

SINETECH LIMITED TO ACQUIRE WEST AUSTRALIAN HIGH-PURITY KAOLIN PROJECTS

HIGHLIGHTS

- Sinetech has entered into a share sale agreement with the shareholders of HPAA Pty Ltd. (**HPAA**) to acquire 100% of the issued shares in HPAA, which holds three prospective high-grade, high-purity kaolin projects and one high purity silica project under application, located in Western Australia.
- Very high-purity and high brightness kaolin identified at flagship Tampu Kaolin Project (**Tampu**).
- Historical drilling and metallurgical test-work database to support further exploration work and potential development at Tampu.
- Excellent existing infrastructure around all projects.
- Increase in global demand for kaolin and high purity alumina (**HPA**).
- Appointment of highly experienced board.
- Sinetech to raise up to \$5,000,000 (minimum \$4,000,000) via Public Offer.

The board of Sinetech Limited (**Sinetech** or the **Company**) (ASX: STC) is pleased to announce that on 10 February 2021 it entered into a binding share sale agreement (**Acquisition Agreement**) with the shareholders of HPAA Pty Ltd. (**HPAA**) (the **HPAA Shareholders**) to acquire 100% of the issued share capital in HPAA (**Proposed Acquisition**), subject to a number of conditions precedent.

HPAA is the legal and beneficial owner of four granted tenements and one tenement application, which together comprise the following four exploration projects prospective for high-grade, low impurity kaolin and silica:

- (a) the Tampu Kaolin Project exploration licenses E 70/5235 and E 70/5214 are located approx. 265km north east of Perth (**Tampu** or **Tampu Kaolin Project**);
- (b) the Wiltshire Kaolin Project exploration license E70 /5216 is located approx. 370km north of Perth and 90km east of Geraldton (**Wiltshire** or **Wiltshire Kaolin Project**);
- (c) the Kalannie Kaolin Project exploration license E 70/5215 is located approx. 210km north east of Perth(**Kalannie** or **Kalannie Kaolin Project**); and
- (d) the Bonnie Rock Silica Project pending exploration licence E 70/5665 is located approx. 250km east north east of Perth and 70km south of Tampu (**Bonnie Rock** or **Bonnie Rock Silica Project**),

(together, the **Projects**).

The HPAA Shareholders are Anthony Cormack, Samuel Moyle, Dylan Jensen ATF Blencove Investment Trust, Simon Vincent ATF S Vincent Family Trust, Julian Stephens ATF One Way Trust, Yuan By Yuan Capital Pty Ltd <Yo Yo Trading Trust>, Hekima Pty Ltd <The Ocean Trust>, Jindabyne Capital Pty Ltd <Providence Equity A/C> and Katherine Macpherson, none of whom are related parties of the Company.

HPAA has assembled a portfolio of high-purity kaolin projects to target existing industrial markets including paper, fibreglass, pigment and ceramics. Additional opportunities exist in high purity alumina (**HPA**) markets, with increasing demand from lithium-ion batteries, LED bulbs, automotive and medical industries.

Kaolin and silica are industrial commodities. Efficiently moving the product from mine to market is as important as the product itself in terms of viability of the business. All projects have the potential to be low capital expenditure and low environmental impact mining operations with ready access to both road and rail enabling a variety of options for development. The bulk shipping ports of Fremantle and Geraldton are both logistically convenient.

The material terms of the Acquisition Agreement are set out in Schedule 1 of this announcement.

The Proposed Acquisition is conditional on the Company obtaining all necessary regulatory and Shareholder approvals to effect the Proposed Acquisition and satisfying all other requirements of the ASX for the reinstatement to official quotation of the Company's securities on the ASX (among other things).

The Proposed Acquisition, if completed, will amount to a significant change in the nature and scale of the Company's current activities and as such, the Company is required to obtain approval from its shareholders (**Shareholders**) and to re-comply with Chapters 1 and 2 of the ASX Listing Rules. As part of the Proposed Acquisition, the Company intends to undertake a capital raising (**Public Offer**) to raise a minimum of \$4,000,000 (**Minimum Subscription**) and a maximum of \$5,000,000 (**Maximum Subscription**) by the issue of fully paid ordinary shares in capital of the Company (**Shares**).

Further details with respect to the Proposed Acquisition, Public Offer and the re-compliance process are set out below.

PROJECT OVERVIEW

On completion of the Proposed Acquisition, the Company will acquire high-grade, low impurity kaolin and silica projects located in the Yilgarn Craton region of Western Australia, which are presently held by HPAA.

