <li>an application had been lodged to transfer EL 5455 from Terrace Mining Pty Ltd to Torrens Gold Exploration Pty Ltd (which appears to relate to Creation of Interest</li> </ul>

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Tenement	Registered Holder	% Held	Grant Date	Expiry Date	Area (GRS)	Expenditure amount(\$)	Registered events	Native Title	Notes and Conditions
							2013)		R90012138). We have seen a signed application for a licence transfer for EL 5455 dated 4 September 2020 from Terrace Mining Pty Ltd to Torrens Gold Exploration Pty Ltd.
<b>EL 6775</b>	Torrens Gold Exploration Pty Ltd	100%	3 July 2020	2 July 2025	414	\$77,100 for the current year ending 2 July 2021, then \$97,800 per year to 2 July 2024, then \$139,200 for the year ending 2 July 2025	Grant of Title F90012446 (3 July 2020)	95.98% overlaps with Taungurung Settlement ILUA (V12018/002)	See notes 1 - 33 and 40 - 44 below.

**Notes:****General:**

1. The licensees of EL 5455 and EL 6775 must expend at a minimum stipulated amounts in certain years of the term of the licence connection with exploration of the land unless this requirement is varied, or application of this requirement is suspended for a specified period, in accordance with the MRSD Act.
2. The reporting date is 30 June annually.
3. Only low impact exploration work may be undertaken on the licensed area until the licensee has an approved work plan.
4. Activities on the licensed area must be limited to those specified in the MRSD Act and licence.
5. The licensee must report immediately in writing to the Department Head the discovery of minerals potentially capable of production in commercial quantities.
6. The licensee must pay rent from the date of registration of the licence.
7. The licensee must ensure that the relevant Earth Resource Regulation (**ERR**) Regional Manager is at all times aware of the appropriate contact person for activities conducted under an exploration licence.



8. Where work is approved by an area work plan, the licensee must submit a written work schedule for any program of work. The work schedule must be submitted to the relevant ERR Regional Manager and the Crown land Manager (for work on Crown land) at least twenty-one (21) days prior to the commencement of work. The licensee must comply with any request by the relevant ERR Regional Manager to defer, cease or modify the proposed works.
9. (Community engagement) The licensee must identify their communities for the proposed operation and consult with the identified communities.
10. (Box-ironbark region) Where activities are proposed to be undertaken in a Box-ironbark region, the licensee must undertake a preliminary assessment of vegetation and faunal habitats of areas of interest in that Box-ironbark region to identify and mark areas or sites to be avoided in the exploration project.
11. (Public liability insurance) Prior to commencing any work, the licensee must have public liability insurance that covers all work authorised under the licence and ensure the insurance is valid at all times while work occurs under the licence.
12. (Public safety zones) The licensee must take all reasonable measures to minimise their impact on the operation of a Public Safety Zone.
13. (Soil management) The licensee must take all reasonable measures to minimise impacts on the physical and biological health of soil.
14. (Plant diseases, weeds and pest animals) The licensee must ensure that all soil that is imported into the exploration licence area is free of disease and noxious weeds. The licensee must take all reasonable measures to minimise the spread of weeds, pest animals and plant diseases whilst undertaking exploration activities. The licensee must adhere to any biosecurity protocols that have been adopted on private or Crown land.
15. (Water quality and aquatic habitat) The licensee must design, install and maintain erosion and sediment controls to prevent erosion of areas of disturbed land and sedimentation of waterways. Where exploration activities are being conducted in waters or on the banks of waterways with water in them, the licensee must take all reasonable measures to minimise sedimentation of the waterway. The licensee must take all reasonable measures to prevent contaminated runoff from entering receiving waterways.
16. (Fuels, lubricants and hazardous materials) The licensee must take all reasonable measures to prevent contamination of the environment by the release of fuels, lubricants and hazardous materials. The licensee must ensure that spills of hazardous materials are cleaned up as quickly as practicable. Such spillage must not be cleaned up by hosing, sweeping or otherwise releasing such contaminant into waterways. Within the Box-ironbark region, the licensee must install trays or similar apparatus beneath machinery to protect the soil and vegetation from oil/fuel leaks or spills.
17. (Aboriginal cultural heritage) The licensee must ensure Aboriginal cultural heritage is not harmed as a result of works undertaken within the licence area. Within areas where ground intrusive works or the removal of native vegetation are proposed on Crown land in the Box-ironbark region, an assessment of Aboriginal cultural heritage values must be undertaken.
18. (Heritage (Non-Indigenous)) The licensee must ensure non-indigenous cultural heritage is not harmed as a result of works undertaken within the licence area. Within areas where ground intrusive works or the removal of native vegetation are proposed on Crown land in the Box-ironbark region, an assessment of non-indigenous cultural heritage values must be undertaken.
19. (Fire precaution) The licensee must take all reasonable measures to prevent the ignition and spread of fire. Prior to undertaking any exploration activities, the licensee must develop and implement a fire response and readiness plan.
20. (Waste and redundant equipment) The licensee must ensure all waste generated on site is disposed of at an appropriate waste management facility.
21. (Camping) The licensee may only establish campsites with the permission of the Crown land Manager or private land owner/occupier. The licensee must select, establish and manage campsites to minimise risks to the environment and/or the health and safety of people.
22. (Noise) Within the licensed area, the licensee must ensure that noise generated by exploration activities does not exceed limits set by the Environment Protection Authority, Victoria and the local council. The licensee must take all reasonable measures to avoid causing nuisance noise.
23. (Air emissions, dust and lighting) The licensee must take all reasonable measures to prevent adverse impacts as a result of the release of dust, odour and/or emission of light.

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24. (Livestock, domestic animals and crop) The licensee must take all reasonable measures to prevent adverse impacts to livestock and crops.
25. (Geophysical and geological surveys and gridlines) In designing and constructing geophysical and geochemical surveys, the licensee must take all reasonable measures to prevent adverse impacts to the environment and/or the health and safety of people. Prior to designing and constructing geophysical and geochemical surveys, the licensee must consult with the Crown Land Manager and/or private land owner/occupier about the position of gridlines and geophysical lines.
26. (Explosives) When using explosives or high electrical currents, all reasonable measures must be taken to prevent harm or disturbance to people, domestic animals, livestock and wildlife.
27. (Tracks and roads) In designing and constructing tracks and roads, the licensee must take all reasonable measures to prevent adverse impact to the environment. Prior to designing and constructing tracks and roads, the licensee must consult with the public land manager, responsible road authority and/or private landowner/occupier. Prior to using a closed road the licensee must gain consent from the responsible road authority. Prior to conducting ground intrusive exploration works on a road the licensee must gain consent from the responsible road authority.
28. (Drill sites, costeans, trenches and bulk sampling excavations) The licensee must take all reasonable measures to prevent adverse impacts of establishing costeans, drill holes, bulk sample excavations and trenches to the environment and/or the health and safety of people.
29. (Drillhole operations, construction and decommissioning) The licensee must ensure that all reasonable measures are taken to minimise the impacts of drilling operations and that the operations are conducted in a manner that ensures protection of the environment, human health and amenity. The licensee must prevent contamination of aquifers as a result of drilling operations. The licensee must ensure that where a drillhole is to be left open overnight or longer, a temporary cap is fitted. The licensee must ensure that accurate records of decommissioning procedures are kept to provide future reference, and to demonstrate to the Department of Jobs, Precincts and Regions that the drillholes have been satisfactorily plugged and abandoned.
30. (Underground exploration) The licensee must ensure that during underground exploration and development works, access shafts, adits and declines are made safe. The licensee must ensure that on completion of underground exploration and development works, access shafts, adits or declines no longer required are permanently closed off and the site made safe for the public and wildlife.
31. (Rehabilitation) The licensee must ensure that disturbed areas are rehabilitated as soon as possible after the completion of exploration works. The licensee must ensure that indigenous species used in rehabilitation are sourced from the local area, of local provenance and appropriate to the site's Ecological Vegetation Class (EVC).
32. (Reporting, monitoring and auditing) The licensee must implement a program for monitoring environmental impacts and rehabilitation. The licensee must submit an Annual Report that includes:
- A report about the environmental management of exploration activities including the result of any environmental audits conducted.
  - Quantity, area and type of native vegetation removed.
  - Details of current progressive rehabilitation activities.
  - A rehabilitation report detailing completed rehabilitation activities over that year.
- The licensee must notify the Department of Jobs, Precincts and Regions as soon as practical of any environmental incident which results in:
- An emission not authorised by licence, work authority or work plan.
  - Any deviations from conditions or environmental standards outlined for the site.
- Within seven (7) days of an environmental incident, the licensee must prepare and forward a report to the Department of Jobs, Precincts and Regions detailing the following information:
- The cause, time and duration of the incident.
  - The native vegetation or threatened flora/fauna affected by the incident (if applicable).

- The type, volume and concentration of every pollutant discharged as a result of the incident.
  - Action taken by the licensee in relation to the incident.
  - Action taken to prevent any recurrence of the incident.
33. (Documentation and records) The licensee must record activities undertaken and results arising from the environmental and rehabilitation monitoring program, any auditing undertaken and any complaints received. The licensee must ensure that documentation generated through the environmental and rehabilitation monitoring program, auditing and any complaints received is appropriately stored and accessible to relevant personnel and is available upon request by an ERR Inspector.

**EL 5455:**

34. The results of the Victorian Searches note "Commodities permitted". While particular commodities may be identified, this is not a limitation on the commodities that can be explored under an exploration licence. This has been confirmed by ERR, which advised by email dated 13 October 2020 that the "Commodities permitted" results reflect the particular commodities that the applicant/licensee selected for exploring. The ERR further stated that "[i]f at any stage while exploring [the licence holder] comes across a different commodity that they want to investigate, they advise [ERR] and we add that commodity to the list." Restrictions regarding the commencement of exploration under an exploration licence is discussed at 15 above.
35. The licence is renewed subject to the completion of work as outlined in the renewal application, in order to prepare a mineralisation report prior to the expiry of the renewal term.
36. The program of work may be varied with the agreement of the Minister. This does not apply if the variation only involves work which is additional to that described in the program of work.
37. During the term of the licence, the Minister may request updated details of the proposed program of work to be provided by a specified date. The licence holder must comply with any such request.
38. Prior consent from the Crown Land Manager must be obtained before any work on restricted Crown land can occur.
39. The licensee must comply with any conditions specific in a land use activity agreement under section 31(3) of the *Traditional Owner Settlement Act 2010* (Vic) that were accepted by the application for the licence.

**EL 6775:**

40. The program of work submitted with the licence application must be completed, in accordance with any schedule included in that program of work.
41. The program of work, including scheduling, may only be varied with the agreement of the Minister. This does not apply if the variation only involves work which is additional to that described in the program of work.
42. During the term of the licence, the Minister may request updated details of the proposed program of work to be provided by a specified date. The licensee must comply with any such request.
43. Prior to commencing ground intrusive work or work involving the removal or damaging of native vegetation under the definition of low impact exploration the licensee must submit a rehabilitation bond to the satisfaction of the Minister.

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44. Where ground intrusive work or work involving the removal or damaging of native vegetation is carried out under the definition of low impact exploration the licensee must notify the Crown land manager (for works on Crown land) and the ERR Chief Inspector at least 7 days prior to the commencement of work. Notification must include:
- a. start date; and
  - b. proposed ground intrusive work; and/or
  - c. proposed removal or damaging of native vegetation; and
  - d. location.

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**Schedule 2 - Schedule of Victorian Tenement Applications**

Tenement	Applicant	Application Accepted Date	Commodities	Area
<b>ELA 7342</b>	Torrens Gold Exploration Pty Ltd	19 August 2020	Gold (Primary) Antimony (Secondary) Arsenic (Other secondary)	375 Graticular sections
<b>ELA 7331</b>	Torrens Gold Exploration Pty Ltd	28 July 2020	Gold (Primary) Antimony (Secondary)	342 Graticular sections
<b>ELA 7337</b>	Torrens Gold Exploration Pty Ltd	28 July 2020	Gold (Primary) Antimony (Secondary) Arsenic (Other secondary)	67 Graticular sections
<b>ELA 7366</b>	Torrens Gold Exploration Pty Ltd	19 August 2020	Gold (Primary) Arsenic (Secondary)	22 Graticular sections
<b>EL 7380</b>	Torrens Gold Exploration Pty Ltd	31 August 2020	Gold (Primary) Arsenic (Secondary)	317 Graticular sections

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**Allens**

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9 November 2020

The Directors  
Torrens Mining Limited  
Level 11 London House  
216 St Georges Terrace  
Perth WA 6000  
AUSTRALIA

Dear Sirs

**Tenement and Corporate Status Report**

We have been engaged as legal counsel for Torrens Mining Limited (**Torrens Mining**) to prepare this report (including its schedules, **Report**) for inclusion in a prospectus (**Prospectus**) for an initial public offering of shares by Torrens Mining in Australia (**Offer**).

**1 Scope of Report**

We have been asked to:

- (a) provide an overview of the Papua New Guinean mining regime set out in the *Mining Act 1992* (PNG) (**Mining Act**), including recent and proposed future changes to the Mining Act ;
- (b) report on the legal status of exploration licence application number 2557 (**ELA2557**), which relates to the Laloki Copper-Gold Project in Papua New Guinea;
- (c) provide an overview of certain proceedings relating to ELA2557; and
- (d) report on certain aspects of the corporate status of Torrens Mining (PNG) Limited (**Torrens Mining PNG**), which is a company incorporated in Papua New Guinea.

**2 Overview of Papua New Guinean mining regime**

An overview of the Papua New Guinean mining regime in the Mining Act including recent and proposed future changes to the Mining Act is set out in Schedule 1 to this Report.

**3 Report on ELA2557**

We are satisfied that, as at the date of this Report, the status and ownership of ELA2557 are as set out in Schedule 2 to this Report.

**4 Overview of ELA2557 legal proceedings**

An overview of the legal proceedings relating to ELA2557 is set out in Schedule 3 to this Report.

**5 Report on Torrens Mining PNG**

We are satisfied that, as at the date of this Report, the corporate status and ownership of Torrens Mining PNG are as set out in Schedule 4 to this Report.

Allens is an independent partnership operating in alliance with Linklaters LLP.

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page 1

Torrens Mining Limited

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## 6 Documents

In preparing this Report, we have examined the documents described in Schedule 5 to this Report (the **Documents**). The Documents were either provided to us by Torrens Mining, or obtained from publicly available records maintained by Papua New Guinea's Mineral Resources Authority (**MRA**), Registrar of Companies or Investment Promotion Authority.

## 7 Scope of enquiries

For the purposes of this Report, we have:

- (a) conducted searches in respect of ELA2557 in the Register of Mining Tenements maintained by the Registrar of Tenements under the Mining Act;
- (b) conducted searches of the records maintained by the Registrar of Companies under the *Companies Act 1997* (PNG) (the **Companies Act**) in respect of Torrens Mining PNG;
- (c) considered certain statutory and other registers and corporate records of Torrens Mining PNG which we understand to have been maintained by or on behalf of Torrens Mining PNG;
- (d) conducted searches of the records maintained by the Investment Promotion Authority under the *Investment Promotion Act 1992* (PNG) (the **Investment Promotion Act**) in respect of Torrens Mining PNG as to whether Torrens Mining PNG has been granted a certificate under the Investment Promotion Act permitting Torrens Mining PNG to carry on business in Papua New Guinea; and
- (e) made enquiries of relevant officers of Torrens Mining and Torrens Mining PNG.

Our opinions set out in this Report are based on the results of these enquiries.

## 8 Assumptions

In preparing this Report, we have made the assumptions set out in Schedule 6 to this Report.

## 9 Qualifications

This Report is subject to the qualifications set out in Schedule 7 to this Report.

## 10 Consent

Allens has given its written consent to the inclusion of this Report in the Prospectus in the form and context in which it is included, provided Allens has not withdrawn its consent by written notice prior to lodgement of the Prospectus with the Australian Securities and Investments Commission.

Torrens Mining Limited

Allens & Linklaters

**11 Date**

This Report is dated 9 November 2020.

Yours sincerely



**Richard Kriedemann**

Partner

Allens

[Richard.Kriedemann@allens.com.au](mailto:Richard.Kriedemann@allens.com.au)

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Torrens Mining Limited

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## Schedule 1

### Overview of Papua New Guinean mining regime

#### 1 General

##### 1.1 Ownership of resources

The mining industry in Papua New Guinea is regulated by the Mining Act. Under the Mining Act, all minerals in Papua New Guinea are the property of the State and are available for exploration and mining following the grant of a mining tenement by the State.<sup>1</sup>

##### 1.2 Role of the Minister

The key decision maker under the Mining Act is the Minister for Mining (*Minister*), who is responsible for the Department of Mineral Policy and Geohazards Management (*Department*) and the MRA. The Minister and the Department develop mineral policy and the Minister issues various types of mining tenements to applicants. In determining tenement applications, the Minister is advised by the Mining Advisory Council.

##### 1.3 Role of the Mineral Resources Authority

The MRA is responsible for the administration and regulation of the mining industry. The functions of the MRA as set out in the *Mineral Resources Authority Act 2018* (PNG)<sup>2</sup> (*MRA Act*), include:

- (a) providing advice to the Minister on matters relating to mining and the management, exploitation and development of mineral resources;
- (b) promoting the orderly exploration for and development of the country's mineral resources; and
- (c) overseeing the administration and enforcement of the Mining Act and related Acts.

##### 1.4 Mining Act

The Mining Act sets out a detailed regime dealing with:

- (a) types of mining tenements which may be granted, including:
  - (i) exploration licences;
  - (ii) mining leases; and
  - (iii) special mining leases; and
- (b) the terms and conditions of their issue, including:
  - (i) related mining development contracts with the State;
  - (ii) paying fees, levies and royalties;
  - (iii) registering interests and dealings in tenements; and
  - (iv) compensating landowners.

<sup>1</sup> *Mining Act 1992* (PNG) ss 5 and 6.

<sup>2</sup> Section 5.

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## 2 Mining Tenements

### 2.1 Exploration Licence

An exploration licence gives the holder an exclusive right to explore for minerals for a two year period over a defined area.<sup>3</sup>

Exploration licences can be extended for two year periods upon application.<sup>4</sup> Provided the holder of an exploration licence complies with the terms of the licence, pays compensation to landowners in accordance with the Mining Act and submits an acceptable programme for the coming period, an exploration licence will generally be extended upon application. On a renewal application, at least half of the area of the licence, as at the commencement of the previous term, must be relinquished until such time as the area is not more than 30 sub-blocks (approximately 100 square kilometres), after which no further relinquishment is required.<sup>5</sup> There is no automatic right to an extension.

There are limits on the creation, transfer or other disposal of legal or equitable interests in an exploration licence within its first term of two years.<sup>6</sup>

### 2.2 Progress of an exploration licence to mining lease or special mining lease

The holder of an exploration licence can apply for a mining lease or special mining lease, so as to be able to develop and mine a deposit.<sup>7</sup>

To apply for a mining lease or special mining lease, an applicant must:

- (a) mark out the land;<sup>8</sup>
- (b) arrange a survey of the land or a description and sketch map;<sup>9</sup> and
- (c) lodge its application with the Mining Registrar,<sup>10</sup> which application must include a statement and evidence of financial and technical capabilities.<sup>11</sup>

The application must also be accompanied by an application fee.<sup>12</sup>

At the time of lodgement, the Registrar undertakes a preliminary examination,<sup>13</sup> following which (if successful) the application is accepted and registered.<sup>14</sup> After the registration of an application, the following occurs:

- (d) The application is advertised.<sup>15</sup>
- (e) After at least 30 days, the application goes before a Warden's hearing during which:
  - (i) the applicant sets out its proposal for the project; and
  - (ii) interested landholders have an opportunity to respond to the application.<sup>16</sup>

Following the hearing, the Warden submits a written report to the Mining Advisory Council.<sup>17</sup>

<sup>3</sup> *Mining Act 1992* (PNG) ss 21 and 23.

<sup>4</sup> *Mining Act 1992* (PNG) ss 24 and 28.

<sup>5</sup> *Mining Act 1992* (PNG) ss 22(2) and 22(3).

<sup>6</sup> *Mining Act 1992* (PNG) s 31(1).

<sup>7</sup> *Mining Act 1992* (PNG) ss 33(1) and 38(1)(a).

<sup>8</sup> *Mining Act 1992* (PNG) s 96.

<sup>9</sup> *Mining Act 1992* (PNG) ss 35, 42 and 97.

<sup>10</sup> *Mining Act 1992* (PNG) s 98.

<sup>11</sup> *Mining Act 1992* (PNG) s 42(b)(ii).

<sup>12</sup> *Mining Act 1992* (PNG) s 99.

<sup>13</sup> *Mining Act 1992* (PNG) s 101.

<sup>14</sup> *Mining Act 1992* (PNG) s 103.

<sup>15</sup> *Mining Act 1992* (PNG) s 106.

<sup>16</sup> *Mining Act 1992* (PNG) ss 105 and 108.

<sup>17</sup> *Mining Act 1992* (PNG) s 109.

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- (f) The application is considered by the Mining Advisory Council, which makes a recommendation to the Minister.<sup>18</sup> In making their recommendation the Mining Advisory Council will consider; whether the applicant's proposal provides for the development of the mineral deposit in accordance with good mining industry practice and whether it adequately provides for the protection of the environment.<sup>19</sup>
- (g) The Minister either grants or refuses to grant the licence sought in the application.<sup>20</sup>
- (h) Once an application is approved, fees are payable for each term of the life of the tenement. The tenement holder must also meet certain minimum expenditure conditions.<sup>21</sup>

An application for a mining lease or special mining lease does not affect the rights and obligations of the holder of the exploration licence until such time as the application is determined.<sup>22</sup> Once a lease is granted, the terms of that lease are binding on the applicant and the rights under the exploration licence are extinguished.<sup>23</sup>

### 2.3 Mining lease

A mining lease is generally issued to the holder of an exploration licence for small to medium scale alluvial and hard rock mining operations. It gives the holder the exclusive right to mine according to approved proposals. A mining lease may be granted for a term not exceeding 20 years and may be extended for periods not exceeding 10 years.<sup>24</sup> The area of land in respect to which a mining lease shall be granted shall be not more than 60 square kilometres.<sup>25</sup>

A mining lease authorises the holder to enter and occupy the land for the purposes of mining, and do all things necessary or expedient to undertake mining.<sup>26</sup>

### 2.4 Special mining lease and mining development contract

Where the Minister considers that the size or distribution of a mineral deposit, the method of mining or treatment, the required infrastructure or financial or economic considerations make a mining development contract necessary, the Minister may require that the mining of a deposit takes place under a special mining lease and a mining development contract.<sup>27</sup>

A mining development contract may contain provisions concerning the exercise by governmental authorities of certain discretions, the settlement of disputes between the developer and the State and such other matters as may be considered necessary by the parties, including provisions in respect of authorisations, taxation, the provision of facilities, the environment, local training, business development, supply and procurement requirements and the suspension of project operations.

A special mining lease is issued to the holder of an exploration licence that is also party to a mining development contract, by the Head of State acting on the advice of the National Executive Council after considering the recommendation of the Mining Advisory Council and after the Minister approves the applicant's proposals for development.<sup>28</sup>

<sup>18</sup> *Mining Act 1992* (PNG) s 110.

<sup>19</sup> *Mining Act 1992* (PNG) s 43(1)(a).

<sup>20</sup> *Mining Act 1992* (PNG) s 118.

<sup>21</sup> *Mining Act 1992* (PNG) s 146.

<sup>22</sup> *Mining Act 1992* (PNG) s 29(1).

<sup>23</sup> *Mining Act 1992* (PNG) s 29(3).

<sup>24</sup> *Mining Act 1992* (PNG) ss 39 and 46.

<sup>25</sup> *Mining Act 1992* (PNG) s 40.

<sup>26</sup> *Mining Act 1992* (PNG) s 41(1).

<sup>27</sup> *Mining Act 1992* (PNG) s 18.

<sup>28</sup> *Mining Act 1992* (PNG) s 33.

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A special mining lease entitles the holder to exclusive occupancy of a specified area of land for mining and mining purposes and to ownership of all minerals lawfully mined from that land. A special mining lease may have a term of up to 40 years and may be extended for periods of up to 20 years.<sup>29</sup> It is a condition of each special mining lease that the holder comply with the approved proposals for development. A special mining lease may also include such other conditions, consistent with the mining development contract, as may be determined by the Head of State. The area of a special mining lease must not be more than 60 square kilometres.

## 2.5 Priority of applications

When more than one compliant<sup>30</sup> application has been lodged with the Registrar of Tenements in respect of the same area, priority is given to the application lodged first in time.<sup>31</sup> If more than one applicant is in the Registrar of Tenements' office at the same time and apply in respect of the same land, then priority is determined by ballot.<sup>32</sup>

## 3 Royalties, levies and State right to equity interest

### 3.1 Royalties

The holder of a mining lease or a special mining lease is required to pay a royalty to the State equal to 2% of the value of mined product although this amount is not set by legislation.

Under the repealed *Mining Act 1978 (Chapter 195)* (PNG),<sup>33</sup> the holder of a mining lease or a special mining lease was required to pay a royalty to the State equal to 1.25% of either the FOB (free on board) value of the minerals, if they were exported without smelting or refining in Papua New Guinea, or the net smelter return from the minerals, if they were smelted or refined in Papua New Guinea.

Section 173(5) of the current Mining Act continues the operation of section 105 of the repealed Mining Act.

In the 1998 budget, it was proposed that the current Mining Act would be amended to increase the royalty rate from 1.25% to 2%. The proposed amendment to the Mining Act did not occur but mining industry participants continue to pay the 2% rate of royalty.

### 3.2 Production levies

Under section 28 of the MRA Act, a production levy applies to minerals produced from mining by a holder of a mining lease or special mining lease. Such leaseholders are required to pay a production levy of 0.5% of the assessable income derived from the production of minerals.<sup>34</sup>

### 3.3 State equity interest

As a matter of policy, the State reserves in every exploration licence granted under the Mining Act, the right to elect, at any time prior to the commencement of mining, to make a single purchase of up to a 30% equity interest in any mineral discovery arising from the exploration licence at a price pro rata to the accumulated exploration expenditures and then to contribute to further exploration and development in relation to the lease on a pro rata basis, unless otherwise agreed.

<sup>29</sup> *Mining Act 1992* (PNG) ss 34 and 36.

<sup>30</sup> Compliant with section 101 of the *Mining Act 1992* (PNG).

<sup>31</sup> *Mining Act 1992* (PNG) s 100(1).

<sup>32</sup> *Mining Act 1992* (PNG) s 100(2).

<sup>33</sup> Section 105 .

<sup>34</sup> *Mineral Resources Authority Act 2018* (PNG) ss 28(2) and 28(3).

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#### 4 Recent changes to Mining Act

The *Mining (Amendment) Act 2020* (PNG) (***Mining Amendments***) came into effect on 26 June 2020. Key changes include the following:

- (a) The State is given the power to reserve land that is the subject of an expired, cancelled, surrendered or relinquished tenement. Upon the revocation or expiry of the tenement, wholly or majority-owned State entities are given priority over other applicants for the grant of new tenure over the reserved land. The Mining Amendments also provide that:
  - (i) land reservations do not affect pre-existing applications; and
  - (ii) disputes regarding reserved land provisions must be settled in Papua New Guinea under Papua New Guinea laws.

Given that a tenement has not yet been granted in respect of ELA2557, this new land reservation mechanism is of no immediate application to Torrens Mining PNG. This mechanism may become relevant subsequently, if the exploration licence is granted.

- (b) Every operating mine in Papua New Guinea must provide 'live data' on mineral production, extraction and sales, and must submit all mineral and geological data and information to the MRA. These obligations are in addition to extensive information rights of the State already in force. The limits of the new obligations are not clear, but should only impact on Torrens Mining PNG from the time mineral extraction and sales commence.

#### 5 Possible future changes from the Mining Bill 2019

The *Mining Bill 2019 (2019 Draft Bill)* has not been formally introduced to Parliament, but a copy has been circulated as part of legislative consultation. The 2019 Draft Bill was intended to replace the current Mining Act, and contemplated various changes to the regulation of mining activity in Papua New Guinea including the live data and land reservation mechanisms contemplated in section 4. If the remainder of the 2019 Draft Bill in its current form were introduced and passed in Parliament, then there would be further changes to the country's mining regime as set out below.

- (a) An increase in the royalty rate to 5% (if the State has a participating interest in the relevant project), or 10% (if the State does not have a participating interest in the relevant project). There is also an additional mine waste management fee of US\$5 per cubic metre of waste volume for the life of a project.
- (b) The State has a right to acquire any mining lease 'on commercial terms' the moment it becomes subject to the 2019 Draft Bill.
- (c) The Managing Director of the MRA has a discretion to suspend operations, and the State has the power to reserve an area from further dealings under the legislation, where there are disputes arising from political upheaval, law and order issues or force majeure.
- (d) There are increased powers of the State to force the renegotiation and amendment of Mining Development Contracts (***MDC***).
- (e) The Minister has additional powers to cancel tenements.
- (f) There is a ban on using fly-in fly-out employees who are based outside of Papua New Guinea.

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- (g) The drafting of the new State equity participation regime is unclear, but it appears to permit the State to acquire up to 30% of a mining project for consideration to be agreed in the relevant MDC.
- (h) Existing projects are not 'grandfathered', meaning they are not exempted from the new requirements imposed by the 2019 Draft Bill. The transitional arrangements are unclear.

## 6 Suggestions of a production sharing regime

Representatives of the Government have also made public comments regarding a proposed shift away from a licence-based regime to a regime based on production-sharing contracts. However, we are not aware how advanced the Government's plans are in this regard and no draft legislation setting out how the proposed production-sharing regime will work has been released for public comment.

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**Schedule 2****Report on ELA2557**

Tenement	Registered holder/applicant	Comments
ELA2557	Torrens Mining (PNG) Limited – 100%	Application lodged 16 November 2017

**Notes**

1. An exploration licence entitles the licensee to exclusive occupation of the land the subject of the exploration licence for the purpose of carrying out exploration for minerals, subject to the conditions on which the exploration licence was issued and in accordance with an exploration programme approved by the Minister. For more information on exploration licences, see section 2.1 of Schedule 1 of this Report.
2. As noted in section 3.3 of Schedule 1 of this Report, the State reserves the right to elect at any time, prior to the commencement of mining, to make a single purchase up to 30% equitable interest in any mineral discovery arising from this licence, at a price pro rata to the accumulated exploration expenditure and then to contribute to further exploration and development in relation to the lease on a pro rata basis unless otherwise agreed.
3. This is an application for an exploration licence only. There can be no assurance that an exploration licence will be issued. The Minister may grant an exploration licence at his discretion after considering a recommendation of the Mining Advisory Council.
4. On 29 June 2020, MI – DO Mining Company Limited lodged exploration licence application number 2672 in respect of all or part of the area the subject of ELA2557. As noted in section 2.5 of Schedule 1, under the Mining Act, where more than one compliant<sup>35</sup> application is lodged in respect of the same area, priority is given to the application lodged first in time.<sup>36</sup>

<sup>35</sup> Compliant with section 101 of the *Mining Act 1992* (PNG).

<sup>36</sup> *Mining Act*, section 100(1).

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### Schedule 3

#### Overview of ELA2557 legal proceedings

On application being made for an exploration licence, it is the Minister who has power to grant that application but only after considering a recommendation of the Mining Advisory Council.

ELA2557 was lodged on 16 November 2017 and Torrens Mining PNG understands the Mining Advisory Council made its recommendation to the Minister on a date prior to 25 February 2019.

To date, Torrens Mining PNG has not been advised of the Minister's determination of the application.

Given the delay in the Minister determining the application, on 30 September 2020 Torrens Mining PNG commenced proceedings OS (JR) 58 of 2020 to obtain an order in the nature of mandamus to compel the Minister to, in effect, deal with ELA2557.

The Court proceedings, if contested, are not expected to be heard and determined until the first quarter of 2021. However, the Minister may well deal with the application before that date, making the Court proceedings of no further utility.

We understand that Torrens Mining PNG's view is that it has complied with all of the obligations imposed on it under the Mining Act for the grant of an exploration licence pursuant to ELA2557 and is not aware of any reason for the Minister not to grant the Exploration Licence.



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**Schedule 4****Report on Torrens Mining PNG**

We are satisfied that, as at the date of this Report, the corporate status and ownership of Torrens Mining PNG are as follows.

<b>Name</b>	Torrens Mining (PNG) Limited
<b>Status</b>	Registered
<b>Company number</b>	1-116287
<b>Date of incorporation</b>	13 November 2017
<b>Issued capital</b>	60 ordinary issued shares
<b>Shareholder</b>	Torrens Mining (Holdings) Pty Ltd (ACN 622 768 683)
<b>Number of shares</b>	60
<b>Registered charges</b>	Nil

In addition, Torrens Mining PNG has been granted a certificate (the **IPA Certificate**) under the Investment Promotion Act permitting it to carry on business in Papua New Guinea. The IPA Certificate does not appear to have any special conditions attached to it in addition to those that apply generally under the Investment Promotion Act. We are unable independently to verify whether Torrens Mining PNG has complied with the terms and conditions of the IPA Certificate and the requirements of the Investment Promotion Act.

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## Schedule 5

### Documents

In preparing this Report, we have examined the documents described below.

#### ELA2557

1. A copy of an extract from the Register of Tenements containing the entry in the Register in respect of ELA2557. The extract was taken on 29 June 2020.
2. A copy of the Application for a Tenement in Form 8 under the Mining Act by Torrens Mining PNG for ELA2557, dated 15 November 2017.
3. A copy of the payment receipt for the Form 8 under the Mining Act by Torrens Mining PNG for ELA2557 dated 17 November 2017.

#### Legal proceedings in relation to ELA2557

4. A copy of the Order 16 Statement in OS (JR) No. 58 of 2020, filed by Torrens Mining PNG on 30 September 2020.
5. A copy of the Originating Summons in OS (JR) No. 58 of 2020, filed by Torrens Mining PNG on 30 September 2020.
6. A copy of the Affidavit Verifying Facts of Stephen Hugh Shedden in OS (JR) No. 58 of 2020, filed by Torrens Mining PNG on 30 September 2020.
7. A copy of the Notice of Application for Leave to Apply for Judicial Review in OS (JR) No. 58 of 2020, filed by Torrens Mining PNG on 30 September 2020.

#### Torrens Mining PNG

8. A current extract in respect of Torrens Mining PNG taken from the publicly available records maintained by the Registrar of Companies in respect of Torrens Mining PNG, obtained from the Office of the Registrar of Companies on 22 September 2020.
9. A copy of the Certificate of Incorporation for Torrens Mining PNG from the Registrar of Companies, dated 13 November 2017.
10. A copy of the Certificate Permitting a Foreign Enterprise to Carry On Business in an Activity in Form 4 from the Investment Promotion Authority under the Investment Promotion Act dated 5 July 2019 granted to Torrens Mining PNG and numbered 103156.
11. A current Foreign Enterprise Certification Extract taken from the publicly available records maintained by the Investment Promotion Authority in respect of Torrens Mining PNG, dated 22 September 2020.

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## Schedule 6

### Assumptions

In preparing this Report, we have assumed the following.

- (a) The authenticity of all seals and signatures and of any duty stamp or marking.
- (b) The completeness, and the conformity to original instruments and documents, of all copies provided to us, and that any document provided to us continues in full force and effect.
- (c) The Documents are within the capacity and powers of, and have been (or will be where not already executed) validly authorised, executed and delivered by and are binding on, the parties to them.
- (d) Insofar as any obligation under any Document is to be performed in any jurisdiction other than Papua New Guinea, its performance will not be illegal or unenforceable under the law of that jurisdiction.
- (e) Each Document constitutes legal, valid and binding obligations of each party.
- (f) The entries in respect of ELA2557 in the Register of Tenements maintained by the Registrar of Tenements under the Mining Act are correct, complete and up to date.
- (g) The records maintained by the Registrar of Companies and Investment Promotion Authority in respect of Torrens Mining PNG are correct, complete and up to date.
- (h) The entries in the statutory and other registers and corporate records maintained by or on behalf of Torrens Mining PNG are correct, complete and up to date.
- (i) Formalities for execution by each party to the Documents required by the law of the place of execution or the rules of internal management applicable to the party have been complied with.
- (j) The Investment Promotion Authority has not issued a notice of suspension or cancellation of the certificate granted to Torrens Mining PNG under the Investment Promotion Act permitting Torrens Mining PNG to carry on business in Papua New Guinea.
- (k) As at the date of this Report, there are no other agreements, documents or instruments which, if reviewed by us, would alter our view of ELA2557 as set out above.

Torrens Mining Limited

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## Schedule 7

### Qualifications

This Report is subject to the following qualifications.

- (a) We express no opinion as to any laws other than the laws of Papua New Guinea as in force at the date of this Report.
- (b) We have relied on searches of and copies of documents obtained from Torrens Mining, public records kept at the offices of the MRA, the Registrar of Companies and the Investment Promotion Authority, conducted during the period 22 September 2020 to the date of this Report. While we have assumed, as above, that these records are correct, complete and up to date, they may not be so.
- (c) The Register of Tenements does not provide details of instruments which may have been lodged for approval and registration but are not yet entered in the Register of Tenements. Once registered, any such instrument may affect the title of persons holding interests shown in the Register of Tenements.
- (d) Under section 158(2) of the Constitution of the Independent State of Papua New Guinea, the Courts of Papua New Guinea are required to give paramount consideration to the dispensation of justice. Courts in Papua New Guinea have interpreted this provision as giving rise to an alternative substantial principle of jurisprudence, which may impact upon the enforcement of rights granted under ELA2557.
- (e) A tenement holder cannot enter or occupy land the subject of the tenement until an agreement or determination has been made in relation to landowner compensation, any such agreement is registered, and compensation is paid.
- (f) While the publicly available records maintained by the Investment Promotion Authority contain details of certificates issued or cancelled under the Investment Promotion Act to permit foreign enterprises to carry on business in Papua New Guinea, those records do not contain details of amendments to the certificates such as to the activity in respect of which the foreign enterprise is certified, the location of that activity or any term or condition applicable to the granting of the certificate. Neither do those records disclose whether a certificate has been suspended.
- (g) It is a condition of Investment Promotion Authority certification that certified enterprises lodge six-monthly reports. We are unable to confirm whether this or any other conditions of Torrens Mining PNG's IPA Certificate have been satisfied.
- (h) Any documents that are required to be stamped but have not been stamped may not be admissible in evidence.
- (i) To the extent that any opinion expressed in this Report is based on the searches and the enquiries referred to in Schedule 5 of this Report, the opinion is given as at the date of the relevant search or response to the enquiry. The searches were conducted and the enquiries were made and responses received between 22 September 2020 and the date of this Report.
- (j) To the extent that any opinion expressed in this Report is based on our perusal of the Documents, the opinion is subject to any subsequent amendment, variation or termination of any Document of which we have not, as at the date of this Report, been informed.
- (k) The liability of Allens will be limited to matters set out in this Report, and will not extend to any other matter in the Prospectus.

# Independent Geologist's Report on the Mount Piper, Laloki and Club Terrace Projects

Report prepared for

**Torrens Mining Limited**

Report prepared by



SRK Consulting (Australasia) Pty Ltd

TML001

November 2020

# Independent Geologist's Report on the Mount Piper, Laloki and Club Terrace Projects

## Torrens Mining Limited

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**SRK Project Number: TML001**

**November 2020**

### Compiled by

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## Executive Summary

Torrens Mining Limited (Torrens) is proposing to list its securities on the Australian Securities Exchange (Proposed Listing). SRK Consulting (Australasia) Pty Ltd (SRK) has been appointed by Torrens to provide an Independent Geologist's Report (IGR or Report) which will be included in the Prospectus relating to the Proposed Listing.

The Mineral Assets considered in this IGR comprise three wholly (100%) owned projects:

- 1 The Mount Piper Gold Project in Central Victoria, Australia which comprises a single granted Exploration Licence (EL6775) and five Exploration Licence Applications (ELA7331, ELA7337, ELA7366, ELA7380 and ELA7481). The tenements cover a total area of 1,569 km<sup>2</sup>.
- 2 The Laloki Copper-Gold Project in Papua New Guinea which comprises a single Exploration Licence Application (ELA2557) covering an area of 126 km<sup>2</sup> (Laloki).
- 3 The Club Terrace Gold Project in Eastern Victoria, Australia which comprises one granted Exploration Licence (EL5455) and one Exploration Licence Application (ELA7342) covering a total area of 383 km<sup>2</sup> (Club Terrace).

A fourth Mineral Asset, the Elizabeth Creek Copper Project, which is 49% owned by Torrens through its wholly owned subsidiary Terrace Mining Pty Ltd, is considered in a separate IGR, which is appended to the Prospectus.

The Report does not comment on the 'fairness and reasonableness' of any transaction between Torrens and any other party. SRK's Report has been prepared under the guidelines of the 2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code). The VALMIN Code incorporates the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). In addition, the Report has been prepared in accordance with the relevant requirements of the Listing Rules of the ASX and relevant Australian Securities and Investment Commission (ASIC) Regulatory Guidelines.

SRK notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code in respect to the exploration data and results referenced in the Report. No Exploration Target, Mineral Resource or Ore Reserve estimates have been prepared or reported for the Mineral Assets considered in the Report.

Based on the work undertaken to date, Torrens has developed a budget for ongoing technical assessment activities that rely on funds raised as detailed in the Prospectus (ES-1).

**Table ES-1: Sources of funds**

Sources of funds	Amount (A\$'000) Minimum	Amount (A\$'000) Maximum
Cash reserves as at the date of the Prospectus	400	400
Funds raised from the Prospectus	7,000	10,000
<b>Total funds available</b>	<b>7,400</b>	<b>10,400</b>

The proposed technical budgets are set out in Tables ES-2, ES-3 and ES-4.

**Table ES-2: Technical budget for the Mount Piper project**

Expenditure	Minimum subscription (A\$'000)			Maximum subscription (A\$'000)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Mapping and sampling	161	57	218	210	160	370
Geophysics	343	0	343	343	0	343
Drilling	603	775	1378	1,662	1,854	3,516
<b>Total</b>	<b>1,107</b>	<b>832</b>	<b>1,939</b>	<b>2,215</b>	<b>2,014</b>	<b>4,229</b>

**Table ES-3: Technical budget for the Laloki project**

Expenditure	Minimum subscription (A\$'000)			Maximum subscription (A\$'000)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Geophysics	250	0	250	250	100	250
Geology	0	100	100	0	100	100
<b>Total</b>	<b>250</b>	<b>100</b>	<b>350</b>	<b>250</b>	<b>100</b>	<b>350</b>

**Table ES-4: Technical budget for the Club Terrace project**

Expenditure	Minimum subscription (A\$'000)			Maximum subscription (A\$'000)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Mapping and sampling	79	77	156	99	79	178
Geophysics	21	0	21	21	0	21
Drilling	179	220	399	417	510	927
<b>Total</b>	<b>279</b>	<b>297</b>	<b>576</b>	<b>537</b>	<b>589</b>	<b>1,126</b>

SRK has reviewed the planned work programs and the amounts allocated to those programs. Based on its review, SRK is of the opinion that the programs are reasonable for the purpose of advancing the study status of the Mineral Assets. The funds allocated by Torrens should be sufficient to sustain the planned exploration activities over the 24-month budget period.

Progressive expenditure will naturally depend on the success of the proposed drilling and development studies. Torrens may require additional funds should the outcome of the first-year programs necessitate modifications to the second-year work programs.

Importantly, SRK note the risks attached to the status of the tenure which are detailed in the Clayton Utz and Allens reports within the Prospectus.

The facts and opinions presented in this Report are current at the Effective Date of 1 November 2020.



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## Disclaimer

The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by Torrens Mining Limited (Torrens or the Company). The opinions in this Report are provided in response to a specific request from Torrens to do so. SRK has exercised all due care in reviewing the supplied information. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in the Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

# 1 Introduction

Torrens Mining Limited (Torrens) is proposing to list its securities on the Australian Securities Exchange (Proposed Listing). SRK Consulting (Australasia) Pty Ltd (SRK) has been appointed by Torrens to provide an Independent Geologist's Report (IGR or Report) which will be included in the Prospectus relating to the Proposed Listing.

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## 1.1 Reporting standard

The Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment under the guidelines of the VALMIN Code (2015). The Report was prepared by Ms Karen Lloyd, with peer review undertaken by Dr Mike Cunningham (Authors).

The Authors are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) and/or the Australian Institute of Geoscientists (AIG) and, as such, are bound by both the VALMIN Code and the JORC Code.

For the avoidance of doubt, this report has been prepared according to:

- the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)
- the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Details of the qualifications of Ms Lloyd and Dr Cunningham, who both have extensive experience in the mining industry, are set out below.

**Karen Lloyd, Associate Principal Consultant (Project Evaluation), BSc (Hons), MBA, FAusIMM**

Karen has 25 years' international resource industry experience gained with some of the major mining, consulting and investment houses globally. She specialises in independent reporting, mineral asset valuation, project due diligence, and corporate advisory services in support of market transactions. She has been responsible for multi-disciplinary teams covering precious metals, base metals, industrial minerals and bulk commodities in Australia, Asia, Africa, the Americas and Europe.

Karen has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) codes, respectively.

**Michael Cunningham, BSc Hons. (Geoscience), PhD (Geology), Grad Cert (Geostatistics), FGS, MAIG, MAusIMM, MGSA – Associate Principal Consultant (Geology)**

Michael (Mike) has over 20 years of experience as a geologist including over 17 years of international resource industry experience. Mike specialises in structural geology, as well as mineral resource estimation, geological mapping, 3D modelling of mineral systems, and structural interpretation of both soft and hard rock 2D and 3D seismic and tomography survey data. Mike has undertaken work for government and the private sector including over 17 years as a consultant in Australia and Indonesia. He has managed projects and led multi-disciplinary teams covering hard rock seismic, precious metals, base metals, bulk commodities, oil and gas and industrial minerals in Australia, southeast Asia, west and central Africa, and South America.

Mike is a Member of the Australian Institute of Geoscientists and the AusIMM and has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) Code and JORC (2012) Code, respectively.

As per the VALMIN Code (2015), a first draft of the Report was supplied to Torrens to check for material error, factual accuracy and omissions before the final Report was issued. The final Report was issued following review of any comments by Torrens.

As defined in the VALMIN Code (2015), Mineral Assets comprise all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in relation to the exploration, development of and production from those tenures. This may include plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals relating to that tenure.

For this Report, the Mineral Assets were classified in accordance with the categories outlined in the VALMIN Code (2015), these being:

- **Early Stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties

held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.

- **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a pre-feasibility study (PFS).
- **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants that have been commissioned and are in production.

In accordance with the categories outlined above, SRK has classified the Mount Piper Project as an Advanced Exploration Project, the Laloki Project as an Advanced Exploration Project and the Club Terrace Project as an Early Exploration Project

## 1.2 Work program

SRK's work program commenced in September 2020, with a technical assessment of publicly available data, reports and other information sourced from subscription databases such as S&P Global Market Intelligence database services. A review and assessment of all material technical reports and supporting documentation prepared by and/ or on behalf of Torrens was then undertaken to determine its reasonableness for use. Further to this review and assessment, the Report was prepared by SRK.

In accordance with the VALMIN Code (2015) Section 11.1, a site inspection to the Mineral Assets was not undertaken by SRK as, in SRK's opinion, a site inspection was unlikely to reveal additional current information that was material to the Report, over and above that available in the supplied documentation.

## 1.3 Effective date

The Effective Date of this Report is 1 November 2020.

## 1.4 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this Report. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions.

SRK has relied on the accuracy and completeness of the technical documentation supplied to it by Torrens. SRK has made all reasonable enquiries into this status as at 1 November 2020.

## 1.5 Limitations

SRK's opinion contained herein is based on information provided to SRK by Torrens throughout the course of SRK's assessment as described in the Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by Torrens was taken in good faith by SRK. This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider it to be material.

As far as SRK has been able to ascertain, the information provided by Torrens was complete and not incorrect, misleading or irrelevant in any material aspect. Torrens has confirmed in writing to SRK that full disclosure has been made of all material information and that to the best of its knowledge and

understanding, the information provided by Torrens was complete, accurate and true and not incorrect, misleading or irrelevant in any material aspect. SRK has no reason to believe that any material facts have been withheld.

## 1.6 Statement of SRK independence

Neither SRK nor the Authors of this Report have any material present or contingent interest in the outcome of the Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting the independence of SRK. SRK has not previously had any association with the mineral assets which are the subject of this IGR.

## 1.7 Indemnities

As recommended by the VALMIN Code, Torrens has provided SRK with an indemnity under which SRK is to be compensated for any liability and/ or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by Torrens or not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from the Report.

## 1.8 Practitioner consent

The information in this Report that relates to the Technical Assessment of the Mineral Assets considered in the Report is based on, and fairly reflects, information compiled, and conclusions derived by Ms Karen Lloyd. Ms Lloyd is a Fellow of the AusIMM. Ms Lloyd is an independent consultant employed by SRK, an independent mining consultancy. Ms Lloyd has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and the type of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets', and as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Ms Lloyd consents to the inclusion in the Report of the matters based on her information in the form and context in which it appears.