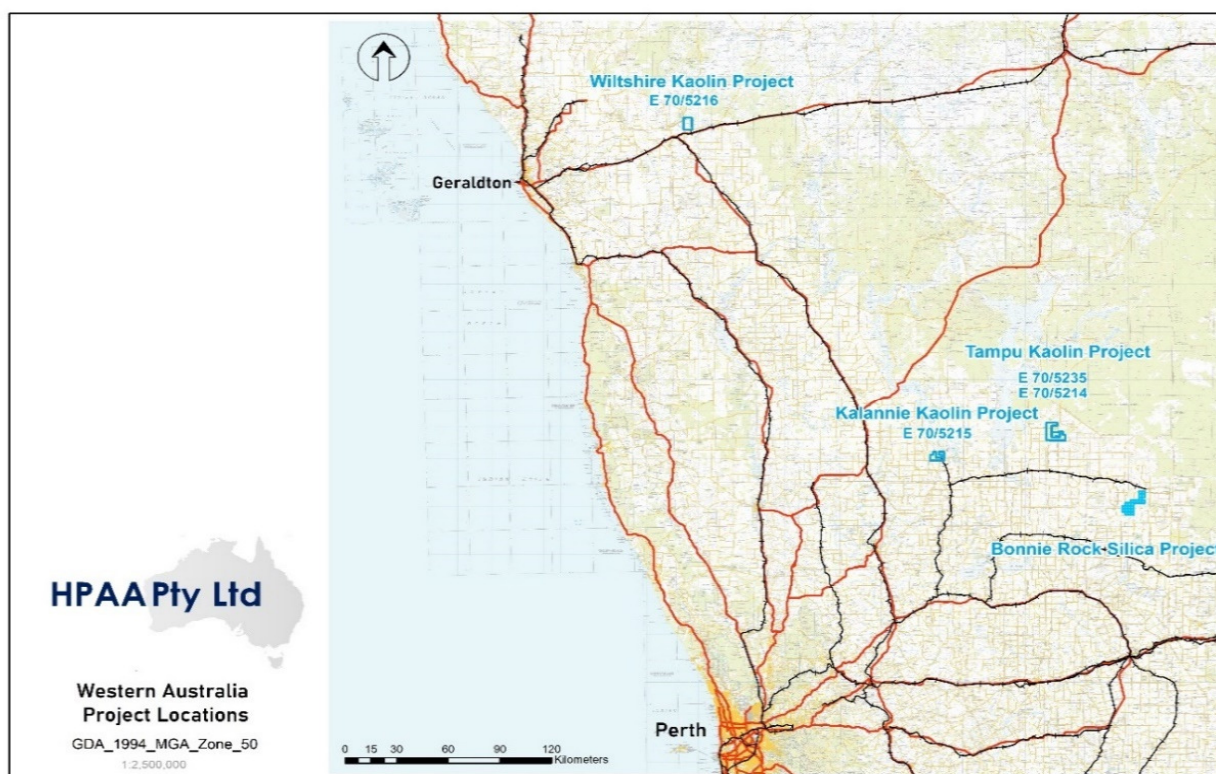


Figure 1 - Tenement Regional Location Plan

Further details in respect of each of these Projects are set out below.

Tampu Kaolin Project

The Tampu Kaolin Project comprises the following tenements held by HPAA:

TENEMENT	TYPE	STATUS	APPLICATION DATE	GRANT DATE	AREA (Blocks)	PROJECT
E 70/5235	EL	LIVE	30/01/2018	08/10/2019	6	Tampu
E 70/5214	EL	LIVE	25/09/2018	06/05/2019	22	Tampu

The Tampu Kaolin Project is located approximately 265km north-east of Perth, Western Australia. Sealed public roads provide excellent access within the project area.

Tampu has seen two historical and one modern phase of exploration drilling and metallurgical programs. This drilling has sufficiently determined the validity and potential of Tampu to host significant bright white kaolin mineralisation with very low levels of impurities. Further drilling and metallurgical test-work will be required in order to achieve a JORC Resource at Tampu.

The known mineralised area at Tampu is contained on two freehold farming properties that are, for the most part, fully cleared of vegetation and intermittently cropped. Agreements are in place with the two property owners for the purposes of exploration drilling and sub-surface rights at Tampu.

At the northern end E 70/5235 is the very small settlement of Tampu. Tampu also hosts a large unused grain storage facility, offices, bitumen laydown and three phase power. This facility would be suitable to any future mining operation.

The grain facilities are owned by Cooperative Bulk Handling (CBH) group and are available for long term leasing agreements.

In mid-2019, HPAA Pty Ltd sampled 7 air-core holes drilled by the pastoralist for water on the property. Good sample quality was achieved, and this material was deemed suitable for chemical assays and metallurgical test work and evaluation.

The 7 holes were drilled over 3 days for a total of 219 metres. A JORC Table in respect of the air core drilling program is set out in Appendix 1.

The program successfully intercepted high purity, bright white kaolin averaging 8m in thickness. XRF chemistry on a screened air-core 8m composite from HPAC0004 5-13m returned a high natural alumina grade of 38.3% Al₂O₃ and very low level of critical impurities, 0.29% Fe₂O₃, 0.40% TiO₂, 0.12% K₂O and 0.03% Na₂O.



Figure 1 - 2019 Water Bore Air-core drilling program.