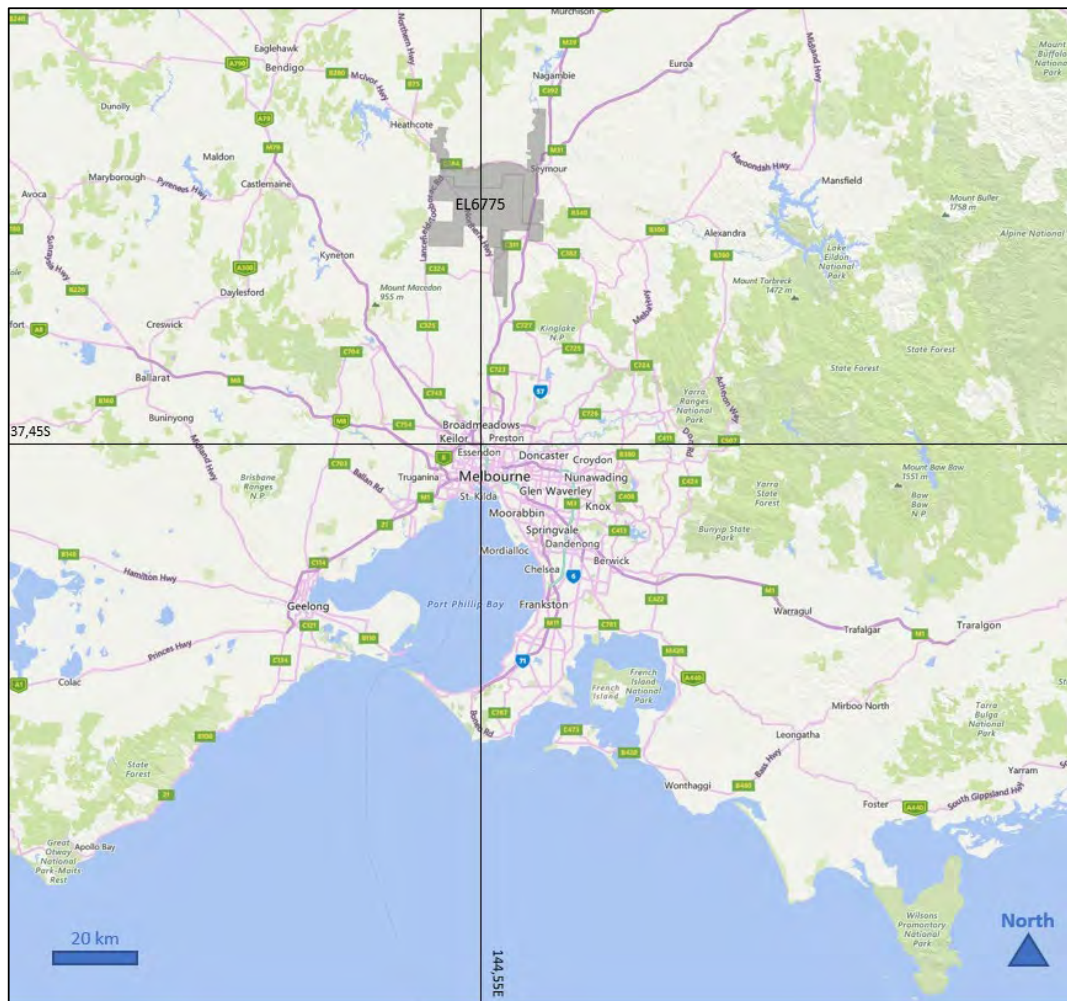
## 1.9 Consulting fees

SRK's estimated fee for completing the Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$20,000. The payment of this professional fee is not contingent upon the outcome of this Report.

## 2 Mount Piper Gold Project

### 2.1 Introduction

The Mount Piper project comprises a single granted Exploration Licence (EL6775) and five Exploration Licence Applications (ELA7331, ELA7337, ELA7366, ELA7380 and ELA7481) covering a total area of 1,569 km<sup>2</sup> in Central Victoria, Australia. ELA7481 (approximately 390 km<sup>2</sup>) lies over parts of the Puckapunyal Military Area (PMA) and surrounding areas. The Mount Piper Project is located approximately 80 km north of the Victorian capital city of Melbourne adjacent to the sealed Hume Highway. Electrical grid power and scheme water are connected to the project area. Skilled and unskilled labour, wholesale goods and services are readily sourced from Melbourne.



**Figure 2-1: Location of the Mount Piper project**

Source: SRK

Note: Project tenure is shaded grey, including the exploration licence applications.

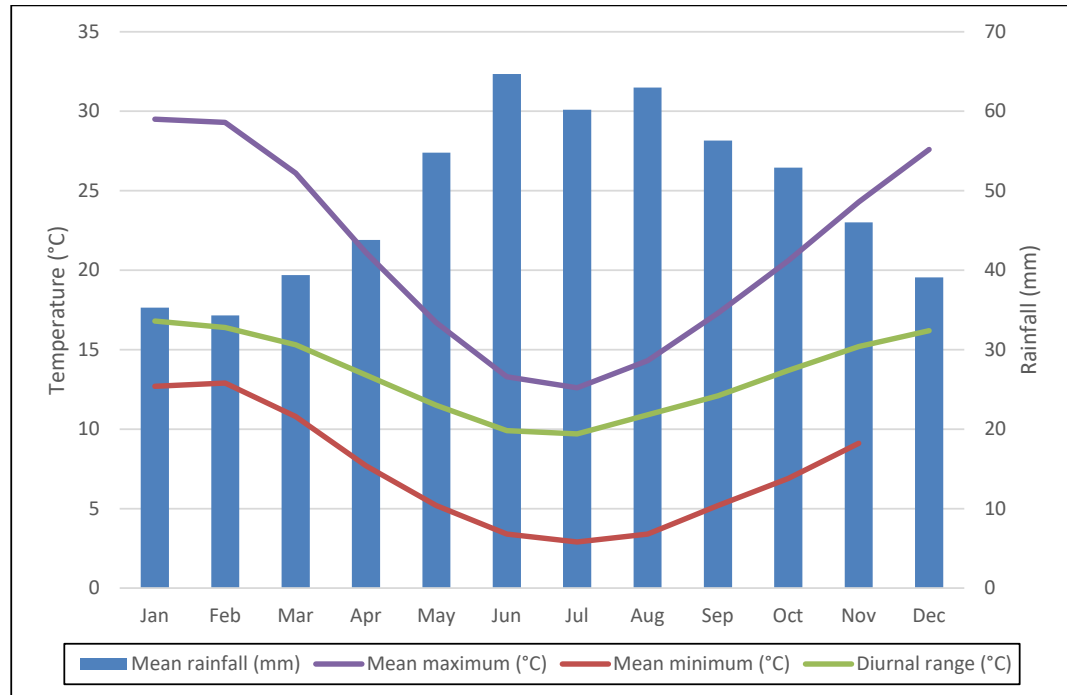
The Mount Piper project area lies approximately 142 m above sea level and is flat to gently undulating. The project area is largely cleared for grazing. The climate is warm and temperate (Köppen classification Cfb) with rainfall throughout the year. The average annual rainfall is 625 mm, with the wettest months being June, July and August, and the driest months being January and February.



The hottest months are January and February, with daytime temperatures averaging 29°C. The coolest months are June and July, with daytime temperatures averaging 13°C. The year-round diurnal temperature range typically varies between 10°C and 17°C.

Exploration and field activities can be undertaken unencumbered by weather events year-round.

Figure 2-2 presents the average climate data for the Mount Piper project area.



**Figure 2-2: Mount Piper project area climate statistics**

Source: Australian Bureau of Meteorology

## 2.2 Status of tenure

Table 2-1 presents a summary of the ownership and tenure status for the granted Exploration Licence (EL6775), SRK refers to and relies on the Clayton Utz report within the Prospectus as prepared by Clayton Utz as at the Effective Date of the Report. SRK has made all reasonable enquiries into this status and has relied on representation from Torrens that the information is correct for the purpose of the Report.

As at the Effective Date of this Report, applications ELA7331, ELA7337, ELA7366, ELA7380 and ELA7481 remain undetermined as presented in Table 2-2 and shown in the Clayton Utz report within the Prospectus.

**Table 2-1: Tenement schedule – areas noted in graticular sections (GRS)**

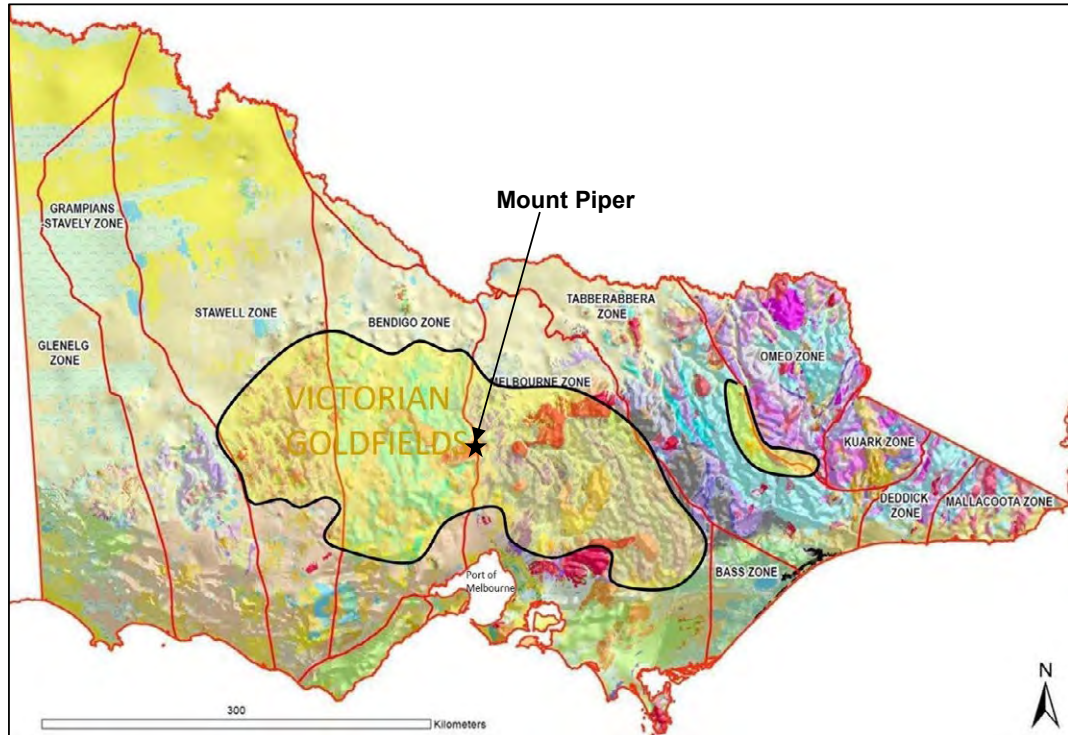
Tenement	Registered holder	Percentage held	Grant date	Expiry date	Commodities permitted	Area (GRS)	Expenditure amount (A\$)	Registered events	Native title	Notes and conditions
EL6775	Torrens Gold Exploration Pty Ltd	100%	3 July 2020	2 July 2025	Antimony, gold	414	A\$77,100 for the current year ending 2 July 2021, then A\$97,800 per year to 2 July 2024, then A\$139,200 for the year ending 2 July 2025	Grant of Title F90012446 (3 July 2020)	95.98% overlaps with Taungurung Settlement ILUA (V12018/002)	Refer to the Clayton Utz report within the Prospectus

**Table 2-2: Tenement application schedule**

Tenement	Applicant	Application accepted date	Commodities	Area
ELA7331	Torrens Gold Exploration Pty Ltd	28 July 2020	Gold (Primary) Antimony (Secondary)	342 graticular sections
ELA7337	Torrens Gold Exploration Pty Ltd	28 July 2020	Gold (Primary) Antimony (Secondary) Arsenic (Other secondary)	67 graticular sections
ELA7366	Torrens Gold Exploration Pty Ltd	19 August 2020	Gold (Primary) Arsenic (Secondary)	22 graticular sections
ELA7380	Torrens Gold Exploration Pty Ltd	31 August 2020	Gold (Primary) Arsenic (Secondary)	317 graticular sections
ELA7481	Torrens Gold Exploration Pty Ltd	[30 October 2020]	Gold (Primary) Antimony (Secondary)	447 graticular sections

## 2.3 Geological setting

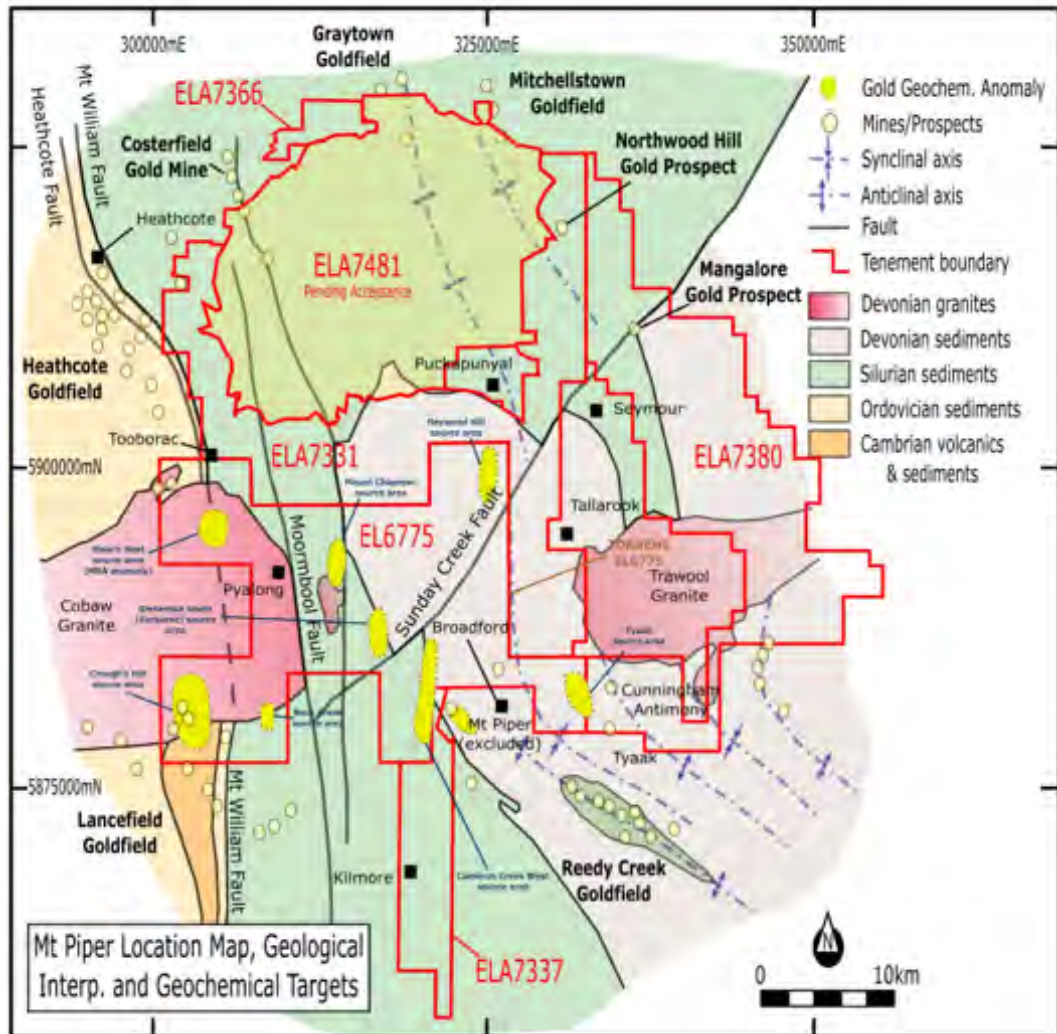
Geologically, the Mount Piper project is located within the Victorian Gold Province which forms the south-central part of the Lachlan Fold Belt. The Victorian Gold Province host approximately 130,000 known gold occurrences, including 12 deposits which have each yielded over 30,000 tonnes of gold. The largest gold deposits are hosted by Cambrian to Silurian metasedimentary rocks of the Bendigo and (lesser) Stawell zones. Other deposits such as Walhalla (2 million ounces of recovered gold), Woods Point (1.3 million ounces of recovered gold) and Costerfield (approximately 1 million ounces of recovered gold) are present in the Melbourne Zone (Figure 2-3).



**Figure 2-3: Victorian Gold Province location**

Source: Modified from Ross Cayley, Geological Survey of Victoria

Each of the structural zones (Stawell, Bendigo and Melbourne) in the Victorian Gold Province are unique in their geological character and mineralisation history. The Mount Piper project straddles the boundary between the Bendigo and Stawell zones, marked by the presence of the defining Mount William Fault in granted tenement EL6775 (Figure 2-5).



**Figure 2-4: Project geology**

Source: Torrens Management Information

### 2.3.1 The Bendigo Zone

The Bendigo Zone is a 110 km wide zone of folded, cleaved and faulted Ordovician quartz-rich turbidites between the Avoca Fault in the west and the Mount William Fault in the east. Castlemaine Group metaturbidites of Ordovician age overlie tholeiitic basalts, andesites and boninites of the Cambrian Heathcote Volcanic Group. The outcropping metaturbidites strike 340–000°, generally parallel to the bounding faults. The major goldfields are located in faulted anticlinoria bounded by first-order intrazone faults. Some outcropping of the Heathcote Volcanic Group is evident at the eastern edge of the zone. Both lithologies have been intruded by Early and Late Devonian granites, which also strike north–south in the northern and southern parts of the zone, but strike at approximately 070° or 130° in the central part of the zone.

It is postulated that during metamorphism, the shallow-dipping faults in the Heathcote Volcanic Group provided the pathways for gold-bearing fluids. At shallower levels, where the faults were shortening sedimentary rocks, they steepened as the shortening was largely taken up by folding. When the faults reached the shallow crust and the brittle-ductile transition, the gold-rich fluids migrated into the more permeable brittle faults, so that the economic mineralisation tends to lie 1–5 km in the hanging wall of

the major faults (Willman et al., 2010).

Major gold deposits of the Bendigo Zone include those of the historically important Ballarat, Bendigo, Castlemaine and Clunes gold production centres, and numerous other smaller goldfields. Gold mineralisation in the Melbourne Zone is orogenic in origin and mesothermal in style. Mesozonal deposits are characterised by coarse, nuggety, free gold, which is associated with minor pyrite, pyrrhotite and arsenopyrite, and hosted by quartz veins occupying dilational zones on faults and on fold axes. Mesozonal gold mineralisation forms at depths of 6–12 km and at temperatures between 300°C and 475°C. Mesozonal goldfields of the Bendigo Zone are often noted for the presence of commercially significant alluvial gold deposits resulting from the weathering of the primary mineralisation. Alluvial gold may occur at surface or as basalt-covered deposits, known as 'deep leads'.

Epizonal gold mineralisation, in contrast, forms at depths of 2–6 km and at temperatures between 170°C and 300°C. This type of gold mineralisation is characterised by inclusions of fine-grained gold locked in sulphides within quartz sulphide veins and stockworks in fault and shear zones. Sulphides are typically arsenopyrite, pyrite and stibnite (antimony sulphide), with antimony sometimes found in commercial quantities. Free gold is rarely found in unoxidised mineralisation, and these deposits do not tend to form major alluvial goldfields.

The Fosterville Goldfield, operated by Kirkland Lake Gold Inc., is regarded as the only major known epizonal gold deposit in the Bendigo Zone. Mineralisation mined by the mine operator, Kirkland Lake Gold Inc. in recent years has been remarkable for the high gold production grades achieved, making Fosterville mine the largest gold producer in Victoria and one of the most productive gold mines in the world at present.

### 2.3.2 The Melbourne Zone

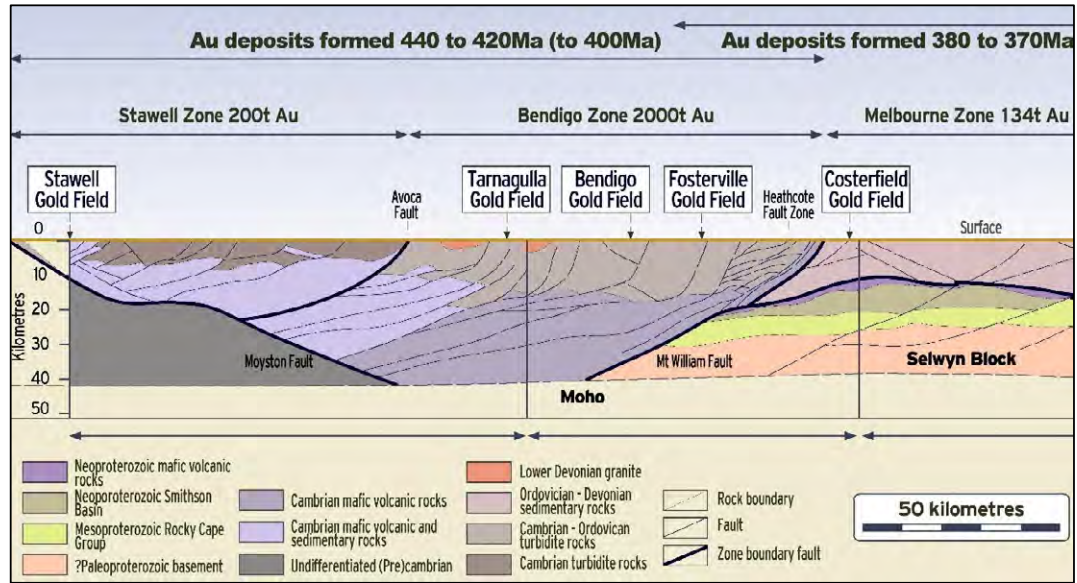
The Melbourne Zone is bounded by the Mount William Fault to the west and the Governor Fault to the east. The sedimentary rocks that crop out are mostly Silurian to Middle Devonian metaturbidites.

In the west where the Mount Piper project is located, the metamorphic grade is entirely in the anchizone. Granitic intrusions are also present although the age relationships with respect to the granite are uncertain. Ultramafic to felsic dykes are also present. Where they are 30–50 km west of the Melbourne Zone boundary and just east of an interpreted boundary in the underlying Selwyn Block, they are often associated with gold mineralisation. Accessory minerals include arsenopyrite, chalcopyrite and sphalerite. A second, lower temperature style of gold-stibnite mineralisation is present in the westernmost 50 km of the zone which covers the Mount Piper project area. Here, larger deposits are either in anticlinal closures above a west-dipping leading-edge fault off the main Mount William Fault or, in the north, associated with north-dipping faults.

Known gold mineralisation in the Melbourne Zone includes the Heathcote, Costerfield, Nagambie and Bailieston goldfields. These goldfields are part of a broad gold-antimony province largely confined to the Melbourne Zone, with the notable exception of the Fosterville goldfield in the Bendigo Zone. Mineralisation is reported to vary from epizonal to mesozonal in origin and is controlled in complex structural settings.

### 2.3.3 The Mount William Fault

The Mount William Fault separates the Bendigo Zone to the west and the Melbourne Zone to the east and is present at the western side of EL6775 (Figure 2-4). Within the Bendigo Zone, the Mount William Fault marks both the eastern margin of the Bendigo Zone and the eastern limit of the highly deformed Heathcote Fault Zone (Figure 2-5).



**Figure 2-5: Schematic cross section**

Source: Torrens Management Information (Wilson, 2020)

## 2.4 Work history

Although the regional work history is significant, there has been limited exploration work on the tenements which comprise the Mount Piper project.

### 2.4.1 Historical work on EL6775

It is understood that several historical workings are present on EL6775, although the total gold production is unknown. To date, no detailed mapping or sampling has been undertaken over these workings.

A summary of the historical exploration work on the area now principally covered by granted EL6775 (formerly EL4947 and EL4948) is given in the Oroya Mining Ltd (Oroya) Annual Report for 2011 (Horwood, 2011).

This history can be briefly summarised as:

- 12 stream sediment sampling campaigns
- Limited soil sampling, mainly focused on the southeast area
- Limited rock chip sampling
- Detailed geological mapping of of two small areas, the Mount Piper prospect and the old Koala-Sugarloaf mining area (in the northeast)
- Induced polarisation (IP) geophysical surveying and diamond drilling.

In 1979, CRA Exploration obtained a maximum of 12–15 ppb Au (gold) and 10 ppm As (arsenic) in -80 mesh stream sediment samples.

In 1993, Perseverance Mining obtained a maximum of 11 ppb Au from the same locality using -80 mesh stream sediment samples and obtained up to 21 ppb Au along strike to the north.

Between 1980 and 1986, BHP Minerals Ltd explored former EL827 that covered parts of EL6775 and adjacent ELA7337, including the relatively small area now subject to the Mount Piper Nature Conservation Reserve, which is permanently excluded from mineral exploration. Work included

geochemical drainage, soil and rock chip sampling and drilling of three diamond drill holes which intersected gold, antimony, silver mineralisation in a brecciated, phyllic-altered, pyritic, fine-grained metasediment. Drill hole DDH1 intersected a broad gold mineralised zone from 172 m depth, with grades up to 1.62 g/t Au (BHP Minerals Exploration Ltd, 1981) as shown in Table 2-3.

In 2006, stream sediment sampling was carried out at 165 sites. Two types of sample were collected at each site: coarse sediment from active channels, such as sand and gravel; and a fine, clay-rich material taken from slow-flowing areas such as clay bars and behind fallen logs.

The coarse sediment was sieved to -2 mm and 163 approximately 3 kg samples were analysed for gold using the bulk leach extractable gold (BLEG) technique. The fine sediment was sieved to -80 mesh and 165 samples were analysed for gold (Au) silver (Ag), arsenic (As), bismuth (Bi), silver (Ag), mercury (Hg), molybdenum (Mo), antimony (Sb), copper (Cu), iron (Fe), manganese (Mn), lead (Pb) and zinc (Zn). Elevated gold and antimony grades were found.

Additionally, eight rock chip samples were collected during reconnaissance and were analysed for a 50-element suite. Ferruginous sandstone-quartz samples taken from the Kurkuruc prospect in the vicinity of old mine workings returned elevated gold, arsenic and antimony grades.

In 2008, a further 11 rock chip samples were taken at the Kurkuruc and Cunningham gold-antimony prospects. It is understood that five samples from the Cunningham prospect contained visible stibnite (sulphide of antimony) and returned elevated gold grades.

In 2009, additional stream sampling was undertaken and three north-northeast-trending orientation soil lines up to 1,700 m long were initiated at the Kurkuruc (1 line) and Cunningham (Tyaak) gold-antimony prospects. The aim of the soil survey was to determine the appropriateness of the elements analysed, the soil medium, soil particle size and sample equipment to be used in subsequent soil programs. Samples from the B and C horizons were collected by hand auger at 25 m (if infill or over known mineralisation) or 50 m intervals. Coarse-grained samples were sieved through a -2 mm plastic sieve and analysed for gold (Ag, Cu, Pb for stream sediments) using the BLEG method. The fine particle samples were passed through a -80 mesh and analysed for gold and multi-elements using inductively coupled plasma (ICP) assaying. These programs identified an anomalous zone of elevated gold, arsenic and antimony at the Kurkuruc prospect.

In 2011, consultant, M Hughes, prepared a pre-drilling exploration program based on a desktop review of the available historical information and several field inspections. However, before any follow-up could be undertaken, Oroya was the subject of a corporate change of control and the Exploration Licences were allowed to expire (Hughes, 2011).

#### 2.4.2 Historical work on Exploration Licence Application areas

Historical work on the Exploration Licence Application (ELA) areas is limited. It is understood that Perseverance Mining began work in the area in 1992 and undertook reverse circulation exploration drilling on an area which included Northwood Hill prospect (Figure 2-4) in 1993. The results from this program are published in the open file annual report for historical tenement EL3028 which is now covered by ELA7331. Torrens has compiled the historical data, which show a 5 km long corridor is defined by gold mineralisation intersected in reverse circulation drilling and geochemical anomalism in soil sampling and rock chip sampling. Drilling results are detailed in a JORC Code (2012) Table 1 that forms part of the Prospectus.

A total of 25 reverse circulation drill holes were drilled by Perseverance within ELA7331, with a further 8 reverse circulation drill holes drilled along strike from the first 25 in a northwest direction within the Puckapunyal Military Area (PMA), an area subject to ELA7481. The average depth of all the reverse circulation drilling completed by Perseverance Mining is only 53 m and it appears that the drilling was

conducted using industry standard techniques. Assay results included grades of up to 3.76 g/t Au (Figure 2-6 and Table 2-3).

Subsequent to this drilling program, Monash University ran several SIROTEM electromagnetic (EM) traverses across the Northwood Hill mineralised corridor. In February 1995, it was noted that the SIROTEM traverses appeared to indicate structural features warranting follow-up drilling, which was evidently never conducted.

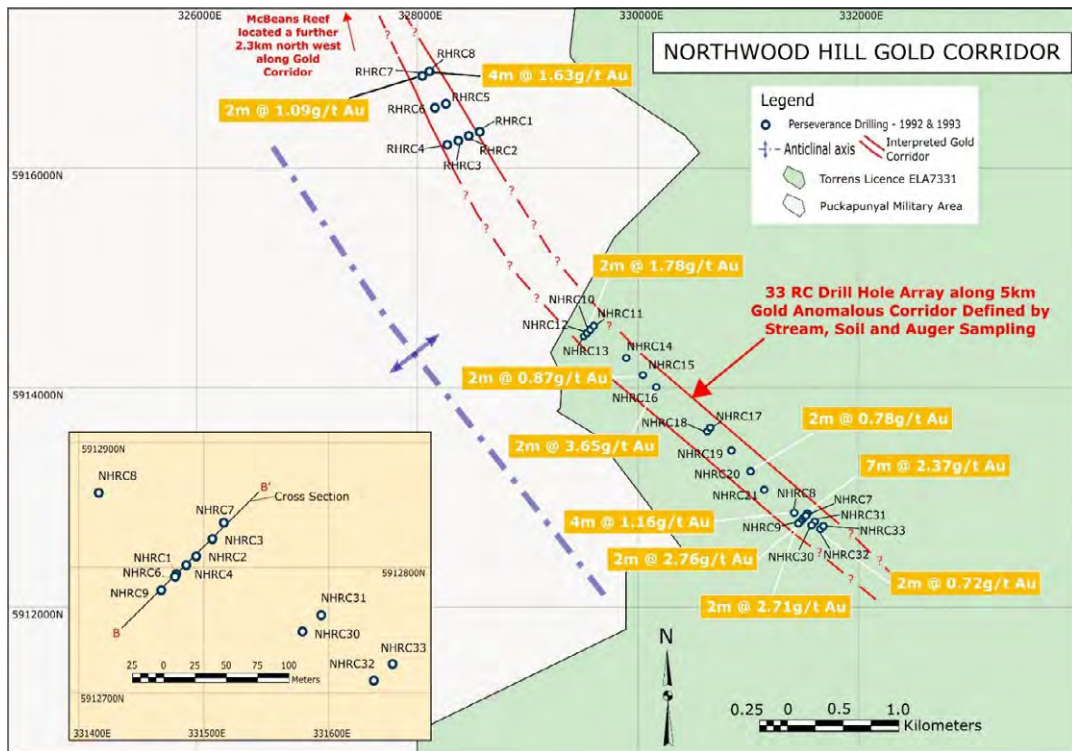


Figure 2-6: Northwood Hill gold prospect

Source: Torrens Management Information

Table 2-3: Significant intersections from historical drilling

Hole ID	Easting	Northing	Elevation (mRL)	Dip (°)	Magnetic azimuth	From (m)	To (m)	Grade (g/t Au)
NHRC 2	331494	5912809	170	-50	189	25	26	1.92
NHRC 3	331507	5912823	168	-50	189	11	12	3.47
NHRC 3	331507	5912823	168	-50	70	13	14	1.57
NHRC 3	331507	5912823	168	-50	70	14	15	1.06
NHRC 3	331507	5912823	168	-50	70	20	21	2.86
NHRC 3	331507	5912823	168	-50	70	21	22	2.68
NHRC 3	331507	5912823	168	-50	70	23	24	3.78
NHRC 3	331507	5912823	168	-50	70	24	25	4.03
NHRC 3	331507	5912823	168	-50	70	25	26	1.36
NHRC 3	331507	5912823	168	-50	70	26	27	1.6
NHRC 3	331507	5912823	168	-50	70	59	60	1.21
NHRC 8	331416	5912860	163	-50	70	17	19	1.36



Hole ID	Easting	Northing	Elevation (mRL)	Dip (°)	Magnetic azimuth	From (m)	To (m)	Grade (g/t Au)
NHRC 9	331466	5912782	172	-50	189	17	19	2.76
NHRC 9	331466	5912782	172	-50	189	47	49	2.71
NHRC 10	329566	5914528	160	-50	189	4	6	1.78
NHRC 16	330162	5914007	176	-50	189	22	24	3.65
RHRC7	328115	5916920	180	-50	002	34	36	1.09
RHRC8	328141	5916930	180	-50	189	38	42	1.63
DDH1	322953	5880498	427	-45	225	172	173	1.18
DDH1	322953	5880498	427	-45	225	179	182	0.879
DDH1	322953	5880498	427	-45	225	184	185	1.62
DDH1	322953	5880498	427	-45	225	187	190	0.832
DDH1	322953	5880498	427	-45	225	192	195	1.39
DDH1	322953	5880498	427	-45	225	198	205	1.39
DDH1	322953	5880498	427	-45	225	207	212	1.22
DDH1	322953	5880498	427	-45	225	215	220	1.08
DDH1	322953	5880498	427	-45	225	222	223	1.09
DDH1	322953	5880498	427	-45	225	226	228	1.02
DDH1	322953	5880498	427	-45	225	230	232	1.2
DDH1	322953	5880498	427	-45	225	236	237	1.08

### 2.4.3 Current estimates

There are no Ore Reserve, Mineral Resource or Exploration Target estimates reported for the Mount Piper project.

Torrens has formally reported the exploration data and results relating to the Mount Piper project in JORC Code (2012) Table 1 reporting format within the Prospectus.

SRK notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code (2012) regarding the exploration data and results reported in the Prospectus.

## 2.5 Prospectivity and work plan

Torrens' principal exploration focus in the Mount Piper group of licences and licence applications is to target disseminated, sulphidic, structurally controlled, quartz-poor stockwork and veined gold-arsenic-antimony mineralisation similar to that found in the Bendigo Zone at the places described in Section 2.3.1, including at the nearby Fosterville gold mine or to that described in Section 2.3.2 at, for example, the Nagambie and Costerfield gold mining centres in the Melbourne Zone (Bendigo- or Fosterville-style gold mineralisation). The Company's exploration objective is to discover and delineate Bendigo or Fosterville style gold mineralisation in the Mount Piper project and elsewhere in Victoria.

In SRK's opinion, the Mount Piper project is prospective for economic gold mineralisation. There have been several exploration campaigns on the project's tenure, but these campaigns have been limited to geological field mapping, stream sediment sampling, small amounts of rock chip sampling and very limited drilling. The lithostructural architecture, while understood at the regional level, has not been developed at the project (local) level.

Based on its assessment, the areas immediately west of the Mount William Fault (Crough's Hill and

Heathcote prospects), in EL6775, and the Northwood Hill prospect in ELA7331 and ELA7481, are considered the most immediately prospective for Bendigo or Fosterville-style gold mineralisation hosted in local faults within the Heathcote Fault Zone. Gold prospectivity in the Melbourne Zone, which covers much of the Mount Piper project area is likely to be hosted within vein stockworks associated with dilational jogs or broad north–south or east–west elongated domal structures and with gold-arsenic-antimony assemblages. The gold-antimony mineralisation at the active Costerfield Mine operated by Mandalay Resources Corporation and the now closed Nagambie Gold Mine of Nagambie Resources Limited are examples of this style of gold mineralisation in the Melbourne Zone.

Torrens has developed a work plan which will be funded through monies raised via the Prospectus (Table 2-4). This work plan includes a comprehensive desktop review and database development, mapping and sampling programs and, significantly, an airborne geophysics program that will be used form a local architecture/geological framework model and allow detailed local targeting.

**Table 2-4: Torrens Technical budget for the Mount Piper project**

Expenditure	Minimum subscription (A\$'000)			Maximum subscription (A\$'000)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Mapping and sampling	161	57	218	210	160	370
Geophysics	343	0	343	343	0	343
Drilling	603	775	1378	1,662	1,854	3,516
<b>Total</b>	<b>1,107</b>	<b>832</b>	<b>1,939</b>	<b>2,215</b>	<b>2,014</b>	<b>4,229</b>

SRK has reviewed the planned work programs and the amounts allocated to those programs. Based on its review, SRK is of the opinion that the programs are reasonable for the purpose of advancing the study status of the Mount Piper project. Further details are given in Section 5 of this Report.

## 3 Laloki Copper-Gold Project

### 3.1 Introduction

The Laloki copper-gold project comprises a single Exploration Licence Application (ELA2557) covering an area of 126 km<sup>2</sup> on the East Papuan Peninsula in Papua New Guinea (Figure 2-1). The Laloki project is centred approximately 15 km from the capital city from Port Moresby and is readily accessed via the Hubert Murray highway to the north or the Magi Highway to the south. The unsealed Old Rigo Road, which traverses the Laloki project area, links the two highways. The Laloki project area is covered by a network of unsealed local roads and tracks. Electrical grid power and scheme water are connected to the project area via the Rouna Falls Hydropower Station and the Port Moresby high-tension powerline. Skilled and unskilled labour, wholesale goods and services are readily sourced from Port Moresby, which has a population of 383,000 and which serves as the main port of entry to Papua New Guinea via the Jackson International Airport.



**Figure 3-1: Location of the Laloki project**

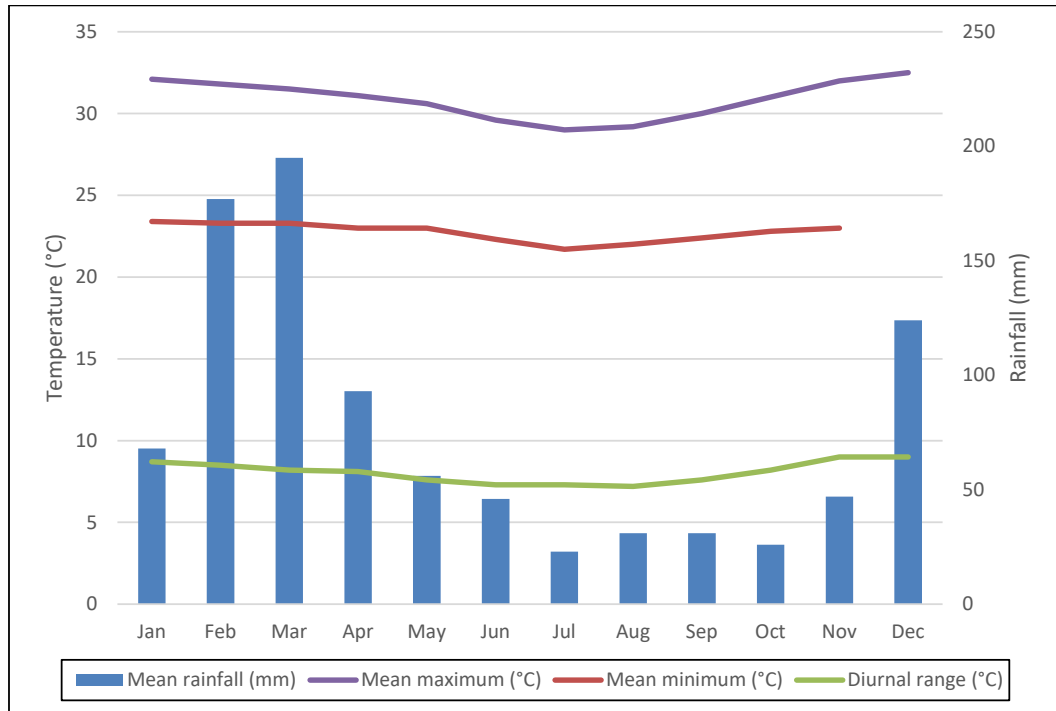
Source: Torrens Management Information

The Laloki project area is covered by largely undisturbed open eucalyptus woodlands on rugged topographic highs and rainforest through drainage lines. The climate in the project area is tropical (Köppen classification Aw). The average annual rainfall is 1,000 mm, with a single wet season between the months of December and April, the driest months being July and August. The hottest month is December, with daytime temperatures averaging 28°C. The coolest month is July, with daytime

temperatures averaging 26°C. The year-round diurnal temperature range typically varies between 7°C and 9°C.

For much of the year, exploration activities can be undertaken unencumbered by weather events, though vehicular movement through local tracks can sometimes be impeded during the wet season.

Figure 2-2 presents the average climate data for Port Moresby



**Figure 3-2: Port Moresby climate statistics**

Source: AccuWeather Inc.

### 3.2 Status of tenure

SRK has sighted a Solicitor's Report concerning the status of the Laloki project tenure. The Solicitor's Report was prepared for Torrens by Allens.

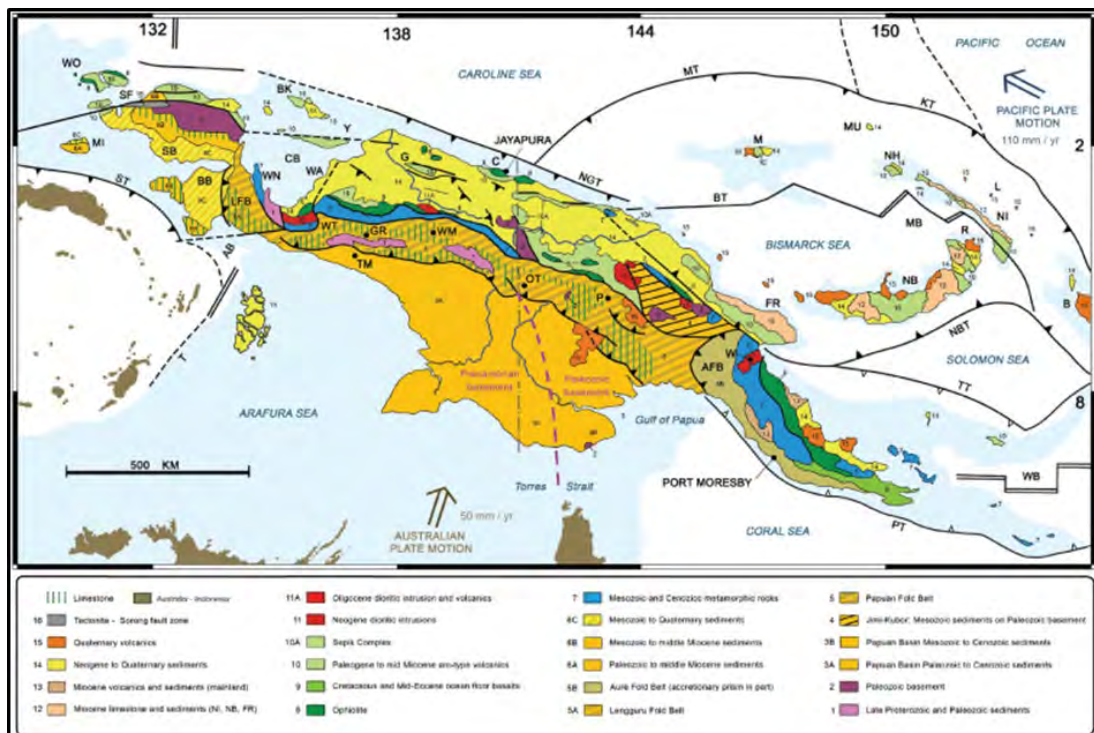
As at the Effective Date of this Report, application ELA2557 remains undetermined as presented in Table 4-1. Detailed information on this status is given in the Allens report which is appended to the Prospectus. SRK has relied on the Allens report and has made all reasonable enquiries into this status and also representation from Torrens that the information in the Allens report is correct for the purpose of this Report.

**Table 3-1: Tenement schedule**

Tenement	Registered holder	Comments
ELA2557	Torrens Mining (PNG) Limited – 100%	Application lodged 15 November 2017 Refer to the Allens report within the Prospectus for further detail

### 3.3 Geological setting

Geologically, the Laloki project is located within the Papuan Geologic Province which is a fold belt on the northern side of the Papuan Thrust (Figure 3-3). It is one of approximately 40 known polymetallic massive sulphide deposits or gossans that occur in the Astrolabe Mineral Field. These mineral occurrences are stratiform (or associated with gossanous zones) and are hosted within Tertiary shale and siltstones comprising lutite facies of the Port Moresby Beds. Previous work has suggested that mineralisation occurrences within the Astrolabe Mineral Field represent examples of common volcanogenic massive sulphide (VMS) mineralisation, with numerous historical references to the 'Besshi style', named after a type of VMS deposit in Japan.



**Figure 3-3: Regional geology**

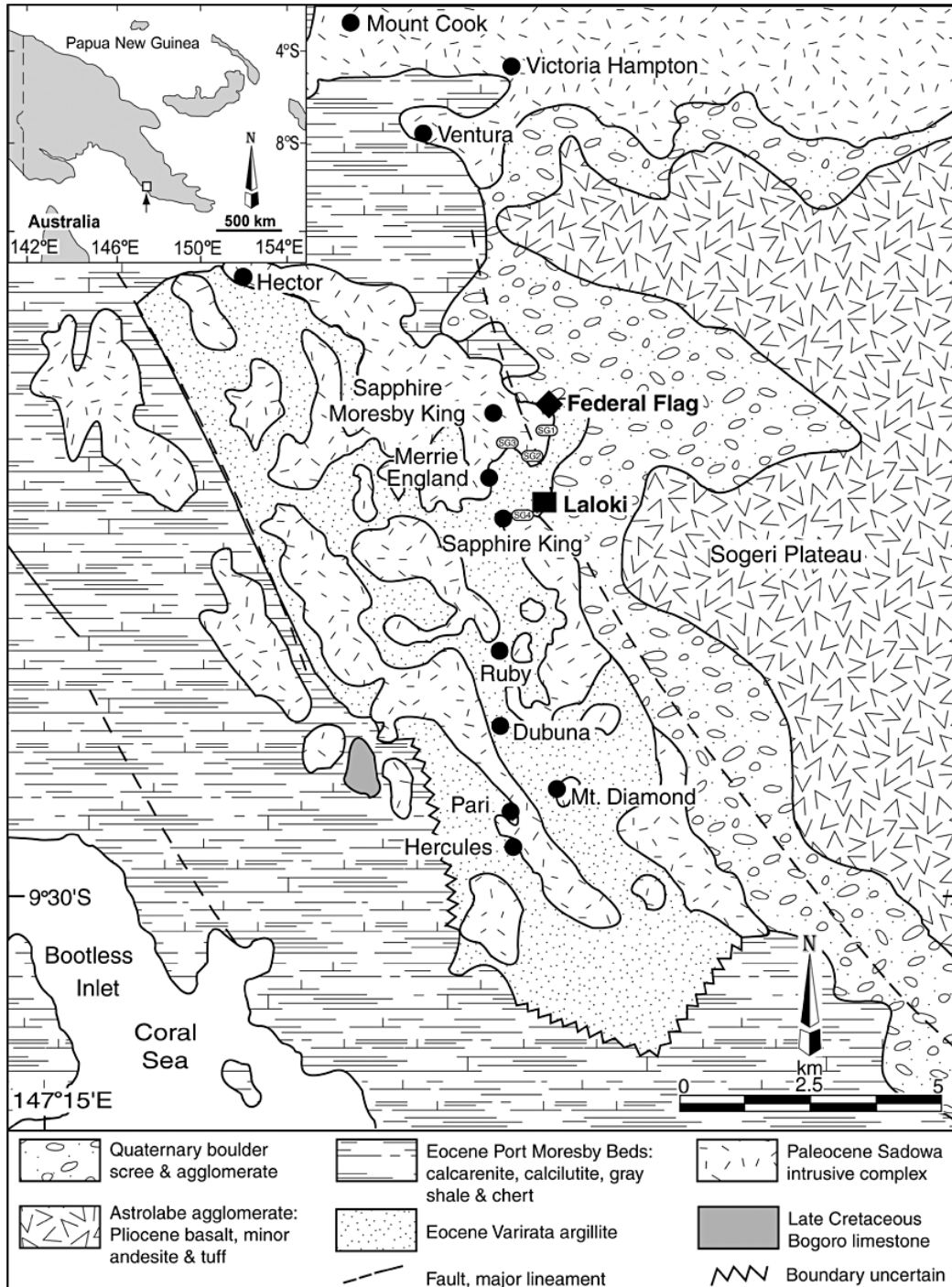
Source: Torrens Management Information (after Davis, 2012)

The Laloki project is underlain by Palaeocene to Eocene clastic and bioclastic sediments consisting of calcarenite, chert and siliceous argillite. These sediments form part of a conformable Tertiary stratigraphic succession that includes the Burns Peak Formation, Port Moresby Beds, Dokuna Tuff, Bootless Inlet Limestone, Boera Formation and Fairfax Formation. The entire sequence is characterised by shearing and faulting parallel to bedding, resulting in thickening and repetition.

Three main rock types have been identified within the area covered by the Laloki project (Figure 3-4).

- 1 Sediments belonging to the Varirata Argillite member of the Port Moresby Beds: These comprise mudstones, shales, lutite and calc-lutite with lesser amounts of limestone, sandstone, conglomerate and tuff. Fossil evidence suggests mid-Miocene age and probably deposited in water between depths of 3,000 and 4,000 m.
- 2 Gabbro and dolerite of the Sadowa intrusive complex: Its contact with the sediment is rarely seen but is generally thought to be conformable. The gabbro is coarse-grained and varies in composition from olivine gabbro to quartz gabbro.
- 3 Scree and talus from the Pliocene Astrolabe Agglomerate occurring on the western edge of the

tenement: The agglomerate forms prominent scarps to the north and east of the tenement and is predominantly mafic laharic agglomerate and tuff and is unconformable over the gabbro and sediments. Scree apron around the prominent Variarata Escarpment may mask areas that are prospective for mineralisation.



**Figure 3-4: Project geology with annotated historical prospect areas**

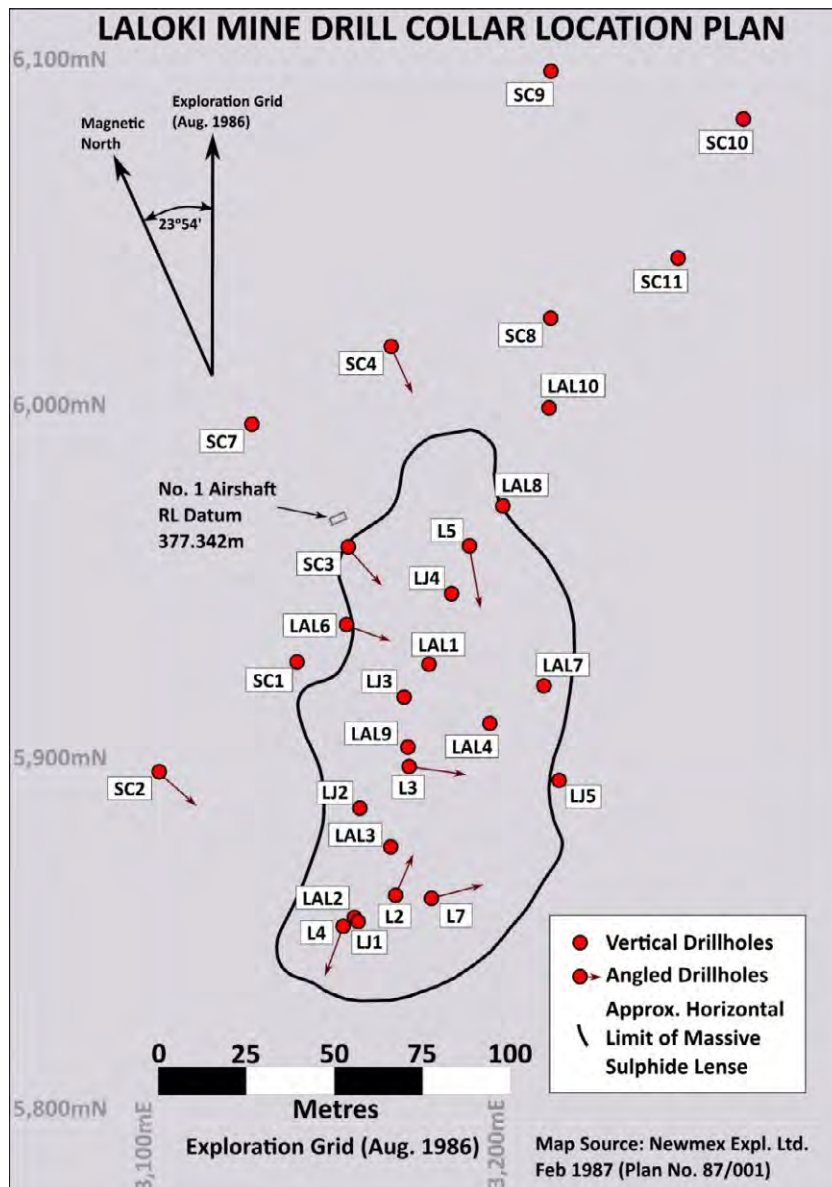
Source: Torrens Management Information

### 3.4 Work history

The Laloki project has a long work history, which includes the production of approximately 40,000 tonnes grading 4.5% Cu, 4 g/t Au and 15.3 g/t Ag. There are no current Ore Reserve, Mineral Resource or Exploration Target estimates for the Laloki project, though a historical Ore Reserve estimate was developed and reported under the JORC Code 1987 Edition at that time.

Torrens has formally reported the exploration data and results relating to the project in JORC Code (2012) Table 1 reporting format within the Prospectus. SRK notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code (2012) regarding the exploration data and results reported in the Prospectus.

A collar plan relating to the historical drilling is presented as Figure 3-5.



**Figure 3-5: Collar plan – historical drilling**

Significant intersections are presented in Table 3-2.

**Table 3-2: Significant drilling intersections**

Hole ID	Easting	Northing	Elevation (mRL)	Dip (°)	Magnetic azimuth	From (m)	To (m)	Grade (% Cu)	Grade (g/t Au)
LAL1	5931.2	3177	387.1	-90	0	59.6	78.07	5.43	5.52
LAL2	5858.9	3156	352.1	-90	0	15	17.12	2.38	1.45
LAL2	5879.2	3165.6	357.9	-90	0	18.8	21.96	3.84	1.53
LAL2	5741.9	3194.1	388	-90	0	25.3	43.85	2.73	1.94
LAL3	5942.6	3153.8	379.8	-80	130	16	47	2.52	3.5
LAL4	5925.3	3210.4	399.5	-90	0	58	68	2.18	3.66
LAL6	5976.2	3197.7	386.2	-90	0	53	64	3.54	3.22
LAL8	5907.7	3170.6	374.6	-90	0	67.95	78.33	4.1	2.95
LAL9	6003.4	3210.4	390.2	-90	0	58.02	60.8	3.25	1.23
LAL10	5931.8	3139.7	372.5	-90	0	0	2	0.02	1.4
SC1	5931.8	3139.7	372.5	-90	0	57.91	58.67	2.3	44.8
SC3	5900.2	3100	359.4	-70	156	6.25	8.84	10.9	5.66
SC3	5962.5	3150.1	378	-80	162	62.79	68.58	3.1	1.84
SC4	6021	3166	382.5	-60	182	81.22	88.18	4.8	0.3
SC8	6029.2	3211.2	394.7	-90	0	81.69	81.84	2.6	4.98
SC8	6029.2	3211.2	394.7	-90	0	85.65	86.56	3	10.26
L2	5864.8	3167.4	352.4	-79	45	12.5	12.9	12.8	0
L2	5864.8	3167.4	352.4	-79	45	17.69	37.49	6.6	2.2
L3	5901.8	3171.3	369.4	-63	121	39.01	50.29	2.7	0
L4	5856.1	3152.5	352	-68	225	19.81	33.53	4.33	0
L5	5964.9	3188.4	385.3	-68	193	53.34	71.63	5.97	2.8
L7	5864.5	3177.5	352.4	-45	99	7.62	21.95	3.49	8.7
LJ1	5858	3156.5	353	-90	0	25.6	42.2	4.1	2.7
LJ2	5890	3157	363.7	-90	0	40.58	42.28	2.47	4.6
LJ3	5921.5	3170	381.6	-90	0	62.51	71.15	3.96	3.3
LJ4	5951	3183.5	388.9	-90	0	57.4	75.05	4.7	2.1
D2	5257.9	5113.5	137.2	-60	64	19	26	2.31	1.12
D4	5269.8	5056.6	127.6	-60	62	9	12	1.83	7.08

The historical estimate used data and the drilling data reported are from several phases of drilling between 1960 and 1986. These data do not have quality assurance and quality control (QA/QC) data. As such, these data will be used to guide the forward work program at the Laloki project.

Table 3-3 summarises the work history in the area now largely covered by the Laloki project.



**Table 3-3: Summarised work history**

Year	Company	Activity
1891	J MacDonald	Discovered copper mineralisation of Astrolabe Range
1906		Proclamation of Astrolabe Mineral Field in the Australian Parliament
1907	British New Guinea Development Company (BNGDC)	Laloki lease taken up
1908-10	BNGDC	Dubuna, Elvira, Sapphire-Moresby King leases taken up
1912	BNGDC	Federal Flag lease taken up
1914	Great Fitzroy Mines	Leases transferred to Great Fitzroy Mining
1915	Great Fitzroy Mines	Underground mining commences at Laloki
1917	Laloki Gold Mines Ltd	Laloki and Dubuna leases transferred to Laloki Gold Mines
1920	New Guinea Copper Company	Mining at Lakoki and Dubuna Smelter, railway and aerial ropeway constructed Mining ceased in 1926, after mining at Laloki and Dubuna and extensive smelting operations at Bootless Bay
1936	Mandated Alluvials NL	Acquired lease to Sapphire-Moresby King Built and operated smelter
1939	Mandated Alluvials NL	Acquired lease to Laloki Smelted Laloki ore at Sapphire-Moresby King smelter in 1940
1942	Mandated Alluvials NL	Production halted due to Japanese invasion
1949	Australian Bureau of Mineral Resources (ABMR)	Geophysical surveys – VLF, Turam, IP
1950	Zinc Corporation	Haddon King examines property
1954	J C Kennett	K P Glasson examines property
1957	Consolidated Zinc Pty Ltd	Mapping, magnetic survey
1960-61	Consolidated Zinc Pty Ltd	Drilled 13 holes at Laloki – four holes intersected lode
1962	ABMR	Drilling at Dubuna, regional exploration
1963-64	CRA	Examined area
1964	ABMR (Yates and Ferranti)	Mapping, stream sediment surveys
1965	ABMR (Pontifex)	Mineralogical study
1965	PNG Ministry	Examined Dubuna, SP survey, drilling of anomalies
1967	ABMR	Airborne magnetic survey
1968	Lionel Goss	Took out prospecting application
1968-69	Watts Griffith & McQuat	Soil sampling
1969-70	Nittetsu Pty Ltd	Joint venture Laloki (JV) with Lionel Goss IP survey
1970	ABMR	Geophysical surveys – VLF, Turam, IP
1972	Nittetsu Pty Ltd	Mapping, soil sampling and geophysical surveys
1974	Placer Prospecting	Took out prospecting application Geochemical and geophysical surveys
1980	Newmont	Prospecting lease Geophysical surveys – EMP

Year	Company	Activity
1982	EC Mines	Prospecting application Carried out metallurgical work, environmental impact statement (EIS), engineering study, drilled 3 holes Conducted studies of Laloki and Mount Diamond
1984-85	Laloki JV	50/50 Newmex/Chase Minerals NL A500 became PA561 Minproc bought out EC Mines
1985-86	Newmex	Exploration and drilling (Laloki JV)
1987	Newmex	Feasibility study by Minproc Airborne geophysical surveys
1988	Newmex	Buys out Chase Minerals NL (Minproc)
1989	Newmex	Drilling at Laloki South
1990-92	Newmex	Re-evaluation of project PA re-applied for
1993	Laloki Gold Mines and Elands Pty Ltd	PA 561 replaced by EL1047
1994	Elands Pty Ltd	Ministerial approval granted to JV
1995	Elands Pty Ltd	Drilled 4 holes Program halted due to customary landowner concerns
1996	Elands Pty Ltd	Wardens hearing held to resolve customary landowner concerns
1997	Kilborn Engineering	Study (Reddy)

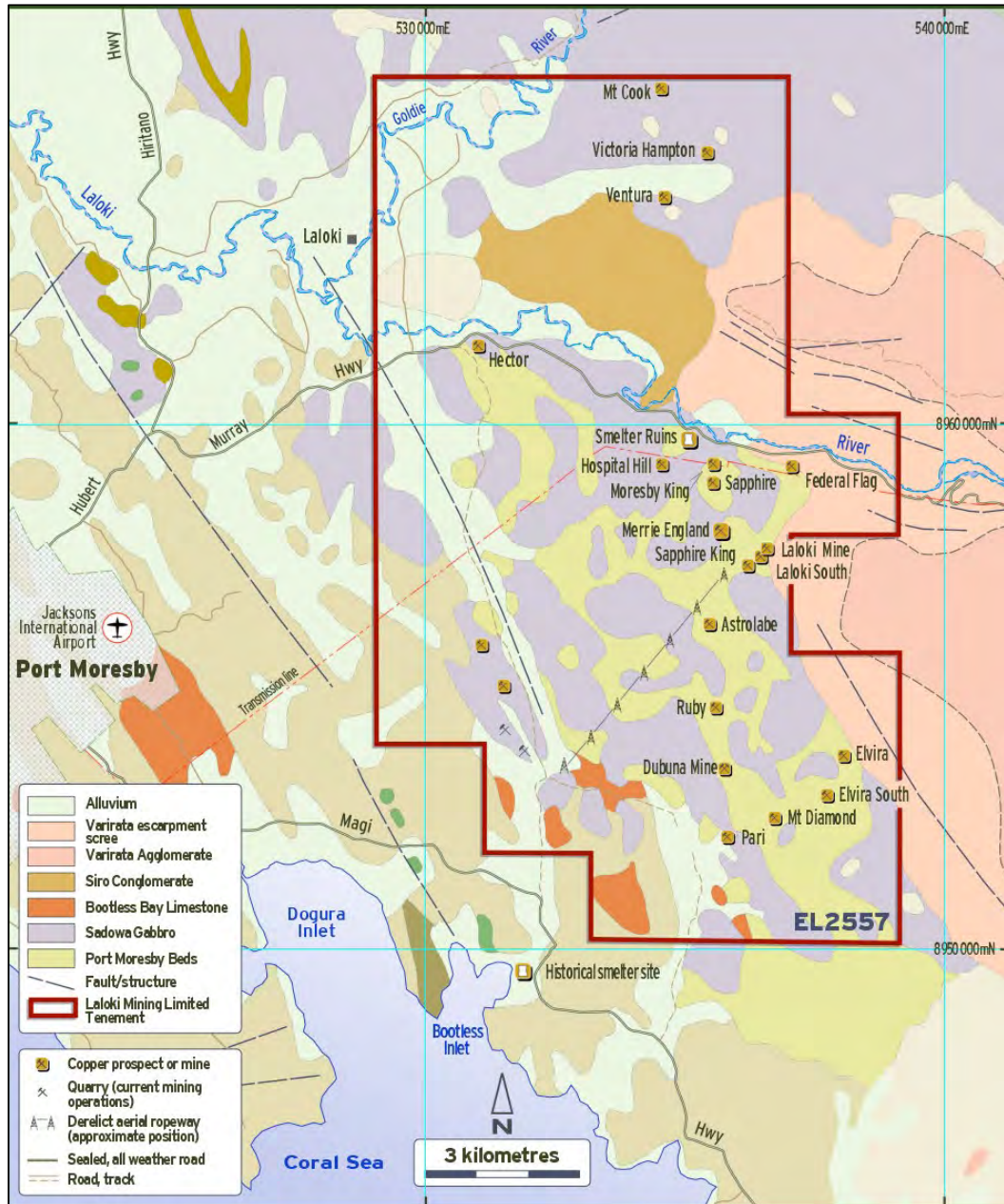
Mining at the Laloki project ceased in 1942. Mining was undertaken using rudimentary technical methods, with operations largely following visible mineralisation until it petered out or became too difficult or expensive to extract. While several phases of metallurgical work were subsequently undertaken, the most substantial mining-related evaluation was a mining and processing feasibility study undertaken by Minproc in 1988. Minproc discussed the option of mining Laloki by open pit methods, with optimised pit shells being developed around a block model calculated from historical drilling.

Two modes of sulphide occurrences have been identified through the historical work, in situ stratiform massive sulphide lenses, and fault-hosted, remobilised sulphide mineralisation. Mineralogical studies suggest that most of the gold occurs as inclusions within the chalcopyrite, sphalerite and barite, with little free gold evident.

Historically, ore was either direct-shipped or smelted on site in furnaces. No processing facilities existed on the site at this time. Following the cessation of production, several phases of metallurgical testing have been undertaken in attempts to find an effective sulphide and gold extraction option. Minproc investigated the application of the SiroSmelt smelting system, which was developed by Australia's CSIRO (Minproc Engineers Pty Ltd, 1988). Further testwork, examining the application of recently developed leaching and other metallurgical processes, is envisaged.

### 3.5 Prospectivity and work plan

Records suggest that upwards of 40 mineralised occurrences were mapped and prospected across the historical tenement. Numerous reports have discussed exploration potential for the region, on a prospect-by-prospect basis, with the latest by Reddy (1997), who discussed the seven potentially most viable prospects (Figure 3-6).



**Figure 3-6: Laloki prospect areas**

Source: Torrens Management Information

The Laloki Mine prospect is historically recognised as the largest of the known mineral deposits in the Astrolabe Field and the largest deposit from which economically mineralised material was extracted over the production history of the field. The Laloki deposit is a polymetallic, conformable, massive sulphide deposit, dominated by pyrite, marcasite, chalcopyrite and sphalerite, with lesser galena. Gold occurs as inclusions in chalcopyrite, sphalerite and barite, with little free gold.

It is postulated that the thicker parts of the deposit may have been formed as a result of sulphides accumulating as mounds in depressions on the original sea floor, or as a result of post-deposition deformation of the sulphide horizon. There is a suggestion that the deposit has been truncated to the west and southwest by a major shear, indicating that addition potential may exist if the sense and

extent of movement of the shear zone can be accurately determined.

The Laloki South prospect is located about 90 m to the south of the Laloki Mine prospect. Limited drilling information indicates the existence of a small sulphide deposit beneath a gossanous zone. The Sapphire King prospect lies 325 m southwest of the Laloki South prospect, on the west side of a shear zone that separates the two prospects.

The Dubuna prospect is a gossanous zone over massive and disseminated sulphide mineralisation, with old mine workings across an aerial area of approximately 700 m by 250 m. Historical records suggest that 21,000 t of mineralised material were extracted from the Dubuna prospect. The extent of the mined area suggests that the application of modern exploration techniques may reveal the area to be prospective for additional resources.

The Sapphire-Moresby King prospect has been described as consisting of three pods of massive sulphide mineralisation along a single horizon with a strike length of 280 m. Mineralisation is near-horizontal, with gentle flexures and some faulting, and was exploited due to its shallow depth and ease of access. While some drilling was undertaken with mixed results, the prospects may retain further potential for shallow lenses.

The Federal Flag prospect is a gossanous zone that has been mapped on the flanks of a ridge. The prospect occupies a trough of a gently folded east–west-trending syncline. The gossan measures approximately 70 m by 30 m in surface extent. Newmex completed five drill holes, two of which intersected mineralisation at depths of less than 10 m below anomalous soil zones, possibly representing surficial enrichment.

The Merrie England prospect consists of gossans with high gold values in shallow trenches. The prospect consists of three gossanous zones with anomalous gold that occur near a gabbro contact. Several pits and adits were developed in the 1930s.

In SRK's opinion, the Laloki project is prospective for economic base metal mineralisation. The mineral field at Laloki has a long history of exploration and mining, albeit using only rudimentary techniques.

Torrens has developed a work plan which will be funded through monies raised via the Prospectus (Table 2-4). This work plan includes an airborne geophysics program, a comprehensive desktop review and database development and mapping and sampling programs which will be used to form a local architecture/geological framework model and allow detailed local targeting.

**Table 3-4: Torrens Technical budget for the Laloki project**

Expenditure	Minimum subscription (A\$'000)			Maximum subscription (A\$'000)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Geophysics	250	0	250	250	0	250
Geology	0	100	100	0	100	100
<b>Total</b>	<b>250</b>	<b>100</b>	<b>350</b>	<b>250</b>	<b>100</b>	<b>350</b>

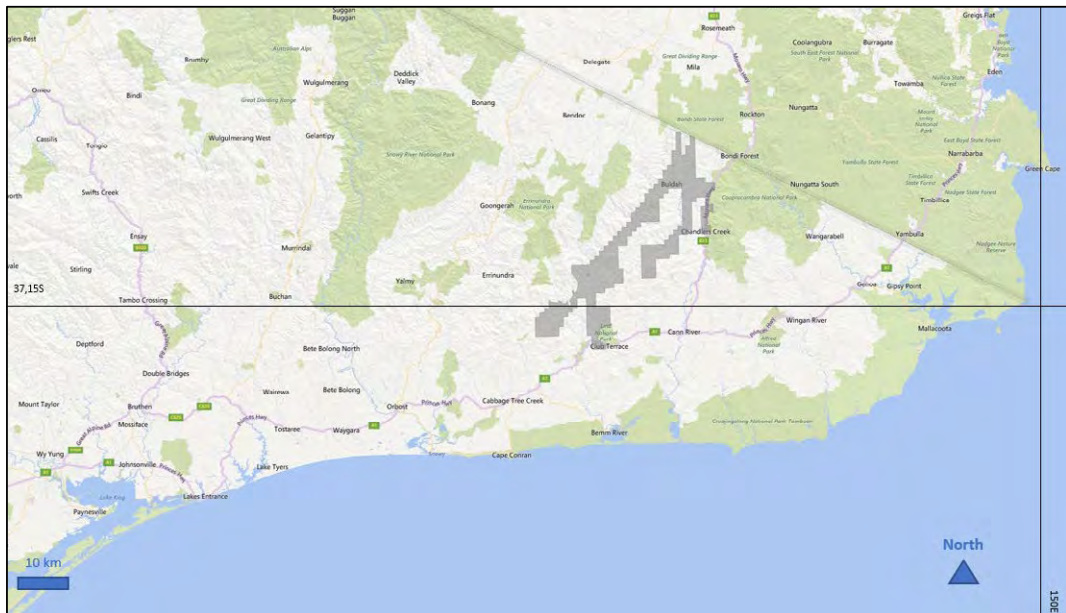
SRK has reviewed the planned work programs and the amounts allocated to those programs. Based on its review, SRK is of the opinion that the programs are reasonable for the purpose of advancing the study status of the Laloki project. Further details are given in Section 5 of this Report.

## 4 Club Terrace Gold Project

### 4.1 Introduction

The Club Terrace project comprises a single granted Exploration Licence (EL5455) and one Exploration Licence Application (ELA7342), for a total of 383 km<sup>2</sup> in the Eastern Gippsland region of Victoria (Figure 4-1). The tenements which comprise the Club Terrace project are located in Crown Forestry land and abut the New South Wales–Victoria state border to the north. The Club Terrace project is readily accessed by a network of all-weather forestry roads from the sealed Monaro Highway, which links the township of Cann River in Victoria with Bombala in the state of New South Wales and Canberra in the Australian Capital Territory.

Electrical grid power is available in the Club Terrace project area. The Eastern Gas Pipeline which carries natural gas from the Gippsland gas fields to the Australian Capital Territory and New South Wales, and its associated access road, passes through the east of the project area. Labour can be sourced from the township of Cann River, with wholesale goods and services and skilled labour sourced from Canberra or Melbourne.



**Figure 4-1: Location of the Club Terrace project**

Source: SRK

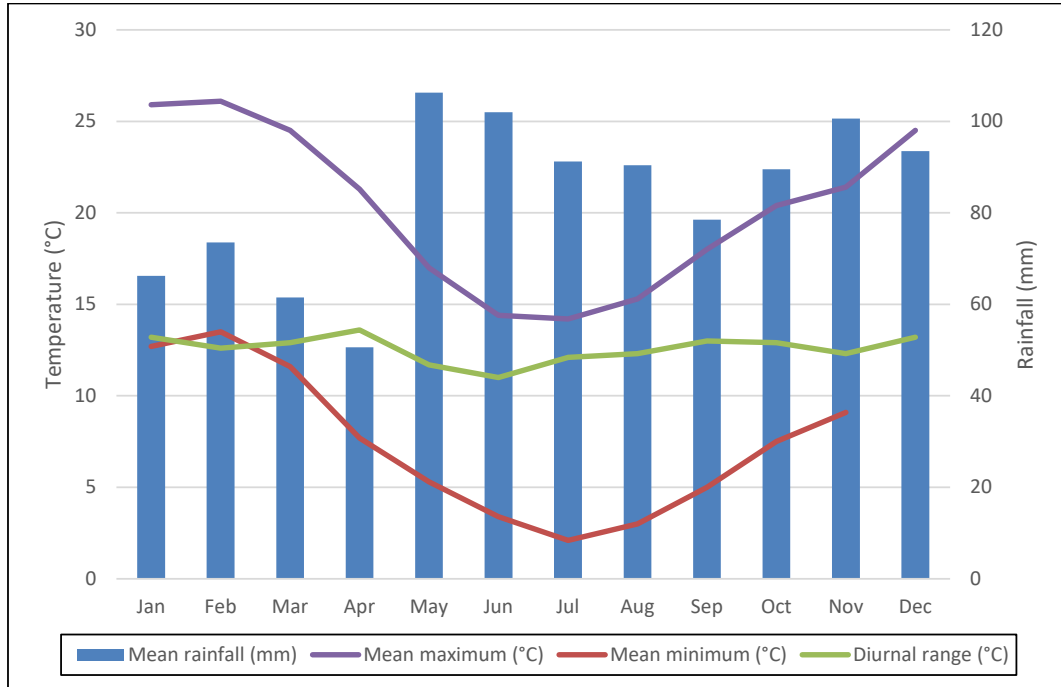
Note: Project tenure is shaded grey.

The Club Terrace project area is located at the southern margin of the Monaro plateau, a flay-lying alpine terrain which terminates in the south with an escarpment and deeply incised valley. The project area is largely covered by alpine forest at an elevation of approximately 300 m above sea level. This forest provides some rugged terrain although the project area is readily accessed via a network of sealed and gravel local roads.

The climate is warm and temperate (Köppen classification Cfb) with rainfall throughout the year. The average annual rainfall is 1,000 mm, with the wettest months being May and June, and the driest months being March and April. The hottest month is January, with daytime temperatures averaging 25.9°C. The coolest month is July, with daytime temperatures averaging 14.3°C. The year-round diurnal temperature range typically varies between 11°C and 14°C.

Exploration and field activities can be undertaken unencumbered by weather events year-round.

Figure 4-2 presents the average climate data for the Club Terrace project area.



**Figure 4-2: Club Terrace project area climate statistics**

Source: Australian Bureau of Meteorology

## 4.2 Status of tenure

SRK has sighted a Solicitor’s Report concerning the status of the Club Terrace project tenure. The Solicitor’s Report was prepared for Torrens by Clayton Utz. A summary of the ownership and tenure status is given in Table 4-1 and Table 4-2. Detailed information is given in the Clayton Utz report which is appended to the prospectus. As at the Effective Date of this Report, the status of application ELA7342 remains undetermined.

SRK has made all reasonable enquiries into this status and has relied on the Clayton Utz report and representation from Torrens that the information is correct for the purpose of this Report.

**Table 4-1: Tenement schedule – areas noted in graticular sections (GRS)**

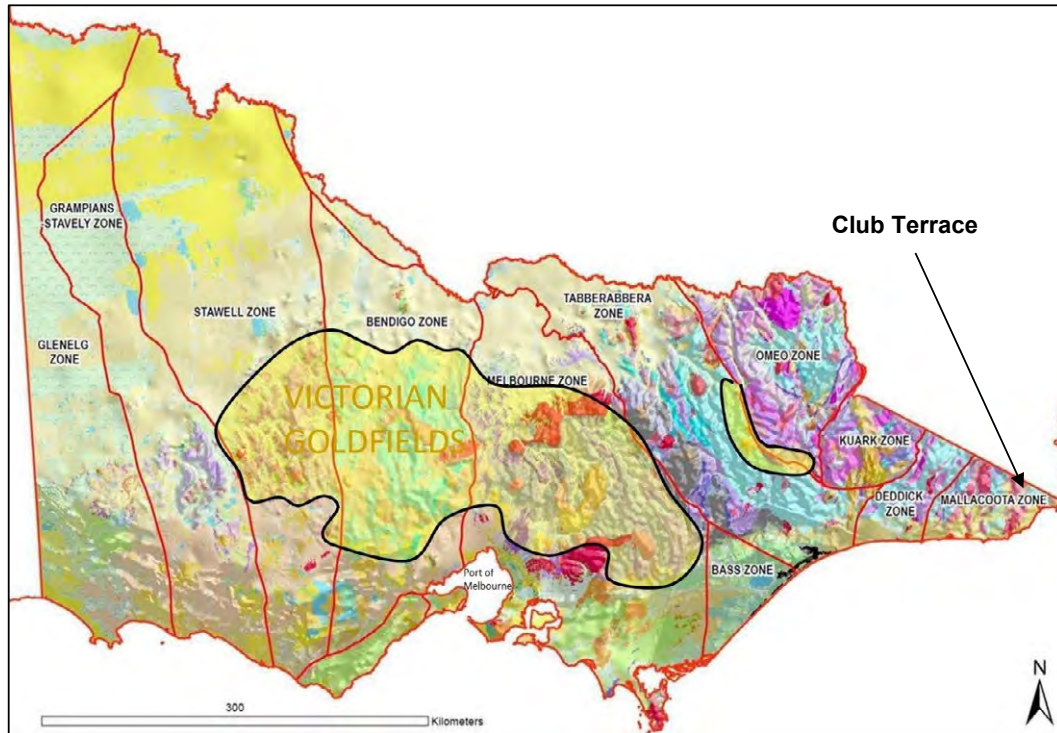
Tenement	Registered holder	Percentage held	Grant date	Expiry date	Commodities permitted	Area (GRS)	Expenditure amount (A\$)	Registered events	Native title	Notes and conditions
EL5455	Terrace Mining Pty Ltd	100%	22 October 2013	21 October 2023	Base Metals	8	A\$19,000 for the current year ending 21 October 2020 and for each subsequent year to 21 October 2023	Creation of Interest R90012138 (6 November 2019) [Being a transfer of interest and tenement from Terrace Mining Pty Ltd to Torrens Gold Exploration Pty Ltd pursuant to a Deed of Assignment]	None.	Refer to the Clayton Utz report in the Prospectus

**Table 4-2: Tenement application schedule**

Tenement	Applicant	Application accepted date	Commodities	Area
ELA7342	Torrens Gold Exploration Pty Ltd	19 August 2020	Gold (Primary) Antimony (Secondary) Arsenic (Other secondary)	375 graticular sections

### 4.3 Geological setting

The Club Terrace project is geologically located within the Mallee Zone, which forms the far southeastern part of the Lachlan Fold Belt (Figure 4-3). The Mallee Zone is dominated by low-grade metasedimentary lithologies of Ordovician age with later (Devonian) granitic intrusions.



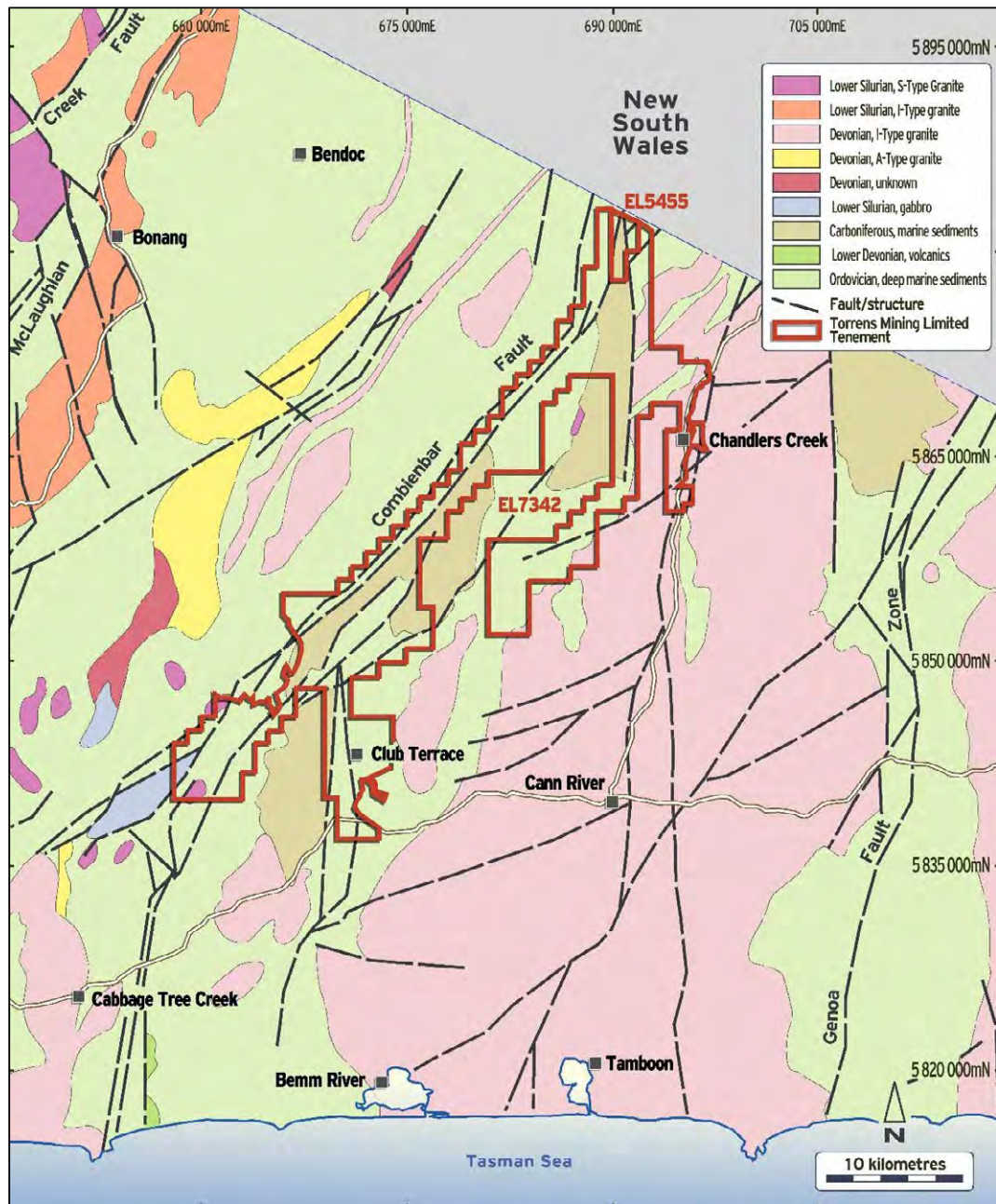
**Figure 4-3: Club Terrace geological location**

Source: Modified from Ross Cayley, Geological Survey of Victoria

Key geological features of the Club Terrace Project include the eastern Kuark Metamorphic Complex (KMC) and Pheasant Creek-Combiobar faults (the Combiobar Fault is a major structure extending the length of the project area from the New South Wales border), the Bemm Fault in the southwest of the tenements which forms the eastern limit of a structurally-complex triangular area that is bounded on the west by the Pheasant Creek-Combiobar faults, and the Buldah Fault, in the northeast of the tenements, which, together with the Bega Batholith, forms the approximate eastern boundary of the area of interest within the tenements (Figure 4-4).

The Buldah Fault, like the Combiobar and Bemm faults, has helped to preserve Late Devonian non-marine rocks of the Combyingbar Formation. It occurs immediately west of and locally in contact with the Buldah Shear and it displaces Late Devonian red-beds (Combyingbar Formation) which form the farmed flats at Club Terrace itself, in the lower Buldah Creek valley. The fault appears to be a later brittle feature, movement on which may have caused reactivation, fracturing and sulphide mineralisation in the adjacent Buldah Shear Zone. The adjacent north-south Buldah Shear cuts through Early Devonian granite and Ordovician rocks as a well-defined mylonite zone that can be traced north-south for a distance in excess of 20 km and is open at both ends. The northern end at the New South Wales border is currently an area of interest in these tenements, where it is a 600 m wide zone of foliation along the granite contact, surrounding a 100 m wide shear zone.





**Figure 4-4: Club Terrace local geology**

Source: Torrens Management Information

## 4.1 Work history, prospectivity and work plan

The Club Terrace area attracted artisanal-scale gold miners in the 19<sup>th</sup> and 20<sup>th</sup> centuries, although formal records are limited. It is understood that limited modern exploration has taken place on the tenements which make up the Club Terrace project.

In the mid-1970s, Jennings Mining Ltd undertook stream sediment sampling, limited drilling and ran induced polarisation surveys. Between 1982 and 1986, Samedan Oil Company carried out a small drilling program to target base metal mineralisation, returning limited elevated copper values around the area now known as the western limb of ELA7342. Between 2007 and 2012, Oroya Mining Ltd

undertook various regional stream sediment sampling programs targeting gold. Several of these programs identified elevated copper, zinc and gold along the northern part of the Buldah Creek trend. Follow-up rock chip and multi-element soil sampling also reported anomalous gold, silver, lead, copper, arsenic, molybdenum and antimony values – although these values are unknown.

In SRK's opinion, the Club Terrace project is a very early stage speculative exploration project. The presence and continuity of gold mineralisation at the project is untested. Torrens has developed a work plan which will be funded through monies raised via the Prospectus (Table 2-4). This work plan includes a comprehensive desktop review and database development, mapping and sampling programs, an airborne geophysics program and scout drilling.

**Table 4-3: Torrens Technical budget for the Club Terrace project**

Expenditure	Minimum subscription (A\$'000)			Maximum subscription (A\$'000)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Mapping and sampling	79	77	156	99	79	178
Geophysics	21	0	21	21	0	21
Drilling	179	220	399	417	510	927
<b>Total</b>	<b>279</b>	<b>297</b>	<b>576</b>	<b>537</b>	<b>589</b>	<b>1,126</b>

SRK has reviewed the planned work programs and the amounts allocated to those programs. Given the very early stage nature of the Club Terrace project, the work programs are suitable to test the presence and continuity of any gold mineralisation at the project. Further details are given in Section 5 of this Report.

## 5 Sources and Uses of Funds

Based on the work undertaken to date, Torrens has developed a budget for ongoing technical assessment activities that rely on funds raised as detailed in the Prospectus (Table 5-1).

**Table 5-1: Sources of funds**

Sources of funds	Amount (A\$'000) Minimum	Amount (A\$'000) Maximum
Cash reserves as at the date of the Prospectus	400	400
Funds raised from the Prospectus	7,000	10,000
<b>Total funds available</b>	<b>7,400</b>	<b>10,400</b>

The proposed technical budgets are set out in Table 5-2, Table 5-3 and Table 5-4.

**Table 5-2: Technical budget for the Mount Piper project**

Expenditure	Minimum subscription (A\$'000)			Maximum subscription (A\$'000)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Mapping and sampling	161	57	218	210	160	370
Geophysics	343	0	343	343	0	343
Drilling	603	775	1378	1,662	1,854	3,516
<b>Total</b>	<b>1,107</b>	<b>832</b>	<b>1,939</b>	<b>2,215</b>	<b>2,014</b>	<b>4,229</b>

**Table 5-3: Technical budget for the Laloki project**

Expenditure	Minimum subscription (A\$'000)			Maximum subscription (A\$'000)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Geophysics	250	0	250	250	0	250
Geology	0	100	100	0	100	100
<b>Total</b>	<b>250</b>	<b>100</b>	<b>350</b>	<b>250</b>	<b>100</b>	<b>350</b>

**Table 5-4: Technical budget for the Club Terrace project**

Expenditure	Minimum subscription (A\$'000)			Maximum subscription (A\$'000)		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Mapping and sampling	79	77	156	99	79	178
Geophysics	21	0	21	21	0	21
Drilling	179	220	399	417	510	927
<b>Total</b>	<b>279</b>	<b>297</b>	<b>576</b>	<b>537</b>	<b>589</b>	<b>1,126</b>

SRK has reviewed the planned work programs and the amounts allocated to those programs. Based on its review, SRK is of the opinion that the programs are reasonable for the purpose of advancing the study status of the Mineral Assets. The funds allocated by Torrens should be sufficient to sustain the planned exploration activities over the 24-month budget period.

Progressive expenditure will naturally depend on the success of the proposed drilling and development studies. Torrens may require additional funds should the outcome of the first-year programs necessitate modifications to the second-year work programs.

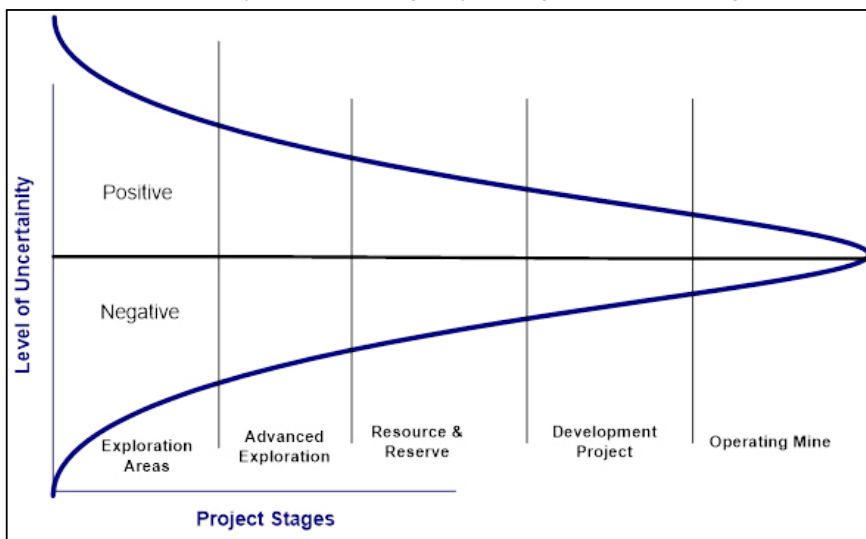
SRK is mindful that as exploration progresses, and a prospect moves from an early study stage through to the estimation of Mineral Resources, there is greater confidence around the likely size and

quality of the mineral assets and their potential. Table 5-5 presents a general guide of these confidence intervals

**Table 5-5: General guide regarding confidence levels**

Classification	Estimate range (90% Confidence Limit)
Measured Mineral Resource Estimates	± 10% to 20%
Indicated Mineral Resource Estimates	± 20% to 50%
Inferred Mineral Resource Estimates	± 50% to 100%
Exploration Target Estimate	+ 100%
Exploration Areas with no estimates	+ 100%

This level of uncertainty with advancing project stages is shown in Figure 5-1.



**Figure 5-1: Uncertainty by advancing study stage**

By applying narrower confidence ranges, a greater degree of certainty regarding these assets than is being implied than may be the case in reality.

Importantly, SRK notes the risks attached to the status of the tenure which are detailed in the Clayton Utz and Allens reports within the Prospectus.

This facts and opinions presented in this this Report are current at the Effective Date of 1 November 2020

**Compiled by**

*K. Lloyd*

Karen Lloyd

Associate Principal Consultant

**Peer reviewed by**

*M. Cunningham*

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## 6 References

BHP Minerals Exploration Ltd, 1981. EL827, Broadford - Six monthly report for the period ending 30 September 1981.

Horwood, 2011. Oroya Mining Ltd - EL4947 and EL4948, Mount Piper Project, Annual report for the period ending 31 December 2011. Earth Resources Division Expired Exploration Reports File, Geological Survey of Victoria.

Hughes, M J, 2011. Proposed Pre-drilling Programme for 2011, Mount Piper Project, Victoria (EL4947 & EL4948), June 2011.

## SRK Report Client Distribution Record

Project Number: TML001  
 Report Title: Independent Geologist's Report on the Mount Piper, Laloki and Club Terrace Projects  
 Date Issued: 6 November 2020

Name/Title	Company
Mike Collings	Torrens Mining Limited

Rev No.	Date	Revised By	Revision Details
0	12/10/2020	Karen Lloyd	Initial Draft – Factual Accuracy
1	29/10/2020	Karen Lloyd	Final Draft
2	06/11/2020	Karen Lloyd	Revised Final Draft

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# Independent Geologist's Report on the Elizabeth Creek Project, South Australia

Report prepared for

**Torrens Mining Limited**

Report prepared by



SRK Consulting (Australasia) Pty Ltd

TML001

1 November 2020

# Independent Geologist's Report on the Elizabeth Creek Project, South Australia

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**November 2020**

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## Executive Summary

Torrens Mining Limited (Torrens) is proposing to list its securities on the Australian Securities Exchange (Proposed Listing). SRK Consulting (Australasia) Pty Ltd (SRK) has been appointed by Torrens to provide an Independent Geologist's Report (IGR), which will be included in the Prospectus relating to the Proposed Listing.

The Mineral Assets to be considered in this IGR comprise three granted contiguous exploration licences (EL6518, EL6141 and EL6265), covering a combined area of approximately 739 km<sup>2</sup> within the Olympic Dam Copper Province of South Australia. The Mineral Assets are known as the Elizabeth Creek Copper Project (the Project), which hosts copper and cobalt stratabound mineralisation.

Torrens, through its wholly owned subsidiary Terrace Mining Pty Ltd (Terrace), holds a 49% interest in the Project. The 51% majority interest in the Project is held by Coda Minerals Limited (Coda), which recently engaged SRK to also provide an IGR for its Prospectus relating to a proposed listing of Coda's securities on the Australian Securities Exchange (ASX) (Report). Coda listed on the ASX on 28 October 2020.

SRK's Report for Coda has been included without alteration or additions except for this Executive Summary, the Introduction, Section 2.2 (Status of Tenure), Table 2-1 (Tenement schedule) and Section 3 (Sources and Uses of Funds).

The Report does not comment on the 'fairness and reasonableness' of any transaction between any of the named parties (i.e. Torrens, Terrace or Coda) or any other party. SRK's Report has been prepared under the guidelines of the 2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code). The VALMIN Code incorporates the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). In addition, the Report has been prepared in accordance with the relevant requirements of the Listing Rules of the ASX and relevant Australian Securities and Investment Commission (ASIC) Regulatory Guidelines.

The Windabout and MG14 prospects have been geologically assessed and Indicated Mineral Resource estimates prepared (Table ES-1), while the Emmie Bluff prospect has been assessed to a lesser degree and has an Exploration Target defined (Table ES-2). The potential quantities and grades given in the Exploration Target estimate shown in Table ES-2 are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

In SRK's opinion, the Mineral Resource and Exploration Target reported for the Project are acceptable as a reasonable representation of global grades and tonnages and have been prepared to a sufficient quality standard under the guidelines set out in the JORC Code.

SRK notes that it has not performed the role, nor does it accept the responsibilities, of a Competent Person as defined by the JORC Code in respect to the Mineral Resource and Exploration Target estimates set out in Tables ES-1 and ES-2.

**Table ES-1: Mineral Resource estimates for the Windabout and MG14 prospects**

Windabout Indicated Mineral Resource									
Cu-Eq >0.5% cut-off					Cu-Eq >1.0% cut-off				
Tonnage (Mt)	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)	Tonnage (Mt)	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)
17.67	0.77	492	8	1.41	11.86	0.95	599	10	1.73
MG14 Indicated Mineral Resource									
Cu_Eq >0.5% cut-off					Cu-Eq >1.0% cut-off				
Tonnage (Mt)	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)	Tonnage (Mt)	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)
1.83	1.24	334	14	1.67	1.59	1.33	360	15	1.8

Source: Coda Minerals, Investor Release, 31 August 2020

Notes: Tonnes have been rounded. Discrepancies in totals may exist due to rounding. Cu-Eq has been calculated from copper and cobalt metal selling prices, recoveries and other assumptions contained in the Mineral Resource estimation report.

**Table ES-2: Exploration Target estimate for the Emmie Bluff prospect<sup>1,2</sup>**

Tapley Hill Formation	Layer thickness (m)	Volume (m <sup>3</sup> )	Tonnage range (Mt)	Copper grade range (%)	Cobalt grade range (%)	Silver grade range (g/t)
Upper Layer	1.7–6.1	14,271,000	28.7–47.8	0.935–1.558	0.038–0.064	11.3–18.9
Lower Layer	0.8–4.7	8,642,000	17.4–29.0	0.336–0.560	0.016–0.027	5.0–18.4
<b>Total</b>	<b>0.8–6.1</b>	<b>22,913,000</b>	<b>46.1–76.8</b>	<b>0.336–1.558</b>	<b>0.016–0.064</b>	<b>5.0–18.9</b>

Source: Coda Minerals, Investor Release, 2 September 2020

Notes:

- Tonnage range assumes a dry bulk density of 2.68 t/m<sup>3</sup> with a range of +/-25%. Grade range assumes length-weighted average grades for copper, cobalt and silver with a range of +/-25%.
- The potential quantity and grade given in the Exploration Target estimate shown in Table ES-2 is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

At this time, the Project is operating under a farm-in and joint venture agreement (Agreement), dated 17 March 2017, between Terrace and Coda. The terms of the Agreement are summarised in Section 2.3.1 of this Report and more fully summarised in the Material Agreements section of Torrens' Prospectus.

The Project is managed by a Steering Committee with representatives from Torrens and Coda, with Coda as Manager.

On completion of Coda's earn-in phase, it will have expended A\$8.62 million and have earned a 70% interest in the Project. Assuming Coda continues to progress the Project, and completes its earn-in commitment, as set out in the Agreement, the relationship between Coda and Terrace will transition from a farm-in to a joint venture, also managed by Coda.

Following the Stage 3 farm-in and earning a 70% interest, Coda will have the option of acquiring an additional 5% interest in the Elizabeth Creek tenements (aggregate 75% interest) for a purchase price of A\$1.5 million. Further details are set out in the material contracts summary in the Prospectus.

Torrens intends to list its securities on the ASX in quarter four, 2020, and is aiming at raising between A\$7 million and A\$10 million. Torrens, as a minority partner in the proposed joint-venture, will continue to contribute to the technical management of the Project and has the option, under the terms of the Agreement, to contribute financially to the Project to maintain its equity position, or to dilute, when its percentage ownership will reduce according to a formula set out in the Agreement, ultimately to a royalty position.

Torrens intends to continue to contribute to the exploration and development of the Project, but may elect to reduce or cease its financial contribution.

Based on the exploration results and prospectivity work undertaken to date, Coda has developed a budget for ongoing technical assessment of the Project over the next 2 years (Table ES-3), largely concentrating on exploration of the Emmie Bluff Project. Based on this budget, Torrens has calculated that it may be required to elect to contribute A\$876,000 in Year 1 and A\$864,000 in Year 2 to maintain its equity position in the Joint Venture over the next 2 years. (Table ES-4). Such amounts may vary according to a range of operation contingencies, including the progress of the Project and whether Coda elects to exercise its option to acquire an additional 5% of the Project.

If Coda exercises its option to acquire a further 5% of the Project, Torrens will have an additional A\$1.5 million for exploration expenditure, part or all of which may be reserved for servicing future pro rata contributions to Project expenditure. =

**Table ES-3: Coda's technical budget**

Allocation	Description	Budget (A\$)
Project Management	Travel, salaries and expenses	786,800
Project Controls	Software fees	13,000
Geology	3D software for drilling management	40,000
Drilling	36 diamond drill holes at Emmie Bluff	4,326,200
Engineering	PFS-level studies, including geotechnical and power studies at Emmie Bluff	410,000
Metallurgy and Processing	Emmie Bluff testwork PFS-level studies	365,000
Exploration Expenses	Non-drilling expenses associated with Emmie Bluff exploration and additional drilling at other identified prospects	685,000
Clearances and Environmental Studies	Indigenous engagement and environmental rehabilitation	93,000
Permitting	Maintaining and administering tenure	62,300
<b>Subtotal</b>		<b>6,781,300</b>
Contingency for additional drilling (Emmie Bluff and other prospects)		2,018,087
<b>Total</b>		<b>8,799,387</b>

Source: Coda Prospectus

**Table ES-4: Torrens' estimate of expenditure to maintain its equity position in the Project over next 2 years**

Use of Funds	Year 1 (A\$)	Year 2 (A\$)
Coda's cost estimates for Elizabeth Creek development drilling and technical studies	5,917,767	2,881,620
Torrens' estimate of expenditure to maintain equity position (allowing for free carry)	876,000	864,000

SRK has reviewed the planned work programs and the amounts allocated to those programs. Based on its review, SRK is of the opinion that the programs are reasonable for the purpose of advancing the study status of the Project. The funds allocated by Torrens should be sufficient to sustain the planned exploration activities over a 24-month budget period.