Figure 2 - Typical bright white kaolin intersection at the Tampu project

Table 1 2019 HPAA Tampu Water-bore drilling program

Hole ID	Program	Max Depth	x	y	z	Dip	Azi	NAT Grid	Company	Date Drilled
HPAC001 (WB04)	Tampu	23	579437.00	6655394.00	416	-90	0	UTM_WGS_84_50	HPAA Pty Ltd	01/09/2019
HPAC002 (WB05)	Tampu	31	579648.00	6655203.00	418	-90	0	UTM_WGS_84_50	HPAA Pty Ltd	01/09/2019
HPAC003 (WB06)	Tampu	16	577603.00	6656468.00	402	-90	0	UTM_WGS_84_50	HPAA Pty Ltd	01/09/2019
HPAC004 (WB07)	Tampu	37	578723.00	6656030.00	359	-90	0	UTM_WGS_84_50	HPAA Pty Ltd	02/09/2019
HPAC005 (WB01)	Tampu	42	579685.00	6655951.00	408	-90	0	UTM_WGS_84_50	HPAA Pty Ltd	02/09/2019
HPAC006 (WB02)	Tampu	40	579195.00	6656469.00	400	-90	0	UTM_WGS_84_50	HPAA Pty Ltd	02/09/2019
HPAC007 (WB03)	Tampu	30	579295.00	6652394.00	403	-90	0	UTM_WGS_84_50	HPAA Pty Ltd	02/09/2019

Table 2 1992 Whitsed Air-core drilling program

Hole_ID	Program	Max_Depth	x	y	z	Dip	Azi	NAT_Grid	Company	Date Drilled
C1	Tampu	14	580341.54	6655188.81	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/07/1992
C2	Tampu	15	580336.81	6655576.64	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/07/1992
C3	Tampu	18	580339.39	6655955.44	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/07/1992
C4	Tampu	18	580039.61	6655959.73	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/07/1992
C5	Tampu	14	579744.12	6655965.75	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/07/1992
C6	Tampu	14	579440.90	6655972.62	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/07/1992
C7	Tampu	23	579444.34	6656307.62	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/07/1992
C8	Tampu	24	579440.47	6655589.95	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/07/1992
C9	Tampu	15	579393.66	6655205.56	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/07/1992
C10	Tampu	18	579644.48	6655201.26	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/07/1992
C11	Tampu	14	579640.19	6654996.40	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/07/1992
K1	Kirby	18	578187.35	6656460.61	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K1-A	Kirby	18	578153.73	6656457.92	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K2	Kirby	18	578173.90	6656179.59	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K3	Kirby	14.5	579084.42	6655550.86	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K4	Kirby	21	579082.71	6655816.29	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K5	Kirby	23	579063.82	6656177.92	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K6	Kirby	24	578796.43	6656179.59	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K7	Kirby	23	578551.73	6656184.97	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K8	Kirby	18	578709.04	6656478.08	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K9	Kirby	15	577629.36	6656491.53	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K10	Kirby	18.9	578457.61	6655836.72	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K11	Kirby	6	578425.33	6655827.32	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K12	Kirby	14	578725.17	6655875.72	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K13	Kirby	9	579056.08	6656467.39	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K14	Kirby	7	578721.14	6655926.82	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992
K15	Kirby	12	577816.26	6656206.48	1000.00	-90	0	MGA_94_50	Whitsed Resources	1/08/1992