Progressive expenditure will naturally depend on the success of the proposed drilling and technical studies. Torrens may require additional funds should the outcome of the drilling necessitate modifications to the work program.

In SRK's opinion, Torrens' understanding of the local geology and the copper-cobalt targets generated through the extensive geophysical work and exploration drilling is reasonable, and further assessment works are warranted. Further, the Tapley Hill Formation that hosts known mineralisation is likely to be continuous beyond the current Exploration Target. The Project also offers potential for iron oxide copper-gold (IOCG)-style mineralisation at depth. SRK's opinion of the Project's prospectivity is aligned with International Geoscience's findings to date, the conclusions reached in the August 2019 prospectivity modelling study published by the Geological Survey of South Australia, Department for Energy and Mining, and the IOCG work commissioned by Coda.

SRK notes that mineral assets at a similar stage of study are inherently speculative in nature given the low level of technical confidence. The potential quantity and grade given in the Emmie Bluff Exploration Target estimate is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource at Emmie Bluff and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The facts, opinions and assessments presented in this Report are current at the Effective Date of 1 November 2020.

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## Disclaimer

The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by Coda on behalf of Torrens Mining Limited (Torrens or the Company). The opinions in this Report are provided in response to a specific request from Torrens to do so. SRK has exercised all due care in reviewing the supplied information. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in the Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

## Abbreviations

A\$	Australian dollar
ACC	Adelaide Chemical Company
Ag	chemical symbol for silver
AIG	Australian Institute of Geoscientists
ASX	Australian Securities Exchange
Au	chemical symbol for gold
AusIMM	Australasian Institute of Mining and Metallurgy
Co	chemical symbol for cobalt
Cu	chemical symbol for copper
Cu-Eq	copper equivalent
g/t	grams per tonne
IGR	Independent Geologist's Report
IOCG	iron oxide copper-gold
ISR	Independent Specialist Report
m <sup>3</sup>	cubic metres
MOC	Main Open Cut
mRL	metres reduced level
Mt	million tonnes
OZM	OZM Carrapateena Pty Ltd
PFS	preliminary feasibility study
ppm	parts per million
RP	Resource Potentials Pty Ltd



# 1 Introduction

Torrens Mining Limited (Torrens) is proposing to list its securities on the Australian Securities Exchange (ASX) (Proposed Listing). SRK Consulting (Australasia) Pty Ltd (SRK) has been appointed by Torrens to provide an Independent Geologist's Report (IGR) which will be included in its Prospectus relating to the Proposed Listing.

The Mineral Assets to be considered in the Report comprise three granted contiguous exploration licences (EL6518, EL6141 and EL6265), covering a combined area of approximately 739 km<sup>2</sup> in the Olympic Dam Copper Province of South Australia. The mineral assets are known as the Elizabeth Creek Copper Project (the Project), which hosts copper and cobalt stratabound mineralisation. Torrens, through its wholly owned subsidiary Terrace Mining Pty Ltd (Terrace), holds a 49% interest in the Project. The 51% majority interest in the Project is held by Coda Minerals Limited (Coda), who previously engaged SRK to provide an IGR for its Prospectus relating to the proposed listing of Coda's securities on the ASX (Report). Coda listed on the ASX on 28 October 2020.

The SRK Report is included without alteration or additions except for this introduction (and the introduction noted in the Executive Summary), and Section 3 (Sources and Uses of Funds). SRK notes that its Report does not comment on the 'fairness and reasonableness' of any transaction between any of the named parties (i.e. Torrens, Terrace or Coda) and any other party.

## 1.1 Reporting standard

The Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment under the guidelines of the VALMIN Code (2015). The Report was prepared by Ms Karen Lloyd, with peer review undertaken by Mr Jeames McKibben (Authors).

The Authors are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) and/or the Australian Institute of Geoscientists (AIG) and, as such, are bound by both the VALMIN and JORC Codes.

For the avoidance of doubt, this report has been prepared according to:

- the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)
- the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Details of the qualifications of Ms Lloyd and Mr McKibben, who both have extensive experience in the mining industry, are set out below.

### **Karen Lloyd, Associate Principal Consultant (Project Evaluation), BSc (Hons), MBA, FAusIMM**

Karen has more than 20 years' international resource industry experience gained with some of the major mining, consulting and investment houses globally. She specialises in independent reporting, mineral asset valuation, project due diligence, and corporate advisory services. Karen has worked in funds management and analysis for debt, mezzanine and equity financing and provides consulting and advisory in support of project finance. She has been responsible for multi-disciplinary teams covering precious metals, base metals, industrial minerals and bulk commodities in Australia, Asia, Africa, the Americas and Europe.

Karen has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) codes, respectively.

**Jeames McKibben, Principal Consultant (Project Evaluation), BSc(Hons), MBA, FAusIMM(CP), MAIG, MRICS**

Jeames is an experienced international mining professional having operated in a variety of roles including consultant, project manager, geologist and analyst over more than 25 years. He has a strong record in mineral asset valuation, project due diligence, independent technical review and deposit evaluation. As a consultant, he specialises in mineral asset valuations and Independent Technical Reports for equity transactions and in support of project finance. Jeames has been responsible for multi-disciplinary teams covering precious metals, base metals, bulk commodities (ferrous and energy), industrial minerals and other minerals in Australia, Asia, Africa, North and South America and Europe. He has assisted numerous mineral companies, financial, accounting and legal institutions and has been actively involved in arbitration and litigation proceedings. Jeames has experience in the geological evaluation and valuation of mineral projects worldwide. He is a Chartered Professional Fellow of the AusIMM, a Member of the AIG, and a Member of the Royal Institution of Chartered Surveyors (MRICS).

Jeames has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) codes, respectively.

As per the VALMIN Code (2015), a first draft of the report was supplied to Coda to check for material error, factual accuracy and omissions before the final report was issued. The final report was issued following review of any comments by Coda.

As defined in the VALMIN Code (2015), Mineral Assets comprise all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in relation to the exploration, development of and production from those tenures. This may include plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals relating to that tenure.

For this Report, the mineral assets were classified in accordance with the categories outlined in the VALMIN Code (2015), these being:

- **Early Stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a pre-feasibility study (PFS).

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

**SRK has classified the Elizabeth Creek Copper Project as a Pre-Development project with associated Advanced Exploration stage tenure.**

## 1.2 Work program

SRK's work program commenced in August 2020, with a technical assessment of publicly available data, reports and other information sourced from subscription databases such as S&P Global Market Intelligence database services. A review and assessment of all material supporting documentation prepared by and/ or on behalf of the Company was then undertaken to determine its reasonableness for use. Further to this review and assessment, the Report was prepared by SRK.

In accordance with the VALMIN Code (2015) Section 11.1, a site inspection to the Mineral Assets was not undertaken by SRK as, in SRK's opinion, a site inspection was unlikely to reveal additional current information that was material to the Report, over and above that available in the supplied documentation. SRK has previously conducted inspected adjacent third-party projects and as such has a reasonable understanding of the Project setting in order to inform this Technical Assessment report.

## 1.3 Effective date

The Effective Date of this Report is 1 November 2020.

## 1.4 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this Report. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions.

SRK has sighted documentation supplied by Coda from relevant Government agencies, which indicates that Coda has the legal rights to the mineral assets that are the subject of the Report. SRK has relied on the accuracy and completeness of the technical documentation supplied to it by Coda. SRK has made all reasonable enquiries into this status as at 1 November 2020. Further details are provided in Section 2.2 of this Report.

## 1.5 Limitations

SRK's opinion contained herein is based on information provided to SRK by Coda and the Company throughout the course of SRK's assessment as described in the Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided was taken in good faith by SRK. SRK has not independently verified the Exploration Target or Mineral Resource estimates by means of recalculation. This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider it to be material.

As far as SRK has been able to ascertain, the information provided was complete and not incorrect, misleading or irrelevant in any material aspect. The Company has confirmed in writing to SRK that full disclosure has been made of all material information and that to the best of its knowledge and understanding, the information provided by Coda was complete, accurate and true and not incorrect, misleading or irrelevant in any material aspect. SRK has no reason to believe that any material facts have been withheld.

## 1.6 Statement of SRK independence

Neither SRK nor the Authors of this Report have any material present or contingent interest in the outcome of the Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting the independence of SRK.

SRK has previously prepared an IGR for Gindalbie Metals Limited on the Mineral Assets which are the subject of the Report (Gindalbie IGR). The Gindalbie IGR was included in documentation relating to the Demerger Scheme, Acquisition Scheme and Capital Restructure, which was implemented on 23 July 2019.

In December 2019, SRK prepared an Independent Specialist Report (ISR) for Coda on the Mineral Assets which are the subject of this Report (December ISR). The December ISR was included in documentation relating to a voluntary off-market share sale facility (Secondary Market) in February 2020.

In June 2020, SRK prepared an IGR for Coda on the Mineral Assets which are the subject of this Report (June IGR). The June IGR was included in documentation relating to a rights issue undertaken by Coda in June 2020.

## 1.7 Indemnities

As recommended by the VALMIN Code, the Company has provided SRK with an indemnity under which SRK is to be compensated for any liability and/ or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by Coda and the Company or not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from the Report.

## 1.8 Practitioner consent

The information in this Report that relates to the Technical Assessment of the Elizabeth Creek Copper Project is based on, and fairly reflects, information compiled and conclusions derived by Ms Karen Lloyd. Ms Lloyd is a Fellow of the AusIMM. Ms Lloyd is an independent consultant employed by SRK, an independent mining consultancy. Ms Lloyd has sufficient experience that is relevant to the Technical Assessment of the mineral asset under consideration, the style of mineralisation and the type of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets', and as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Ms Lloyd consents to the inclusion in the Report of the matters based on their information in the form and context in which it appears.

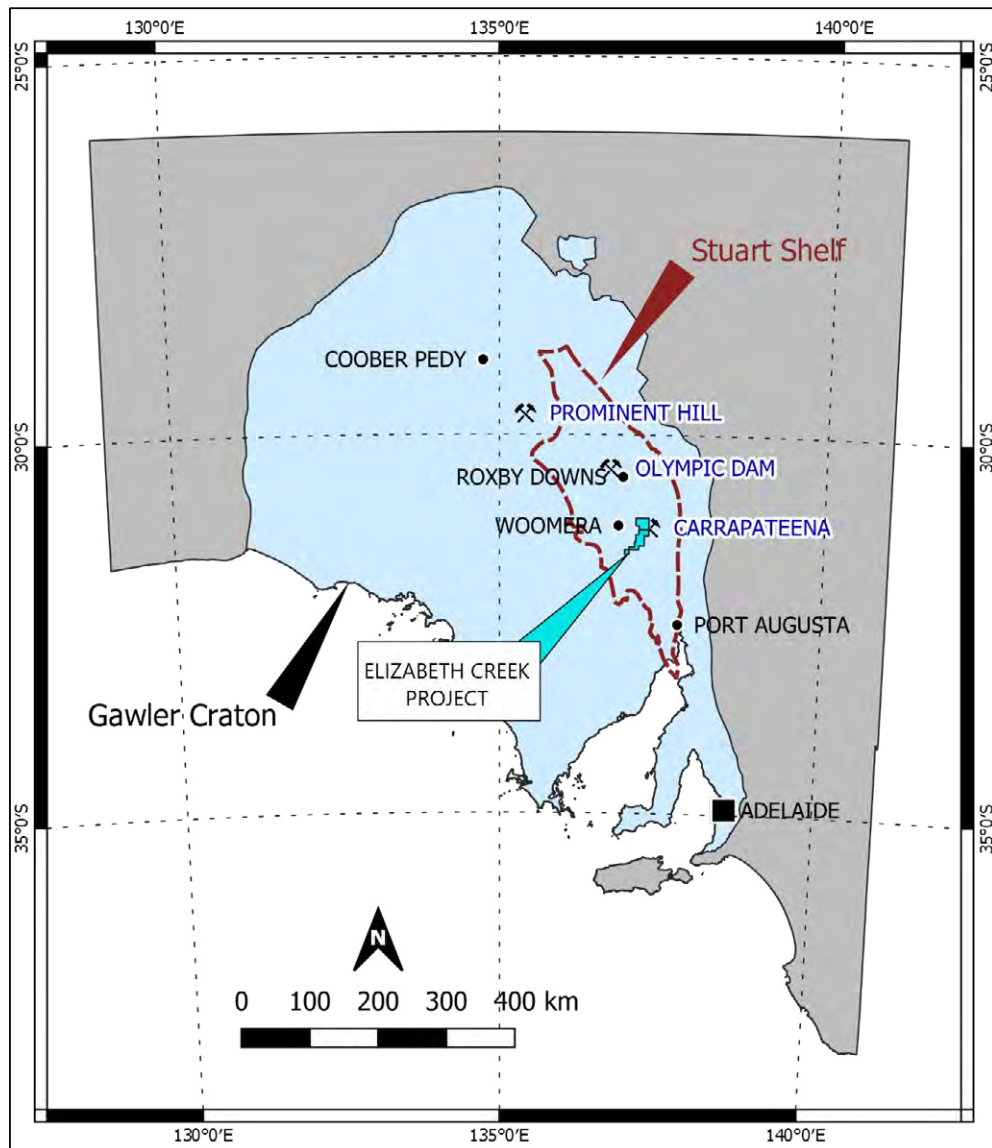
## 1.9 Consulting fees

SRK's estimated fee for completing the Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$3,000. The payment of this professional fee is not contingent upon the outcome of this Report.

## 2 Elizabeth Creek Copper Project

### 2.1 Introduction

The Project comprises three granted contiguous exploration licences, EL5636 (host to the Windabout and MG14 prospects), EL6141 (early stage exploration only) and EL6265 (host to the Emmie Bluff prospect), covering a combined area of approximately 739 km<sup>2</sup> in the Stuart Shelf of central South Australia. The Project is centred approximately 35 km southeast of the town of Woomera and 135 km northwest of Port Augusta (Figure 2-1).



**Figure 2-1: Location of the Elizabeth Creek Project**

Source: Coda Management Information

Nearby mining projects include BHP Group Limited's Olympic Dam copper-gold-uranium mine, which is located 100 km to the north, and OZ Minerals Limited's Carrapateena copper-gold project, which is located approximately 50 km to the east.

The Project is accessed from the town of Woomera via the Stuart Highway and then along unsealed roads for approximately 10 km. The main transcontinental railway (Adelaide to Perth, and Adelaide to Darwin) runs parallel to the Stuart Highway and electrical grid power and scheme water are connected to the Project area (Figure 2-2).

The nearest regional airports are Roxby Downs and Port Augusta, which are regularly serviced from the South Australian state capital of Adelaide. An airstrip for light aircraft is located at the Project. Accommodation facilities and local labour are sourced from the regional town of Woomera.

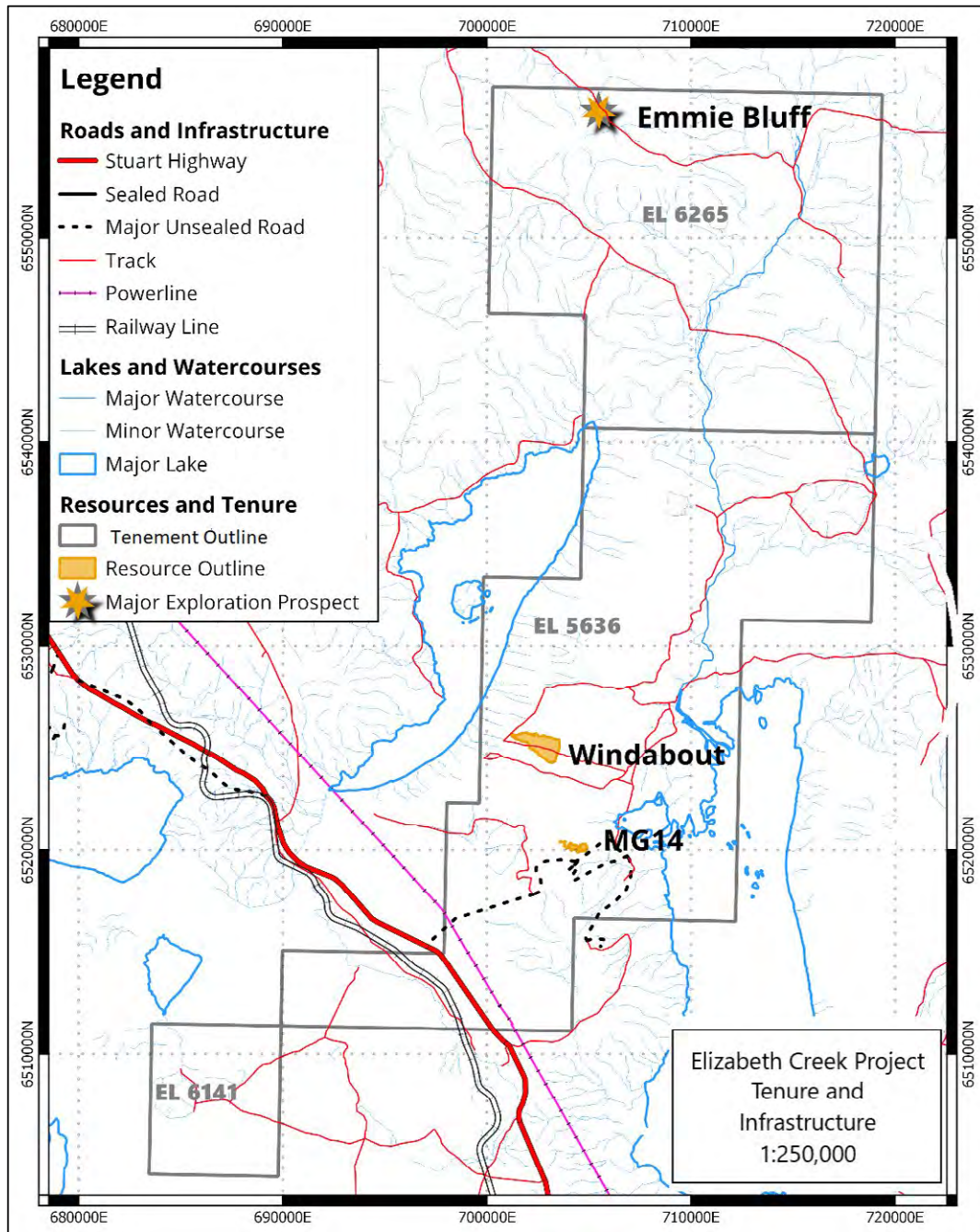


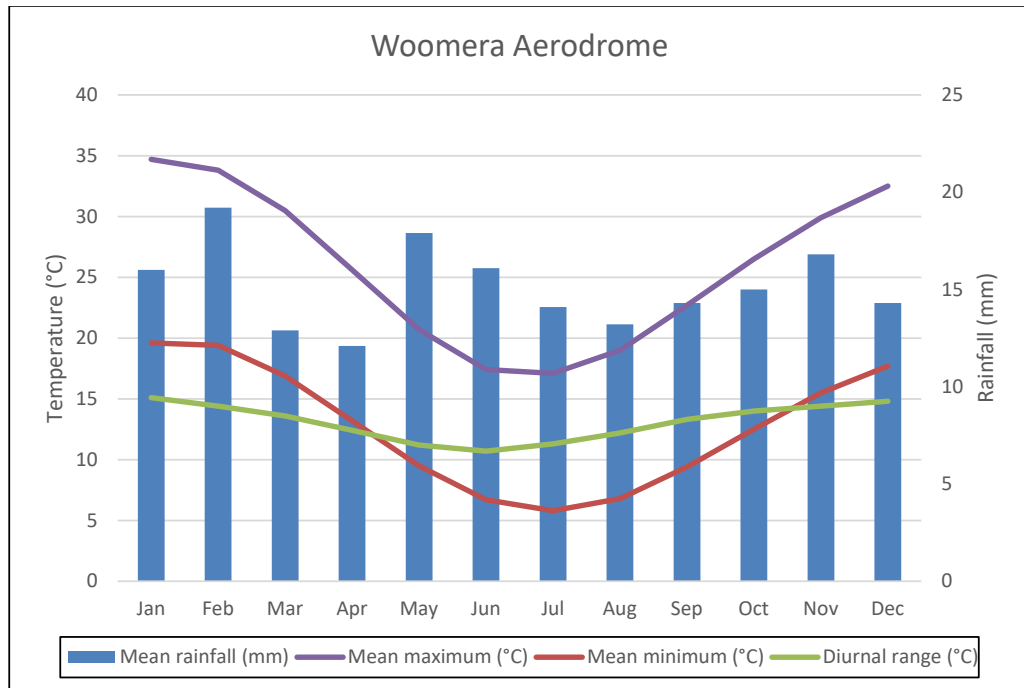
Figure 2-2: Elizabeth Creek Project tenure and infrastructure

Source: Coda Management Information

The Project area experiences an arid climate with hot, dry summers and cool, mostly dry winters. Exploration and field activities can be undertaken unencumbered by weather events year-round.

The hottest months are January and February, with temperatures averaging 34°C. The coolest months are June and July, with daytime temperatures averaging 17°C. The year-round diurnal temperature range typically varies between 10°C and 15°C.

Figure 2-3 presents the average climate for the Woomera Aerodrome.



**Figure 2-3: Woomera aerodrome climate statistics**

Source: Australian Bureau of Meteorology

Key project attributes include:

- The Windabout and MG14 prospects, which are estimated to contain an Indicated Mineral Resource of 19.5 Mt at 0.81% Cu, 477 ppm Co, 8.6 g/t Ag, 1.43% Cu-Eq (using 0.5% Cu-Eq grade cut-off). This Mineral Resource estimate was reported in accordance with JORC Code (2012) guidelines (Coda Minerals, Investor Release, 31 August 2020).
- The Emmie Bluff prospect, with an Exploration Target of 46 to 77 Mt at 0.336 to 1.558% Cu, 0.016 to 0.064% Co and 5.0 to 18.9 g/t Ag. This Exploration Target is reported in accordance with the JORC Code (2012) guidelines (Coda Minerals, Investor Release, 2 September 2020). The potential quantity and grade of the Exploration Target are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

## 2.2 Status of tenure

Coda has supplied information to SRK which indicates that Terrace Mining Pty Ltd (Terrace), a wholly owned subsidiary of Torrens Mining Limited (Torrens), is the legal and beneficial owner of 49% of the equity interest in the three contiguous granted exploration licences (EL6518, EL6141 and EL6265) constituting the Project, with Coda holding a 51% interest.

Table 2-1 presents a summary of the ownership and tenure status as at 1 November 2020. SRK has made all reasonable enquiries into this status and has relied on representations from Coda that the information is correct of the purpose of the Report. Particular reference is given to the footnotes to Table 2-1. EL6518 was granted as a replacement tenement to EL5636, effective from 24 March 2020. Pursuant to the Amalgamated Expenditure Arrangement for the period ended 30 June 2020, an application of a mandatory reduction of the 5% of the whole of the project area was in progress as at 1 November 2020. An application was made on 30 June 2020 in relation to the renewal of EL6265, which expired on 6 October 2020. As at the Effective Date of this Report, the application remains undetermined.



**Table 2-1: Tenement schedule**

Tenement	Grant date	Expiry date	Commodities sought	Area (km <sup>2</sup> )	Current bond	Minimum expenditure	Registered encumbrances	Native title
EL6518*	25/03/2015==20	24/03/2022**	Silver, cobalt, gold and copper	401	A\$10,000 cash bond (Bond 1069)	A\$900,000 during the period 25/03/2017 to 24/03/2020	Farm-in/ joint venture 41502	Kokatha People (Part A) Native Title determination (SCD2014/004) Kokatha Native Title Claim Settlement ILUA (SI2014/011) NTMA381 – Mining Native Title Agreement for Exploration Mining Native Title Agreement 47 – Access Inspection Agreement Two registered Aboriginal sites within the boundary
EL6141	29/10/2017	27/10/2022	Silver, cobalt, gold, copper and uranium	47	N/A	A\$280,000 during the period 29/10/2017 to 28/10/2019	Farm-in/ joint venture 41502	Kokatha People (Part A) Native Title determination (SCD2014/004) Kokatha Native Title Claim Settlement ILUA (SI2014/011) NTMA381 – Mining Native Title Agreement for Exploration
EL6265	07/10/2018	06/10/2020***	Gold and copper	291	N/A	A\$960,000 during the period 07/10/2018 to 06/10/2020	Farm-in/ joint venture 41502	Kokatha People (Part A) Native Title determination (SCD2014/004) Kokatha Native Title Claim Settlement ILUA (SI2014/011) NTMA381 – Mining Native Title Agreement for Exploration

**Notes:**

\*EL6518 is overlapped by tenements jointly held and operated by OZ Minerals Carrapateena Pty Ltd/ OZ Minerals Carrapateena Pty Ltd: MPL152, EML6480, EML6481, and EML6482. This overlap is managed in accordance with the Dual Tenement Agreement (Section 2.3.2). EL5636 is also overlapped by MPL1, ML5599, ML3718, ML3719, ML3720, ML3721, and ML3717, which are tenements held and operated by A & M J Musolino Pty Ltd, and EML6192, which is held by A & M J Musolino Pty Ltd and operated by Hornet Resource Assessment Services Pty Ltd. These tenements were excluded from the area of grant for EL5636.

\*\*EL6518 was granted as a replacement licence to EL5636. SRK accessed the SARIG online platform to confirm this on 30/10/2020

\*\*\* An application was made on 30/06/2020 in relation to the renewal of EL6265. SRK accessed the SARIG online platform to confirm this on 30/10/2020

ILUA - Indigenous Land Use Agreements: NTMA - Native Title Mining Agreement, SCD – Consent Determination.

## 2.3 Registered encumbrances and material contracts

### 2.3.1 Farm-in and joint venture

Gindalbie Metals Limited (Gindalbie) entered into a farm-in and joint venture agreement with Terrace Mining Pty Ltd in March 2017 to earn up to a 75% interest in the Project via staged expenditure requirements as presented in Figure 2-4. Ultimately, Gindalbie's interests in the Agreement were novated to its wholly owned subsidiary, Coda.

On 18 August 2018, Gindalbie reported to the ASX that it had satisfied the Stage 1 expenditure commitment to allow transfer of the initial 25% interest in the Project to Coda from Terrace.

In July 2019, Coda was demerged to Gindalbie shareholders and Gindalbie was acquired by its Chinese joint venture partner and major shareholder, Angang Group Hong Kong (Holdings) Limited (Ansteel), by way of two inter-conditional schemes of arrangement (Schemes).

Coda has represented in writing to SRK that it has received legal sign-off on the completion of the Schemes and that the Schemes were successfully confirmed as implemented on 23 July 2019. At the date of this Report, Coda's interest in the Project is 51%.

Stage 1	Stage 2	Stage 3	Other
<ul style="list-style-type: none"> <li>Gindalbie commits to fund mining and processing studies identified in the Scoping Study as critical next steps</li> <li>Gindalbie may exit the Farm-in retaining 25% after completion of Stage 1</li> </ul>	<ul style="list-style-type: none"> <li>Gindalbie commits to fund feasibility and development work up to a total of A\$2.50M in order to earn 51%</li> <li>If Gindalbie elects to exit the Farm in after the completion of Stage 2 then it will retain 49% of the total Project area</li> <li>Stage 2 work must be completed with 4 years of the farm-in commencement date</li> </ul>	<ul style="list-style-type: none"> <li>Gindalbie may elect to fund further feasibility work to achieve a Decision to Mine up to a total of A\$2.75M at which point it will automatically earn 70% of the total Project assets</li> <li>If a decision to mine is achieved prior to total farm-in expenditure of A\$6.62M then Gindalbie will pay the difference to Torrens</li> <li>Stage 3 work must be completed within a maximum of 6 years from the farm-in commencement date</li> </ul>	<ul style="list-style-type: none"> <li>Funds and timeframes are indicative only of Gindalbie's commitments and may not reflect actual feasibility costs and timeframes</li> <li>On completion of Stage 3, Gindalbie will have the option to purchase a further 5% of the project for A\$1.50M</li> <li>If a Decision to Mine has not been reached on total expenditure of A\$6.62M then Torrens will be free-carried up to a total of A\$8.62M after which they will be liable for their share of feasibility and development expenditure</li> </ul>
<p><b>Project interest:</b> 25% earned on expenditure of A\$1.37M</p>	<p><b>Project interest:</b> 51% earned on expenditure of A\$2.50M in addition to Stage 1</p>	<p><b>Project interest:</b> 70% earned on expenditure of A\$2.75M in addition to Stage 2</p>	<ul style="list-style-type: none"> <li>Free carry to A\$8.62M in total feasibility expenditure</li> <li>Option to acquire an additional 5% for A\$1.50M</li> </ul>

**Figure 2-4: Staged farm-in overview**

Source: Coda Management Information

### 2.3.2 Dual tenement agreement

- A. Under a Dual Tenement Agreement, dated 11 May 2017, between OZ Minerals Carrapateena Pty Ltd (OZ Minerals), OZM Carrapateena Pty Ltd (OZM) and Terrace (Dual Tenement Agreement), Terrace granted consent to OZ Minerals and OZM to jointly apply for:
- up to 10 miscellaneous purposes licences in relation to a Mineral Lease applied for by OZ Minerals and OZM jointly for an east-west site access and haulage road, power transmission line with access corridors and associated infrastructure
  - up to 10 miscellaneous purposes licences in relation to a Mineral Lease applied for by OZ Minerals and OZM jointly, within the area of an Exploration Licence tenement (or tenements) held by them, for borefields, pipelines and access roads and associated infrastructure

- c. mineral claims for up to 25 extractive minerals leases to be applied for by OZ Minerals and OZM jointly
  - d. up to 25 extractive minerals leases to be applied for by OZ Minerals and OZM jointly, over an area to the east of EL5636 and EL6252 held by Terrace for the purpose of the Carrapateena copper-gold project.
- B. Since the commencement of the Dual Tenement Agreement, OZ Minerals and OZM have jointly been granted MPL152, EML6480, EML6481 and EML6482 (OZ Tenements). The OZ Tenements are overlapped by the area of EL5636 held by Terrace.
- C. The Dual Tenement Agreement regulates the respective mining operations of the common operations areas subject to both of the OZ Tenements and EL5636 to the extent of any overlap.
- D. Key relevant provisions of the Dual Tenement Agreement include:
- 1 Terrace must seek written consent from OZ Minerals and OZM prior to conducting any drilling, exploration activity or other mining operations as permitted under the grant of EL5636 and EL6252 that occurs within 100 m of any infrastructure constructed by or on behalf of OZ Minerals and OZM located within the area of the granted mineral purposes licence (MPL152).
  - 2 Each party acknowledges that the other party has a right to carry on mining operations within the common operations area provided that OZ Minerals and OZM are not in breach of any material provision of the Dual Tenement Agreement. OZ Minerals and OZM have a right to carry on mining operations within the common operations area pursuant to the instruments of grant for the OZ Tenements in priority to Terrace pursuant to the instruments of grant for EL5636 and EL6252.
  - 3 The parties have agreed to use their best endeavours to minimise interference caused by their operations in the common operations area and cooperate to reduce or minimise capital and operational costs.
  - 4 Terrace has a right of first refusal in circumstances in which OZ Minerals and OZM propose or decide to dispose of infrastructure located within the area of the OZ Tenements, subject to requirements under any applicable laws or conditions of the OZ Tenements to remove or dispose of the infrastructure.
  - 5 Agreement by the parties that their rights, interests or obligations under the Dual Tenement Agreement may only be assigned with written consent of the other party (which must not be unreasonably withheld) and the assignor must procure that the assignee enter into a deed of assumption that covenants that the assignee is bound to the obligations of the assignor and the terms and conditions of the Dual Tenement Agreement.

### 2.3.3 Glycine Licence

Under a Licence Agreement, dated 4 May 2017, between Mining & Process Solutions (MPS), Terrace and Gindalbie (now Coda), MPS granted non-transferable, non-exclusive intellectual property licences (including patent rights and know-how) relating to the processing of copper, cobalt and silver ores and concentrates thereof, and secondary processing of other metals that occur naturally (Glycine Licence), to Terrace and Coda for use on EL5636, EL5333 (now EL6252) and EL5108 (now EL6141).

Terrace and Coda must pay licence fees to MPS and comply with the terms and conditions set out in the agreement, including in relation to sub-licencing. Coda may sub-licence some or all of its rights under the Glycine Licence by written agreement and with prior notice to MPS.

The term of the Glycine Licence expires if Terrace and Coda have not entered into a binding unconditional contract with one or more contractors to build an operating plant on or before 14 February 2024, or otherwise the date that is the later of 4 May 2032 and the date upon which the first granted patent expires.

Curtin University, a body corporate established under the *Curtin University of Technology Act 1966 (WA)* of Kent Street, Bentley, Western Australia (Curtin), entered into a contract with MPS dated 12 April 2017, pursuant to which Curtin authorised MPS to perform certain activities involving inventions (Technology) which are the subject of patent rights owned by Curtin (Curtin Contract). Under the Curtin Contract, MPS is authorised to sub-licence the Technology to third parties, one such example being the Glycine Licence. While Curtin has a right to terminate the Curtin Contract (Termination Right), under deeds of covenant between Curtin, Gindalbie and Terrace dated 4 May 2017 and between Curtin and Gindalbie (now Coda) dated 4 May 2017, Curtin provided covenants to Coda and Terrace, and Coda (respectively) that in the event that Curtin exercises its Termination Right, Curtin's rights under the Glycine Licence will continue.

## 2.4 Native title

A native title mining agreement dated 2016 is registered in respect of the Project. The agreement is made pursuant to Part 9B of the *Mining Act* and has been entered into between Terrace Mining and the Kokatha Aboriginal Corporation RNTBC (Kokatha RNTBC) (Native Title Agreement). The Kokatha RNTBC, which holds the determined native title rights and interests in trust for the Kokatha People native title holders, has provided a warranty that it has the authority to execute the agreement on behalf of the native title holders.

The registered Native Title Agreement provides a process for clearance by the Kokatha RNTBC to authorise the mining exploration operations. With respect to conduct of activities under the agreement, Terrace Mining is not liable for the personal health or safety or otherwise of persons engaged by the Kokatha RNTBC except in cases of negligence or wilful misconduct.

In documentation prepared by Clayton Utz, it is noted that although this is not an Aboriginal heritage agreement under the *Aboriginal Heritage Act 1998 (SA)* (the AH Act), there is an obligation on Terrace to comply with the AH Act and there are provisions relating to the treatment of areas of significance or Aboriginal objects.

Assignment of the agreement can occur subject to the acquiring party signing a deed of assignment and assumption assuming obligations under and being bound by the terms and conditions of the agreement.

While there is no compensation regime under this Native Title Agreement, Terrace does have an obligation to pay for various costs relating to Clearance Work. There is also an obligation on Terrace to make reasonable endeavours to engage and offer employment opportunities to the native title holders.

## 2.5 Royalties

Royalties will be distributed to the South Australian Government at the rate of 5.0% of the value of any concentrate material produced from the Project should the Project progress through feasibility studies and processing commence. This rate is the *ad valorem* rate, which applies to concentrate material as outlined in section 17(5) of the *Mining Act 1971*.

Under the terms of the Sale & Purchase Agreement between Terrace Mining and Strandline Resources Limited (Strandline) dated 14 December 2015, Strandline is eligible to receive a deferred cash payment of A\$1 million should a formal decision to mine be made in connection with the Project. In the event of substantially all ownership of the Project being acquired by a third party prior to a decision to mine being made, A\$250,000 of the deferred cash consideration is payable. The balance will be converted to a 2% net smelter return (NSR) capped at A\$1.25 million, with the option at Terrace's election to buy back the royalty at any time for A\$750,000.

SRK understands that under the terms of the Sale & Purchase Agreement, the deferred cash payment has been retained as a Terrace liability.

## 2.6 History

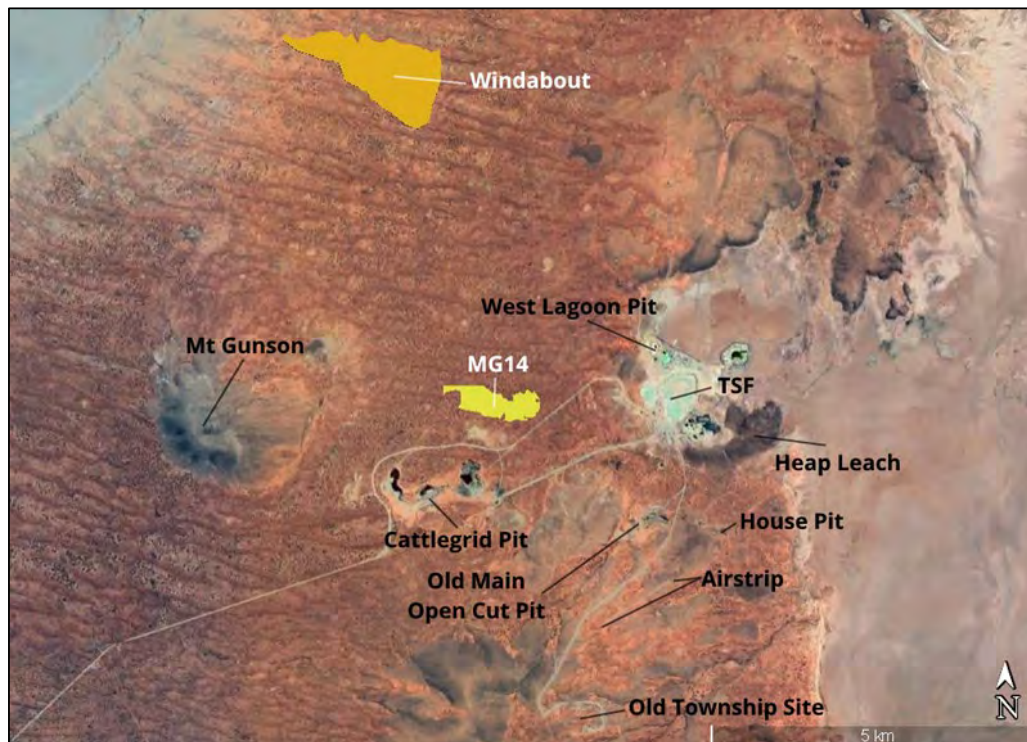
### 2.6.1 Historical mining

The mining history surrounding the Project has been summarised from Ken F. Bampton's article 'Copper mining and treatment in South Australia' (MESA Journal 28, 2003). This history relates to MPL1, ML5599, ML5598, ML3718, ML3719, ML3720, ML3721 and ML3717, which are tenements held and operated by A & MJ Musolino Pty Ltd, and EML6192, which is held by A & MJ Musolino Pty Ltd as noted in Section 2.2 of this Report.

Economic mineralisation was discovered at Mount Gunson in the Project area in 1875 and production was first recorded in 1899. A smelter was erected in the Main Open Cut (MOC) area in 1904 and a leach and cementation plant commissioned in 1915. Rio Tinto Southern mined 32,000 t grading at 3.5% Cu and 14 g/t Ag from the MOC during the period 1941 to 1943.

The Cattlegrid prospect was developed from 1974 to 1986, where 7.2 Mt grading at 1.9% Cu was produced from the Cattlegrid mine. From 1987 to 2003, the Adelaide Chemical Company (ACC) produced 14,000 t of copper in cement and it is understood that this copper in cement was transported by road to the Burra cupric oxide plant. This copper in cement was sourced from the heap leaching of 1.2 Mt of 1.3% Cu oxide ore from the MOC area, Gunyot, House and Core Shed prospects and 2,000 t from in-place leaching (after blasting) of low-grade (0.4% Cu) chalcocite remnants on the Cattlegrid mine pit floor.

The historical mining locations and deposit areas are shown in Figure 2-5.



**Figure 2-5: Location of historical mining and deposit areas**

Source: Coda Management Information

## 2.6.2 Modern exploration history

Modern exploration within the current Project area commenced in the 1960s with Pacminex (CSR) identifying mineralisation at the MG14 prospect. CSR identified mineralisation 1.6 km south of the Cattlegrid historical workings (Cattlegrid South) in the early 1970s. Mineralisation at the Windabout prospect was discovered in the early 1990s. Between 1984 and 1995, Carpentaria Exploration and MIM Exploration completed 15 deep drill holes 40 km to the north of the historical workings at Cattlegrid South and discovered mineralisation at the Emmie Bluff prospect.

In July 1995, Stuart Metals commenced technical studies on the Windabout prospect; however, these studies were not finalised as a result of low copper metal prices in 1996.

In February 2000, Gunson Resources Limited (Gunson) acquired tenements that cover the current Project area. From 2000 to 2012, Gunson's regional exploration campaigns, in joint venture with BHP Billiton and Noranda Pacific, were focused on the potential for iron oxide-copper-gold (IOCG) targets. These joint venture agreements reflected the positive sentiment for IOCG prospectivity in the region at that time.

In December 2013, Gunson (re-named Strandline Resources) announced a farm-in agreement with Terrace, a wholly owned subsidiary of Torrens. Torrens completed an initial scoping study at the MG14 and Windabout prospects. Metallurgical testwork indicated that the use of a sodium cyanide leaching processing method could yield copper recoveries of up to 90%.

On 30 September 2015, Strandline reported to the ASX an updated Mineral Resource estimate for the MG14 prospect in accordance with the JORC Code (2012) guidelines. The estimate was prepared at a 0.5% Cu cut-off, with Indicated and Inferred Mineral Resources totalling 2.05 Mt grading 1.3% Cu, 371 ppm Co and 14 g/t Ag.

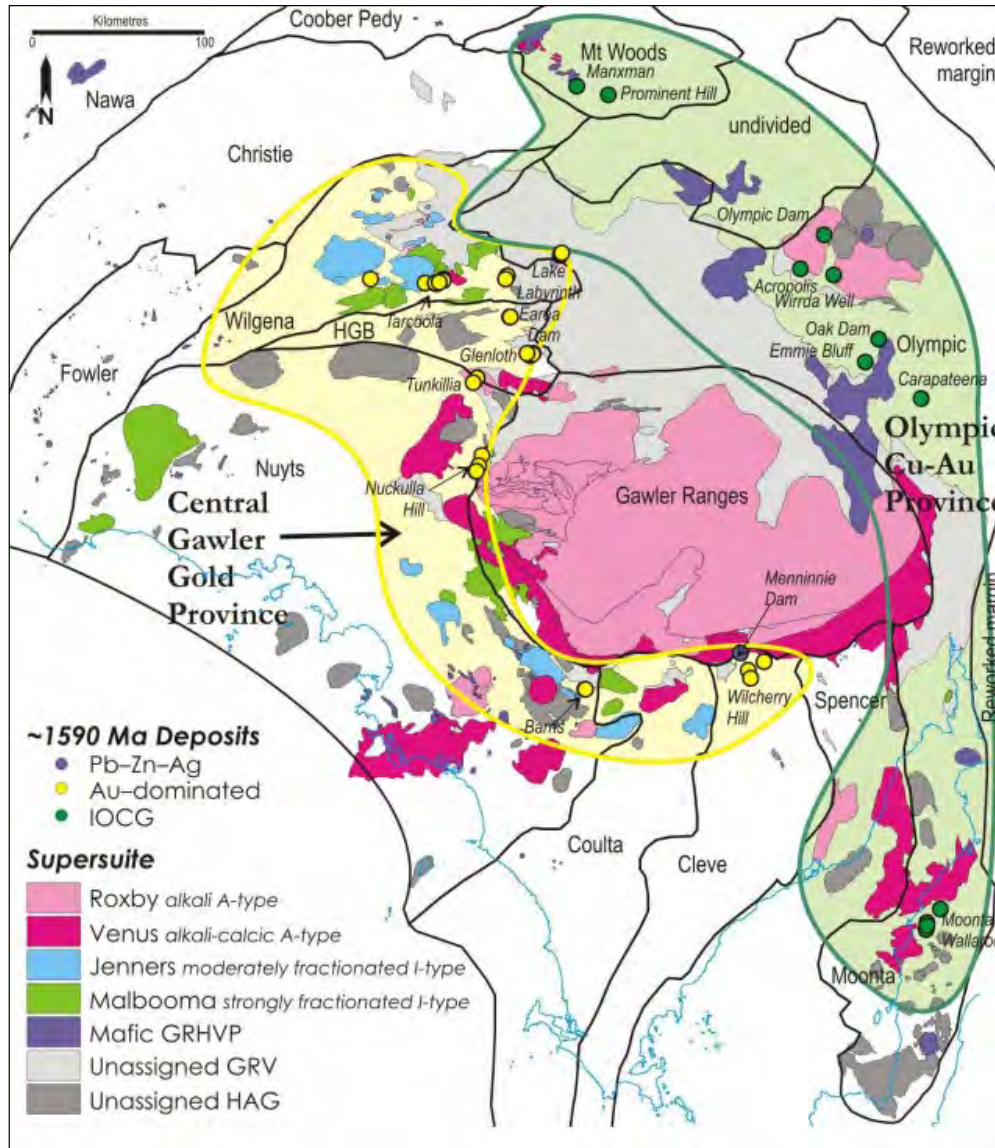
In March 2016, Torrens acquired a 100% interest in the Project from Strandline. Torrens commenced feasibility studies on the Project at this time. These studies included hydrometallurgical testwork, mining studies and the preparation of updated Mineral Resource estimates (see Section 2.8 of this Report).

In March 2017, Gindalbie entered into a farm-in agreement with Torrens to acquire up to a 75% interest in the Project (see Section 2.3 of this Report).

Since 2017, Gindalbie (Coda) has undertaken mud rotary and diamond core drilling at the MG14, Windabout and Emmie Bluff prospects. Further, it has updated the Mineral Resource estimates and progressed geophysical exploration and metallurgical and mining studies for MG14 and Windabout, in addition to the preparation and reporting of an initial Exploration Target at the Emmie Bluff prospect. These estimates are discussed later in this Report.

## 2.7 Geological setting

The Project is located within a flat-lying volcano-sedimentary sequence of the Late Precambrian/ Neoproterozoic Stuart Shelf. These volcano-sedimentary units overlay the crystalline basement of the Archaean Gawler Craton within the Olympic Dam Copper-Gold Province, which is a generally north-trending feature that hosts a number of polymetallic (copper-rich) projects (Figure 2-6).



**Figure 2-6: Geological setting**

Source: Australian Government: Geoscience Australia

The volcano-sedimentary units belong to the Wilpena and Umbertana groups, which unconformably overlie the much older (Meso-Palaeoproterozoic) Pandurra Formation. The formation has been uplifted by the Pernatty Upwarp, a large horst structure that directly underlies the current Project area.

Sediment-hosted base metals mineralisation on the Stuart Shelf is mainly associated with the Pandurra and Tapley Hill formations, and mineralisation at the Project is hosted within the Tapley Hill Formation. Here, the mineralisation is basically stratiform; however, veinlet-hosted and/or disseminated copper-sulphide mineralisation occurs within a basal 'white sandstone' package. Relatively minor concentrations of copper mineralisation also occur in the brecciated surface of the Beda Volcanics, lower portions of the Whyalla Sandstone and Tregolana Shale.

It is postulated that deep crustal fracturing and the subsequent emplacement of mantle fluids were responsible for the Olympic Dam IOCG mineralisation in the crystalline basement and the volcano-sedimentary graben sequence.

## 2.7.1 Mineralisation

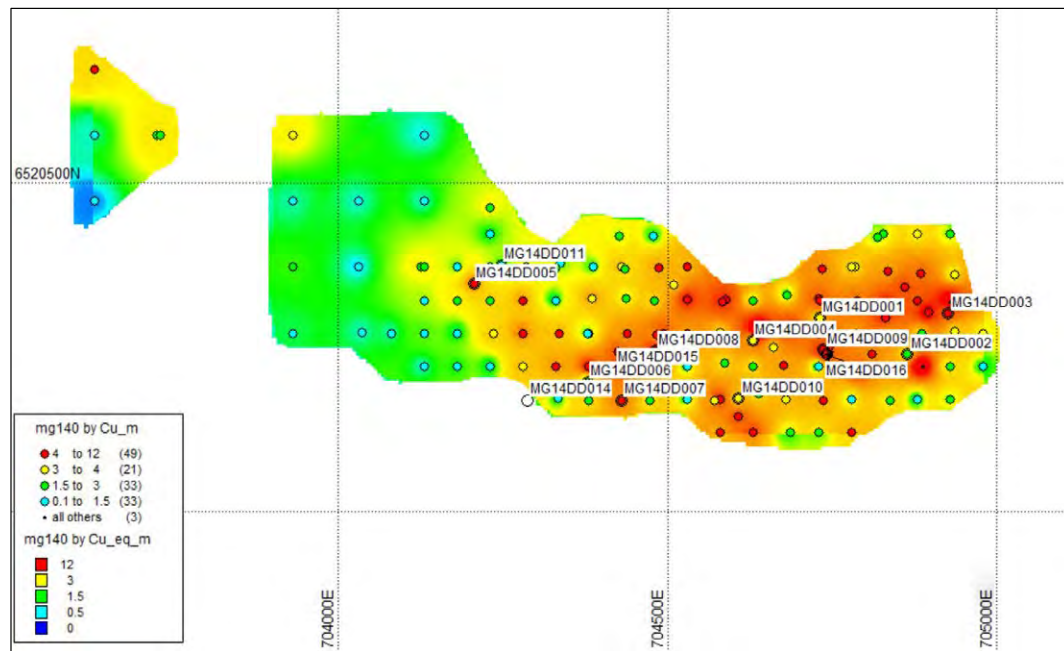
The MG14 and Windabout prospects are interpreted to have similar origins, morphology and mineralogy, with the prospects located approximately 6.5 km apart. The historical Cattle Grid copper-cobalt-silver mine is located approximately 1 km south of the MG14 prospect.

### MG14 Prospect

The MG14 prospect was named in 1973 after the discovery drill hole. MG14 mineralisation is hosted in a flat-lying dolomitic shale at the top of the Tapley Hill Formation.

The main copper sulphides at the MG14 prospect are bornite ( $\text{Cu}_5\text{FeS}_4$ ), chalcocite ( $\text{Cu}_2\text{S}$ ), chalcopyrite ( $\text{CuFeS}_2$ ) and covellite ( $\text{CuS}$ ), which replaced digenetic pyrite ( $\text{FeS}_2$ ). Carrollite (copper-cobalt sulphide), wittichenite (copper-bismuth sulphide), linnæite (cobalt sulphide) galena (lead sulphide), and sphalerite (zinc sulphide) have also been identified as occurring in the prospect area (Curtis, 1974).

The dolomitic shale is overlain by cover sands of the Whyalla Sandstone unit. This cover extends to approximately 25 m depth. The mineralisation is geologically modelled as a tabular, horizontal body measuring approximately 1.4 km in length (east–west) and 0.4 km in width (north–south). The mineralisation is between 3 and 8 m thick and is located approximately 20 to 25 m below the surface cover provided by the Whyalla Sandstone (Figure 2-7).



**Figure 2-7: MG14 modelled mineralisation in plan view**

Source: Coda Management Information

The lower contact of the mineralised dolomitic shale is diffuse and low grade although there is a secondary thin and discontinuous lower mineralised horizon in places.

A prominent northwest-trending dolerite dyke transects the basement of the mineralisation.

The maiden mineral resource was estimated by Mr K.F. Bampton of Ore Reserve Evaluation Services in 1997 (1997 MG14 Resource Estimate). This estimate was reported in accordance with the guidelines of the JORC Code (1996), although no public record of this estimate is available. The 1997 MG14 Resource Estimate was reported as 1.1 Mt at 1.7% Cu, 17 g/t Ag and 390 ppm Co at a 0.5% Cu



cut-off grade. Excluding by-product credits, the contained copper metal in the deposit was estimated at 18,700 t. The 1997 MG14 Resource Estimate was based on 107 vertical drill holes (approximately 50% diamond core drill holes and 50% reverse circulation drill holes).

The 1997 MG14 Resource Estimate is included in this Report for the purpose of providing historical context only. It is not considered to be current nor reasonable given the lack of quality and transparency in the supporting documentation.

In 2013, an updated resource estimate was prepared under the guidelines of the JORC Code (2012) (2013 MG14 Resource Estimate). The 2013 MG14 Resource Estimate was reported as 2.0 Mt at 1.3% Cu, 14 g/t Ag and 371 ppm Co at a 0.5% Cu cut-off grade in the Indicated category. The 2013 MG14 Resource Estimate is provided in this Report for the purpose of providing historical context only.

Gindalbie updated the Mineral Resource estimate for the MG14 prospect in 2018 as part of the Stage 1 Mount Gunson farm-in requirement as detailed in Section 2.3.1 of this Report. This estimate was reported as 1.83 Mt at 1.24% Cu, 14 g/t Ag and 300 ppm Co at a 0.5% Cu cut-off (2018 MG14 Resource Estimate) with the mineralisation classified in the Indicated category.

The 2018 MG14 Resource Estimate is considered to be reasonable for reporting purposes and has been prepared to a sufficient quality standard. This estimate has been reported in accordance with the guidelines of the JORC Code (2012).

Further details regarding the 2018 MG14 Resource Estimate are provided in Section 2.8 of this Report.

#### **Windabout prospect**

As at the MG14 prospect, mineralisation at the Windabout prospect is also hosted in the flat-lying dolomitic shale of the Tapley Hill Formation. Here, mineralisation has been identified in two discrete horizons (upper and lower) within the dolomitic shale.

As at the MG14 prospect, the main copper sulphides at the Windabout prospect are bornite, chalcocite, chalcopyrite and covellite, which replaced diagenetic pyrite. Carrollite (copper-cobalt sulphide), wittichenite (copper-bismuth sulphide), linnaeite (cobalt sulphide) galena (lead sulphide), and sphalerite (zinc sulphide) have also been identified as occurring in the prospect area (Curtis, 1974).

The upper mineralised horizon is stratigraphically close to the Tapley Hill Formation–Whyalla Sandstone contact. Some additional mineralisation has been geologically modelled towards the base of the Tapley Hill Formation near its contact with the underlying Pandurra Formation.

The dolomitic shale is overlain by cover sands of the Whyalla Sandstone unit. Depth of this cover is variable, between 55 and 85 m.

The mineralisation is geologically modelled as a tabular, horizontal, triangle-shaped body, which is approximately 2.0 km in length (east–west) and 1.0 km in width (north–south). The mineralisation is located approximately 55 to 70 m below the surface cover provided by the Whyalla Sandstone.

The upper mineralised zone varies from 3 to 8 m in thickness, while the lower mineralised zone varies between 2 m and 6 m (Figure 2-8 and Figure 2-9).

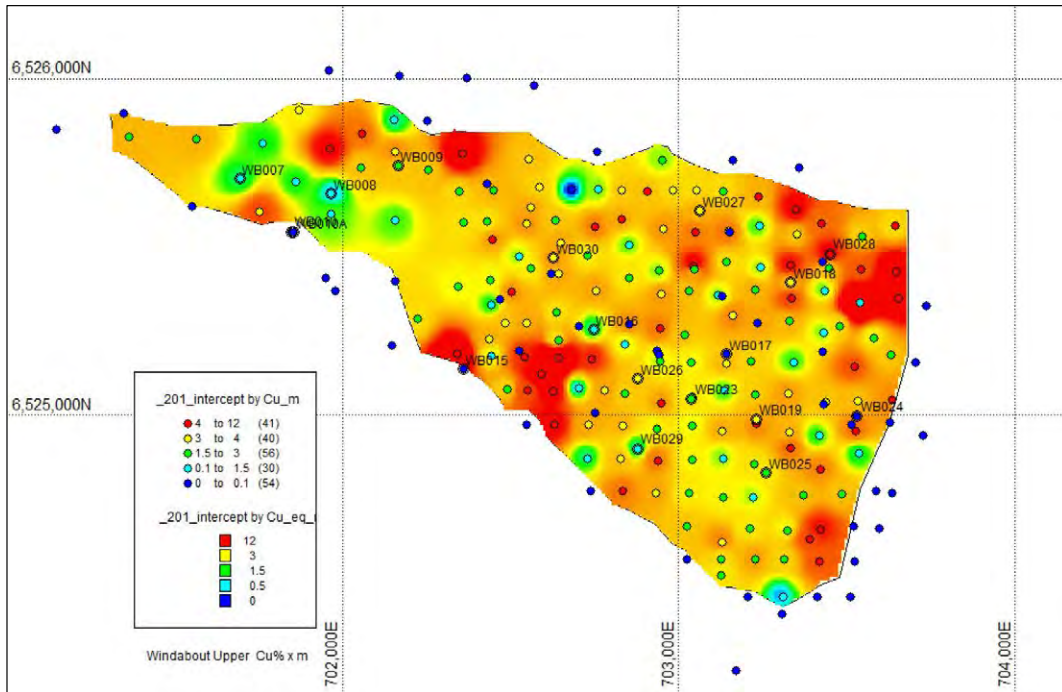


Figure 2-8: Windabout modelled mineralisation in plan view (upper horizon)

Source: Coda Management Information

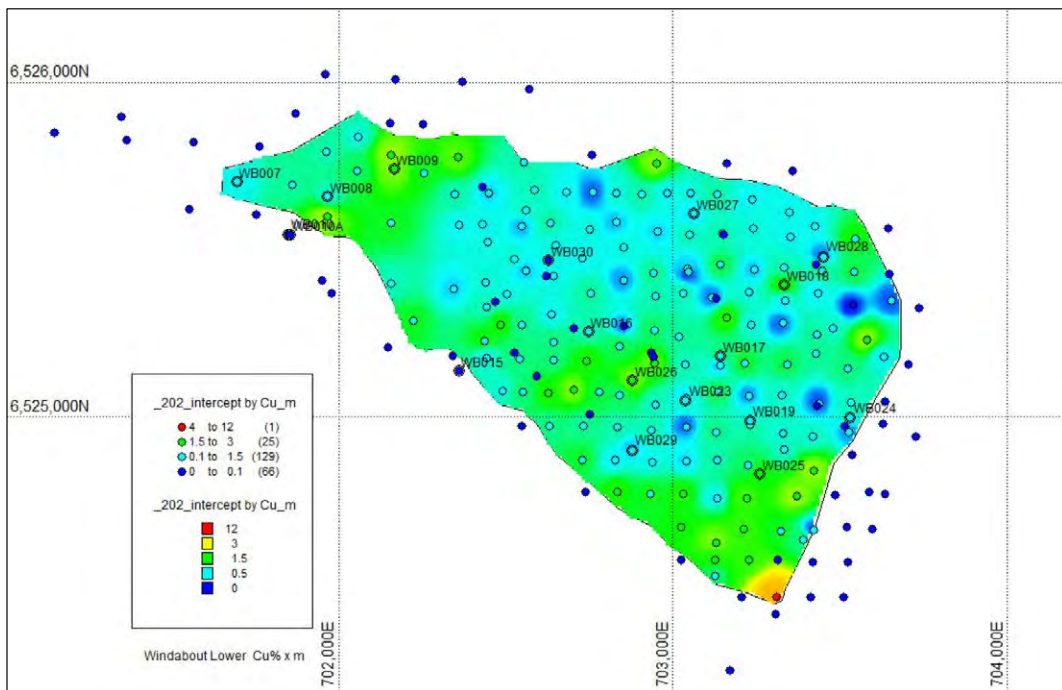


Figure 2-9: Windabout modelled mineralisation in plan view (lower horizon)

Source: Coda Management Information

The maiden mineral resource was estimated by Ms F.J. Hughes in 1997 (1997 Windabout Resource Estimate). This estimate was reported in accordance with the guidelines of the JORC Code (1996).

The 1997 Windabout Resource Estimate was reported as 18.7 Mt at 1.0% Cu, 10 g/t Ag and 500 ppm Co at a 0.5% Cu cut-off grade, although no public records of this estimate can be found. Excluding by-product credits, the contained copper metal in the deposit was estimated at 187,000 tonnes. The 1997 Resource Estimate was based on 197 vertical drill holes.

The 1997 Resource Estimate is included in this Report for the purpose of providing historical context only. It is not considered to be current nor reasonable given the lack of quality and transparency in the supporting documentation.

In 2018, Gindalbie reported to the ASX an Indicated Mineral Resource estimate for the Windabout prospect as part of the Stage 1 Mount Gunson farm-in requirement detailed in Section 2.3.1 of this Report. This estimate was reported as 17.67 Mt at 0.77% Cu, 8 g/t Ag and 492 ppm Co at a 0.5% Cu cut-off grade (2018 Windabout Resource Estimate).

The 2018 Windabout Resource Estimate is considered to be reasonable for reporting purposes and has been prepared to a sufficient quality standard. Further details regarding the 2018 Windabout Resource Estimate are provided in Section 2.8 of this Report.

#### **Emmie Bluff prospect**

The Emmie Bluff prospect hosts polymetallic (Cu-Co-Ag) mineralisation within the dolomitic shale of the Tapley Hill Formation and IOCG mineralisation at depths of up to 1 km.

Mineralisation within the Tapley Hill Formation at the Emmie Bluff prospect occurs as disseminated grains of chalcocite, bornite and chalcopyrite. Here, the Tapley Hill Formation comprises a carbonaceous pyritic shale unit that is interbedded with thin unmineralised bands of grey dolostone and sandy dolostone.

In June 2019, Gindalbie reported to the ASX, an Exploration Target for Emmie Bluff in accordance with the guidelines of the JORC Code. The Exploration Target was reported as 43.0 to 71.6 Mt at grades of 0.34% to 1.56% Cu, 5 to 18.9 g/t Ag and 16 to 64 ppm Co (2019 Emmie Bluff Exploration Target). This Exploration Target was updated and reissued by Coda in September 2020 and is now estimated at 46 to 77 Mt at 0.336 to 1.558% Cu, 0.016 to 0.064% Co and 5.0 to 18.9 g/t Ag. The potential quantity and grade given in the Exploration Target estimate are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The 2019 Emmie Bluff Exploration Target is considered by SRK to be reasonable for reporting purposes and has been prepared to a sufficient quality standard. Further details of the 2019 Emmie Bluff Exploration Target are provided in Section 2.9 of this Report.

Beneath the Tapley Hill Formation, at a depth of approximately 800 m, a regional-scale fault has uplifted a block of early Proterozoic metagranite of the Donington Suite. Across the silicified fault zone, IOCG-style copper sulphides are present, together with haematite and chlorite mineralisation. Low-grade copper mineralisation has also been identified within the metagranite. Immediately beneath the fault zone, extensive deposition of copper sulphides occurred in the magnetite-rich Wandearah Siltstone, which has been geologically interpreted to be up to 150 m thick.

In the Wandearah Formation, the copper sulphides are typically associated with the quartz phase of veining. Late-stage unmineralised sericite and fluorite veins also exist.

To date, no Exploration Targets or Mineral Resource estimates have been prepared or reported for the IOCG mineralisation in the Wandearah Siltstone at the Emmie Bluff prospect.

## 2.8 Current Mineral Resource estimates (MG14 and Windabout)

In December 2017, Gindalbie commissioned Mr Tim Callaghan to prepare Mineral Resource estimates for the Windabout and MG14 prospects, which were reported to the ASX on 19 January 2018 (Table 2-2).

In SRK's opinion, these Mineral Resource estimates have been prepared to a sufficient quality standard, reported in accordance with the guidelines of the JORC Code and are considered to be reasonable as a global representation of tonnes and grade.

**Table 2-2: Mineral Resource estimates for Windabout and MG14, January 2018**

Windabout Indicated Mineral Resource									
Cu-Eq >0.5% cut-off					Cu-Eq >1.0% cut-off				
Tonnage (Mt)	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)	Tonnage (Mt)	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)
17.67	0.77	492	8	1.41	11.86	0.95	599	10	1.73
MG14 Indicated Mineral Resource									
Cu_Eq >0.5% cut-off					Cu-Eq >1.0% cut-off				
Tonnage (Mt)	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)	Tonnage (Mt)	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)
1.83	1.24	334	14	1.67	1.59	1.33	360	15	1.8

Source: Coda Minerals, Investor Release, 31 August 2020

Notes: Tonnes have been rounded. Discrepancies in totals may exist due to rounding. Cu-Eq has been calculated from copper and cobalt metal selling prices, recoveries and other assumptions contained in the Mineral Resource estimation report.

The technical information summarised below is from Callaghan's technical report and JORC Code Table 1, which were appended to Gindalbie's ASX announcement on 19 January 2018.

### Resource drilling history

The Windabout and MG14 mineralisation was delineated by diamond and reverse circulation drilling. Numerous drilling campaigns were completed between 1970 and 1995 by CSR, ACC, Pacminex and Stuart Metals. Drilling after 2007 was completed by Gunson and Gindalbie. Consolidated drilling statistics are listed as follows:

- Windabout pre-2007 drilling – 198 drill holes for 16,933 m
- Windabout post-2007 drilling – 23 drill holes for 1,384 m
- MG14 pre-2007 drilling – 185 drill holes for 6,865 m
- MG14 post-2007 drilling – 25 drill holes for 904 m.

Samples from within the Tapley Hill Formation and lower Whyalla Sandstone were selected for geochemical analysis. Typically, 0.5 m samples of 1 to 2 kg were collected from diamond saw-cut drill core or riffle-split reverse circulation drill samples while respecting geological boundaries.

### Estimation domains

The estimation domains were modelled as tabular, horizontal, triangular sheets for both deposits. The minimum width of the domain was 1 m downhole at 0.5% Cu-Eq (Table 2-4), with internal dilution restricted to 1 m to allow for geological continuity. The dimensions of the domains and depth undercover of the cover sequence of semi-consolidated Whyalla Sandstone for each deposit are compared in Table 2-3.

**Table 2-3: Dimensions of Windabout and MG14 mineralisation domains**

Mineralisation dimensions	Windabout	MG14
East-west extent (km)	2	1.4
Northern extent (km)	1	0.4
Thickness (m)	2-8	3-8
Depth undercover (m)	55-85	20-25

**Estimation methodology**

Mineral Resource estimation was undertaken using ordinary kriging for copper, cobalt and silver constrained by a geology solid model. Silver was estimated by regression analysis of copper-silver for the Windabout deposit. The data were composited on 0.5 m intervals, including copper, cobalt, silver, sulfur, lead zinc and total carbon. Top-cutting, based on coefficient of variation (CV) and grade histograms (cobalt) to 2,555 ppm was undertaken for the Windabout domain. The block size for both deposits is 25 mE by 25 mN by 0.5 mRL with sub-celling to 6.25 mE by 6.25 mN by 0.5 mRL.

**Cut-off grade**

A Cu-Eq cut-off grade of 0.5% Cu-Eq was selected as the reporting cut-off grade using the assumptions given in Table 2-4 to derive the Cu-Eq = Cu% + (Co ppm \* 0.0012) formula.

**Table 2-4: Factors used to determine Cu-Eq formula**

Factor	Rate	Copper	Cobalt
Metal price (US\$/t)		6,600.00	55,000.00
Exchange rate (A\$/US\$)	0.73		
Metallurgical recoveries		60%	85%
Payable metal factors		70%	75%
Calculated metal equivalent (t)		3,797.26	48,030.82
Factor copper relative to cobalt		1%	0.0012 ppm

**2.9 Current Exploration Target (Emmie Bluff)**

In June 2019, Gindalbie reported an Exploration Target for the Emmie Bluff prospect in accordance with the guidelines of the JORC Code, which was later reissued and updated by Coda in September 2020. The Exploration Target was reported as 46 to 77 Mt at 0.34 to 1.56% Cu, 5 to 18.9 g/t Ag and 16 to 64 ppm Co (Table 2-5). The potential quantity and grade of the Exploration Target are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. In SRK's opinion, the Exploration Target for the Emmie Bluff prospect has been prepared to a sufficient quality standard, reported in accordance with the guidelines of the JORC Code and is considered to be reasonable as a global representation of tonnes and grade.

**Table 2-5: Exploration Target estimate for the Emmie Bluff prospect**

Tapley Hill Formation	Layer thickness (m)	Volume (m <sup>3</sup> )	Tonnage range (Mt)	Copper grade range (%)	Cobalt grade range (%)	Silver grade range (g/t)
Upper Layer	1.7-6.1	14,271,000	28.7-47.8	0.935-1.558	0.038-0.064	11.3-18.9
Lower Layer	0.8-4.7	8,642,000	17.4-29.0	0.336-0.560	0.016-0.027	5.0-18.4
<b>Total</b>	<b>0.8-6.1</b>	<b>22,913,000</b>	<b>46.1-76.8</b>	<b>0.336-1.558</b>	<b>0.016-0.064</b>	<b>5.0-18.9</b>

Source: Coda Minerals, Investor Release, 2 September 2020

Notes: Tonnage range assumes a dry bulk density of 2.68 t/m<sup>3</sup> with a range of +/-25%. Grade range assumes length-weighted average grades for Cu, Co and Ag with a range of +/-25%.

### Tonnage range

The tonnage ranges for the Exploration Target are based on geological modelling and drill hole assay results. An upper higher-grade zone and smaller lower-grade zone were modelled within the Tapley Hill Formation.

Geological modelling was constrained to the boundary of EL6265.

### Grade range

Length-weighted average grades for copper, cobalt and silver were taken from drill hole assay results within each of the modelled zones (Table 2-6). Length-weighted average grades for copper, cobalt and silver with a range of +/-25% were applied to the results to estimate the grade range.

**Table 2-6: Assay results used to inform the Emmie Bluff Exploration target**

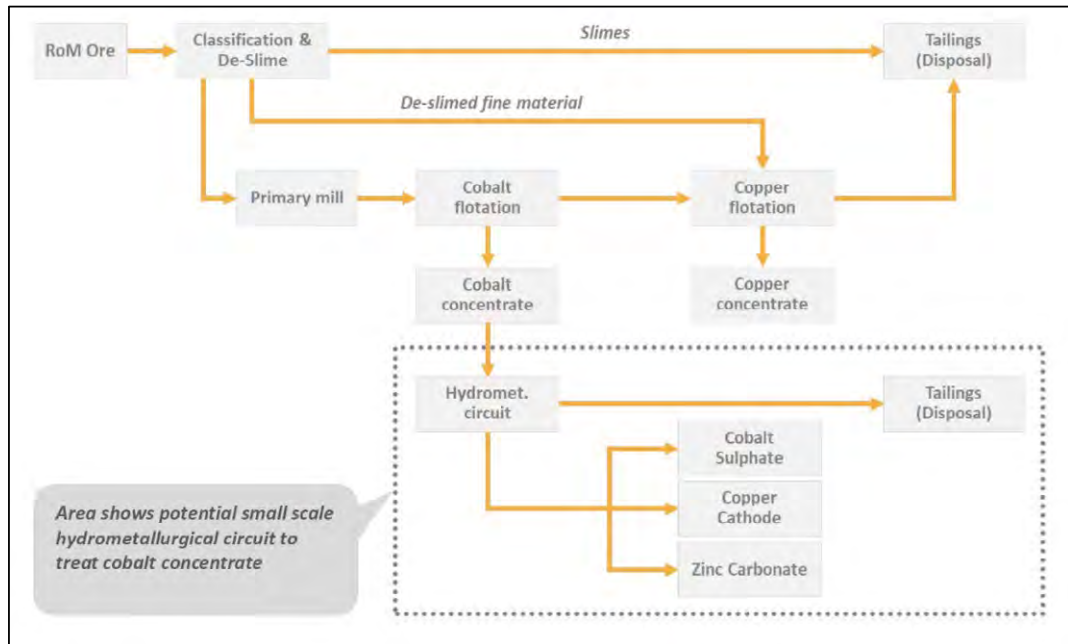
Zone	Hole ID	Thickness (m)	Copper grade (%)	Cobalt grade (%)	Silver grade (g/t)
Upper	DD18EB0001	1.90	1.015	0.055	13.5
	DD18EB0002	2.05	1.511	0.073	22.3
	DD19EB0001	1.70	1.278	0.055	18.8
	DD19EB0002a	3.12	1.140	0.081	14.1
	MGD57	2.00	0.656	0.031	-
	SAE12	6.00	1.398	0.049	15.4
	SAE15	5.00	0.206	0.012	3.4
	SAE17	3.05	2.502	0.005	28.8
	SAE18	6.05	1.034	0.058	11.0
	SAE19	3.65	1.014	0.064	9.8
	SAE20	3.30	3.239	0.200	26.4
	SAE21	5.25	0.605	0.003	11.7
	SAE22	2.53	0.814	0.027	10.2
	SAE5	2.00	1.437	0.034	-
	SAE6	6.00	1.490	0.051	21.3
	<b>Length-weighted average</b>		<b>1.246</b>	<b>0.051</b>	<b>15.1</b>
Lower	DD18EB0001	3.50	0.488	0.037	9.5
	DD18EB0002	4.69	0.202	0.012	4.8
	DD19EB0002a	0.77	0.340	0.012	2.5
	MGD57	2.50	0.272	0.009	-
	SAE12	3.65	0.567	0.030	8.5
	SAE15	2.00	0.427	0.017	7.3
	SAE21	2.80	0.289	0.010	3.8
	SAE22	3.00	0.308	0.014	5.5
	SAE6	2.00	1.450	0.057	10.0
		<b>Length-weighted average</b>		<b>0.448</b>	<b>0.022</b>

## 2.10 Current studies

The Project has a long history of exploration and feasibility studies. During Stage 1 of the current farm-in agreement, Gindalbie focused on metallurgical testwork and mining studies to allow for the confirmation of a process flowsheet and conceptual project plan.

The results of preliminary metallurgical testwork supported the design of a conventional flotation-based circuit to produce split copper and cobalt-rich concentrates from the MG14 and Windabout prospects. Metallurgical testwork on large-diameter core taken from the Windabout and MG14 prospects commenced in early 2019. The results of this testwork program will be used to inform the planned PFS.

The base case conceptual flowsheet is presented in Figure 2-10.



**Figure 2-10: Conceptual process flowsheet**

Source: Coda Management Information

Coda is currently investigating the potential to add a small, separate hydrometallurgical circuit to the flowsheet to treat the cobalt concentrate stream due to the relatively high-value and low-mass cobalt concentrate. Preliminary testwork indicates that the copper concentrate stream also contains a small proportion of cobalt and silver.

A conceptual mining options study was undertaken by mining and metallurgical consultants, MPS. The study focused on pit shell evaluations limited to recovery of the current Indicated Mineral Resources for the MG14 and Windabout prospects. No Ore Reserve estimates have been prepared for any of the prospects at the Project to date.

MPS has been retained by Coda to undertake further mining studies to support the planned PFS.

### 2.10.1 IOCG prospectivity studies

In October 2018, Gindalbie contracted International Geoscience<sup>1</sup> to undertake lithostructural mapping and basement architecture modelling at the Project (Initial Prospectivity Study). Information relating to the Prospectivity Study was reported to the ASX by Gindalbie on 29 October 2018.

<sup>1</sup> International Geoscience, 2018. Lithostructural Mapping & Basement Architecture Modelling

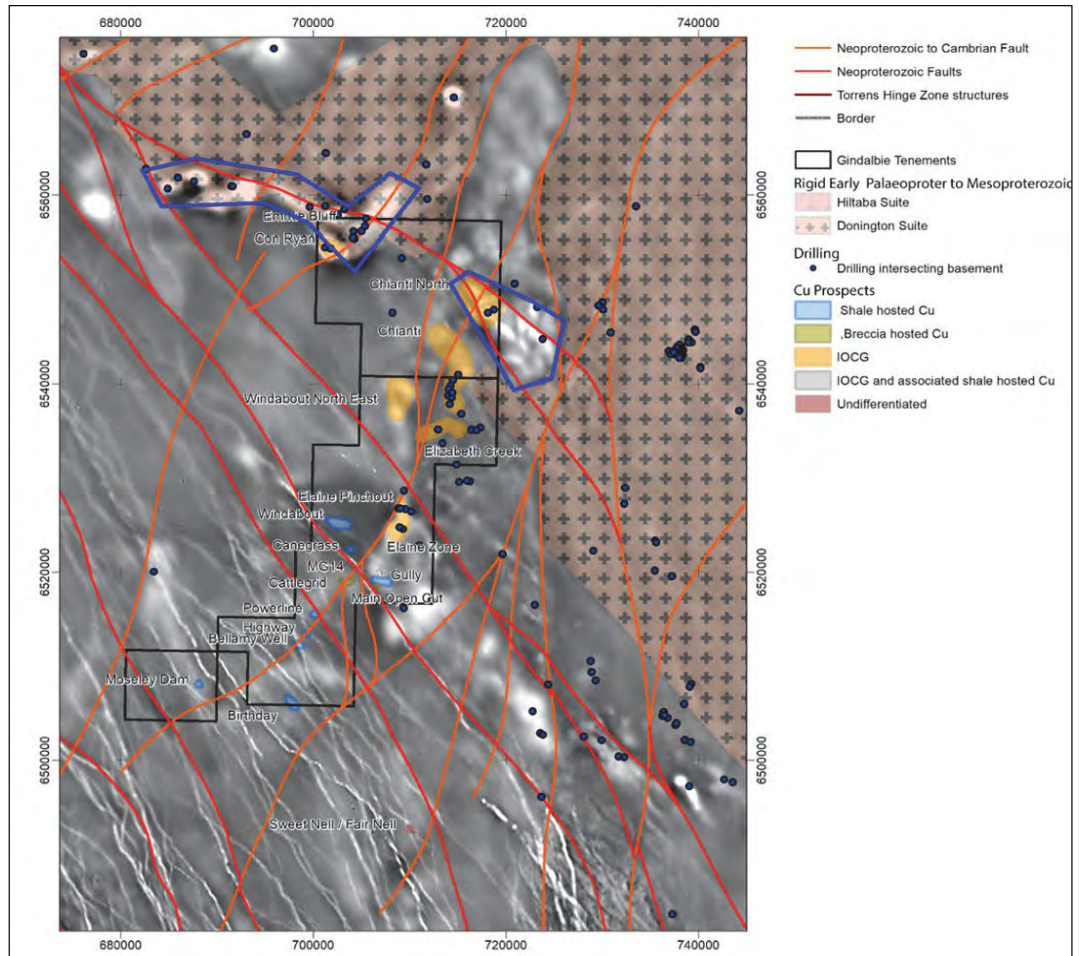
The Initial Prospectivity Study comprised several study phases, as outlined below:

- The first phase involved using high-resolution aeromagnetic geophysical data, constrained by drill hole data, to develop a quantitative depth to basement model.
- The second phase involved the use of the modelled basement surface to inform a qualitative regional-scale lithostructural interpretation and identify; i) the key structural controls on sedimentary basin development, ii) the key mineralising geological structures, and iii) the key tectonic events.
- The third phase involved the refinement of the lithostructural model at a local scale and the identification of several key target areas that are favourable for economic copper mineralisation.

The Initial Prospectivity Study contributes to the current academic debate on the source of metals that have concentrated into the economic sediment-hosted copper-cobalt deposits of the Project area and identified two target areas for this style of mineralisation. The primary target areas defined by International Geoscience are associated with areas of local structural intersections considered to represent sites where focused metal-bearing fluid flow would have been most efficient. International Geoscience also noted a northeast–southwest trending structure that transects the Project's tenure and associated with most of the known local mineralisation in the MG14 and Cattlegrid prospects (Figure 2-11 and Figure 2-12).

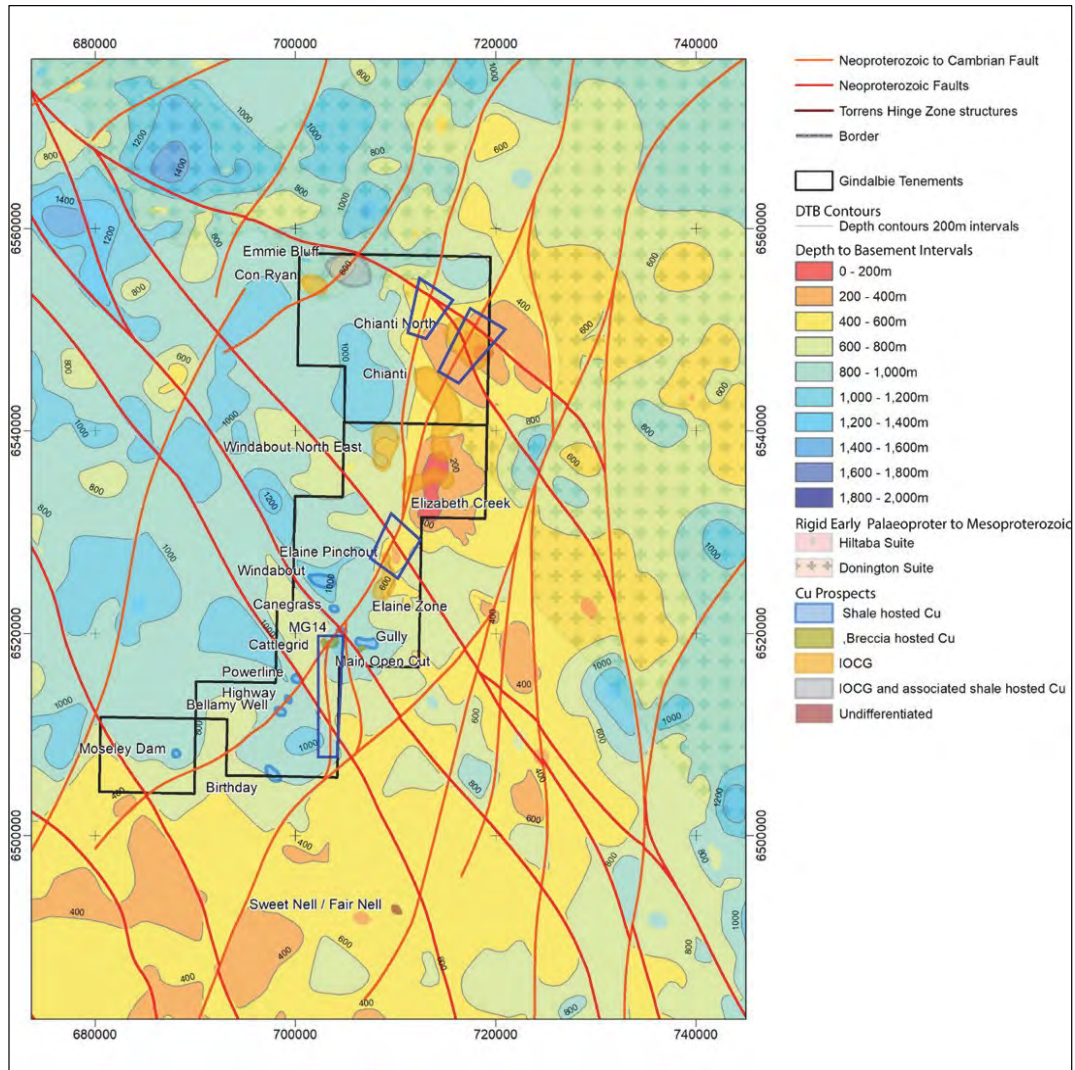
The Initial Prospectivity Study concluded that approximately 20 km<sup>2</sup> of the Project's tenure is also favourable for IOCG mineralisation along local embayments in the Donington Suite margin with the Hutchinson Group lithologies (Figure 2-11). International Geoscience noted that limited basement drilling has been carried out along this margin; however, the Emmie Bluff prospect shows basement alteration that is consistent with IOCG-style mineralisation.





**Figure 2-11: International Geoscience – selected sites and prospectivity**

Source: International Geoscience



**Figure 2-12: International Geoscience – target structures**

Source: International Geoscience

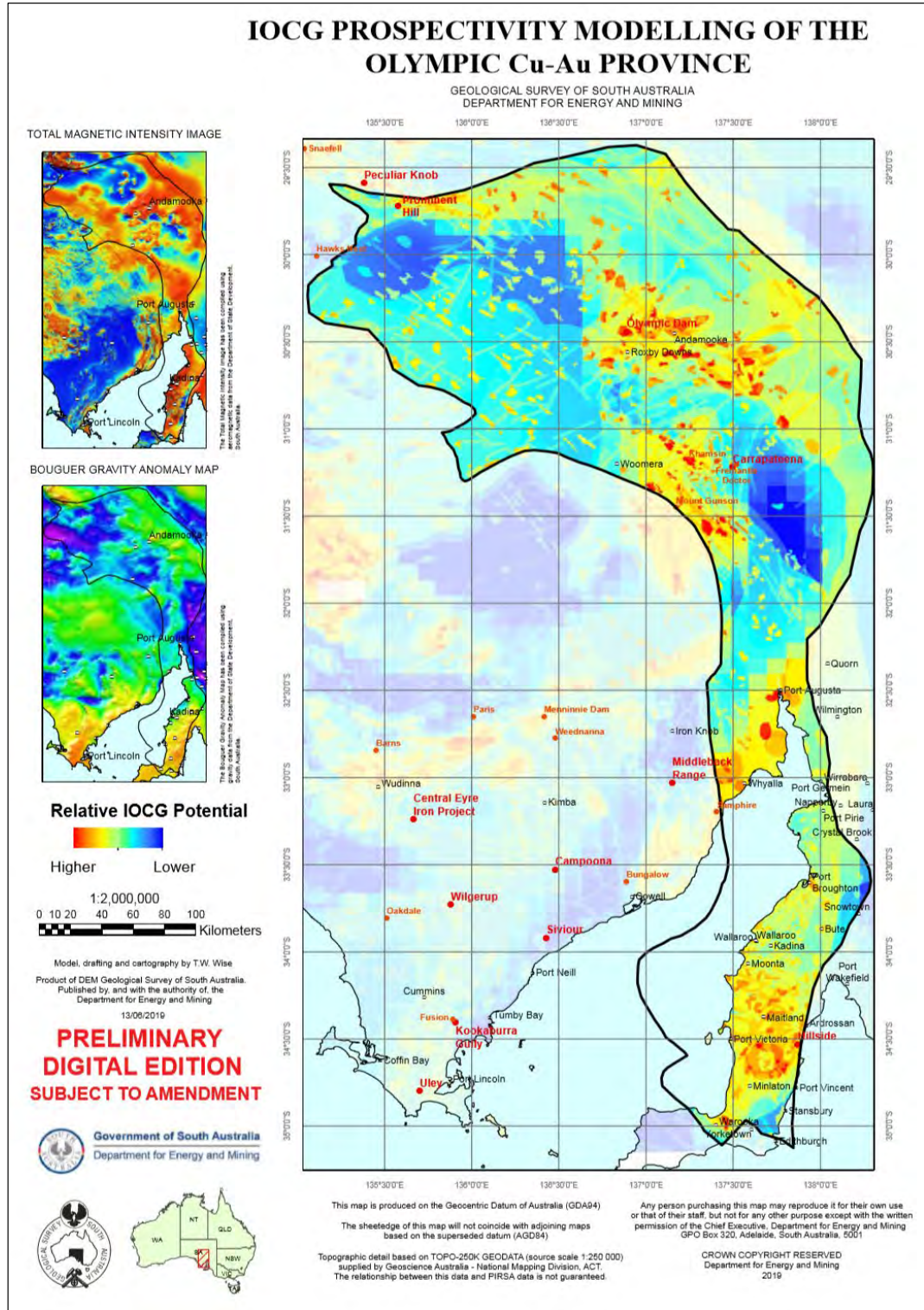
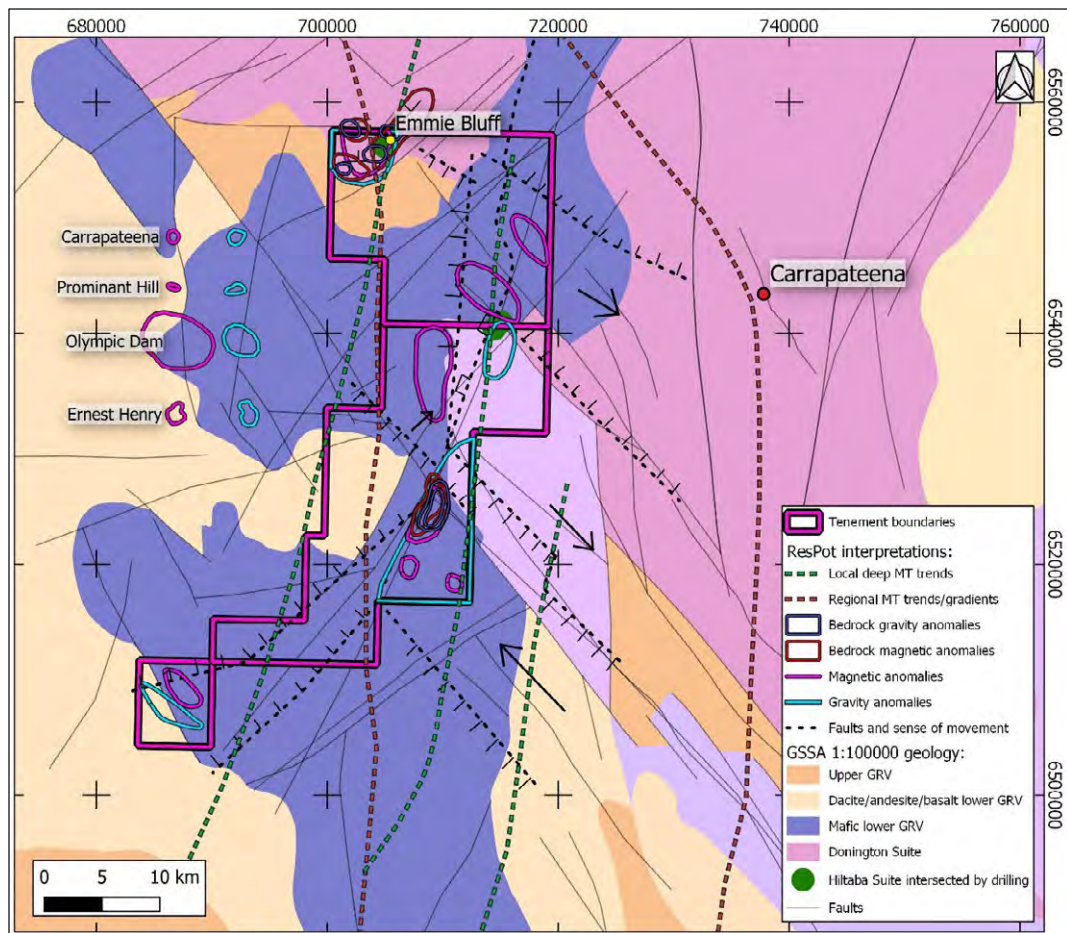


Figure 2-13: Government of South Australia – IOCG prospectivity modelling

Source: Coda Management Information

In June 2020, Coda re-engaged Resource Potentials Pty Ltd (RP), an independent geophysical consultancy, to assess the under-cover IOCG potential (IOCG Work) via a desktop targeting exercise which was based on the available geophysical datasets for the Project (Initial Prospectivity Study, 3D Inversion Model and HiSeis Pty Ltd (HiSeis) Survey). The IOCG Work identified two target areas with large-scale IOCG potential, characterised by coincident to semi-coincident and moderate to strong magnetic and gravity anomaly highs, proximal to interpreted shear zones, faults and geological and magnetotelluric lineaments. In RP's opinion, the intensities of these of the magnetic and gravity anomalies suggest possible large concentrations of iron oxide minerals, with similar anomaly shapes and sizes to the Carrapateena, Prominent Hill and Ernest Henry IOCG deposits (Figure 2-6). The magnetic and gravity anomaly patterns and amplitudes also indicate that the tops of the magnetic and gravity source bodies are very deep, and will likely require approximately 1.2 km deep exploration drill holes to test the two target areas (southeastern target and Emmie Bluff target). The locations of these target areas are shown in Figure 2-14 and their centred co-ordinates are detailed in Table 2-7.



**Figure 2-14: IOCG work – summary output**

Note: Magnetic anomaly highs (pink polygons); gravity anomaly highs (light blue polygons); broader bedrock magnetic (red) and gravity (dark blue) anomaly highs; interpreted fault trends/lineaments (dashed lines) over GSSA 1:100,000 scale bedrock geology and structures (solid black lines). Magnetic (pink circles) and gravity (blue circles) anomaly outlines from Australian IOCG deposits are shown for comparison.

Source: Modified from Coda Management Information

**Table 2-7: Centred co-ordinates for RP IOCG target areas**

Target Area	Easting	Northing	Depth (m)	Azimuth (°)	Dip (°)
Southeastern target	709098 m	6523805 m	1,200	000	90
Emmie Bluff target	703591 m	6555477 m	1,200	000	90

Source: Modified from Coda Management Information

### 2.10.2 Major sediment-hosted copper prospectivity studies

In October 2019, Coda engaged RP to undertake a 3D modelling exercise using South Australian Government provided magnetotelluric geophysical survey data covering the current Project area. Data from a total of 80 stations (Figure 2-15) were edited, processed and inverted using a 3D inversion algorithm to generate a 3D electric resistivity block model (3D Inversion Model). The 3D Inversion Model identified resistivity trends associated with several large-scale structures close to the IOCG mineralisation at an approximate depth between 300 and 450 m below the local surface.

The 3D Inversion Model also identified several areas of low resistivity (anomalism) in the overlying sediments, which are coincident with the sulphidic, copper mineralised Tapley Hill Formation shale (and associated Exploration Target), but extend some distance beyond the bounds of historical drilling.

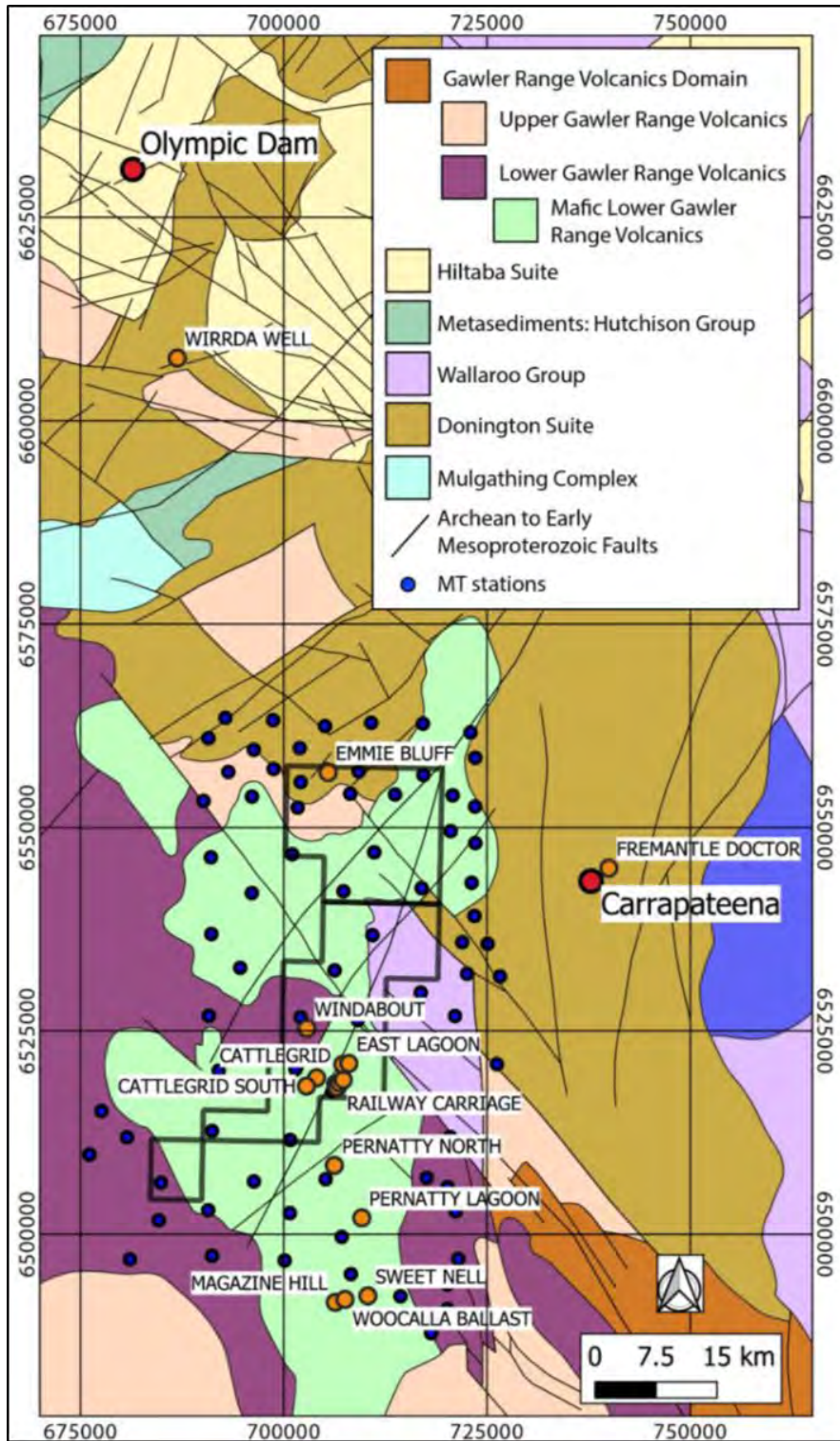
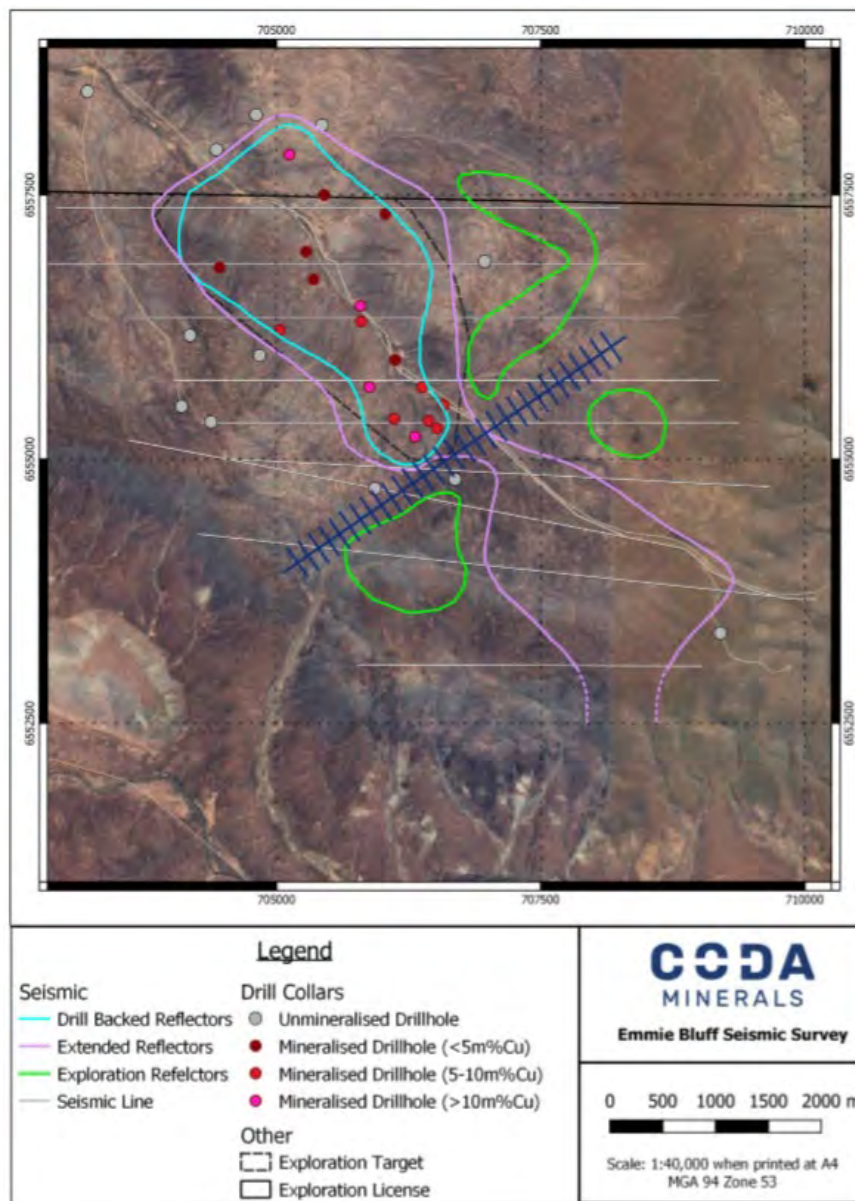


Figure 2-15: Resource Potentials – magnetotelluric survey

Source: Coda Management Information

In late 2019, Coda commissioned HiSeis to undertake a seismic reflectance geophysical survey to further test the continuity of the Tapley Hill Formation shale and the associated mineralisation and to test the anomalism identified through the magnetotelluric work. The seismic reflectance survey (HiSeis Survey) consisted of nine east–west aligned seismic lines and a northwest–southeast aligned seismic tie line. These seismic lines ranged in length from 6 km to approximately 3.2 km and were spread over a north–south extent of approximately 4.3 km, starting immediately south of the northern boundary of EL6141 for a total of 52 linear kilometres of surveying.