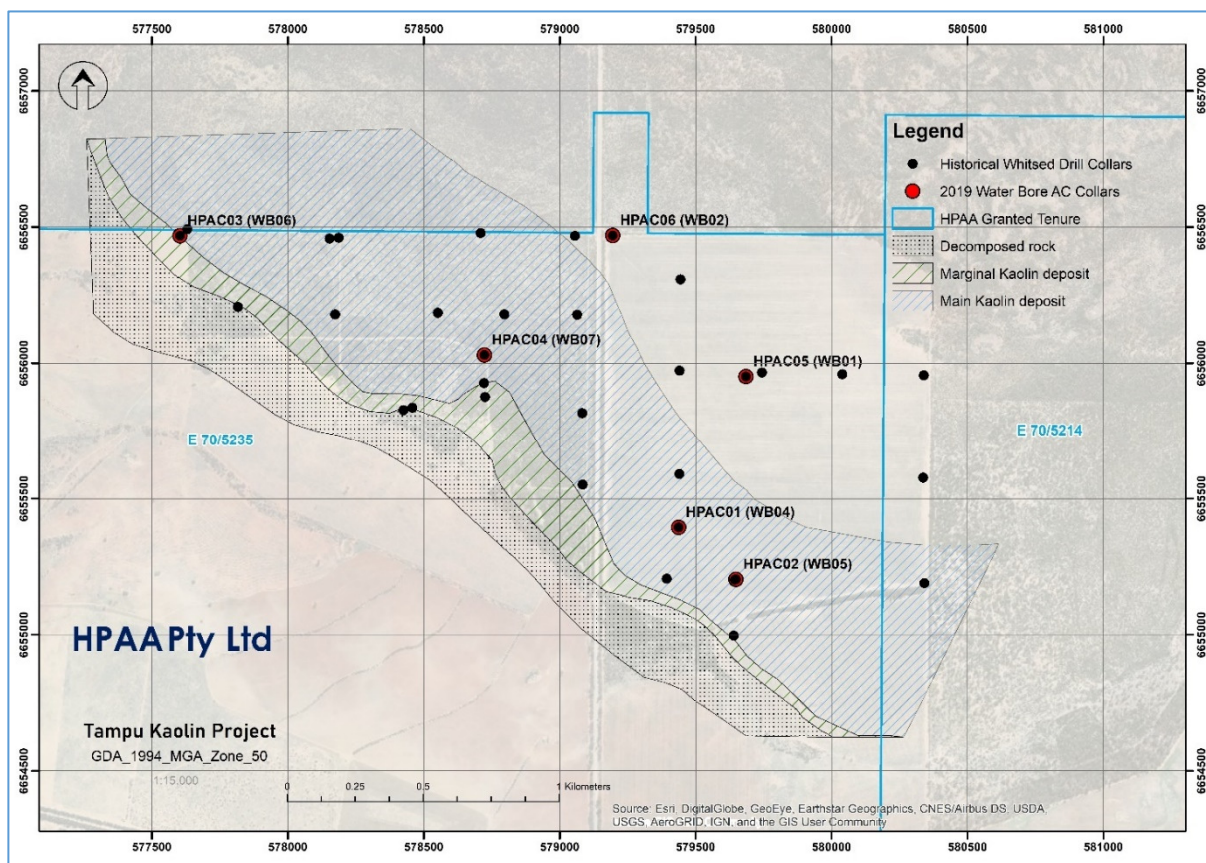


Figure 3 – 2019 HPAA Tampu Water-bore drilling program location map

Table 3 Tampu Kaolin Intercepts

Hole ID	From (m)	To (m)	Intercept (m)	Kaolin
HPAC01	8	19	11	
incl	8	18	10	Bright White
HPAC02	4	25	21	
incl	4	14	10	Bright White
HPAC03	3	15	12	
incl	5	15	10	Bright White
HPAC04	3	25	22	
incl	3	11	8	Bright White
HPAC05	3	10	7	
HPAC06	4	26	22	
incl	14	20	6	Bright White
HPAC07	0	8	8	
C1	No significant results			
C2	9	15	6	
C3	3	18	15	
C4	5	17	12	
C5	No significant results			
C6	No significant results			
C7	20	24	4	Bright White
C8	8	24	16	
incl	11	24	13	Bright White
C9	5	15	10	

Hole ID	From (m)	To (m)	Intercept (m)	Kaolin
incl	5	13	8	Bright White
C10	3	18	15	Bright White
C11	5	14	9	Bright White
K1-A	5	18	13	
incl	7	17	10	Bright White
K2	8	18	10	
incl	8	13	5	Bright White
K3	7	14.5	7.5	
incl	7	9	2	Bright White
K4	11	21	10	
incl	12	16	4	Bright White
K5	10	23	13	
incl	11	21	10	Bright White
K6	4	24	20	
incl	5	24	19	Bright White
K7	5	23	18	
incl	10	22	12	Bright White
K8	6	18	12	
incl	7	17	10	Bright White
K9	4	15	11	
incl	6	15	9	Bright White
K10	3	18.9	15.9	
incl	5	17	12	Bright White
K11	1	6	5	
K12	6	14	8	
K13	No significant results			
K14	3	7	4	
K15	No significant results			

The bulk composite HPAC0003 5-13m sample produced a high yield of 57.1% to the -45um fraction.

The bulk composite HPAC0004 5-13m -45um sample analysed by scanning electron microscopy (SEM) and elemental analysis by energy dispersive spectroscopy (EDS) indicates the presence of nanotubes which could be halloysite.

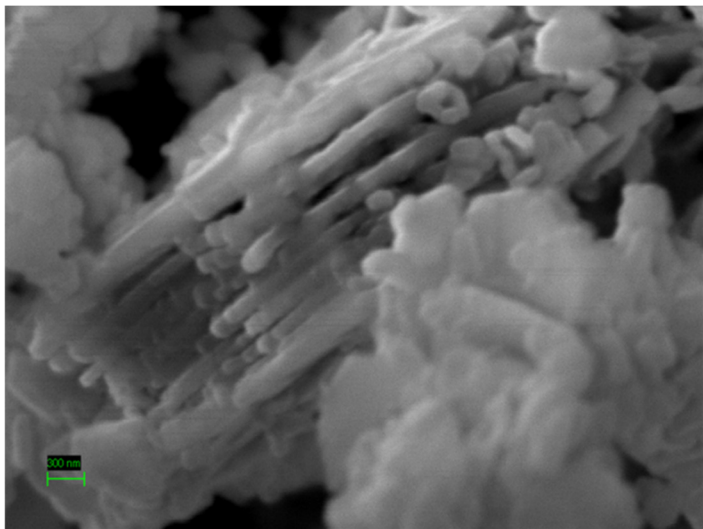


Figure 4 - HPAC004 showing a cluster containing possible halloysite nanotubes

Tampu kaolin shows exceptional pre-calcined and calcined whiteness and brightness.