The HiSeis Survey identified seismic anomalism that indicated an extension of the interpreted Tapley Hill Formation shale from the 3.3 km of northwest–southeast extent previously defined by the Exploration Target to 6.5 km along the same axis. Its interpreted southeast extent is still open (Figure 2-16).

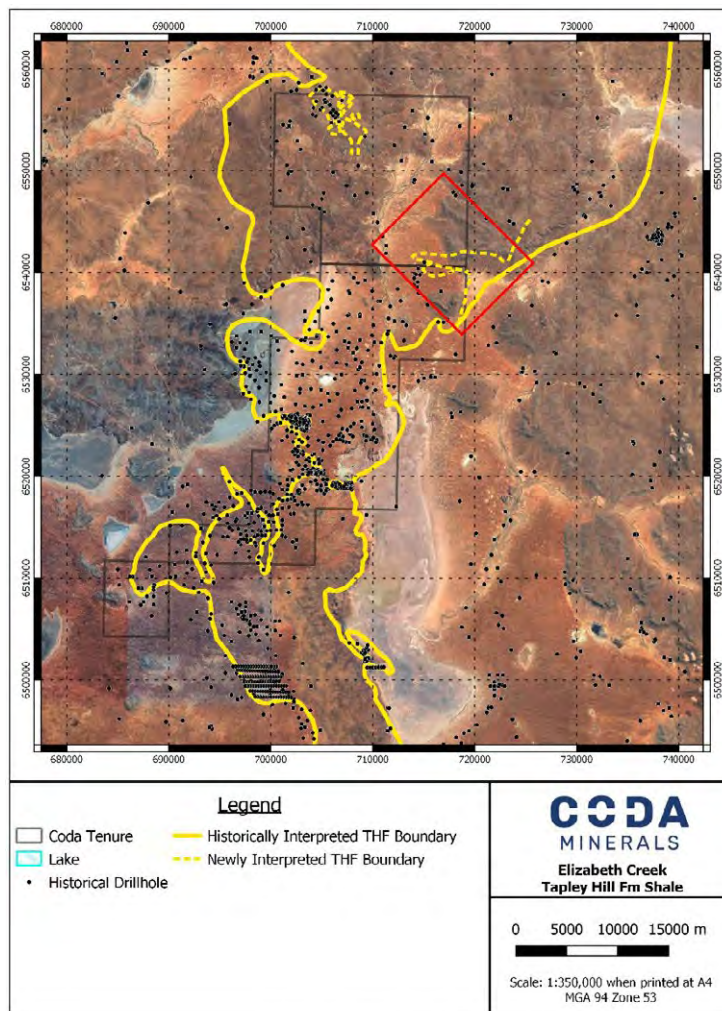


**Figure 2-16: HiSeis survey – interpreted results**

Source: Coda Management Information

Also in July 2020, Coda's technical team undertook a brief exercise to assess the prospectivity of the Project's tenure for a large-scale shale hosted mineralisation based on its updated understanding of the local geology and a potentially significant magnetotelluric anomaly which is known as the Hannibal prospect. The magnetotelluric anomaly is approximately 8 to 9 km in east–west extent, of which approximately 60% falls on Coda tenure, and has a north–south extent of approximately 1.5 to 2 km. The target is located immediately east of the Chianti gravity anomaly, which has historically been investigated for its IOCG potential. No known drilling has occurred within the core of the anomaly. While some of the Chianti drill holes to the west are collared within the fringes of the anomaly, these drill holes suggest any mineralisation which may be present would most likely start between depths of 200 and 250 m. The Coda technical team proposed a drilling program to test the continuity of the Tapley Hill Formation at the Hannibal prospect.

Coda's current interpretation of the boundary of Tapley Hill Formation and the location of the Hannibal prospect are presented in Figure 2-17.



**Figure 2-17: Tapley Hill formation boundary and Hannibal prospect location**

Note: Drilling and interpreted Tapley Hill Formation boundary at Elizabeth Creek are shown. The boundary is based primarily on mapping and drilling data. The red square indicates the Hannibal prospect at the eastern edge of the border between EL6265 (Emmie Bluff) and EL5636 (Mount Gunson).

Source: Coda Management Information



### 2.10.3 Minor sediment-hosted copper prospectivity studies

In April of 2019, a trial passive seismic horizontal-to-vertical spectral ratio (HVSR) surveys were completed over the Emmie Bluff, Windabout, MG14 and Gully prospects. The main aim of the trial passive seismic survey was to test the effectiveness of this technology in different geological environments for detecting the Tapley Hill Formation shale, which is the key horizon for hosting copper-cobalt mineralisation.

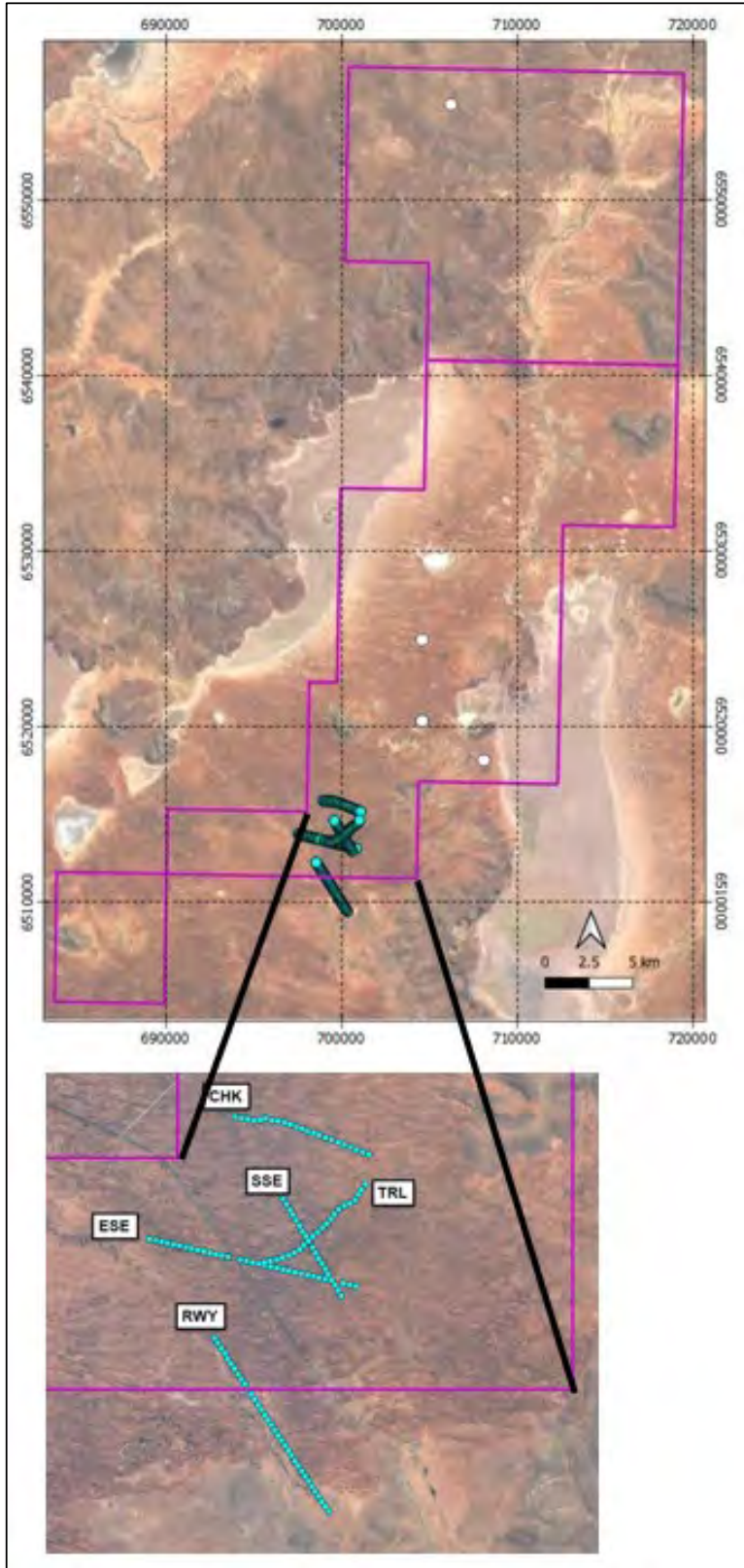
Details of the surveys are:

- The Emmie Bluff survey consisted of six survey lines, plus two repeat lines, acquired using northeast–southwest orientated survey lines spaced 300 m and 600 m apart, and using a nominal along-line station spacing of 100 m.
- The Windabout survey consisted of a total of five survey lines, acquired using northeast–southwest orientated survey lines spaced 400 m apart, and using a nominal along-line station spacing of 150 m.
- The MG14 survey consisted of a total of 13 survey lines, acquired using northeast–southwest orientated survey lines spaced 100 m and 300 m apart, and using a nominal along-line station spacing of 100 m.
- The Gully survey consisted of a total of five survey lines, acquired using north–south orientated survey lines spaced 200 m, 400 m and 1,000 m apart, and using a nominal along-line station spacing of 100 m.

The results from the Emmie Bluff survey results indicated that the HVSR technique was not able to detect geological layering down to the Tapley Hill Formation where it is overlain by the Simmens Quartzite, whereas at MG14, and to a lesser extent the Windabout prospect, the results indicated that the Tapley Hill Formation can be identified where it is not overlain by the Simmens Quartzite.

In August 2019, as a follow-up to the April 2019 HVSR work, Coda acquired HVSR data over the Powerline prospect (Figure 2-12) using three Tromino TRZ seismometers hired from RP. The HVSR data were not processed at that time due to difficulties with the generation of amplitude depth cross-sections.

In July 2020, Coda commissioned RP to revisit the HVSR data collected in August 2019. The HVSR data are from five survey lines, plus one repeat survey line using northeast–southwest and northwest-southeast orientated survey lines on a nominal station spacing of 100 m (Figure 2-18). The HVSR data were processed and reviewed together with the logged geology from nearby drill holes where the logged geology was available.



**Figure 2-18: HVSr data at the powerline prospect**

Source: Modified from Coda Management Information

A summary of the interpreted geology from the HVSR data by RP is given in Table 2-8.

**Table 2-8: Interpreted results from HVSR data by RP**

Name	Results
ESE Survey Line	Variable acoustic bedrock HVSR responses. Appear to correlate to the top of drill hole logged geology in the east and west –Whyalla Sandstone (west) and Pandurra Formation (east). A dipping HVSR response in the centre of the survey line suggests that the acoustic bedrock increases in depth, dipping to the west, with overall broader HVSR responses, and which correlates to drill hole logged Tapley Hill Formation.
TRL Survey Line	Sub-horizontal acoustic bedrock response modelled from 20 to 30 m depth from land surface, with depth slightly increasing on the northeastern and southwestern ends of the survey line where the HVSR responses are broader and located close to interpreted fault zones.  In the northeast, the broad HVSR responses could be related to zones of Tapley Hill Formation as logged in drill hole MG100. In the southwest (intersecting survey line ESE and nearby drill hole (PL5B)), the broader HVSR responses could be correlated to logged Tapley Hill Formation, and potentially related to inverted rift faults.
SSE Survey Line	A sub-horizontal acoustic bedrock response that increases in depth towards the northwest, from 20 to 40 m. There are no drilling data coincident with HVSR station recordings available along this survey line to correlate HVSR responses to geological layers, but survey line ESE intersects this survey line in the southeast and interpreted Pandurra Formation could be inferred as bedrock along this part of the line. The northwest portion of the survey line shows a slightly broader HVSR response, and could be related to Tapley Hill Formation.
CHK Survey Line	The western and eastern sides of the survey line display sharp HVSR responses, which are likely related to the top of the Whyalla Sandstone or the Pandurra Formation. The centre portion of the survey line has resolved broader HVSR responses as a graben or erosional valley feature, and this local basin is coincident with drill holes logged as Tapley Hill Formation.
RW Survey Line	Drill holes located proximal to this survey line suggest that the broad HVSR response in the northwest and central portions of the survey line could be related to Tapley Hill Formation.

These results support the proposition that the Tapley Hill Formation is continuous beyond the area covered by the current exploration target and that the Powerline area is prospective for copper-cobalt mineralisation.

### 3 Sources and Uses of Funds

The Project is operating under a farm-in and joint venture agreement (Agreement), dated 17 March 2017, between Terrace and Coda. The terms of the Agreement are summarised in Section 2.3.1 of this report and more fully summarised in the Material Agreements section of Torrens' Prospectus.

The Project is managed by a Steering Committee with representatives from Torrens and Coda, with Coda as Manager.

On completion of Coda's earn-in phase, it will have expended A\$8.62 million and have earned a 70% interest in the Project. Assuming Coda continues to progress the Project, and completes its earn in commitment, as set out in the Agreement, the relationship between Coda and Terrace will transition from a farm-in to a joint venture, also managed by Coda.

Following the Stage 3 farm-in and earning a 70% interest, Coda will have the option of acquiring an additional 5% interest in the Elizabeth Creek tenements (aggregate 75% interest) for a purchase price of A\$1.5 million. Further details are set out in the material contracts summary in the Prospectus.

Torrens intends to list its securities on the ASX in quarter four, 2020 and is aiming at raising between A\$7 million and A\$10 million. Torrens, as a minority partner in the proposed joint -venture, will continue to contribute to the technical management of the Project and has the option, under the terms of the Agreement, to contribute financially to the Project to maintain its equity position, or to dilute, when its percentage ownership will reduce according to a formula set out in the Agreement, ultimately to a royalty position.

Torrens intends to continue to contribute to the exploration and development of the Project, but may elect to reduce or cease its financial contribution.

Based on the exploration results and prospectivity work undertaken to date, Coda has developed a budget for ongoing technical assessment of the Project over the next 2 years (Table 3-1), and based on this budget, Torrens has calculated that may be required to elect to contribute A\$876,000 in Year 1 and A\$864,000 in Year 2 to maintain its equity position in the Joint Venture over the next 2 years. (Table 3-2). Such amounts may vary according to a range of operation contingencies, including the progress of the Project and whether or not Coda elects to exercise its option to acquire an additional 5% of the Project.

If Coda exercises its option to acquire a further 5% of the Project, Torrens will have an additional A\$1.5 million for exploration expenditure, part or all of which may be reserved for servicing future pro-rata contributions to Project expenditure.

**Table 3-1: Coda's technical budget**

Allocation	Description	Budget (A\$)
Project Management	Travel, salaries and expenses	786,800
Project Controls	Software fees	13,000
Geology	3D software for drilling management	40,000
Drilling	36 diamond drill holes at Emmie Bluff	4,326,200
Engineering	PFS-level studies, including geotechnical and power studies at Emmie Bluff	410,000
Metallurgy and Processing	Emmie Bluff testwork PFS-level studies	365,000
Exploration Expenses	Non-drilling expenses associated with Emmie Bluff exploration and additional drilling at other identified prospects	685,000

Allocation	Description	Budget (A\$)
Clearances and Environmental Studies	Indigenous engagement and environmental rehabilitation	93,000
Permitting	Maintaining and administering tenure	62,300
<b>Subtotal</b>		<b>6,781,300</b>
	Contingency for additional drilling (Emmie Bluff and other prospects)	2,018,087
<b>Total</b>		<b>8,799,387</b>

Source: Coda Prospectus

**Table 3-2: Torrens' estimate of expenditure to maintain equity position in the Project over next 2 years**

Use of Funds	Year 1 (A\$)	Year 2 (A\$)
Coda's cost estimates for Elizabeth Creek development drilling and technical studies	5,917,767	2,881,620
Torrens' estimate of expenditure to maintain equity position (allowing for free carry)	876,000	864,000

SRK has reviewed the planned work programs and the amounts allocated to those programs. Based on its review, SRK is of the opinion that the programs are reasonable for the purpose of advancing the study status of the Project. The funds allocated by Torrens should be sufficient to sustain the planned exploration activities over a 24-month budget period.

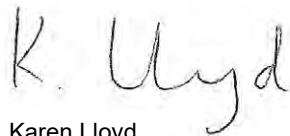
Progressive expenditure will naturally depend on the success of the proposed drilling and technical studies. Torrens may require additional funds should the outcome of the drilling necessitate modifications to the work program.

In SRK's opinion, Torrens's understanding of the local geology and the copper-cobalt targets generated through the extensive geophysical work and exploration drilling is reasonable and further assessment works are warranted. Further, the Tapley Hill Formation that hosts known mineralisation is likely to be continuous beyond the current mineralisation at depth. SRK's opinion of the Project's prospectivity is aligned with International Geoscience's findings to date, the conclusions reached in the August 2019 prospectivity modelling study published by the Geological Survey of South Australia, Department for Energy and Mining, and the IOCG Work commissioned by Coda.

SRK notes that mineral assets at a similar stage of study are inherently speculative in nature given the low level of technical confidence. The potential quantity and grade given in the Exploration Target estimate is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The facts, opinions and assessments presented in this Report are current at the Effective Date of 1 November 2020.

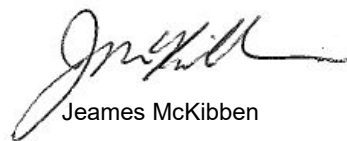
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## SRK Report Client Distribution Record

Project Number: TML001  
 Report Title: Independent Geologist's Report on the Elizabeth Creek Project, South Australia  
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Name/Title	Company
Mike Collings	Torrens Mining Limited

Rev No.	Date	Revised By	Revision Details
0	28//05/2020	Karen Lloyd	Draft Report - Factual Accuracy
1	01/11/2020	Karen Lloyd	Final Report
2	06/11/2020	Karen Lloyd	Revised Final Report
3	12/11/2020	Karen Lloyd	Revised Final Report

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## Annexure F Elizabeth Creek - Exploration Target and Mineral Resource Estimate

### Emmie Bluff Exploration Target

The exploration target for Emmie Bluff is set out below.

Table 1 - Exploration Target

Mineralisation Area	Layer Thickness (m)	Volume (m <sup>3</sup> )	Tonnage Range (Mt)	Cu Range (%)	Co Range (%)	Ag Range (g/t)	Cu Eq. Range <sup>1</sup> (%)
Tapley Hill Formation Upper Layer	1.7 - 6.1	14,271,000	28.7 - 47.8	0.9 - 1.6	0.04 - 0.06	11 - 19	1.4 - 2.3
Tapley Hill Formation Lower Layer	0.8 - 4.7	8,642,000	17.4 - 29.0	0.3 - 0.6	0.02 - 0.03	5 - 18	0.5 - 0.9
<b>Total</b>	0.8 - 6.1	22,913,000	46.1 - 76.8	0.3 - 1.6	0.02 - 0.06	5 - 19	0.5 - 2.3

Tonnage range assumes a dry bulk density of 2.68 t/m<sup>3</sup> with a range of +/-25%. Grade range assumes length weighted average grades for Cu, Co and Ag with a range of +/-25%.

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

#### 1. Planned exploration to test the target

The Company understands Coda is currently preparing to undertake a major diamond drill programme at the Emmie Bluff prospect and expects to commence drilling in November 2020. The primary objectives of the program will be to expand the envelope of the Exploration Target in line with recently released seismic data and to provide fresh drill core for geotechnical and metallurgical analysis, as well as additional bulk density measurements.

#### 2. About the Exploration Target

##### 2.1 Data inputs

Drilling data used in generating the Exploration Target comprises publicly available drilling and assay results from the South Australian Resources Information Gateway (SARIG) as well as 4 drill holes completed by Gindalbie in January 2019.

##### 2.2 Tonnage range

The range in potential volumes of rock for the high and low side tonnage estimates of the Exploration Target are based on geological modelling and drill hole assay results from historical and recent drilling.

An upper, higher-grade zone and smaller, lower grade zone (Figure 1 and Figure 3, below) have been modelled for the stratabound Tapley Hill Formation. Hanging wall and Footwall surfaces for each zone were created and snapped to drill holes with grades greater than 0.1% Cu or at geological boundaries (Whyalla Sandstone at hanging wall contact or Pandurra

<sup>1</sup> Cu Eq = Cu % + (Co ppm\*0.0012). Please see below, "Data aggregation methods", Table 1, Section 2.

Formation at footwall contact). The surfaces have been extended laterally to distances considered reasonable for an exploration target in areas where the drill hole data supports this. In areas where it is clear from the drill hole data that the surface does not continue, the surface is constrained. (e.g. Hole PEB64 – See Figure 2, below).

The modelled upper zone has a volume of 14,271,000 m<sup>3</sup> and the modelled bottom zone has a volume of 8,642,000 m<sup>3</sup>. To compute the tonnage range, a dry bulk density of 2.68 t/m<sup>3</sup> has been assumed in place of the value of 2.5 previously assumed. This density was based on four holes which intersected Tapley Hill formation and which were recently measured for bulk density. A summary of the depths and corresponding bulk density values within the shales are shown in Table 3. The depths of the samples are from both mineralised and non-mineralised portions of the Tapley Hill Formation Shales. Spatially, the four holes are located in the northern and western portion of the modelled mineralised domains (See Figure 1).

The continuous flat lying nature of the formation would suggest that similar bulk density values would be realized for the southern and eastern portions and are considered to be a reasonable representation of the overall bulk density for the purpose of revising the Exploration Target tonnage range.

A range of +/-25% has been applied to the results to estimate a Low Case and High Case as presented in Table 2, below.

Modelling is constrained to the north by the boundary of EL6265.

Table 2: Exploration Potential Tonnage Range

Mineralisation Area	Volume (m <sup>3</sup> )	Bulk Density	Estimated (Mt)	Low Case (Mt)	High Case (Mt)
Tapley Hill Formation Upper Layer	14,271,000 <sup>2</sup>	2.68	38.2	28.7	47.8
Tapley Hill Formation Lower Layer	8,642,000 <sup>3</sup>	2.68	23.2	17.4	29.0
Total	22,913,000	2.68	61.4	46.1	76.8

Table 3: Bulk Density values within the shales of the Tapley Hill Formation at Emmie Bluff

HoleID	Depth (m)	Bulk Density (t/m <sup>3</sup> )	Lithology
IHAD-2	395.3	<b>2.73098</b>	SHALE
IHAD-2	398.9	<b>2.68741</b>	SHALE
MGD-57	394	<b>2.77906</b>	SHALE
MGD-57	408.2	<b>2.67806</b>	SHALE
MGD-57	419.7	<b>2.70696</b>	SHALE
MGD-57	425.8	<b>2.67185</b>	SHALE
SAE-6	392	<b>2.52353</b>	SHALE
SAE-6	397	<b>2.51127</b>	SHALE
SAE-15	364.6	<b>2.6696</b>	SHALE
SAE-15	370.2	<b>2.72171</b>	SHALE

<sup>2</sup> Volume between modelled HW and FW for the upper zone within the Tapley Hill Formation

<sup>3</sup> Volume between modelled HW and FW for the lower zone within the Tapley Hill Formation



SAE-15	373.7	2.69822	SHALE
SAE-15	379.5	2.77154	SHALE
SAE-15	387.1	2.72556	SHALE

**2.3 Grade range**

All available drill hole assay data from historical SARIG drilling and from the Gindalbie drilling campaign completed in January 2019 (i.e. DD prefix holes), has been used to establish a range of appropriate potential grades. Length weighted average grades for Cu, Co and Ag have been taken from within each of the modelled zones and are presented in Table 1 and Table 4. Length weighted average grades for Cu, Co and Ag with a range of +/-25% have been applied to the results to estimate a Low Case and High Case as presented in Table 1.

Figure 1: Location of holes selected for bulk density measurement

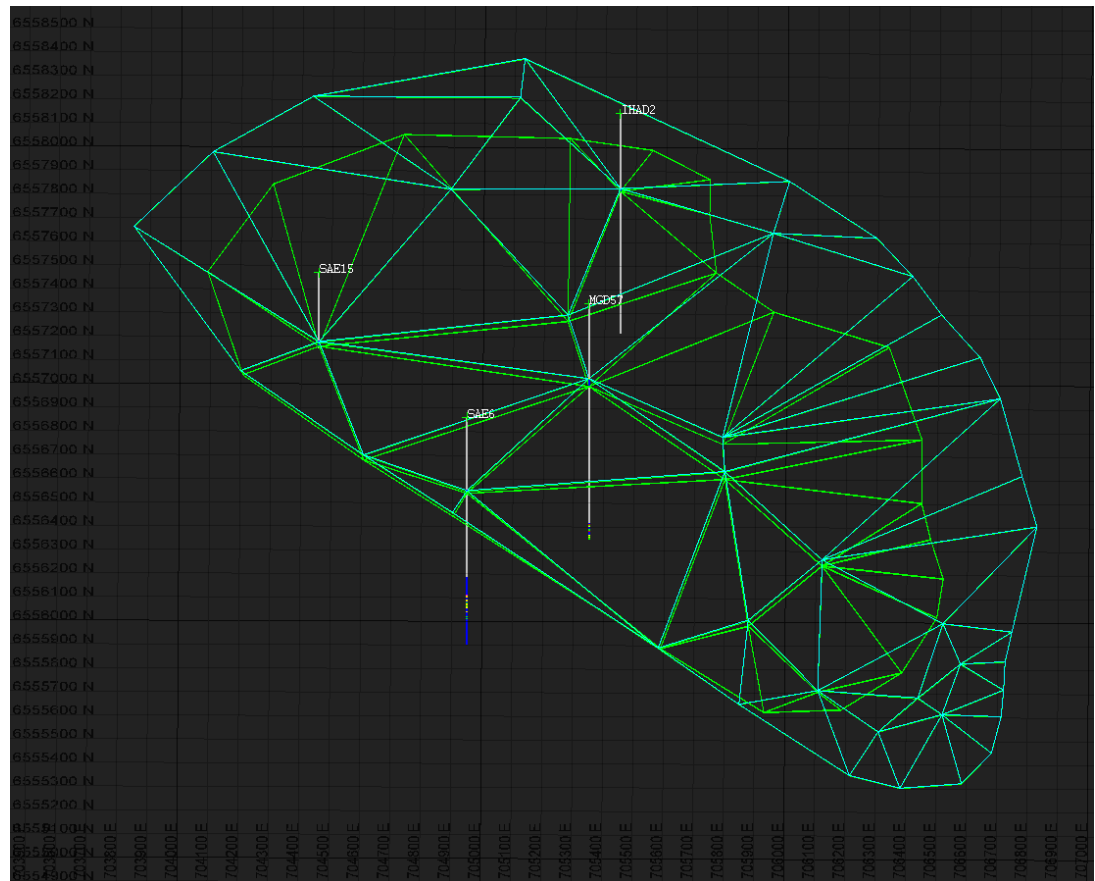


Figure 2: Emmie Bluff Exploration Target upper and lower mineralised areas

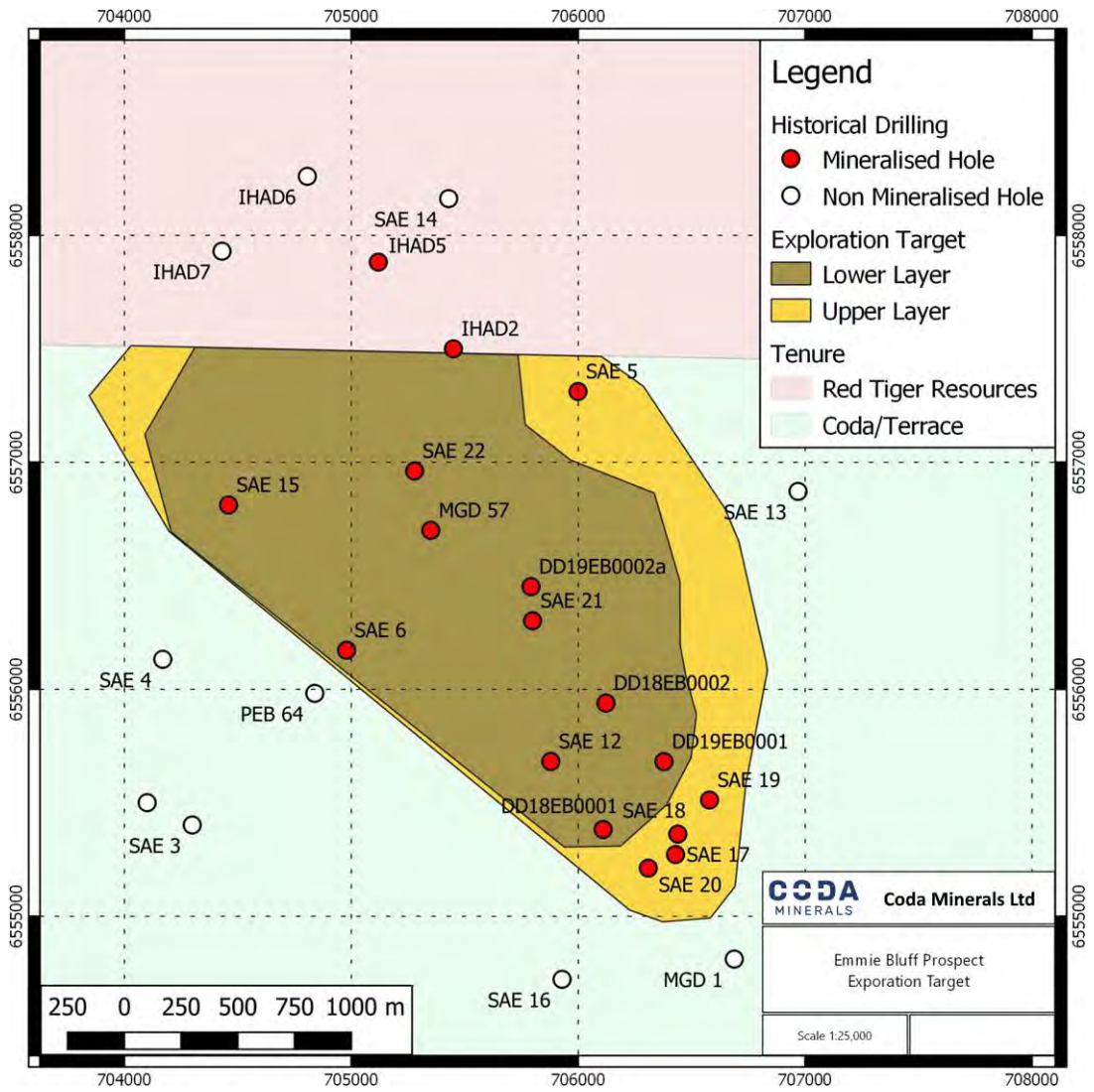
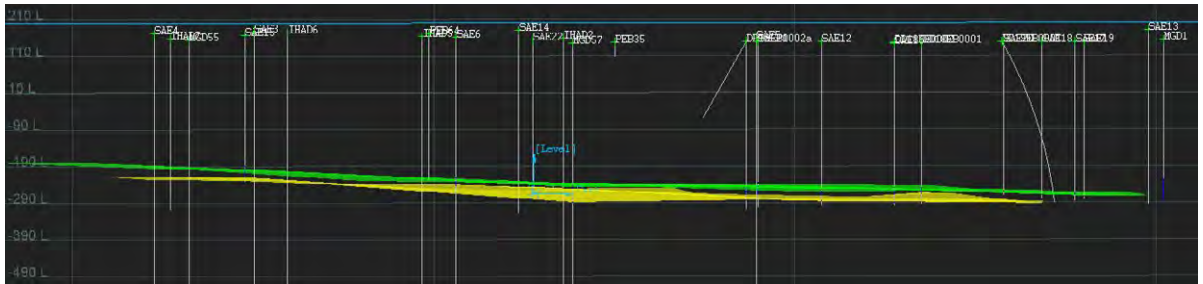


Table 4: Mineralised Intercepts in Historical Drilling

Mineralisation Area	Hole Id	Thickness	Cu %	Co %	Ag g/t
Upper	DD18EB0001	1.9	1.015	0.055	13.5
	DD18EB0002	2.05	1.511	0.073	22.3
	DD19EB0001	1.7	1.278	0.055	18.8
	DD19EB0002a	3.12	1.14	0.081	14.1
	MGD57	2	0.656	0.031	-
	SAE12	6	1.398	0.049	15.4
	SAE15	5	0.206	0.012	3.4
	SAE17	3.05	2.502	0.005	28.8
	SAE18	6.05	1.034	0.058	11
	SAE19	3.65	1.014	0.064	9.8

	SAE20	3.3	3.239	0.2	26.4
	SAE21	5.25	0.605	0.003	11.7
	SAE22	2.53	0.814	0.027	10.2
	SAE5	2	1.437	0.034	-
	SAE6	6	1.49	0.051	21.3
	<b>Length Weighted Average</b>			<b>1.246</b>	<b>0.051</b>
Lower	DD18EB0001	3.5	0.488	0.037	9.5
	DD18EB0002	4.69	0.202	0.012	4.8
	DD19EB0002a	0.77	0.34	0.012	2.5
	MGD57	2.5	0.272	0.009	-
	SAE12	3.65	0.567	0.03	8.5
	SAE15	2	0.427	0.017	7.3
	SAE21	2.8	0.289	0.01	3.8
	SAE22	3	0.308	0.014	5.5
	SAE6	2	1.45	0.057	10
	<b>Length Weighted Average</b>			<b>0.448</b>	<b>0.022</b>

Figure 3: Exploration Target – Long Section - upper zone (green) lower zone (yellow).



## JORC Table 1 – Emmie Bluff Exploration Target

### Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cutchannels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p><b>HISTORICAL</b></p> <ul style="list-style-type: none"> <li>Historical data referenced is contained in previous reports, largely publicly accessible through South Australian Department of Energy and Mining via the South Australian Resources Information Gateway (SARIG).</li> <li>The Company has assumed that all reported assays are representative of technology available at the time, but no reliance has been put on it, nor is any of it regarded as 'industry standard' under any modern code.</li> <li>No reference to specific sampling method, applicability or procedures were sighted in any documentation referenced to the satisfaction of the Company.</li> <li>Australian Selection Pty. Ltd. completed a single unspecified 42m deep drill hole in 1976 but failed to intersect copper mineralisation within the Tapley Hill Formation. No sample data is available.</li> <li>Carpentaria Exploration Co. Pty. Ltd. completed rotary percussion pre-collars followed by diamond drilling from 1984 to 1989. Drilling intersected copper mineralisation within the Tapley Hill Formation in 2 of the holes. Details of sampling techniques are not known.</li> <li>MIM Exploration Pty. Ltd. completed rotary percussion pre-collars followed by diamond drilling tails between 1991 to 1995. Drilling intersected copper mineralisation within the Tapley Hill Formation in 8 of the holes drilled. Details of sampling techniques are not known.</li> <li>Stuart Metals NL Completed a single unspecified drill hole in 1998 but failed to intersect copper mineralisation within the Tapley Hill Formation. No sample data is available.</li> <li>Argo Exploration completed diamond drilling targeting geophysical anomalies associated with IOCG mineralisation style of Olympic Dam in 2007 and 2008. The drilling intersected copper mineralisation within the Tapley Hill Formation in 2 of the holes drilled. All of the Argo Exploration holes were to the north of EL 6265 and have been excluded from the tables and figures in the above document. Details of sampling techniques are not known.</li> <li>Gunson Resources Ltd. completed unspecified drilling (assumed diamond) in 2009 and 2010. Of the 3 holes drilled, one intersected copper mineralisation within the Tapley Hill Formation. Details of sampling techniques are not known.</li> </ul> <p><b>MODERN PROGRAM</b></p>

Criteria	JORC Code explanation	Commentary
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Samples were collected by HQ diamond drilling.</li> <li>Sampling intervals were determined based on geological logging and were at variable intervals. Care was taken to separate lithologies, stratigraphy or structural features of potential interest. Typical sample intervals in potentially mineralised areas was approximately 30cm, likely non-mineralised samples were typically approximately 70cm.</li> <li>Whole core was submitted for sampling, which was then sorted and crushed to 3mm before splitting 300g of coarse material. The 300g split was then dried and pulverised in a vibrating disc pulveriser. Samples were not dried prior to crushing so as to retain their chemical and physical properties for metallurgical analysis. This resulted in a small risk of contamination between crushed samples.</li> </ul> <p><b>HISTORICAL</b></p> <ul style="list-style-type: none"> <li>Historical drilling techniques comprises Rotary – Percussion and Diamond Bit – Coring. No reference to diamond diameter has been sighted.</li> <li>Length of Diamond tails where completed are detailed in Table 1 in the above document.</li> <li>No core orientation data is available as all holes were drilled vertically.</li> </ul> <p><b>MODERN PROGRAM</b></p> <ul style="list-style-type: none"> <li>Holes were precollared using a combination of mud rotary and percussion drilling.</li> <li>Diamond tails were drilled with HQ bits (63.5mm inside diameter.)</li> <li>Vertical holes were not oriented. Angled holes were oriented by Reflex ACT core orientation tools.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<p><b>HISTORICAL</b></p> <ul style="list-style-type: none"> <li>No specific reference to drill sample recovery, applicability or procedures were sighted in any documentation referenced to the satisfaction of the Company.</li> <li>No correlation between core recovery and assay grades can be made in the absence of sample recovery information.</li> </ul> <p><b>MODERN PROGRAM</b></p> <ul style="list-style-type: none"> <li>Samples were not recovered from the precollars.</li> <li>Sample recovery from diamond drilling was assessed qualitatively by drillers and field staff.</li> <li>Recovery and sample quality is considered to be very high.</li> <li>There is no observed correlation between core recovery and assay grades.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<p><b>HISTORICAL</b></p> <ul style="list-style-type: none"> <li>Geological logs for both rotary percussion and diamond core for some of the historical holes have been sighted. Descriptions include lithology, grain size, angularity, colour alteration, mineralisation appears to have been recorded by suitably qualified personnel.</li> </ul> <p><b>MODERN PROGRAM</b></p> <ul style="list-style-type: none"> <li>All diamond tails were comprehensively logged by Coda field staff.</li> <li>Logging recorded the stratigraphy, weathering, rock type and visual abundance of</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<p>sulphide minerals using a standardised logging system.</p> <ul style="list-style-type: none"> <li>Core was photographed prior to being sampled.</li> </ul> <p><b>HISTORICAL</b></p> <ul style="list-style-type: none"> <li>The Company has assumed that the verification of any significant intersection was performed by suitably qualified personnel.</li> <li>No twin hole data is available.</li> <li>Handwritten assay results were sighted for some of the historical holes and where available, validation and verification of transposing from physical to electronic copies has been undertaken.</li> </ul> <p><b>MODERN PROGRAM</b></p> <ul style="list-style-type: none"> <li>All reported data was subjected to validation and verification by Mr Craig Went, an independent geologist contracted by the company and Mr Matthew Weber, an employee of Coda, prior to release.</li> <li>Data was entered into standard file formats by Bureau Veritas and transmitted to the company via email. Data has not been transcribed except electronically.</li> <li>Submitted standards are tabled and compared to the stated value. Acceptable accuracy was achieved in the majority of cases.</li> </ul> <ul style="list-style-type: none"> <li>This program included no twinned drill holes.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<p><b>HISTORICAL</b></p> <ul style="list-style-type: none"> <li>Location of data point (collar Easting, Northing and RL) have been sourced through SARIG and other company acquired data. Where required collar co-ordinates have been converted, the GDA94, Zone 53 datum. Some small discrepancies of the collar co-ordinates and RL's between company sourced data and SARIG data have been observed but are not considered to be of material significance.</li> <li>Some collar RL's were adjusted to match the digital elevation model.</li> <li>No down-hole survey data has been recorded as no angled holes were drilled.</li> </ul> <p><b>MODERN PROGRAM</b></p> <ul style="list-style-type: none"> <li>The holes were planned using desktop GIS software and the GDA94, Zone 53 datum.</li> <li>Collar locations and elevations were determined by handheld GPS with an approximate accuracy of +/-3m.</li> <li>Elevation data was compared with pre-existing digital elevation model and found to be of acceptable accuracy.</li> <li>Vertical holes were not surveyed for deviation.</li> <li>Angled holes were surveyed by means of Reflex Ez Trac multi shot survey camera where available. Cameras were unavailable during precollaring resulting in some unaccounted for deviation.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<p>HISTORICAL</p> <ul style="list-style-type: none"> <li>Data spacing and distribution is not sufficient for mineral resource estimation.</li> <li>No Mineral Resource or Ore Reserve is reported in this release</li> <li>As a result of wide spacing and reliance on historical information it is considered only appropriate when expressed as a broad exploration result with considerable additional work required.</li> </ul> <p>MODERN PROGRAM</p> <ul style="list-style-type: none"> <li>Data spacing and distribution is not sufficient for mineral resource estimation.</li> <li>No sample compositing has been applied.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Mineralisation is interpreted as tabular, horizontal to gently dipping stratabound lodes. Vertical or steeply dipping drill holes are believed to provide relatively unbiased results.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<p>HISTORICAL</p> <ul style="list-style-type: none"> <li>Sample security measures during transport and sample preparation are unknown.</li> </ul> <p>MODERN PROGRAM</p> <ul style="list-style-type: none"> <li>Samples were taken to Roxby Downs by company personnel and despatched by courier to Bureau Veritas' laboratory in Perth.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<p>HISTORICAL</p> <ul style="list-style-type: none"> <li>No audits or reviews have been sighted for the historical sampling techniques or data.</li> </ul> <p>MODERN PROGRAM</p> <ul style="list-style-type: none"> <li>No audits or reviews have been undertaken at this stage.</li> </ul>
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cutchannels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as</li> </ul>	<p>HISTORICAL</p> <ul style="list-style-type: none"> <li>Historical data referenced is contained in previous reports, largely publicly accessible through South Australian Department of Energy and Mining via the South Australian Resources Information Gateway (SARIG).</li> <li>The Company has assumed that all reported assays are representative of technology available at the time, but no reliance has been put on it, nor is any of it regarded as 'industry standard' under any modern code.</li> <li>No reference to specific sampling method, applicability or procedures were sighted in any documentation referenced to the satisfaction of the Company.</li> <li>Australian Selection Pty. Ltd. completed a single unspecified 42m deep drill hole in 1976 but failed to intersect copper mineralisation within the Tapley Hill Formation. No sample data is available.</li> <li>Carpentaria Exploration Co. Pty. Ltd. completed rotary percussion pre-collars followed by diamond drilling from 1984 to 1989. Drilling intersected copper mineralisation within the Tapley Hill Formation in 2 of the holes. Details of</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</p>	<p>sampling techniques are not known.</p> <ul style="list-style-type: none"> <li>MIM Exploration Pty. Ltd. completed rotary percussion pre-collars followed by diamond drilling tails between 1991 to 1995. Drilling intersected copper mineralisation within the Tapley Hill Formation in 8 of the holes drilled. Details of sampling techniques are not known.</li> <li>Stuart Metals NL Completed a single unspecified drill hole in 1998 but failed to intersect copper mineralisation within the Tapley Hill Formation. No sample data is available.</li> <li>Argo Exploration completed diamond drilling targeting geophysical anomalies associated with IOCGU mineralisation style of Olympic Dam in 2007 and 2008. The drilling intersected copper mineralisation within the Tapley Hill Formation in 2 of the holes drilled. All of the Argo Exploration holes were to the north of EL 6265 and have been excluded from the tables and figures in the above document. Details of sampling techniques are not known.</li> <li>Gunson Resources Ltd. completed unspecified drilling (assumed diamond) in 2009 and 2010. Of the 3 holes drilled, one intersected copper mineralisation within the Tapley Hill Formation. Details of sampling techniques are not known.</li> </ul> <p><b>MODERN PROGRAM</b></p> <ul style="list-style-type: none"> <li>Samples were collected by HQ diamond drilling.</li> <li>Sampling intervals were determined based on geological logging and were at variable intervals. Care was taken to separate lithologies, stratigraphy or structural features of potential interest. Typical sample intervals in potentially mineralised areas was approximately 30cm, likely non-mineralised samples were typically approximately 70cm.</li> <li>Whole core was submitted for sampling, which was then sorted and crushed to 3mm before splitting 300g of coarse material. The 300g split was then dried and pulverised in a vibrating disc pulveriser. Samples were not dried prior to crushing so as to retain their chemical and physical properties for metallurgical analysis. This resulted in a small risk of contamination between crushed samples.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<p><b>HISTORICAL</b></p> <ul style="list-style-type: none"> <li>Historical drilling techniques comprises Rotary – Percussion and Diamond Bit – Coring. No reference to diamond diameter has been sighted.</li> <li>Length of Diamond tails where completed are detailed in Table 1 in the above document.</li> </ul> <p><b>MODERN PROGRAM</b></p> <ul style="list-style-type: none"> <li>No core orientation data is available as all holes were drilled vertically.</li> <li>Holes were precollared using a combination of mud rotary and percussion drilling.</li> <li>Diamond tails were drilled with HQ bits (63.5mm inside diameter.)</li> <li>Vertical holes were not oriented. Angled holes were oriented by Reflex ACT core orientation tools.</li> </ul>



**Section 2 Reporting of Exploration Results**

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Exploration and reporting of historical drilling results was undertaken exclusively on EL 6265.</li> <li>Minerals is currently held 51:49 by Coda Minerals and Terrace Mining Ltd. Coda Minerals is undertaking a farm-in joint venture to gain up to 70 percent ownership over the tenement through expenditure of \$6.62 million. Coda has the option to then purchase an additional 5 per cent for \$1.5 million, increasing its total potential ownership to 75 per cent.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Emmie Bluff has been previously drilled primarily by prior owners exploring for underlying IOCG occurrences. This data has been made public by the South Australian Department of Energy and Mining via the South Australian Resources Information Gateway (SARIG). Coda has this information and a summary of the relevant drill holes are presented in Table 3 herein.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Elizabeth Creek project sits in the Stuart Shelf within the broader Olympic Copper Province in South Australia. Specifically, mineralisation is hosted in the dolomitic shales and dolarenites of the Neoproterozoic Tapley Hill Formation. This formation unconformably overlies the Mesoproterozoic Pandorra Formation due to local uplifting associated with the Permatty Upwarp. This unconformity, as well as structures associated with the Permatty Upwarp, represent the most likely fluid flow pathways associated with the emplacement of metal bearing sulphides. Emmie Bluff mineralisation closely resembles mineralisation in the MG14 and Windabout resources found approximately 40 kilometres to the south, also within the broader Elizabeth Creek tenure.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:                             <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<p><b>HISTORICAL</b></p> <ul style="list-style-type: none"> <li>See Table 3 in above document for a summary of all historical drill holes material to the understanding of the Tapley Hill Formation.</li> <li>Six historical drill holes were collared in the tenement to the north of EL 6265, two of these holes (IHAD2 and IHAD5) intersected mineralisation within the Tapley Hill Formation. An additional four holes (IHAD3, IHAD5, IHAD7 and SEA14) contained no geological or assay data suggesting intersection of the Tapley Hill formation. These holes have not been included in the tables in the above document, nor do they form part of the tonnage or grade range estimate for the reported Exploration Target.</li> </ul> <p><b>MODERN PROGRAM</b></p> <ul style="list-style-type: none"> <li>See tables in above document.</li> <li>Drilling results from the modern program have previously been reported Gindalbie (see ASX release 15th April 2019 – Emmie Bluff Drill Results Strengthen Case of Further Drilling)</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Exploration results and resource estimation figures have been reported on a 0.5% Cu and 1.0% Cu cut-off.</li> <li>A lower cut-off grade of 0.5% Cu equivalent has been applied for mineralised domain modelling.</li> <li>A Cu equivalent has been determined from Mine gate break even Cu and Co prices. Cu US\$6,600, Co US\$5,000, Exchange rate 0.73 US\$/Au\$, Cu recovery 60%, Co recovery 85%, Mining recovery 90%, dilution 5%, payable Cu 70%, Payable Co 75%, Operating cost Au \$26.</li> <li><math>Cu_{eq} = Cu\% + Co_{ppm} \times 0.0012</math></li> <li>Metallurgical recovery assumptions are based on extensive, PFS level metallurgical testwork undertaken on the MG14 and Windabout deposits. This testwork investigated various flowsheets involving both pure floatation and floatation + glycine leaching. The MG14 and Windabout deposits are geologically very similar to and, in the company's opinion, represent suitable metallurgical proxies for Emmie Bluff. As such, the company believes that the results of this testwork can be applied to estimate metallurgical recovery at a level of detail appropriate for an Exploration Target.</li> <li>It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>Mineralisation geometry is interpreted as relatively flat lying, in line with the overall orientation of the stratigraphy in the area and as evidenced by previous drilling at the prospect.</li> <li>Vertical drill holes and isolated high angled holes are believed to provide a materially accurate representation of the true thickness of mineralisation.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>See Tables and Figures in above document.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<p><b>HISTORICAL</b></p> <ul style="list-style-type: none"> <li>All collar locations within the prospect area inclusive of both mineralised and unmineralized holes which are within EL 6265 have been shown in plan view in the above document.</li> <li>Historical data and reports referenced is contained in previous reports, publicly accessible through South Australian Department of Energy and Mining via the South Australian Resources Information Gateway (SARIG).</li> <li>The Exploration Target is largely based on historical data and relies heavily on drilling and assay results from that data.</li> </ul> <p><b>MODERN PROGRAM</b></p> <ul style="list-style-type: none"> <li>All significant results are reported, as is the total length of drilling</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<p><b>HISTORICAL</b></p> <ul style="list-style-type: none"> <li>A detailed gravity survey was completed in the area of a strong magnetic anomaly in the northwest corner of EL6265 in 1983-84 and defined a gravity anomaly 2 kilometres east of the main magnetic anomaly.</li> <li>A CSAMT survey was carried out over the prospect area in 1988 and subsequent drill holes SAE3, SAE5 and SAE6 were drilled to test this CSAMT anomaly. Copper mineralisation was observed in the Tapley Hill Formation within holes SAE5 and SAE6.</li> <li>Bulk density measurements of historical core were undertaken by HiSeis in 2019 in preparation for a seismic programme using the Archimedes method.</li> </ul> <p><b>MODERN PROGRAM</b></p> <ul style="list-style-type: none"> <li>Geotechnical and metallurgical assessment of drill core is ongoing but has not yet been completed.</li> <li>Bulk density measurements have not been recorded as part of 2018/19 drilling campaign.</li> <li>Coda has undertaken geophysical (Seismic and magnetotelluric) surveys and interpretations which suggest potential for mineralization to extend beyond the current bounds, but as no drilling has taken place these findings are not taken into account by this exploration target.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Coda is preparing for a substantial program of further resource definition drilling which is expected to begin from Q4 of 2020.</li> </ul>
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Exploration and reporting of historical drilling results was undertaken exclusively on EL 6265.</li> <li>Minerals is undertaking a farm-in joint venture to gain up to 70 percent ownership over the tenement through expenditure of \$6.62 million. Coda has the option to then purchase an additional 5 per cent for \$1.5 million, increasing its total potential ownership to 75 per cent.</li> </ul>

## Mineral Resource Statement

### 1. Introduction

The following is a statement of Mineral Resources for the Elizabeth Creek project, which Coda holds in partnership with Terrace Mining Pty Ltd (Terrace, a subsidiary of Torrens Mining (Torrens)). All Resources are reported at a 100% basis.

For details of the arrangements between Terrace Mining and Coda, see Sections 2.4(d), 6.1 and Annexure B of this Prospectus.

### 2. Mineral Resource Summary

The Windabout and MG14 Cu-Co-Ag deposits are located in the Mt Gunson district of South Australia on EL 6518 (formerly EL 5636).

The Windabout and MG14 deposits are sediment-hosted copper-cobalt-silver sulphide deposits formed through the replacement of diagenetic pyrite within dolomitic shales of the Tapley Hill Formation. Both deposits have similar origins, morphology and mineralogy and are about 6.5km apart. The historic Cattle Grid Cu-Cu-Ag mine, which operated for 10 years from 1974, is centred about 1km south of MG14.

The Windabout deposit forms a flat, tabular, triangular shaped sheet extending approximately 2km east-west and 1km north-south, varying in thickness between 2 and 8m. The deposit is hosted mainly by black shales of the flat-lying Tapley Hill Formation and is located under a cover sequence of semi consolidated Whyalla Sandstone, at a depth between 55 and 85m.

The MG14 deposit also forms a tabular, horizontal, triangular shaped sheet hosted by the Tapley Hill Formation, extending 1.4km east-west by 0.4 km north. The deposit is 3- 8m in thickness and is located approximately 20-25m below surface beneath the Whyalla Sandstone.

Mineralisation in both deposits consists of fine grained, chalcocite-bornite-chalcopyrite-covellite-pyrite-carrollite-galena-sphalerite in a gangue of dolomite, clay/sericite, quartz and siderite.

The depth and morphology of the mineralisation is amenable to low cost rip, load and haul open cut mining. Metallurgical test work completed by Ian Wark Research Institute in 2009 indicates a recovery of 66.7% from sulphide flotation. Test work commissioned by Torrens suggests that a process of conventional sulphide flotation, followed by a glycine/cyanide leach for copper, would be capable of producing overall recoveries of about 90%. Coda Minerals is currently undertaking an updated metallurgical testwork programme to confirm flowsheet designs to be carried forward into pre-feasibility studies.

The MG 14 and Windabout deposits were first identified in the 1970's after step out drilling from the Cattle Grid deposit. Much of the data used for this estimate was acquired by diamond and RC drilling completed between 1973 and 1995 by previous operators. The Windabout Database contains 221 drill holes (167 RC the remainder diamond) for 18,712.7m and the MG14 database contains 210 mainly diamond drill holes for 1168.8m. An additional 15 HQ diamond holes were drilled by Gunson Resources Limited in 2007 and 2010 and a further 33 by Gindalbie Metals in 2017.

Historic diamond core was cut with a diamond saw on 0.5m splits. Historic RC holes were riffle split and assayed on 0.5m splits within mineralised zones. Recent drill core was crushed, and

a sub-sample split for pulverizing and analysis. Historic drill samples were analysed at various commercial and mine site laboratories. Analytical methods are not fully documented but assumed to be wet chemical (AAS) analysis. Recent drill core was assayed by Bureau Veritas by XRF, with check analyses at Nagrom by ICP\_OES.

QAQC of the recent drilling program used industry standard insertion of certified reference standards, blanks, duplicates and external laboratory analysis. All QAQC measures indicate that the recent drilling data is of excellent quality and suitable for resource estimation. There was very limited QAQC data available for the Windabout Historic data and none for MG14. Percentile plots of 0.5m composited data comparing recent and historic data sets highlight a negative bias to the historic data. This suggests the estimated grade may be slightly lower than the real value due to the reliance of much of the estimation on the historic data. Drilling, logging and analytical procedures are not considered to present any material risk to the estimation of Mineral Resources on a global level.

Bulk density determinations were made on drill core samples from the Gindalbie Metals drilling program using the Archimedes method on wet core to determine the sample volume then drying and weighing the sample to determine the dry bulk density. The average of the bulk density determinations minus the top and bottom samples was assigned to the block model.

An ordinary kriged block model resource estimation has been completed for both the Windabout and MG14 deposits, based on historic and recent diamond and RC drilling. Solid models of mineralised domains were created on 50m or 100m north-south drill sections from downhole lithology and drill hole grades. Sectional continuity for both deposits is excellent and poses no material risk to resource estimation.

Analyses for Cu, Co and Ag from the drill hole samples were composited on 0.5m lengths. Univariate statistical analysis demonstrates a low coefficient of variation and no top cutting was considered necessary, with the exception of a few high Co values in the Windabout deposit which were cut to 2555ppm.

Two block models were constructed using a 25mN x 25mE x 1mRL parent block with sub-celling to 6.5m in the x and y directions and 0.5m in the z direction. Only parent block grades were estimated. The search ellipse was determined from Cu, Co and Ag variography and the interpolation was constrained by the wireframe boundary.

The Windabout and MG14 Mineral Resources (the resources) are classified and reported according to the guidelines of the 2012 edition of the JORC Code are listed in Tables 1 and 2.

*Table 1: Windabout Indicated Resource*

Cu_eq <sup>4</sup> > 0.5% cut-off					Cu_eq > 1.0% cut-off				
Mt	Cu %	Co ppm	Ag g/t	Cu_eq %	Mt	Cu %	Co ppm	Ag g/t	Cu_eq %
17.67	0.77	492	8	1.41	11.86	0.95	599	10	1.73

<sup>4</sup> Cu Eq = Cu % + (Co ppm\*0.0012). Please see "Data aggregation methods", Table 1, Section 2 below.

Table 2: MG14 Indicated Resource

Cu_eq > 0.5% cut-off					Cu_eq > 1.0% cut-off				
Mt	Cu %	Co ppm	Ag g/t	Cu_eq %	Mt	Cu %	Co ppm	Ag g/t	Cu_eq %
1.83	1.24	334	14	1.67	1.59	1.33	360	15	1.8

Classification of the Windabout and MG14 deposits takes into account data quality and distribution, spatial continuity, confidence in the geological interpretation and estimation confidence. Because of the high confidence in the simple geological model, grade continuity, drill hole spacing and data integrity, both the MG14 and Windabout resources have been classified as Indicated Resource. The deposit was not classified as a Measured Resource due to the heavy reliance on historic data without QAQC reports, and the apparent negative bias between historic and recent drilling data sets.

The resources are reported at a 0.5 and 1.0% Cu equivalent cut offs to provide a range of resource figures for financial analysis and mineral reserve estimation. A Cu equivalent has been used to reflect, in Coda Minerals' and Torrens Mining's belief is the value of recoverable and saleable Cu and Co in the resource. Ag also has the potential to add significant value to the project, however Ag analyses in the estimation and metallurgical test work are as yet insufficient to include in a metal equivalent calculation.

The estimation was validated by visually checking the interpolation results against drill hole data in plan and section, comparing input and output statistics and comparing with previous estimates. The estimate is considered to be robust on the basis of the above checks.

Both deposits contain zones of higher copper and cobalt grades and the deposits may be amenable to mining at higher cut-off grades.

The original release of this information was made by Gindalbie Metals (Coda's former parent company) in a release titled "Mt Gunson Copper-Cobalt Project Update", released to the ASX on 19 January 2018.

Figure 4: MG14 Deposit drill hole location plan and Cu equivalent x thickness m image.

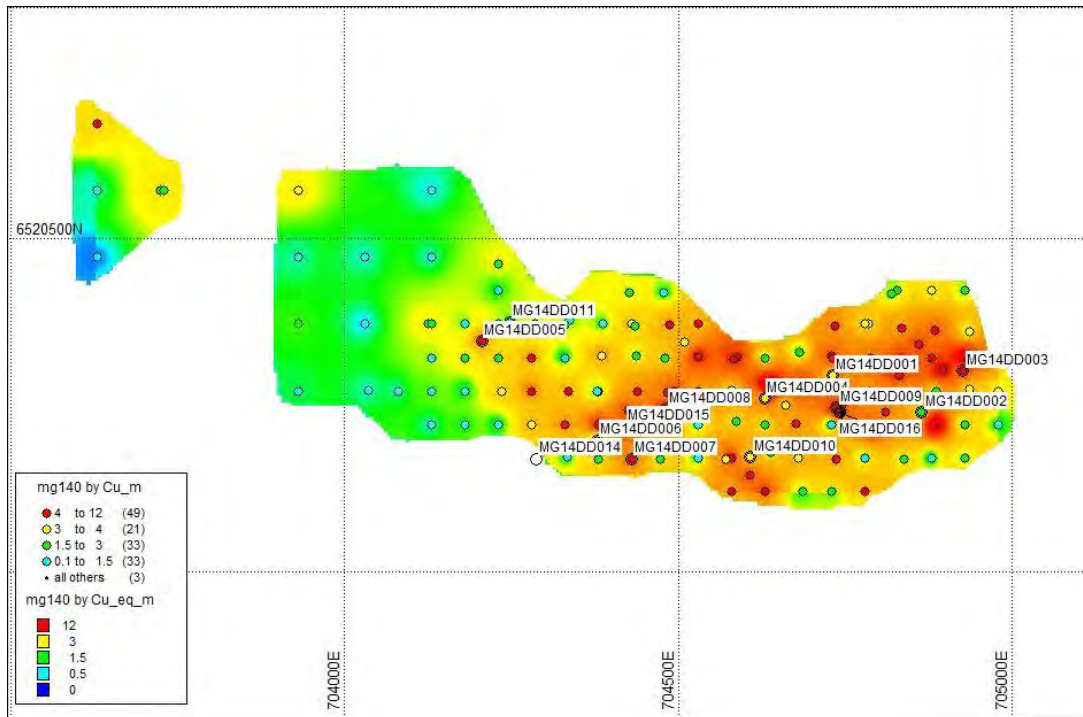


Figure 5: Windabout Upper Mineralised Zone drill hole location plan and Cu equivalent x thickness m image.

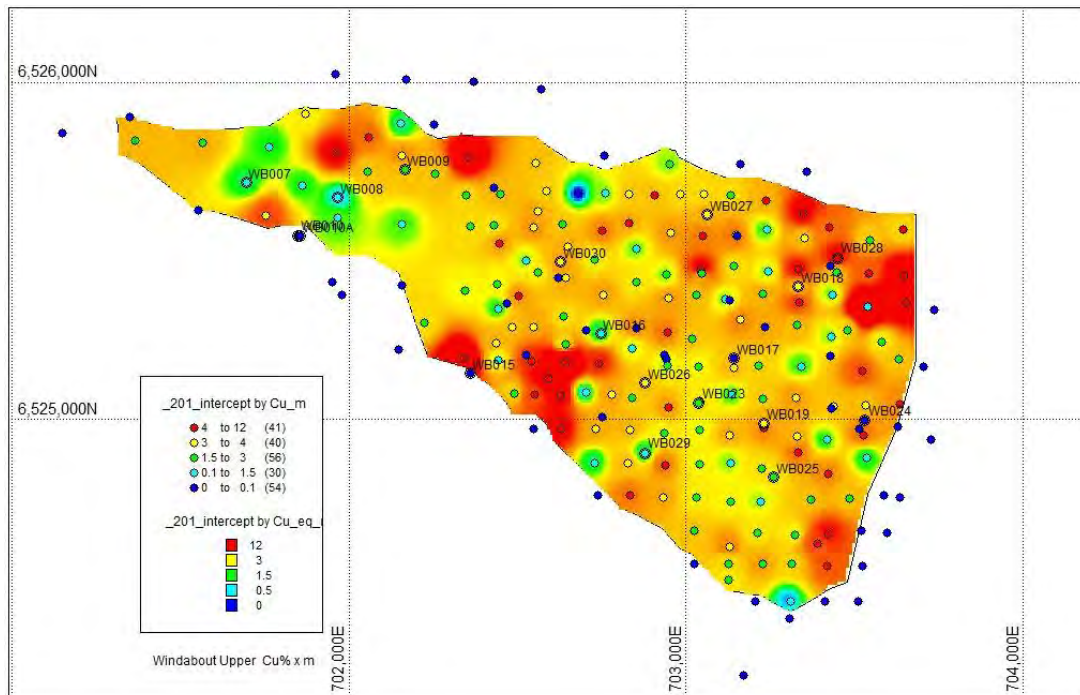


Figure 6: MG14 Section 704630

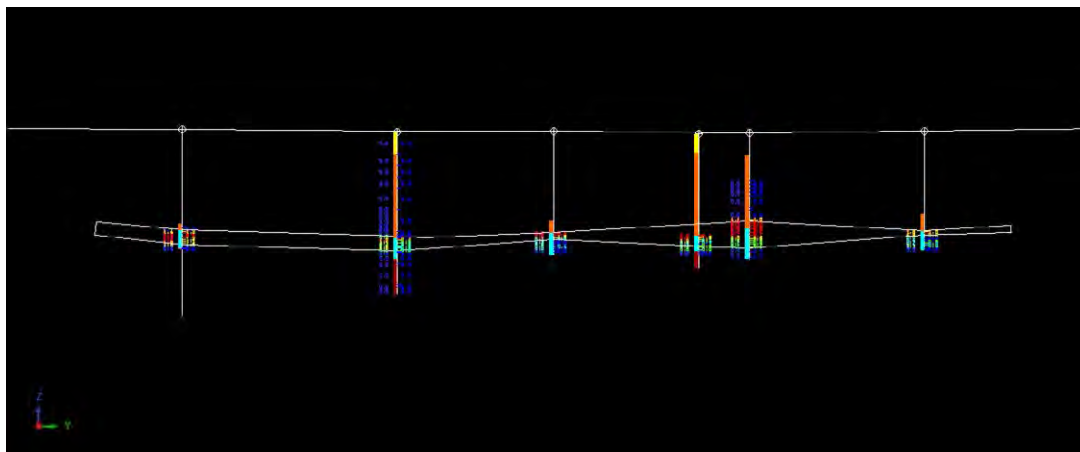
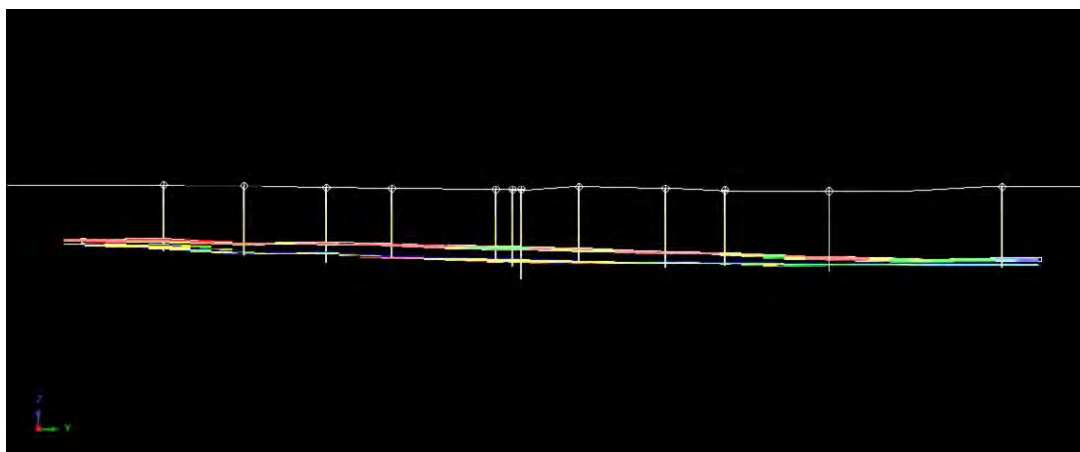


Figure 7: Windabout Section 702940E, Lower and Upper mineralised zones on the top and bottom of the Tapley Hill Formation.





**JORC Table 1 – Windabout and MG14 Mineral Resource Estimates**

**Section 1 Sampling Techniques and Data**

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

Criteria	JORC Code explanation	Commentary
<p><b>Sampling techniques</b></p>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cutchannels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>The Windabout and MG14 deposits has been delineated entirely by drilling, both diamond and RC. Numerous drilling campaigns were completed between 1970 and 1995 by CSR, ACC, Pacminex and Stuart Metals. Post - 2007 drilling was completed by Gunson and Gindalbie.</li> <li>Windabout pre-2007 drilling 198 drill holes drill holes 16,933m</li> <li>Windabout post 2007 drilling 23 holes for 1,384m.</li> <li>MG14 pre-2007 drilling 185 drill holes drill holes 6,865m</li> <li>MG14 post 2007 drilling 25 holes for 904m.</li> <li>Tapley Hill Formation and lower Whyalla sandstone were selected for geochemical analysis</li> <li>Approximately 0.5m samples of 1-2kg were taken from diamond saw cut drill core or rifle split RC samples whilst respecting geological boundaries.</li> </ul>
<p><b>Drilling techniques</b></p>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<p>WINDABOUT</p> <p>Company Type holes m Date CSR RC 10 911.0 1985                      Stuart RC 168 14,471.6 1994-96                      Stuart HQ 8 718.8 1995                      Stuart NQ 12 832.1 1996                      Gunson HQ 5 395.5 2010                      Gindalbie HQ 18 1,383.8 2017  <b>Total 221 18,712.7</b></p> <p>MG14</p> <p>Company Type holes m Date                      Stuart RC 14 525.5 1995                      Pacminex NQ 34 1,239.2 1975                      Pacminex PQ 15 451.5 1975                      Pacminex HQ 11 381.3 1973</p>

Criteria	JORC Code explanation	Commentary
		Pacminex RC 2 59.0 1973 Pacminex Other 2 290.2 Pacminex undef 10 600.6 ACC NQ 38 1,424.5 1989 ACC HQ 59 1,893.4 1990 Gindalbie HQ 15 578.2 2017 Gunsong HQ 10 325.4 2008-10 <b>Total 210 7,768.8</b>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Core reconstituted, marked up and measured recovery for Gindalbie drilling.</li> <li>Recoveries generally excellent (95-100%)</li> <li>No relationship between recovery and grade was observed</li> <li>Historic holes recoveries not available.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Geological logging has been carried out on all holes by experienced geologists and technical staff.</li> <li>Holes logged for lithology, weathering, and mineralisation.</li> <li>All holes photographed wet and dry before cutting.</li> <li>Logs loaded into excel spreadsheets and uploaded into access database.</li> <li>Pre-20107 paper logs entered into access database by experienced geologists.</li> <li>Standard lithology codes used for all drill holes.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all ore taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the same preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Whole core crushed on 0.3 – 1.0m samples while respecting geological contacts.</li> <li>Riffle split sample weights approx. 500g are considered appropriate for fine, homogenous mineralisation.</li> <li>Historic samples diamond saw cut half core or riffle split RC.</li> <li>Duplicate samples reconcile well with primary samples.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments,</li> </ul>	<ul style="list-style-type: none"> <li>Post-2007 analyses were conducted at Bureau Veritas using a fused disc XRF technique, or Amdel by ICP_OES. F used disc XRF is considered a total technique, as it extracts and measures the whole of the element contained within the sample.</li> <li>Pre-2007 total analyses are undefined but believed to be acid or aqua regia digest</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <ul style="list-style-type: none"> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>and AAS typical of the times.</li> <li>Soluble Sn, Cu, Pb, Zn and Ag analysed by acid leach followed by AAS.</li> <li>Gindalbie's drilling campaign assay samples submitted to rigorous independent laboratory check sampling.</li> <li>Certified reference material, blanks or duplicate samples were employed in Gindalbie' drilling samples.</li> <li>No QAQC procedures identified for legacy data.</li> <li>Quartile-Quartile plots of legacy v recent drilling indicate a negative bias in the legacy data for Cu and Co.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Drill core analysed with mineralizer at Bureau Veritas prior to sampling.</li> <li>Field logging supported with hand portable XRF to identify mineralised zones.</li> <li>Metallurgical test work completed on Gindalbie's and Gunson drill core.</li> <li>Twinned holes completed in all historic and recent drilling programs for metallurgical sampling and data verification. Generally excellent geological and grade correlation between twinned holes.</li> <li>Data collected by qualified geologists and experienced field assistants and entered. Data migrated to Microsoft access tables from excel spreadsheets. Data checked by the database and resource geologists for errors.</li> <li>Post 2007 certified analytical data provided in digital and hard copy format.</li> <li>Negative values in the database have been adjusted to the detection limit for statistical analysis.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>All Post 2007 drill collars surveyed by licensed surveyor using differential GPS.</li> <li>Some Pre-2007 drill collars surveyed by licensed surveyor, with many located to within several metres by local grid tape and compass.</li> <li>Partial validation of historic drill holes by licensed surveyor.</li> <li>All coordinates GDA94 Zone 53</li> <li>RL's as MSL</li> <li>No down hole surveys required for short vertical holes</li> <li>The Digital Terrain Model generated from drill collars.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Drill hole intersection spacing approximately 50 by 50m for MG14 deposits.</li> <li>Drill hole spacing approximately 100 by 100m for the Windabout deposit.</li> <li>Drill spacing is considered to be appropriate for the estimation of Indicated Mineral resources for both the Windabout and MG14 deposits.</li> <li>Samples have been composited on 0.5m intercepts for the resource estimation.</li> </ul>
<b>Orientation of data in relation</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias.</li> </ul>	<ul style="list-style-type: none"> <li>All of drill holes used for this estimation were drilled vertically, perpendicular to the flat lying MG14 and Windabout mineralisation.</li> <li>Drill hole orientation is not considered to have introduced any material sampling bias.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>to geological structure</b>	<i>bias, this should be assessed and reported if material.</i>	
<b>Sample security</b>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Drill core sealed in plastic tubes to prevent moisture loss and transported to Bureau Veritas by commercial courier.</li> <li>Sample intervals selected by Alex Madden of Strategic Minerals.</li> <li>All samples ticketed and processed by Bureau Veritas with sample locations recorded digitally by Alex Maddern.</li> <li>Pre-2007 sample security is not documented.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>Field sampling, sub sampling and QAQC techniques were reviewed by Tim Callaghan of Resource and Exploration Geology.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>The MG14 and Windabout deposits, located on EL 5636 (51% Coda/49% Torrens) form part of the Elizabeth Creek Project, which also includes EL's 6265 and 6141 for a total area of 739km<sup>2</sup>.</li> <li>The Adelaide Chemical Company acquisition mid 1980's with Oxide copper leaching operations producing approximately 1 tonne of cement copper per day from excised ML's not owned by Coda/Torrens.</li> <li>Torrens have entered into a Farm-in Agreement with Coda which includes funding of diamond drilling and metallurgical testwork on the MG14 and Windabout deposits by Coda.</li> <li>Tenements are subject to native title agreements yet to be negotiated if mining proceeds.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>Outcrops of Cu-oxides discovered in 1873 and mined intermittently to 1937.</li> <li>1941 and 1943, 32,380t of ore grading 3.5% Cu was mined for Broken Hill Associated smelters</li> <li>Modern exploration commenced in the 1960's through Ausminex, later acquired by CSR.</li> <li>CSR commenced mining in 1970 on the Main Open Pit at 400,000tpa.</li> <li>Cattle Grid sulphide deposit in 1972.</li> <li>Between 1974 and 1984, 127,000t of copper and 62t of silver was produced from 7.2Mt of ore mined in the Cattle Grid open pit.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>The Windabout, MG14 and Cattle Grid South deposits were discovered during this phase of mining.</li> <li>Stuart Metals NL intensive infill drilling 1994-95, with feasibility study completed in 1996.</li> <li>Gunson Resources 2000-2016 feasibility studies and metallurgical testwork.</li> <li>Torrens acquisition in 2016 and Gindalbie Farm-in Agreement 2017.</li> <li>The Windabout and MG14 deposits are sediment-hosted Copper-Cobalt-Silver sulphide deposits formed through the replacement of diagenetic pyrite within dolomitic shales of the Tapley Hill Formation.</li> <li>Drill collar details and significant intersections for all drill holes are detailed in Appendix 2 of Gindalbie Metals' announcement available at <a href="https://www.asx.com.au/asxpdf/20180119/pdf/43qxphjd1812x0.pdf">https://www.asx.com.au/asxpdf/20180119/pdf/43qxphjd1812x0.pdf</a>.</li> </ul>
	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Exploration results and resource estimation figures have been reported on a 0.5% Cu and 1.0% Cu cut-off.</li> <li>A lower cut-off grade of 0.5% Cu equivalent has been applied for mineralised domain modelling.</li> <li>A Cu equivalent has been determined from Mine gate break even Cu and Co prices. Cu US\$6,600, Co US\$55,000, Exchange rate 0.73 US\$/Au\$, Cu recovery 60%, Co recovery 85%, Mining recovery 90%, dilution 5%, payable Cu 70%, Payable Co 75%, Operating cost: Au \$26.</li> <li>Cu_eq = Cu% + Co_ppm*0.0012</li> <li>Metallurgical recovery assumptions are based on extensive, PFS level metallurgical testwork undertaken on the MG14 and Windabout deposits. This testwork investigated various flowsheets involving both pure floatation and floatation + glycine leaching. The company believes that the results of this testwork represent sufficient detail for a resource of this type.</li> <li>It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.</li> </ul>
<b>Relationship between mineralisation</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there</li> </ul>	<ul style="list-style-type: none"> <li>All drill hole lengths are true widths.</li> <li>All drill holes modelled 3 dimensionally for resource estimation.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>widths and intercept lengths</b>	<i>should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>• <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>• See body of the report for relevant plan views and sectional views</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>• <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The depth and morphology of the mineralisation is amenable to low cost rip, load and haul open cut mining.</li> <li>• Geotechnical and Mining study completed by Barratt and Fuller Partners in 1995.</li> <li>• Metallurgical test work completed by Ian Wark Research Institute in 2009 indicates a recovery of 66.7% from sulphide flotation.</li> <li>• Test work commissioned by Torrens suggest that a process of conventional sulphide flotation followed by a glycine/cyanide leach would be capable of producing overall recoveries of about 90%.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Resource infill drilling is planned to coincide with further technical studies as part of a Definitive Feasibility Study.</li> <li>• Windabout and MG14 deposits essentially closed off.</li> <li>• Good potential for brownfields and regional discoveries with further exploration.</li> </ul>

### Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
<b>Database Integrity</b>	<ul style="list-style-type: none"> <li>• <i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Data provided as excel spreadsheets</li> <li>• Access database created for resource estimation.</li> <li>• Historic data validated by checking paper logs and assay sheets by contract geologists.</li> <li>• Post 2007 data received electronically and loaded into database</li> <li>• Data integrity validated with Surpac Software for EOH depth and sample overlaps and transcription errors.</li> <li>• 0.5m composite statistical analysis checked for significant variations or</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Site Visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> </ul>	<ul style="list-style-type: none"> <li>anomalous figures. No material errors identified.</li> <li>A site visit made during the September 2017 drilling program, during which the Author participated in drill logging and sample packaging.</li> <li>Periodic advice on infill drilling and QAC procedures have been provided.</li> </ul>
<b>Geological Interpretation</b>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology</li> </ul>	<ul style="list-style-type: none"> <li>High confidence in simple sediment hosted strataform mineralisation.</li> <li>No alternative geological interpretations were attempted for this estimation.</li> <li>Geology model does not vary significantly from historic geology interpretations.</li> <li>Geology/grade contour used for mineralised domain modelling.</li> </ul>
<b>Dimensions</b>	<ul style="list-style-type: none"> <li>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</li> </ul>	<ul style="list-style-type: none"> <li>The Windabout deposit forms a flat tabular, triangular shaped sheet extending approximately 2km east-west and 1km north-south, varying in thickness between 2 and 8m. The deposit is located under a cover sequence of semi consolidated Whyalla Sandstone at a depth between 55 and 85m.</li> </ul>
<b>Estimation and Modelling techniques</b>	<ul style="list-style-type: none"> <li>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</li> <li>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</li> <li>The assumptions made regarding recovery of by-products.</li> <li>Estimation of deleterious elements or other nongrade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</li> <li>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</li> <li>Any assumptions behind modelling of selective mining units.</li> <li>Any assumptions about correlation between variables.</li> <li>Description of how the geological interpretation was used to control the resource estimates.</li> <li>Discussion of basis for using or not using grade cutting or capping.</li> <li>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</li> </ul>	<ul style="list-style-type: none"> <li>Block modelled estimation completed with Surpac™ software licensed to Tim Callaghan.</li> <li>Wire-framed solid models created from drill holes on 50m or 100m sectional interpretation.</li> <li>Solid models snapped to drill holes</li> <li>Minimum width of 1m downhole @ 0.5% Cu_eq</li> <li>Internal dilution restricted to 1m with allowances for geological continuity.</li> <li>Data composited on 0.5m intervals including Cu, Co, Ag, S, Pb, Zn, total C.</li> <li>Top cutting based on CV and grade histograms. Only Windabout UMZ Co top cut to 2555ppm.</li> <li>Metal association indicates very good correlation between Cu, Co, and Ag.</li> <li>MG14 block model extends between 6,520,000 to 6,520,800N, 703,450 to 705,200E and 0 to 100m RL. Block sizes 25m x 25m x 0.5m with sub-celling to 6.25m in the x and y directions and 0.5 in the z direction.</li> <li>The Windabout block model extends between 6,524,200 to 6,526,100N, 701,000 to 704,050E and -20 to 100m RL. Block sizes 25m x 25m x 0.5m with sub-celling to 6.25m in the x and y directions and 0.5 in the Z direction.</li> <li>Variogram models are well constructed with low to zero nugget effect and long range of 40 to 60m to sill for major geological domains.</li> <li>Search ellipse set at 200m spherical range to ensure &gt;95% of blocks populated.</li> <li>Ordinary kriged estimation for Cu, Co and Ag constrained by geology solid model.</li> <li>Ag estimated by regression analysis of Cu-Ag for Windabout deposit.</li> <li>Excellent grade correlation with previous estimations.</li> </ul>
<b>Moisture</b>	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>The estimate based on a dry tonnage basis.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Cut-off Parameters</b>	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>Cut off grades have been determined from mining recoveries (90%), metallurgical recoveries (60-85%), estimated industry costs (\$26/t), prevailing mineral price (Cu US\$6,600, Co US\$55,000) and exchange rate estimations (\$US:\$A0.73).</li> <li>A block cut-off of 0.5% Cu has been applied for the reporting of the mineral resources</li> </ul>
<b>Mining Assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous.</li> </ul>	<ul style="list-style-type: none"> <li>Mining studies completed by Barratt and Fuller Partners, for 1995 BFS.</li> <li>Conventional free digging Open Pit operation.</li> <li>Torrens commissioned an independent study into bulk mining methods in 2015 which suggested electrically-powered open cast coal mining methods may be amenable for overburden removal. Torrens plans to mine the flat-lying shale-hosted mineralised horizons at both MG14 and Windabout, with a diesel-powered Continuous Miner, a method which would involve little or no blasting and enable minimal ore dilution to be achieved.</li> </ul>
<b>Metallurgical Assumptions</b>	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous.</li> </ul>	<ul style="list-style-type: none"> <li>Metallurgical testwork completed by Ian Mark Research Institute in 2009 indicates a recovery of 66.7% for copper could be achieved from sulphide flotation.</li> <li>Initial results from the test work commissioned by Torrens suggest that a process of conventional sulphide flotation followed by a glycine/cyanide leach would be capable of producing overall recoveries of about 90%, for copper, with high cobalt recoveries from flotation.</li> </ul>
<b>Environmental Assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation.</li> </ul>	<ul style="list-style-type: none"> <li>A previously disturbed historical mining environment around the proposed mine and processing site that may be amenable for future processing facilities.</li> <li>Majority of waste rock likely to remain in open pit storage facility.</li> <li>Initial studies of acid generating characteristics of mine sequence rock-types required.</li> </ul>
<b>Bulk Density</b>	<ul style="list-style-type: none"> <li>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>Bulk density derived from diamond drill core using the Archimedes method at Bureau Veritas.</li> <li>Core is un-oxidised and free of cavities</li> <li>Wet SG determinations were completed on the samples by weighing the wet selected samples in air then weighing them in water with the wet bulk density determined by the Archimedes method. The samples were then dried in air. The dry bulk density was determined as:</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<ul style="list-style-type: none"> <li>dry weight / (wet weight - wet weight in H<sub>2</sub>O)</li> <li>Confidence in the geological model, data quality and interpolation is sufficient for classification of s Indicated Resources.</li> <li>The reliance on historical data without adequate QAQC prevents higher classification as there is some uncertainty in the data.</li> <li>The resource classification appropriately reflects the views of the Competent Person</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews have been completed for this estimation.</li> </ul>



Criteria	JORC Code explanation	Commentary
<b>Discussion or relative accuracy/confidence</b>	<ul style="list-style-type: none"> <li>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>The simple geological model is robust between sections.</li> <li>Drill spacing, variography and data variability provide confidence in the estimate which is reflected in the resource classification.</li> <li>Resource grades supported by ID2 estimation.</li> <li>No production data is available for reconciliation.</li> </ul>

## Annexure G Mount Piper JORC Table 1 disclosure

### JORC Table 1 - Mount Piper Project

#### Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>The Mt Piper Project was sampled using various methods by previous project owners using industry standard practices. Early exploration stages were defined by geochemical drainage sampling, auger soil sampling, rock chip sampling, Reverse Circulation (RC) drilling, Diamond drilling, Cable Tool drilling and Percussion drilling over an extended period. Drilling was undertaken by Perseverance Mining and BHP. During open file information searches, the following relevant information was located: <b>EL6775</b> <ul style="list-style-type: none"> <li>CRA (1979) collected a series of -80# mesh stream sediment samples that drained the fairly large Mt. Piper Au-As-Sb prospect.</li> <li>CRA (1981) drilled a series of Cable Tool drill holes. No significant results were encountered, and this drilling is not considered relevant to this Table 1 report.</li> <li>BHP (1980-1986) collected a series of very close-spaced -80# mesh stream sediment samples of the Mt. Piper prospect area.</li> <li>Perseverance (1993), from the same locality collected a series of -80# mesh stream sediment samples.</li> <li>Oroya Mining (2007-2010) conducted -80# mesh stream sediment sampling and soil sampling, defining several anomalous drainage sample source areas, for which several were designated for further investigation by soil sampling, geological mapping and rock chip sampling (Hughes, 2011). (See Figure 1 in this Annexure G).</li> </ul> </li> <li><b>ELAY7331</b> <ul style="list-style-type: none"> <li>Perseverance (1992-1993) collected a series of -80# mesh stream sediment samples.</li> <li>Perseverance (1992-1993) collected a series of -80# mesh surface soil geochemical samples.</li> <li>Perseverance (1992-1993) collected a series of auger soil samples.</li> <li>Perseverance (1992-1993) collected a series of rock chip samples.</li> <li>Perseverance (1992-1993) drilled a series of RC drill holes.</li> </ul> </li> <li><b>ELAY7337</b> <ul style="list-style-type: none"> <li>Fraser Mining &amp; Construction/Burgundy Exploration (1988-1990) collected a series of rock chip samples.</li> </ul> </li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>BHP (1983) drilled a series of 6 Percussion drill holes on the excluded Mt Piper Nature Reserve.</li> <li>BHP (1983) drilled a series of 3 Diamond holes on the excluded Mt Piper Nature Reserve.</li> </ul> <p><b>ELAY380</b></p> <ul style="list-style-type: none"> <li>Burrows, T.J. and Metana Minerals NL, Southern Ventures NL (1988-1989) collected a series of BCL stream sediment samples.</li> <li>Burrows, T.J. and Metana Minerals NL, Southern Ventures NL (1988-1989) collected a series of rock chip samples.</li> <li>Perseverance (1992-1993) collected a series of -80# mesh stream sediment samples.</li> </ul> <p>RC drilling by Perseverance was completed as angled holes with sampling conducted on predominantly 1m or 2m intervals. RC samples were analysed by Australian Laboratory Services at their Bendigo Lab and were analysed for gold only. The analytical method is unknown.</p> <ul style="list-style-type: none"> <li>Diamond drilling by BHP was completed as HQ3 and NQ2 standard tube drilling with sampling conducted on predominantly 1m intervals. Half core samples were analysed at Pilbara Laboratories in Perth for gold, silver, copper, lead, zinc, arsenic, antimony, tungsten and barium. Gold grades were determined by fire assay of a 50-gram sample. Silver, copper, lead and zinc grades were determined by atomic absorption spectrophotometry (AAS) after an acid digest. Antimony and arsenic grades were determined by AAS after hydride evolution or fusion attack. Tungsten and barium grades were determined by inductively coupled plasma emission spectroscopy (ICP) after fusion attack.</li> <li>Percussion drilling by BHP was completed as angled holes with sampling conducted on 2m composite intervals from an approx. 100kg sample. The ~100kg sample was split at the rig to produce an analytical sample. The analytical samples were analysed at Pilbara Laboratories in Perth for gold and arsenic only. Gold grades were determined by fire assay of a 50-gram sample and arsenic by AAS with a vapour hydride finish.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>A total of 25 RC drill holes were drilled by Perseverance within ELA7331, with a further 8 RC drill holes drilled along strike from the first 25 in a north-west direction within the Puckapunyal Military Area (PMA), an area subject to licence application 007481. The average depth of all the RC drilling completed by Perseverance is only 53m and it appears that the drilling was conducted using industry standard techniques.</li> <li>A total of 3 Diamond drill holes were drilled by BHP on the excluded Mt Piper Nature Reserve. This drilling was completed as HQ, NQ and BQ standard tube drilling using industry standard techniques standard and chrome lined barrels.</li> <li>A total of 6 Percussion drill holes were drilled by BHP within the excluded Mt Piper Nature Reserve. This drilling was completed using a machine equivalent to an Ingersol Rand T4, fitted with a six-inch hammer.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> </ul>	<ul style="list-style-type: none"> <li>Given the historical nature of the drilling, limited information is available about sample recoveries for the Perseverance RC drilling. Sample sheets and company reports suggest there was no problems with sample recovery.</li> <li>Recovery from the BHP Diamond drilling indicated good recoveries with very few intervals of core loss (97% recovery in DDH1).</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Recovery from the BHP Percussion drilling was good with approx. 100kg of sample available to be split.</li> <li>No apparent bias was noted between sample recovery and grade.</li> <li>No apparent bias was noted between sample weights and grade.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature.</li> <li>Core (or coasteam, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>The quality of the geological logging appears robust and of a high quality. The logging has not been sufficient to support Mineral Resource estimation.</li> <li>Qualitative logging of lithology was undertaken for the Perseverance RC drilling.</li> <li>Qualitative logging of lithology, structure, mineralisation, alteration, oxidation state and veining was undertaken for the BHP Diamond drilling.</li> <li>Qualitative logging of lithology, weathering and alteration was undertaken for the BHP Diamond drilling.</li> <li>Most drill holes were fully logged.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all subsampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Limited data is available for the sub-sampling techniques from the Perseverance RC Drilling. RC drilling from Perseverance was completed as angled holes with sampling conducted on predominantly 1m or 2m intervals. RC samples were analysed by Australian Laboratory Services at their Bendigo Lab and were analysed for gold only. The analytical method is unknown, but it is assumed to have been conducted using industry standard techniques.</li> <li>The sub-sampling techniques adopted for the BHP Diamond drilling included the following: <ul style="list-style-type: none"> <li>The core was taken from the drill site and stored and laid out for marking up.</li> <li>The core was sawn using portable core saws.</li> <li>The left side of the core was the side taken for analysis.</li> <li>The samples were placed in plastic liners, which were then put into calico sample bags.</li> <li>All samples were packed in steel drums and despatched to Pilbara Laboratories in Perth.</li> </ul> </li> <li>Percussion drilling from BHP was completed as angled holes with sampling conducted on 2m composite intervals from an approx. 100kg sample. The ~100kg sample was split at the rig to produce an analytical sample. The analytical samples were analysed at Pilbara Laboratories in Perth.</li> <li>No QA/QC procedures have been reviewed for any of the historical sampling.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Where information has been provided in reports, the analytical techniques for all drill programs appear appropriate for the stage of exploration being conducted.</li> <li>RC samples from the Perseverance drilling were analysed by Australian Laboratory Services at their Bendigo Lab and were analysed for gold only. The analytical method is unknown, but it is assumed to have been conducted using industry standard techniques.</li> <li>Diamond drilling samples from BHP were analysed at Pilbara Laboratories in Perth. Each half core sample was crushed to -60 mesh. It was then mixed and split down to 200 grams using a Jones Splitter. The 200-gram sample was then fine pulverized to 200 microns. The assays and analyses were made on the pulp obtained. Gold grades were determined by fire assay of a 50-gram sample. Silver, copper, lead and zinc grades were determined by atomic absorption spectrophotometry (AAS) after an acid digest. Antimony and arsenic grades were determined by AAS after hydride evolution or fusion attack. Tungsten and barium grades were determined by inductively coupled plasma emission spectroscopy (ICP) after fusion attack.</li> </ul>

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Torrens has verified significant intersections from Geological Survey of Victoria (GSV) records.</li> <li>No twinned holes were identified from the data reviewed and this is expected given the early stage nature of the exploration.</li> <li>Logging records have been reviewed for all RC, Diamond and Percussion holes. Logging was completed in the field by paper logging for historical drilling.</li> <li>No adjustments appear to have been made to original assay data.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Drill hole coordinates are in UTM grid (GDA04 MGA Zone 55). All drilling was pre 1993 and in most instances a local grid was used with collar coordinates and downhole surveys collected by a compass and clinometer and later transformed into GDA.</li> <li>Limited downhole survey measurements were taken during the BHP Diamond drilling and at the completion of drilling, the hole was surveyed using an Eastman Camera.</li> <li>Topographical control is considered adequate for the early stage of exploration.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Drill hole spacing is sparse over the Project given the only significant drilling on Torrens tenure is Perseverance's RC drilling. The Perseverance RC drill hole spacing is spread over a strike distance of approx. 2.8km (within ELA7331) with one hole every several hundred meters and the average depth of this drilling is only approx. 53m.</li> <li>Given this, the majority of the Project can effectively be considered as untested. (Drilling conducted by BHP, although relevant to the existence of gold mineralisation in the area, was conducted on the excluded Mt Piper Nature Reserve (just east of Torrens ELA7337)).</li> <li>Drilling to date has not yet demonstrated sufficient continuity in both geological and grade continuity to support the definition of a Mineral Resource.</li> <li>Assays have been composited into significant intersections. No edge dilution has been applied to significant intersections.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Perseverance RC drill holes were drilled at a 50-degree dip and angled towards grid south (Northwood Hill) and grid north (Rowell Hill)</li> <li>BHP diamond drill holes were drilled at a 45-degree dip and angled towards grid south west and north west.</li> <li>BHP Percussion drill holes were drilled at a 60-degree dip and angled towards grid south.</li> <li>Within Torrens ELA7331, Perseverance noted an identified structure in a south-east strike that is approximately 3km in strike length and runs parallel with an anticlinal structure to the south west. The orientation of Perseverance's RC drilling to grid south could mean that any structures outside of an east-west orientation will not have been properly tested. Additionally, the shallow nature of the drilling leads to the conclusion that this area has not been appropriately tested for deeper mineralising structures.</li> <li>There is no known bias due to the orientation of drilling and the observed gold mineralisation.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Details of measures taken for the chain of custody of samples is unknown for the previous exploration activities.</li> </ul>

Criteria	JORC Code explanation	Commentary
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews of sampling techniques and data have been undertaken.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park, and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The Mt Piper Project comprises a single granted Exploration Licence (EL6775), four Exploration Licence Applications (ELA7331, ELA7337, ELA7366 and ELA7380) and one licence application under review (007481) in Central Victoria, Australia. The project is located approximately 80 km north of the Victorian capital city of Melbourne adjacent to the sealed Hume Highway and is 100% owned by Torrens.</li> <li>95.98% of EL6775 overlaps with the Taungurung Settlement ILUA (V2018/002).</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>See Section 2.4 of the IGR for a summary of exploration done by other parties.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>See Section 2.3 of the IGR.</li> </ul>
Drill hole information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate tabulations for material drill holes and significant drill results have been included in Table 1 and Table 2 following this report.</li> <li>No relevant data has been excluded from this report.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> </ul>	<ul style="list-style-type: none"> <li>Assays have been composited into significant intersections of &gt;0.1 g/t gold and further <b>bolded at &gt;0.5g/t gold</b>.</li> <li>No edge dilution has been applied to significant intersections and a significant intersection must have a minimum of 1m down hole length.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>No top cuts have been applied.</li> <li>No metal equivalent values are reported.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>Only downhole lengths are reported, and true width is not known.</li> <li>The geometry of mineralisation is not known.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate plans are included in this prospectus.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>All significant exploration results are reported &gt;0.1 g/t gold and further <b>bolded at &gt;0.5g/t</b> gold.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Other substantive exploration data and information is presented under 'Exploration done by other parties' in this document.</li> <li>No Mineral Resource estimates reported in accordance with the guiding principles set out in the JORC Code have been completed.</li> <li>No Mineral Resource estimates reported prior to the JORC Code 2012 have been completed.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Planned further work is detailed in Section 2.5 of the IGR.</li> </ul>

Table 1: Mt Piper Project Material Drill Collar Data (GDA94 MGA Zone 55)

Hole ID	Company	Eastings	Northing	RL (m)	Dip	Azimuth	EOH (m)	Type	Prospect	Torrens EL/ELA
NHRC1	Perseverance	331478	5912795	171	-50	198	35	RC	Northwood Hill	ELA7331
NHRC2	Perseverance	331494	5912809	170	-50	189	35	RC	Northwood Hill	ELA7331
NHRC3	Perseverance	331507	5912823	168	-50	189	70	RC	Northwood Hill	ELA7331
NHRC4	Perseverance	331486	5912802	171	-50	189	35	RC	Northwood Hill	ELA7331
NHRC5	Perseverance	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	RC	Northwood Hill	ELA7331
NHRC6	Perseverance	331477	5912793	171	-50	189	50	RC	Northwood Hill	ELA7331
NHRC7	Perseverance	331516	5912836	166	-50	189	70	RC	Northwood Hill	ELA7331
NHRC8	Perseverance	331416	5912860	163	-50	189	35	RC	Northwood Hill	ELA7331
NHRC9	Perseverance	331466	5912782	172	-50	189	55	RC	Northwood Hill	ELA7331
NHRC10	Perseverance	329566	5914528	160	-50	189	60	RC	Northwood Hill	ELA7331
NHRC11	Perseverance	329592	5914557	159	-50	189	63	RC	Northwood Hill	ELA7331
NHRC12	Perseverance	329539	5914499	161	-50	189	63	RC	Northwood Hill	ELA7331
NHRC13	Perseverance	329508	5914468	165	-50	189	60	RC	Northwood Hill	ELA7331
NHRC14	Perseverance	329894	5914272	174	-50	189	50	RC	Northwood Hill	ELA7331
NHRC15	Perseverance	330045	5914120	189	-50	189	50	RC	Northwood Hill	ELA7331
NHRC16	Perseverance	330162	5914007	176	-50	189	50	RC	Northwood Hill	ELA7331
NHRC17	Perseverance	330647	5913630	159	-50	189	50	RC	Northwood Hill	ELA7331
NHRC18	Perseverance	330628	5913609	160	-50	189	50	RC	Northwood Hill	ELA7331
NHRC19	Perseverance	330845	5913427	157	-50	189	53	RC	Northwood Hill	ELA7331
NHRC20	Perseverance	331019	5913238	170	-50	189	70	RC	Northwood Hill	ELA7331
NHRC21	Perseverance	331141	5913070	156	-50	189	70	RC	Northwood Hill	ELA7331
NHRC30	Perseverance	331579	5912749	172	-50	189	50	RC	Northwood Hill	ELA7331
NHRC31	Perseverance	331594	5912762	170	-50	189	50	RC	Northwood Hill	ELA7331
NHRC32	Perseverance	331636	5912710	168	-50	189	50	RC	Northwood Hill	ELA7331
NHRC33	Perseverance	331651	5912723	167	-50	189	50	RC	Northwood Hill	ELA7331
RHRC1	Perseverance	328253	5916776	160	-50	002	50	RC	Rowell Hill (within the PMA and subject to ELA7481*)	ELA7481*
RHRC2	Perseverance	328219	5916762	160	-50	002	50	RC	Rowell Hill (within the PMA and subject to ELA7481*)	ELA7481*
RHRC3	Perseverance	328196	5916752	160	-50	002	50	RC	Rowell Hill (within the PMA and subject to ELA7481*)	ELA7481*
RHRC4	Perseverance	328171	5916739	160	-50	002	50	RC	Rowell Hill (within the PMA and subject to ELA7481*)	ELA7481*