Table 4 Brightness, yellowness and colour coordinates for Tampu kaolin product.

	ISO Brightness	Yellowness	CIE Colour Coordinates			RBG Colour Coordinates		
Sample ID			L	a	b	R	G	B
HPAC04 KA02 (Pre Calcined)	87.6	3.76	95.96	1	1.35	247	243	239
HPAC03 KA01 (Pre Calcined)	86.28	4.05	95.43	1.1	1.65	246	241	237
HPAC04 KA02 (Calcined)	89.35	3.71	96.65	1.15	1.1	249	245	241
HPAC03 KA01 (Calcined)	91.61	1.715	97.01	0.7	0.85	249	246	243

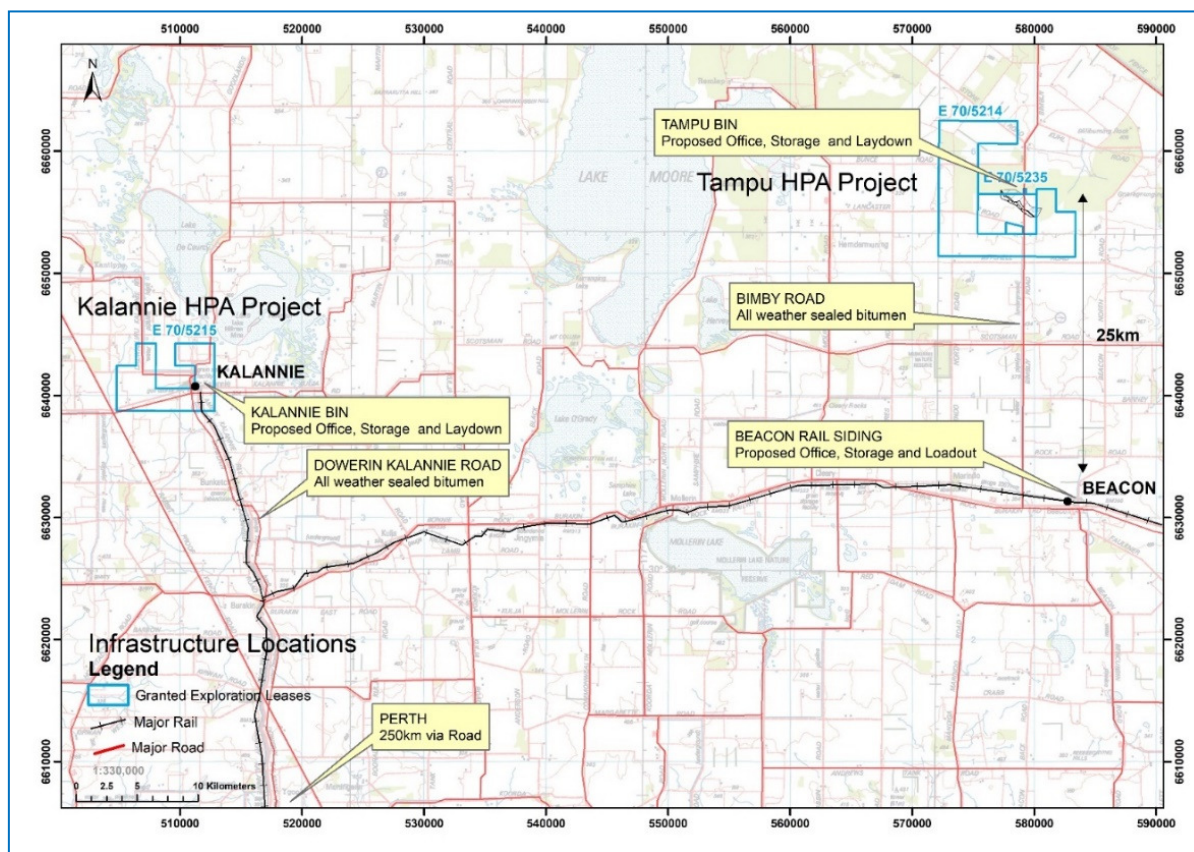


Figure 5 The Tampu and Kalannie project areas showing road and rail infrastructure.

Wiltshire Kaolin Project

The Wiltshire Kaolin Project comprises the following tenement held by HPAA:

TENEMENT	TYPE	STATUS	APPLICATION DATE	GRANT DATE	AREA (Blocks)	PROJECT
E 70/5216	EL	LIVE	25/09/2018	03/07/2019	12	Wiltshire

Wiltshire is located adjacent to the Wenmillia Dam kaolin deposit, which is held by Blue Diamond WA Pty Ltd (ACN 090 511 970) to the north of Mullewa. Bright white kaolin is known to extend to the south and west of Wenmillia Dam along exposures in Wenmillia creek toward HPAA's Wiltshire project. Chemical analyses by the Geological Survey of Western Australia (**GSWA**) on kaolin drill samples from Wenmillia Dam show high purity kaolin with low levels of contaminant elements. Wiltshire is a grass-roots project and significant further exploration and metallurgical test-work is required.