Hole ID	Company	Eastings	Northing	RL (m)	Dip	Azimuth	EOH (m)	Type	Prospect	Torrens EL/ELA
RHRC5	Perseverance	328179	5916842	170	-50	002	50	RC	Rowell Hill (within the PMA and subject to ELA7481*)	ELA7481*
RHRC6	Perseverance	328146	5916828	170	-50	002	50	RC	Rowell Hill (within the PMA and subject to ELA7481*)	ELA7481*
RHRC7	Perseverance	328115	5916920	180	-50	002	70	RC	Rowell Hill (within the PMA and subject to ELA7481*)	ELA7481*
RHRC8	Perseverance	328141	5916930	180	-50	189	50	RC	Rowell Hill (within the PMA and subject to ELA7481*)	ELA7481*
DDH1	BHP	322953	5880498	427	-45	225	330	Diamond	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)	NA
DDH2	BHP	322953	5880498	427	-45	288	292.5	Diamond	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)	NA
DDH3	BHP	323004	5880424	399	-45	223	292.5	Diamond	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)	NA
PH1	BHP	323305	5880407	298	-60	180	212	Percussion	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)	NA
PH2	BHP	323305	5880518	301	-60	180	200	Percussion	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)	NA
PH3	BHP	323307	5880308	300	-60	180	198	Percussion	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)	NA
PH4	BHP	323308	5880103	282	-60	180	200	Percussion	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)	NA
PH5	BHP	323308	5879989	278	-60	180	146	Percussion	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)	NA
PH6	BHP	323304	5880711	297	-60	180	198	Percussion	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)	NA

**Table 2: Mt Piper Project Significant Results (>0.1 g/t Au and >0.5g/t Au)**

Hole ID	From (m)	To (m)	Interval (m)	Sample Type	Au (g/t)	Prospect
NHRC 1	8	9	1	1m RC Split	0.11	Northwood Hill
<b>NHRC 2</b>	<b>25</b>	<b>26</b>	<b>1</b>	<b>1m RC Split</b>	<b>1.92</b>	<b>Northwood Hill</b>
NHRC 2	26	27	1	1m RC Split	0.31	Northwood Hill
<b>NHRC 2</b>	<b>27</b>	<b>28</b>	<b>1</b>	<b>1m RC Split</b>	<b>0.75</b>	<b>Northwood Hill</b>

Hole ID	From (m)	To (m)	Interval (m)	Sample Type	Au (g/t)	Prospect
NHRC 2	28	29	1	1m RC Split	0.61	Northwood Hill
NHRC 2	33	34	1	1m RC Split	0.48	Northwood Hill
NHRC 2	34	35	1	1m RC Split	0.16	Northwood Hill
NHRC 3	1	2	1	1m RC Split	0.12	Northwood Hill
NHRC 3	2	3	1	1m RC Split	0.21	Northwood Hill
NHRC 3	3	4	1	1m RC Split	0.41	Northwood Hill
NHRC 3	4	5	1	1m RC Split	0.12	Northwood Hill
NHRC 3	5	6	1	1m RC Split	0.14	Northwood Hill
NHRC 3	6	7	1	1m RC Split	0.24	Northwood Hill
NHRC 3	7	8	1	1m RC Split	0.19	Northwood Hill
NHRC 3	8	9	1	1m RC Split	0.24	Northwood Hill
NHRC 3	9	10	1	1m RC Split	0.64	Northwood Hill
NHRC 3	10	11	1	1m RC Split	0.28	Northwood Hill
NHRC 3	11	12	1	1m RC Split	3.47	Northwood Hill
NHRC 3	12	13	1	1m RC Split	0.53	Northwood Hill
NHRC 3	13	14	1	1m RC Split	1.57	Northwood Hill
NHRC 3	14	15	1	1m RC Split	1.06	Northwood Hill
NHRC 3	16	17	1	1m RC Split	0.16	Northwood Hill
NHRC 3	18	19	1	1m RC Split	0.76	Northwood Hill
NHRC 3	19	20	1	1m RC Split	0.81	Northwood Hill
NHRC 3	20	21	1	1m RC Split	2.86	Northwood Hill
NHRC 3	21	22	1	1m RC Split	2.68	Northwood Hill
NHRC 3	22	23	1	1m RC Split	0.25	Northwood Hill
NHRC 3	23	24	1	1m RC Split	3.78	Northwood Hill
NHRC 3	24	25	1	1m RC Split	4.03	Northwood Hill
NHRC 3	25	26	1	1m RC Split	1.36	Northwood Hill
NHRC 3	26	27	1	1m RC Split	1.6	Northwood Hill
NHRC 3	27	28	1	1m RC Split	0.79	Northwood Hill
NHRC 3	28	29	1	1m RC Split	0.36	Northwood Hill
NHRC 3	29	30	1	1m RC Split	0.33	Northwood Hill
NHRC 3	31	32	1	1m RC Split	0.23	Northwood Hill
NHRC 3	32	33	1	1m RC Split	0.6	Northwood Hill

Hole ID	From (m)	To (m)	Interval (m)	Sample Type	Au (g/t)	Prospect
NHRC 3	33	34	1	1m RC Split	0.2	Northwood Hill
<b>NHRC 3</b>	<b>34</b>	<b>35</b>	<b>1</b>	<b>1m RC Split</b>	<b>0.8</b>	<b>Northwood Hill</b>
NHRC 3	49	50	1	1m RC Split	0.8	Northwood Hill
NHRC 3	57	58	1	1m RC Split	0.88	Northwood Hill
NHRC 3	59	60	1	1m RC Split	1.21	Northwood Hill
<b>NHRC 6</b>	<b>11</b>	<b>13</b>	<b>2</b>	<b>2m RC Split</b>	<b>0.56</b>	<b>Northwood Hill</b>
NHRC 6	13	15	2	2m RC Split	0.19	Northwood Hill
<b>NHRC 6</b>	<b>15</b>	<b>17</b>	<b>2</b>	<b>2m RC Split</b>	<b>0.91</b>	<b>Northwood Hill</b>
NHRC 8	17	19	2	2m RC Split	1.36	Northwood Hill
<b>NHRC 8</b>	<b>19</b>	<b>21</b>	<b>2</b>	<b>2m RC Split</b>	<b>0.95</b>	<b>Northwood Hill</b>
NHRC 8	21	23	2	2m RC Split	0.44	Northwood Hill
NHRC 8	23	25	2	2m RC Split	0.29	Northwood Hill
<b>NHRC 9</b>	<b>17</b>	<b>19</b>	<b>2</b>	<b>2m RC Split</b>	<b>2.76</b>	<b>Northwood Hill</b>
<b>NHRC 9</b>	<b>19</b>	<b>21</b>	<b>2</b>	<b>2m RC Split</b>	<b>0.53</b>	<b>Northwood Hill</b>
<b>NHRC 9</b>	<b>21</b>	<b>23</b>	<b>2</b>	<b>2m RC Split</b>	<b>0.56</b>	<b>Northwood Hill</b>
NHRC 9	33	35	2	2m RC Split	0.19	Northwood Hill
NHRC 9	35	37	2	2m RC Split	0.12	Northwood Hill
NHRC 9	39	41	2	2m RC Split	0.13	Northwood Hill
<b>NHRC 9</b>	<b>47</b>	<b>49</b>	<b>2</b>	<b>2m RC Split</b>	<b>2.71</b>	<b>Northwood Hill</b>
NHRC 9	49	51	2	2m RC Split	0.4	Northwood Hill
NHRC 9	51	53	2	2m RC Split	0.14	Northwood Hill
<b>NHRC 10</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>2m RC Split</b>	<b>1.78</b>	<b>Northwood Hill</b>
NHRC 10	20	22	2	2m RC Split	0.2	Northwood Hill
<b>NHRC 12</b>	<b>22</b>	<b>24</b>	<b>2</b>	<b>2m RC Split</b>	<b>0.52</b>	<b>Northwood Hill</b>
NHRC 13	14	16	2	2m RC Split	0.5	Northwood Hill
NHRC 13	16	18	2	2m RC Split	0.16	Northwood Hill
NHRC 13	18	20	2	2m RC Split	0.22	Northwood Hill
NHRC 13	26	28	2	2m RC Split	0.28	Northwood Hill
NHRC 15	10	12	2	2m RC Split	0.15	Northwood Hill
<b>NHRC 15</b>	<b>12</b>	<b>14</b>	<b>2</b>	<b>2m RC Split</b>	<b>0.87</b>	<b>Northwood Hill</b>
NHRC 16	18	20	2	2m RC Split	0.21	Northwood Hill
NHRC 16	20	22	2	2m RC Split	0.18	Northwood Hill

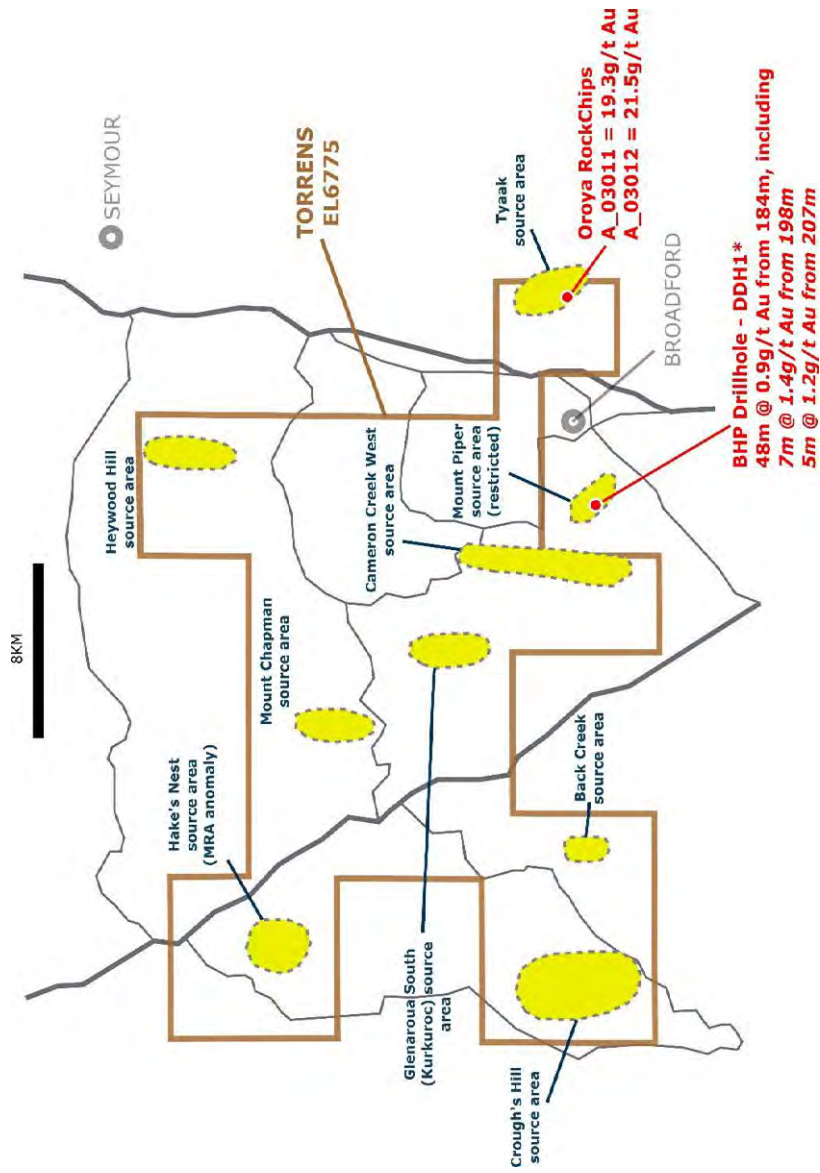
Hole ID	From (m)	To (m)	Interval (m)	Sample Type	Au (g/t)	Prospect
NHRC 16	22	24	2	2m RC Split	3.65	Northwood Hill
NHRC 16	24	26	2	2m RC Split	0.39	Northwood Hill
NHRC 16	26	28	2	2m RC Split	0.13	Northwood Hill
NHRC 16	32	34	2	2m RC Split	0.27	Northwood Hill
NHRC 16	34	36	2	2m RC Split	0.68	Northwood Hill
NHRC 16	38	40	2	2m RC Split	0.84	Northwood Hill
NHRC 16	40	42	2	2m RC Split	0.19	Northwood Hill
NHRC 16	46	48	2	2m RC Split	0.82	Northwood Hill
NHRC 20	54	56	2	2m RC Split	0.78	Northwood Hill
NHRC 20	66	68	2	2m RC Split	0.11	Northwood Hill
NHRC 20	68	70	2	2m RC Split	0.16	Northwood Hill
NHRC 21	10	12	2	2m RC Split	0.26	Northwood Hill
NHRC 31	12	14	2	2m RC Split	0.17	Northwood Hill
NHRC 31	16	18	2	2m RC Split	0.17	Northwood Hill
NHRC 32	22	24	2	2m RC Split	0.72	Northwood Hill
NHRC 32	24	26	2	2m RC Split	0.21	Northwood Hill
NHRC 32	26	28	2	2m RC Split	0.17	Northwood Hill
NHRC 32	28	30	2	2m RC Split	0.49	Northwood Hill
NHRC 32	30	32	2	2m RC Split	0.13	Northwood Hill
NHRC 32	32	34	2	2m RC Split	0.15	Northwood Hill
NHRC 32	42	44	2	2m RC Split	0.13	Northwood Hill
NHRC 32	44	46	2	2m RC Split	0.29	Northwood Hill
NHRC 32	46	48	2	2m RC Split	0.33	Northwood Hill
NHRC 32	48	50	2	2m RC Split	0.17	Northwood Hill
RHRC7	34	36	2	2m RC Split	1.09	Rowell Hill (within the PMA and subject to ELA7481*)
RHRC8	38	42	4	2m RC Split	1.63	Rowell Hill (within the PMA and subject to ELA7481*)
DDH1	172	173	1	1m half core	1.18	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)
DDH1	179	182	3	1m half core	0.879	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)
DDH1	184	185	1	1m half core	1.62	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)
DDH1	187	190	3	1m half core	0.832	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)
DDH1	192	195	3	1m half core	1.39	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)
DDH1	198	205	7	1m half core	1.39	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)

Hole ID	From (m)		To (m)		Interval (m)	Sample Type	Au (g/t)	Prospect
	From (m)	To (m)	From (m)	To (m)				
DDH1	207	212	5	1m half core	1.22	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)		
DDH1	215	220	5	1m half core	1.08	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)		
DDH1	222	223	1	1m half core	1.09	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)		
DDH1	226	228	2	1m half core	1.02	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)		
DDH1	230	232	2	1m half core	1.2	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)		
DDH1	236	237	1	1m half core	1.08	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)		
DDH2	174	176	2	1m half core	1.53	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)		
DDH3	133	135	2	1m half core	0.56	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)		
DDH3	157	159	2	1m half core	1.01	Mt Piper (outside of Torrens tenure within the Mt Piper exempt area)		
PH1	140	142	2	2m Percussion Composite	0.11	Mt Piper (on the eastern boundary of Torrens ELA7337)		
PH1	150	152	2	2m Percussion Composite	0.19	Mt Piper (on the eastern boundary of Torrens ELA7337)		
PH2	46	48	2	2m Percussion Composite	0.20	Mt Piper (on the eastern boundary of Torrens ELA7337)		
PH2	102	104	2	2m Percussion Composite	0.21	Mt Piper (on the eastern boundary of Torrens ELA7337)		
PH4	14	16	2	2m Percussion Composite	0.22	Mt Piper (on the eastern boundary of Torrens ELA7337)		

Table 3: Mt Piper Project Material Rock Chip Sample Data and Results (GDA94 MGA Zone 55)

Hole ID	Company	Easting	Northing	Type	Torrens EL	Source Area	Au (g/t)	Ag (g/t)	Comments
A_03011	Oroya Mining	332269	5881696	Rock Chip	EL6775	Tyaak	19.3	1.6	Taken next to outcrop near Cunningham's Antimony Mine
A_03012	Oroya Mining	332239	5881723	Rock Chip	EL6775	Tyaak	21.5	16.55	Taken near Cunningham's Antimony Mine (Visible Stibnite)

Figure 1: Location of Anomalous Geochemical Zones at Mt Piper



Annexure H Laloki Project JORC Table 1 disclosure

JORC Table 1 - Laloki Project

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
<p><b>Sampling techniques</b></p> <ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>All samples listed herein are from historical data obtained over an extended period from six separate prospects within the Laloki Project area. The historical database contained a total of 118 holes, 85 of which have been presented in Table 1. Of the 118 holes, 32 have been excluded as they either had no listed coordinates or had missing or unreliable sample or assay data. Samples from various drilling methods including Air Core (AC), Diamond Drilling (DD), Percussion (PC), and Rotary Circulation (RC) were collected. A summary of the drilling programs by prospect, company and drilling methods are presented below:                     <ul style="list-style-type: none"> <li><b>Laloki Mine Prospect</b> <ul style="list-style-type: none"> <li>Administration and Enterprise Exploration (1959-1961) drilled 9 DD holes.</li> <li>Watts, Griffith, McQuat (1968-1972) drilled 5 DD holes.</li> <li>Nittetsu (1969-1970) drilled 5 DD holes</li> <li>E C Mines Pty Ltd / NEWMEX Ltd. (1986) drilled 2 AC drill holes, 6 AC pre-collared drill holes with DD tails and 1 drill hole of unknown type.</li> </ul> </li> <li><b>Laloki South</b> <ul style="list-style-type: none"> <li>E C Mines Pty Ltd / NEWMEX Ltd. (1986) drilled a single AC drill hole.</li> </ul> </li> <li><b>Dubuna</b> <ul style="list-style-type: none"> <li>E C Mines Pty Ltd / NEWMEX Ltd. (1986) drilled 4 AC drill holes, 16 AC / PC drill holes and 2 AC / PC pre-collared drill holes with DD tails.</li> </ul> </li> <li><b>Moresby King</b> <ul style="list-style-type: none"> <li>E C Mines Pty Ltd / NEWMEX Ltd. (1986) drilled 21 AC drill holes and 5 AC pre-collared drill holes with DD tails.</li> </ul> </li> <li><b>Federal Flag</b> <ul style="list-style-type: none"> <li>E C Mines Pty Ltd / NEWMEX Ltd. (1986) drilled 5 AC drill holes.</li> </ul> </li> <li><b>Sapphire King</b> <ul style="list-style-type: none"> <li>E C Mines Pty Ltd / NEWMEX Ltd. (1986) drilled 4 AC / PC drill holes.</li> </ul> </li> </ul> </li> <li>Historical data inclusive of handwritten drill logs, assay data and technical plans have formed the basis of the drill hole information presented herein.</li> </ul>	

Criteria	JORC Code explanation	Commentary
		<p>The company has assumed that all reported assays are representative of technology available at the time, and it is assumed to have been conducted using industry standard techniques for the time.</p> <ul style="list-style-type: none"> <li>• Limited reference to specific sampling method, applicability or procedures were sighted in any documentation for the early drilling programs (pre 1986) other than from E C Mines Pty Ltd / NEWMEX Ltd. for works completed in 1986. <ul style="list-style-type: none"> <li>○ PC and AC drilling was completed as vertical and angled holes with sampling conducted on predominantly 1m intervals. A 1-2kg sub-sample was collected through a rifle splitter.</li> <li>○ Diamond drilling was completed as HQ standard tube drilling with sampling conducted on predominantly 1m intervals except where it was sampled to lithological boundaries. Diamond core was split with a diamond saw, or chisel where sawing was not practical and half core sampled.</li> <li>○ Astrolabe Analytical, analysts of Madang were contracted to prepare and analyse samples from some of the E C Mines Pty Ltd / NEWMEX Ltd. (1986) drill holes. Samples were air freighted from Port Moresby to Madang. Samples were assayed generally for Cu, Pb, Zn, As and Ag by standard atomic absorption techniques and Au by fire assay with AAS finish.</li> <li>○ Limited information relating to analytical laboratories is available for the pre 1986 drilling campaigns.</li> </ul> </li> </ul>
<p><i>Drilling techniques</i></p>	<ul style="list-style-type: none"> <li>• <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<ul style="list-style-type: none"> <li>• Various drilling methods including Air Core (AC), Diamond Drilling (DD), Percussion (PC), and Rotary Circulation (RC) as well as holes with unknown drill method were undertaken across the prospects as listed below: <ul style="list-style-type: none"> <li>○ 28 drill holes are reported from the historical Laloki Mine site comprising 2 AC drill holes, 6 AC pre-collared drill holes with DD tails, 19 DD drill holes and 1 with unknown type. Diamond and AC drill holes from the 1986 drilling campaign are generally HQ diameter whilst there is limited information available for the pre 1986 drilling. Depth of diamond tails range from 15m to 63m.</li> <li>○ One drill hole is reported from the Laloki South Prospect comprising a single AC of unknown diameter.</li> <li>○ 22 drill holes are reported from the Dubuna Prospect comprising 4 AC drill holes, 16 AC / PC drill holes and 2 AC / PC pre-collared drill holes with DD tails. Diamond and AC drilling are generally HQ diameter whilst there is limited information available for the PC diameter. Depth of diamond tails range from 15m to 30m.</li> <li>○ 26 drill holes are reported from the Moresby King Prospect comprising 21 AC drill holes and 5 AC pre-collared drill holes with DD tails. Diamond and AC drilling are generally HQ diameter. Depth of diamond tails range from 6m to 35m.</li> <li>○ 5 drill holes are reported from the Federal Flag Prospect comprising 5 AC drill holes.</li> <li>○ 4 drill holes are reported from the Sapphire King Prospect comprising 4 AC / PC drill holes.</li> <li>○ No detail on core orientation has been sighted.</li> </ul> </li> </ul>



Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Given the historical nature of the drilling, limited information is available about sample recoveries for the Laloki Project. Sample sheets and company reports suggest there were generally no problems with sample recovery.</li> <li>Evidence of historical mine workings have been recorded in some of the Laloki Mine drill holes. Mined out zones and possible mine workings are some of the observed descriptions from the drill logs.</li> <li>No apparent bias was noted, or can reliably be assessed, between sample recovery and grade.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature.</li> <li>Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>The quality of the geological logging appears robust and of a high quality. Logging has not been sufficient to support a JORC 2012 Mineral Resource estimation.</li> <li>Qualitative logging of lithology and mineralisation was undertaken for the AC and PC drilling generally at 1m intervals as part of the 1986 drilling program.</li> <li>Qualitative logging of lithology, mineralisation, alteration, oxidation state and veining was undertaken for the DD drilling as part of the 1986 drilling program.</li> <li>Limited logs have been sighted for the pre 1986 drilling programs.</li> <li>Most drill holes from the 1986 drilling program were fully logged.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all subsampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Limited data is available for the sub sampling techniques from the AC and PC Drilling. RC Drilling from E C Mines Pty Ltd / NEWMEX Ltd was completed as vertical and angled holes with sampling conducted on predominantly 1m intervals through a cyclone and stored in plastic bags. A 1-2kg sub-sample was collected through a riffle splitter.</li> <li>Diamond drilling for the E C Mines Pty Ltd / NEWMEX Ltd campaign was completed as HQ standard tube drilling with sampling conducted on predominantly 1m intervals except where it was sampled to lithological boundaries. Diamond core was split with a diamond saw, or chisel where sawing was not practical and half core sampled. There is limited information relating to sub-sampling technique for the pre 1986 drilling.</li> <li>Astrolabe Analytical, analysts of Madang were contracted to prepare and analyse samples from the some of the E C Mines Pty Ltd / NEWMEX Ltd. (1986) drill holes. Samples were air freighted from Port Moresby to Madang. Samples were assayed generally for Cu, Pb, Zn, As and Ag by standard atomic absorption techniques and Au by fire assay with AAS finish. Limited information relating to Analytical Laboratories is available for the pre 1986 drilling campaigns.</li> <li>Limited information relating to Analytical Laboratories is available for the pre 1986 drilling campaigns.</li> <li>No QA/QC procedures have been reviewed for any of the historical sampling.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Where information has been provided in reports, the analytical techniques for all drill programs appear appropriate for the stage of exploration being conducted.</li> <li>Core and chip samples from the E C Mines Pty Ltd / NEWMEX Ltd drilling were analysed by Astrolabe Analytical, analysts of Madang, Papua New Guinea and were analysed for Cu, Pb, Zn, As and Ag by standard atomic absorption techniques and Au by fire assay with AAS finish. Limited information relating to Analytical Laboratories is available for the pre 1986 drilling campaigns.</li> </ul>

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Where the analytical method is unknown, it is assumed to have been conducted using industry standard techniques.</li> <li>No specific review of QA/QC protocols or analysis has been conducted although it is assumed that the 1986 program was conducted using industry standard techniques for the time.</li> <li>Fire assay checks of selected ore grade samples for gold were undertaken by Australian Laboratory Services Pty Ltd. in Brisbane. For holes MS4, MS8, MS9, MS10, MS13, MS15, and MS19 for the E C Mines Pty Ltd / NEWMEX Ltd program. Acceptable levels of variability were observed.</li> <li>Torrens has verified significant intersections from various historical reports and checked them against analytical results from drill logs where available.</li> <li>No twinned holes were identified from the data reviewed and this is expected given the nature of the exploration.</li> <li>Where available, logging records have been reviewed for all AC, PC and DD holes. Logging was completed in the field by paper logging for historical drilling.</li> <li>No adjustments appear to have been made to original assay data.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Physical detail at Laloki has been coordinated in at least three systems dating from various phases of exploration. These were: <ul style="list-style-type: none"> <li>Pre-WWII Imperial Coordinates</li> <li>Newmont Grid – 1988</li> <li>August 1986 Exploration Grid.</li> </ul> </li> <li>All drill hole collar coordinates are in Exploration Grid (Aus1986) which aligns with parallel easting and northings (centre of Laloki (3150mE, 5900mN). The grid is 23deg 54min from magnetic north. All Drill hole collars including pre-1986 are reported or have been converted into Exploration Grid (Aus1986).</li> <li>Limited downhole survey measurements were taken with straight hole traces assumed for the collar positions.</li> <li>Topographical control is considered adequate for the early stage of exploration. The RL datum adopted is identical to that used in early surveys. The permanent bench work is the top surface of the concrete collar of the No. 1 airshaft at Laloki Mine which is 337.342 metres.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Drill hole spacing is sparse over the various prospects with only significant drilling over the Laloki Mine prospect with holes spaced sporadically at distances from 10m to 70m apart, spread over a strike distance of approx. 300m. The average depth of the drilling at the Laloki Mine is approx. 86m, whilst the average depth of the other prospects is 37m.</li> <li>Whilst historical drilling to date demonstrates a level of continuity in both geology and grade, the nature and quality of the data to support the definition of a modern Mineral Resource would require additional data for verification and validation.</li> <li>Assays have been composited into significant intersections. No edge dilution has been applied to significant intersections.</li> </ul>

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>9 angled diamond drill holes at the Laloki Mine were drilled at dips between 45 and 90 degrees with no preferential azimuth direction. The remaining 17 DD and AC holes at Laloki Mine were drilled vertically. The orientation of the holes is not considered to introduce any bias given the flat lying tabular nature of the mineralised zone.</li> <li>There is no known bias due to the orientation of drilling and the observed mineralisation.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Details of measures taken for the chain of custody of samples is unknown for the previous exploration activities.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews of sampling techniques and data have been undertaken.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The Laloki Copper-Gold Project located on the East Papuan Peninsula in Papua New Guinea and comprises a single Exploration License Application (ELA2557). Further information on tenure is contained in the Solicitor's Report for the Laloki Project (annexed to the Prospectus).</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>See Section 3.4 of the IGR for a summary of exploration done by other parties.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>See Section 3.3 of the IGR for a summary of geological settings.</li> </ul>
Drill hole information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Appropriate tabulations for significant drill results have been included in Tables 1 and 2 at the end of this report.</li> <li>No relevant data has been excluded from this report.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>o dip and azimuth of the hole</li> <li>o down hole length and interception depth</li> <li>o hole length.</li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>• Assays have been composited into significant intersections of &gt; 1.0% Cu and &gt; 1.0 g/t gold.</li> <li>• Some of the historical assay results prior to the 1986 program were received by the company as already composited values. The nature of the grade variability or internal high or low grade intercepts in these cases cannot be verified.</li> <li>• No edge dilution has been applied to significant intersections and a significant intersection must have a minimum of 1m down hole length.</li> <li>• No top cuts have been applied or metal equivalent values reported.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• Only downhole lengths are reported, and true width cannot be verified.</li> <li>• Mineralisation geometry of the Laloki Mine is interpreted as relatively flat lying and striking in a north-south orientation. This is evident from historical plans and sections and supported by previous drilling at the prospect.</li> <li>• Vertical drill holes and isolated high angled holes are believed to provide a materially accurate representation of the true thickness of mineralisation.</li> <li>• Appropriate plans are included in this Prospectus.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate plans are included in this Prospectus.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>• All significant exploration results are reported at &gt;1.0% Cu and &gt;1.0 g/t gold.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	
Other substantive exploration data	<ul style="list-style-type: none"> <li>• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>• Other substantive exploration data and information is presented under 'Exploration done by other parties' in this document.</li> <li>• Historical reserve statements were completed for the Laloki Mine and were reported prior to the JORC Code 2012. The accuracy of these statements cannot be verified and are therefore not reported.</li> <li>• A total of 13 bulk density determinations have been made on ore grade samples from drill holes LAL1 and LAL2 (Laloki Mine). The length weighted means of the 13 samples is 4.036t/m<sup>3</sup> and 4.042t/m<sup>3</sup> respectively.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>A total of 3 bulk density determinations have been made on one grade samples from drill holes D5 and D6 (Dubuna). The length weighted means of the samples are 3.89t/m<sup>3</sup> and 3.92t/m<sup>3</sup> respectively.</li> <li>A total of 2 bulk density determinations have been made on one grade samples from drill hole MS23 (Moresby King). The length weighted mean of the samples is 3.98t/m<sup>3</sup> and 3.92t/m<sup>3</sup>.</li> <li>Given the historical nature of the drilling, limited information relating to bulk density (SG) is available for the remainder of the Laloki prospects.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Planned further work is detailed in Section 3.5 of the IGR.</li> <li>Appropriate diagrams are included in this prospectus.</li> </ul>

Table 1: Laloki Collar Data (Exploration Grid (1984) and/or Mine Grid)

Hole ID	Easting (Exp. Grid)	Northing (Exp. Grid)	RL (m)	Dip	Azimuth (Mag)	EOH	Drill Type*	Prospect	Company – Year
LAL1	5931.2	3177.0	387.1	-90	0	99.81	AC/DD	Laloki Mine	E C Mines Pty Ltd / NEWMEX Ltd. 1986
LAL2	5858.9	3156.0	352.1	-90	0	48.02	AC/DD	Laloki Mine	E C Mines Pty Ltd / NEWMEX Ltd. 1986
LAL3	5879.2	3165.6	357.9	-90	0	50	AC	Laloki Mine	E C Mines Pty Ltd / NEWMEX Ltd. 1986
LAL4	5741.9	3194.1	388.0	-90	0	80	AC	Laloki Mine	E C Mines Pty Ltd / NEWMEX Ltd. 1986
LAL6	5942.6	3153.8	379.8	-80	130	70.63	AC/DD	Laloki Mine	E C Mines Pty Ltd / NEWMEX Ltd. 1986
LAL7	5925.3	3210.4	399.5	-90	0	83	AC/DD	Laloki Mine	E C Mines Pty Ltd / NEWMEX Ltd. 1986
LAL8	5976.2	3197.7	386.2	-90	0	88.7	AC/DD	Laloki Mine	E C Mines Pty Ltd / NEWMEX Ltd. 1986
LAL9	5907.7	3170.6	374.6	-90	0	72.86	Unknown	Laloki Mine	E C Mines Pty Ltd / NEWMEX Ltd. 1986
LAL10	6003.4	3210.4	390.2	-90	0	96.05	AC/DD	Laloki Mine	E C Mines Pty Ltd / NEWMEX Ltd. 1986
SC1	5931.8	3139.7	372.5	-90	0	121.92	DD	Laloki Mine	Administration and Enterprise Exploration 1959-1961
SC2	5900.2	3100.0	359.4	-70	156	138.68	DD	Laloki Mine	Administration and Enterprise Exploration 1959-1961
SC3	5962.5	3150.1	378.0	-80	162	82.3	DD	Laloki Mine	Administration and Enterprise Exploration 1959-1961
SC4	6021.0	3166.0	382.5	-60	182	91.74	DD	Laloki Mine	Administration and Enterprise Exploration 1959-1961

Hole ID	Eastings (Exp. Grid)	Northing (Exp. Grid)	RL (m)	Dip	Azimuth (Mag)	EOH	Drill Type*	Prospect	Company – Year
SC7	5999.2	3126.9	378.6	-90	0	168.55	DD	Laloki Mine	Administration and Enterprise Exploration 1959-1961
SC8	6029.2	3211.2	394.7	-90	0	106.98	DD	Laloki Mine	Administration and Enterprise Exploration 1959-1961
SC9	6099.5	3211.7	403.9	-90	0	151.33	DD	Laloki Mine	Administration and Enterprise Exploration 1959-1961
SC10	6085.7	3266.5	406.0	-90	0	155.75	DD	Laloki Mine	Administration and Enterprise Exploration 1959-1961
SC11	6045.8	3247.9	400.8	-90	0	162.31	DD	Laloki Mine	Administration and Enterprise Exploration 1959-1961
L2	5864.8	3167.4	352.4	-79	45	47.85	DD	Laloki Mine	Watts, Griffis, McQuat 1968-1970
L3	5901.8	3171.3	369.4	-63	121	60.66	DD	Laloki Mine	Watts, Griffis, McQuat 1968-1970
L4	5856.1	3152.5	352.0	-68	225	39.62	DD	Laloki Mine	Watts, Griffis, McQuat 1968-1970
L5	5964.9	3188.4	385.3	-68	193	74.07	DD	Laloki Mine	Watts, Griffis, McQuat 1968-1970
L7	5864.5	3177.5	352.4	-45	99	29.57	DD	Laloki Mine	Watts, Griffis, McQuat 1968-1970
LJ1	5858.0	3156.5	353.0	-90	0	48.21	DD	Laloki Mine	Niffetsu 1969-1970
LJ2	5890.0	3157.0	363.7	-90	0	51	DD	Laloki Mine	Niffetsu 1969-1970
LJ3	5921.5	3170.0	381.6	-90	0	77.29	DD	Laloki Mine	Niffetsu 1969-1970
LJ4	5951.0	3183.5	388.9	-90	0	82.4	DD	Laloki Mine	Niffetsu 1969-1970
LJ5	5898.0	3213.5	378.6	-90	0	55.1	DD	Laloki Mine	Niffetsu 1969-1970
LS1	5742.1	3114.2	379.7	-60	195	30	AC	Laloki South	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D1	5273.1	5113.1	139.0	-60	63	47	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D2	5257.9	5113.5	137.2	-60	64	50	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D3	5293.4	5111.4	142.1	-60	63	30	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D4	5269.8	5056.6	127.6	-60	62	50	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D5	5255.5	5056.7	125.4	-60	63	51.1	AC/PC/DD	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D6	5240.9	5055.0	123.2	-60	63	60.04	AC/PC/DD	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D7	5969.9	4954.2	107.4	-60	63	30	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D8	5260.0	4953.0	107.2	-60	52	50	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D9	5297.9	4964.8	107.6	-60	236	30	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D10	5215.7	5611.1	77.1	-60	70	30	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D11	5234.7	5609.9	79.6	-60	70	30	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D12	5224.6	5514.1	89.0	-60	82	15	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D13	5214.2	5517.4	87.0	-90	0	24	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D14	5253.9	5248.8	136.3	-60	63	48	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D15	5234.2	5250.8	131.9	-90	0	50	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986

Hole ID	Easting (Exp. Grid)	Northing (Exp. Grid)	RL (m)	Dip	Azimuth (Mag)	EOH	Drill Type*	Prospect	Company – Year
D16	5245.5	5289.5	128.8	-60	63	50	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D17	5262.4	5190.3	150.8	-60	63	50	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D18	5241.3	5176.6	146.2	-60	63	50	AC/PC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D19	5262.6	5341.3	144.7	-60	72	50	AC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D20	5303.5	5365.5	150.7	-60	63	30	AC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D21	5179.9	5398.6	108.3	-60	63	50	AC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
D22	5184.4	5301.3	160.4	-90	0	12	AC	Dubuna	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS1	5769.0	3207.0	959.4	-90	0	20.3	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS2	5762.0	3162.0	968.9	-90	0	60	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS3	5787.0	3122.0	966.1	-90	0	40	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS4	5677.0	3118.0	987.2	-90	0	50.24	AC/DD	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS5	5689.0	3104.0	988.9	-90	0	50.15	AC/DD	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS6	5637.0	3020.0	1000.3	-90	0	20.7	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS7	5616.0	3039.0	997.2	-90	0	30	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS8	5595.0	3051.0	996.9	-90	0	30	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS9	5624.0	3012.0	1000.7	-90	0	25	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS10	5623.0	3025.0	998.4	-90	0	27	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS11	5656.0	3041.0	996.4	-90	0	22	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS12	5635.0	3065.0	992.6	-90	0	30	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS13	5658.0	3076.0	993.7	-90	0	25	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS14	5606.0	3063.0	996.5	-90	0	27	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS15	5649.0	3095.0	987.5	-90	0	28	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS16	5596.0	2996.0	994.5	-90	0	23	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS17	5634.0	2967.0	1001.7	-90	0	20	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS18	5712.0	3136.0	990.8	-90	0	64.53	AC/DD	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS19	5676.0	3094.0	989.8	-90	0	30	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS20	5700.0	3158.0	990.6	-90	0	26	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS21	5646.0	3001.0	1005.4	-90	0	23	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS22	5680.0	3064.0	987.2	-90	0	49.43	AC/DD	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS23	5624.0	3027.0	998.4	-90	0	45.5	AC/DD	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS24	5594.0	3110.0	986.8	-90	0	21	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986

Hole ID	Easting (Exp. Grid)	Northing (Exp. Grid)	RL (m)	Dip	Azimuth (Mag)	EOH	Drill Type*	Prospect	Company – Year
MS25	5616.0	3102.0	987.6	-90	0	21	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
MS26	5643.0	3117.0	983.2	-90	0	24	AC	Moresby King	E C Mines Pty Ltd / NEWMEX Ltd. 1986
FF1	7483.0	2824.5	-	-60	12	50	AC	Federal Flag	E C Mines Pty Ltd / NEWMEX Ltd. 1986
FF2	7479.0	2780.0	-	-60	24	50	AC	Federal Flag	E C Mines Pty Ltd / NEWMEX Ltd. 1986
FF3	7471.5	2765.5	-	-60	337	50	AC	Federal Flag	E C Mines Pty Ltd / NEWMEX Ltd. 1986
FF4	7516.0	2789.0	-	-60	24	50	AC	Federal Flag	E C Mines Pty Ltd / NEWMEX Ltd. 1986
FF5	7525.0	2825.0	-	-60	24	50	AC	Federal Flag	E C Mines Pty Ltd / NEWMEX Ltd. 1986
SK1	5426.1	2899.7	361.6	-60	260	50	AC/PC	Sapphire King Prospect	E C Mines Pty Ltd / NEWMEX Ltd. 1986
SK2	5451.8	2914.5	353.9	-90	0	30	AC/PC	Sapphire King Prospect	E C Mines Pty Ltd / NEWMEX Ltd. 1986
SK3	5425.5	2878.8	366.7	-60	260	30	AC/PC	Sapphire King Prospect	E C Mines Pty Ltd / NEWMEX Ltd. 1986
SK4	5531.2	2935.1	323.9	-60	260	50	AC/PC	Sapphire King Prospect	E C Mines Pty Ltd / NEWMEX Ltd. 1986

\*Drill Type: Reverse Circulation (RC), Diamond Drilling (DD), Air Core (AC), Percussion (PC).

Note: This historical database contained a total of 118 holes, 85 of which have been presented in the table above. Excluded holes have either no listed coordinates or had no available assay data.

**Table 2: Laloki Assays Significant Results (>1.0% Cu and/or >1.0g/t Au)**

Hole ID	From (m)	To (m)	Interval (m)	Sample Type	Cu (%)	Au (g/t)	Prospect
LAL1	59.6	78.07	18.47	DD (1/2 core)	5.43	5.52	Laloki Mine
LAL2	15	17.12	2.12	DD (1/2 core)	2.38	1.45	Laloki Mine
LAL2	18.8	21.96	3.16	DD (1/2 core)	3.84	1.53	Laloki Mine
LAL2	25.3	43.85	18.55	DD (1/2 core)	2.73	1.94	Laloki Mine
LAL3	16	47	31	AC (1-2kg split sub-sample)	2.52	3.50	Laloki Mine
LAL4	58	68	10	AC (1-2kg split sub-sample)	2.18	3.66	Laloki Mine
LAL6	53	64	11	DD (1/2 core)	3.54	3.22	Laloki Mine
LAL8	67.95	78.33	10.38	DD (1/2 core)	4.10	2.95	Laloki Mine
LAL9	58.02	60.8	2.78	unknown	3.25	1.23	Laloki Mine
LAL10	0	2	2	AC (1-2kg split sub-sample)	0.02	1.40	Laloki Mine



Hole ID	From (m)	To (m)	Interval (m)	Sample Type	Cu (%)	Au (g/t)	Prospect
LS1	14	19	5	AC (1-2kg split sub-sample)	3.56	3.61	Laloki South
SC1	57.91	58.67	0.76	DD (1/2 core assumed)	2.30	44.80	Laloki Mine
SC3	6.25	8.84	2.59	DD (1/2 core assumed)	10.90	5.66	Laloki Mine
SC3	62.79	68.58	5.79	DD (1/2 core assumed)	3.10	1.84	Laloki Mine
SC4	81.22	88.18	6.96	DD (1/2 core assumed)	4.80	0.30	Laloki Mine
SC8	81.69	81.84	0.15	DD (1/2 core assumed)	2.60	4.98	Laloki Mine
SC8	85.65	86.56	0.91	DD (1/2 core assumed)	3.00	10.26	Laloki Mine
L2	12.5	12.9	0.4	DD (1/2 core assumed)	12.80	0.00	Laloki Mine
L2	17.69	37.49	19.8	DD (1/2 core assumed)	6.60	2.20	Laloki Mine
L3	39.01	50.29	11.28	DD (1/2 core assumed)	2.70	0.00	Laloki Mine
L4	19.81	33.53	13.72	DD (1/2 core assumed)	4.33	0.00	Laloki Mine
L5	53.34	71.63	18.29	DD (1/2 core assumed)	5.97	2.80	Laloki Mine
L7	7.62	21.95	14.33	DD (1/2 core assumed)	3.49	8.70	Laloki Mine
LJ1	25.6	42.2	16.6	DD (1/2 core assumed)	4.10	2.70	Laloki Mine
LJ2	40.58	42.28	1.7	DD (1/2 core assumed)	2.47	4.60	Laloki Mine
LJ3	62.51	71.15	8.64	DD (1/2 core assumed)	3.96	3.30	Laloki Mine
LJ4	57.4	75.05	17.65	DD (1/2 core assumed)	4.70	2.10	Laloki Mine
D2	19	26	7	AC/PC (1-2kg split sub-sample)	2.31	1.12	Dubuna
D4	9	12	3	AC/PC (1-2kg split sub-sample)	1.83	7.08	Dubuna
D5	26	30	4	DD (1/2 core)	5.51	1.44	Dubuna
D6	30	30.54	0.54	DD (1/2 core)	0.95	2.30	Dubuna
D6	40.16	41.69	1.53	DD (1/2 core)	4.83	1.25	Dubuna
D16	0	1	1	AC/PC (1-2kg split sub-sample)	0.09	1.50	Dubuna
D17	13	17	4	AC/PC (1-2kg split sub-sample)	1.11	0.73	Dubuna
D19	1	2	1	AC/PC (1-2kg split sub-sample)	1.05	0.05	Dubuna
D21	3	6	3	AC/PC (1-2kg split sub-sample)	1.70	0.05	Dubuna
D21	30	31	1	AC/PC (1-2kg split sub-sample)	0.03	5.00	Dubuna
MS1	1	2	1	AC (1-2kg split sub-sample)	0.27	4.10	Moresby King
MS4	31.5	31.7	0.2	DD (1/2 core)	0.02	3.00	Moresby King
MS5	30	30.2	0.2	DD (1/2 core)	4.40	4.00	Moresby King
MS8	7	9	2	AC (1-2kg split sub-sample)	0.18	12.70	Moresby King
MS9	11	13	2	AC (1-2kg split sub-sample)	5.50	5.70	Moresby King

Hole ID	From (m)	To (m)	Interval (m)	Sample Type	Cu (%)	Au (g/t)	Prospect
MS10	15	18	3	AC (1-2kg split sub-sample)	3.43	2.37	Moresby King
MS10	22	26	4	AC (1-2kg split sub-sample)	1.08	3.08	Moresby King
MS13	10	11	1	AC (1-2kg split sub-sample)	0.01	5.00	Moresby King
MS13	21	22	1	AC (1-2kg split sub-sample)	2.00	1.85	Moresby King
MS14	6	10	4	AC (1-2kg split sub-sample)	0.48	10.75	Moresby King
MS15	14	16	2	AC (1-2kg split sub-sample)	0.03	3.28	Moresby King
MS15	17	19	2	AC (1-2kg split sub-sample)	3.25	0.88	Moresby King
MS19	20	22	2	AC (1-2kg split sub-sample)	1.35	1.25	Moresby King
MS23	16.9	20.27	3.37	DD (1/2 core)	5.37	5.86	Moresby King
MS23	23.39	26.95	3.56	DD (1/2 core)	3.95	6.15	Moresby King
MS24	0	2	2	AC (1-2kg split sub-sample)	0.23	13.85	Moresby King
MS25	10	14	4	AC (1-2kg split sub-sample)	1.20	0.10	Moresby King
MS26	14	15	1	AC (1-2kg split sub-sample)	0.40	2.25	Moresby King
FF2	7	10	3	AC (1-2kg split sub-sample)	1.50	1.68	Federal Flag
FF3	37	38	1	AC (1-2kg split sub-sample)	0.03	5.00	Federal Flag
FF3	39	40	1	AC (1-2kg split sub-sample)	0.03	5.00	Federal Flag
FF4	0	1	1	AC (1-2kg split sub-sample)	1.60	0.03	Federal Flag
FF5	3	6	3	AC (1-2kg split sub-sample)	3.35	3.20	Federal Flag
SK2	4	8	4	AC/PC (split ratio unknown)	0.18	1.84	Sapphire King Prospect



*Inside Back Cover: Diamond drill core trays packed ready for shipment from Torrens Mining Limited's Elizabeth Creek Project to Perth for analysis and metallurgical testwork.*

*Back Cover: A contractor's diamond drilling rig in operation at Torrens Mining Limited's Elizabeth Creek Project.*

# TORRENS

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# How to complete this Application Form

**A Number of Shares applied for**  
Enter the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares (\$2,000.00) and then in increments of 2,500 Shares (\$500.00).

**B Application Monies**  
Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares applied for in Step A by the issue price of \$0.20.

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

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

**E Contact Details**  
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.

**F CHES**  
Torrens Mining Limited will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares issued to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on issue, you will be sponsored by Torrens Mining Limited and allocated a Securityholder Reference Number (SRN).

**G Payment**  
Make your **cheque, bank draft or money order** payable in Australian dollars to **'Torrens Mining Limited'** and cross it **'Not Negotiable'**. Cheques must be drawn from an Australian bank. Cash will not be accepted. The total payment amount must agree with the amount shown in Step B. Complete the cheque details in the boxes provided. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as dishonoured cheques may not be represented and may result in your Application being rejected. Paperclip (do not staple) your cheque to the Application Form. Receipts will not be forwarded. Funds **cannot** be directly debited from your bank account.

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

## Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited (CIS) by no later than 5.00pm AEDT on the Closing Date. You should allow sufficient time for this to occur. Return the Application Form with cheque, bank draft or money order attached to:

**Computershare Investor Services Pty Limited**  
**GPO Box 52, MELBOURNE VIC 3001**

Neither CIS nor Torrens Mining Limited accepts any responsibility if you lodge the Application Form at any other address or by any other means.

## Privacy Notice

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

## Correct forms of registrable title(s)

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

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