Two kaolin deposits occur in the area at Wenmillia Dam and Woolshed. The Wenmillia Dam deposit is the larger of the two and here the kaolin horizon extends to a depth of over 30m, below 5-6m of overburden. Kaolin is known to extend south east along Wenmillia Creek and is interpreted to extend into the HPAA's tenure.

The Wiltshire Kaolin Project is located approximately 370km north of Perth, Western Australia. The tenement is accessible via Geraldton travelling 90km east along the Geraldton-Mt Magnet road to Mullewa. Sealed public roads provide excellent access within the tenement.

Topography within the tenement consists of flat low-lying wheat belt plains. A large portion of the tenement is in open farmed land.

Kalannie Kaolin Project

The Kalannie Kaolin Project comprises the following tenement held by HPAA:

TENEMENT	TYPE	STATUS	APPLICATION DATE	GRANT DATE	AREA (Blocks)	PROJECT
E 70/5215	EL	LIVE	25/09/2018	07/09/2020	11	Kalannie

A GSWA kaolin sample from the project area location shows high purity kaolin with low levels of contaminant elements. This is a grass-roots project and significant further exploration and metallurgical test-work is required.

The Kalannie Kaolin Project is located approximately 210km North East of Perth, Western Australia, in and around the town of Kalannie. Kalannie is accessible via the great northern highway to the town of Pithara and then 44km east along Pithara W road. Sealed public roads provide excellent access within the tenement.

Topography within the tenement consists of flat low-lying wheat belt plains. A large portion of the tenement is in open farmed land.

In respect of arrangements with landowners for the Wiltshire and Kalannie Kaolin Projects, landowners have been identified and initial contact has been made with priority landowners. Follow up meetings with the landowners are planned to address surface rights ownership, planned exploration activities and opportunities for the landowners and local community.

Bonnie Rock Silica Project

The Bonnie Rock Silica Project comprises a single pending exploration licence lodged by HPAA as follows:

TENEMENT	TYPE	STATUS	APPLICATION DATE	GRANT DATE	AREA (Blocks)	PROJECT
E 70/5665	EL	PENDING	24/11/2020	TBA	24	Bonnie Rock

Previous exploration undertaken on the Bonnie Rock Silica Project identified several prominent quartz veins that extends for an unknown distance below cover. Chemical analyses indicated that the quartz in the region is high-grade, had favourable thermal stability and thermal strength values and should be suitable for use in the production of silicon metal.

The Bonnie Rock Silica project is located approximately 267km north-east of Perth, Western Australia. The tenement is accessible via Toodyay Road through to Toodyay, then via Bolgart, Calingiri, Wongan Hills through to Beacon. From Beacon take Wialki road 43km south east to the into the tenement area. Sealed public roads provide excellent access within the tenement.

The exploration licence application was recommended for grant on 7 January 2021 and referred to the native title unit at DMIRS for notification in accordance with section 29 of the Native Title Act as an act attracting the expedited procedure. The current status is awaiting notification. At this stage the Company expects that grant of the application will take more than four months.

Further information relating to the Projects will be included in the Notice of Meeting and full form prospectus (**Prospectus**) which will be prepared in connection with the Proposed Acquisition and Public Offer.

PROPOSED BUSINESS MODEL

Following completion of the Proposed Acquisition, the Company's proposed business model will be to further explore the Projects in order to determine suitability for development. The Company's main objectives on completion of the Public Offer are to:

- (a) systematically explore the Projects for kaolin and silica through geological mapping, surface sampling, drilling and metallurgical test-work;
- (b) assess the viability for, and if viable implement, a low capital expenditure kaolin production project at the Tampu, Wiltshire and Kalannie Projects and silica production project at the Bonnie Rock Silica Project (once granted);
- (c) assess the suitability of the best raw kaolin material from Tampu, Wiltshire and Kalannie for use as a high-purity alumina (**HPA**) feedstock;
- (d) continue to pursue other acquisitions that have a strategic fit for the Company, particularly in respect of industrial minerals such as silica and kaolin with a focus on other mineral exploration or resource opportunities that have the potential to deliver growth for Shareholders; and
- (e) raise funds to provide sufficient working capital for the Company.

KEY DEPENDENCIES AND RISKS OF THE BUSINESS MODEL

The key dependencies influencing the viability of the Proposed Acquisition are:

- (a) the Company's capacity to re-comply with Chapters 1 and 2 of the Listing Rules to enable re-admission to quotation of the Company's securities;
- (b) completion of the Proposed Acquisition;
- (c) tenure and access to the Projects;
- (d) commodity price volatility and exchange rate risk;
- (e) ability to meet resource and reserves and exploration targets;
- (f) raising sufficient funds to satisfy expenditure requirements, exploration and operating costs; and
- (g) minimising environmental impact and complying with health and safety requirements.

The key risks the Company has identified in respect of the business model of the Company post-Proposed Acquisition as an exploration entity are as follows:

- (h) exploration and operating costs;
- (i) additional requirements for capital;
- (j) Covid-19;
- (k) Tenure and renewal;

- (l) Exploration success;
- (m) Environmental risks and climate change; and
- (n) continued engagement with Agents and contractors
- (o) Competition risks,

each of which will be described in further detail in the Notice of Meeting and Prospectus.

In respect of licences and authorisations required to be held by HPAA to undertake the business model described above, at the current stage of HPAA's operations and the exploration undertaken on the Projects, the Company and HPAA is not aware of any other licences or authorisations it is required to obtain other than ensuring continued compliance with the expenditure and tenure requirements prescribed by the *Mining Act 1978 (WA)* in respect of the HPAA exploration licences. The Company's exploration activities at Bonnie Rock Silica Project are contingent on the grant of the exploration licence comprising that project. Subject to the outcome of exploration activities undertaken at the Projects, the Company intends to economically exploit deposits located at the Projects. The Prospectus prepared for the purposes of the Public Offer will contain further details of the rights and obligations of tenement holders, in particular exploration licence holders and mining lease holders, in Western Australia and detailed information regarding the land the subject of the HPAA Projects.

APPROPRIATE ENQUIRIES

The Company has made a number of enquiries and investigations into HPAA's business and assets. The Company's due diligence is still ongoing and until such time as those enquiries are complete the Board cannot definitively be satisfied that the Proposed Acquisition is in the best interests of Shareholders. The Board believes that it would be prudent to execute the Acquisition Agreement, as a means of recording the key agreed commercial and other terms of the Proposed Acquisition, prior to incurring the significant costs associated with full due diligence program, which will be required in connection with preparation of the Prospectus associated with the Public Offer to assist the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

RECENT ISSUES OF SECURITIES

In the past six months, HPAA has issued the following:

- 130,000 shares at an issue price of \$0.061 to Julian Rodney Stephens ATF One Way Trust;
- 80,000 shares at an issue price of \$0.061 to Simon William Vincent ATF S Vincent Family Trust;
- 80,000 shares at an issue price of \$0.061 to Samuel Radford Moyle;
- 80,000 shares at an issue price of \$0.061 to Dylan Jensen ATF Blencowe Investment Trust;
- 130,000 shares at an issue price of \$0.061 to Anthony Stephen Cormack;
- 2,062,500 shares at an issue price of \$0.061 to Yuan By Yuan Capital Pty Ltd <Yo Yo Trading Trust>;
- 2,062,500 shares at an issue price of \$0.061 to Hekima Pty Ltd <The Ocean Trust>;

- 2,062,500 shares at an issue price of \$0.061 to Jindabyne Capital Pty Ltd <Providence Equity A/C>; and
- 2,062,500 shares at an issue price of \$0.061 to Katherine Gaye Macpherson.

The Company expects that all Consideration Shares issued to the HPAA Shareholders in consideration for the Acquisition will be restricted from trading for a period of up to 24 months from the date of official re-quotation of the Company's securities on ASX in accordance with the ASX Listing Rules.

SHAREHOLDER APPROVALS

A notice of extraordinary general meeting (**EGM**) seeking the Shareholder approvals required to effect completion of the Proposed Acquisition will be sent to Shareholders in due course. It is expected that the Company will convene the EGM in March 2021 at which Shareholders will be asked to consider and approve the following "Essential Resolutions":

- approval of the Proposed Acquisition of HPAA Pty Ltd and the resulting change in the nature and scale of the Company's activities in terms of ASX Listing Rule 11.1.3;
- approval of the consolidation of the Company's Shares on issue (on a 20:1 basis) (**Consolidation**);
- approval of the issue of 50,678,343 listed options to acquire Shares (**Options**) (on a post-Consolidation basis) to the existing Shareholders of the Company (on a 1:1 basis) subject to any escrow periods;
- the issue of 100,000,000 Consideration Shares (on a post-Consolidation basis) at a deemed issued price of \$0.02 to the HPAA Shareholders;
- the issue of a minimum 200,000,000 Shares under the Public Offer (on a post-Consolidation basis) at an issue price of \$0.02 to raise not less than \$4 million; and
- approval to convert existing amounts of debt owing to creditors of the Company to equity in the form of issuing Shares to those parties at a deemed conversion price of \$0.02 per Share, together with one Option for each Share issued.

Each of the Essential Resolutions are conditional upon the approval by Shareholders of each of the other Essential Resolutions. If any of the Essential Resolutions are not approved by Shareholders, all of the Essential Resolutions will fail, and completion of the Proposed Acquisition will not occur.

In addition to the above Essential Resolutions, the Company is seeking Shareholder approval for various other non-essential resolutions, including:

- the issue of 9,000,000 Director incentive Shares (on a post-Consolidation basis), together with one Option for each Share issued;
- the issue of up to 50,000,000 Options to the Lead Manager CPS Capital;
- approval for the Proposed Directors (or their nominees or family members) to participate in the Public Offer and subscribe for up to 12,500,000 Shares at an issue price of \$0.02 each; and
- approval of the change of the Company's name to "**Corella Resources Limited**" and amendment to the Company's constitution.

CHANGE OF NAME

Following completion of the Proposed Acquisition and subject to Shareholder approval, the Company intends to change its name to “**Corella Resources Limited**”.

PROPOSED BOARD

Subject to and upon completion of the Proposed Acquisition, it is proposed that:

- (a) Terrence Butler, Warren Barry, Daniel Coletta and Derek Hall will resign from the Board; and
- (b) the Board will be reconstituted such that Anthony Cormack, Philip Re and Peter Woods (together, the **Proposed Directors**) will be appointed as the directors and comprise the Board of the Company.

Biographies for each of the directors are set out below:

(a) **Anthony Cormack – Proposed Managing Director**

Executive director Mr Anthony ‘Tony’ Cormack has over 25 years of experience as a geologist with expertise in exploration, project management and resource estimation working across numerous jurisdictions internationally, including Australia, Canada, USA and South Korea. Mr Cormack has held several senior roles including resource development manager with Atlas Iron, geology team leader at BHP’s Area C project and CEO / Executive Director at Hexagon Energy Materials Ltd (formerly Hexagon Resources Ltd) (ASX:HXG). His most recent company North West Nickel was sold to Chalice Mining Limited in 2019.

Tony is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and is deemed a competent person under the JORC Code 2012 and is also a member of the Australian Institute of Company Directors (AICD).

(b) **Philip Re – Proposed Independent, Non-Executive Chairman**

Mr Philip Re is a Chartered Accountant, Chartered Secretary and a Member of the Institute of Company who specialises in corporate advisory, corporate governance, mergers and acquisitions and investment banking for ASX listed Companies. He has held several board positions on various ASX listed companies over the years.

Mr Re currently acts as Chairman of ASX listed company, Westar Industrial Limited and as Non-Executive Director of Emerge Gaming Limited

(c) **Peter Woods – Proposed Independent, Non-Executive Director**

Mr Peter Woods has over 14 years’ experience in the financial services industry specialising in wealth advisory, raising capital for both unlisted and listed companies, structuring, transactions and business development. He has extensive corporate finance, capital markets and investment advisory experience across various industries and geographies. Mr Woods is founding director of Bluebird Capital, a project generation, investment and corporate advisory business.

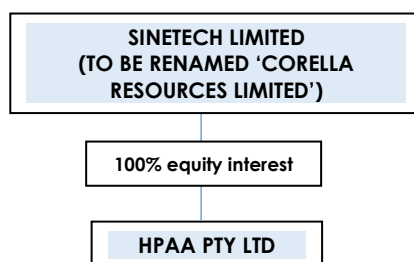
Mr Woods holds a Bachelor of Commerce with a double major in Accounting and Finance from University of Western Australia, together with a Post Graduate Diploma of Applied Finance, and has recently completed an executive

education course on Private Equity and Venture Capital at Harvard Business School, Boston USA.

Mr Woods is a Member of the Australian Institute of Company Directors, has held various ASX board positions and is currently Non-Executive Director for TNT Mines Ltd (ASX:TIN).

PROPOSED GROUP STRUCTURE

A Company group structure diagram is set out below, which assumes completion of the Proposed Acquisition:



The Company does not have any other material interests in entities.

CONSOLIDATION

As part of the Proposed Acquisition and the Company's proposed re-compliance with Chapters 1 and 2 of the Listing Rules, the Company proposes to consolidate its issued capital on the basis that every 20 shares will consolidate into 1 share (**Consolidation**) subject to shareholders' approval. The effect of the Consolidation is set out in the capital structure table below.

CAPITAL RAISING

To assist the Company to re-comply with Chapters 1 and 2 of the Listing Rules and to support its strategy post-completion of the Proposed Acquisition, the Company intends, subject to Shareholder approval, to conduct the Public Offer under the Prospectus. Under the Public Offer, the Company intends to issue 200,000,000 Shares at an issue price of \$0.02 per Share to a raise a minimum of \$4,000,000.

Subject to Shareholder approval being obtained at the EGM, each Proposed Director or their associates may subscribe for up to \$250,000 worth of Shares (12,500,000 Shares) under the Public Offer.

PROPOSED USE OF FUNDS

The Company intends to apply funds raised from the Public Offer, together with existing cash reserves, over the first two years following re-admission of the Company to the Official List of ASX as follows:

Item of Expenditure	Minimum Subscription (\$4,000,000)	%	Maximum Subscription (\$5,000,000)	%
Existing cash reserves	\$755,000 ¹	15.9	\$755,000 ¹	13.1
Funds raised from Offer	\$4,000,000	84.1	\$5,000,000	87.9

Item of Expenditure	Minimum Subscription (\$4,000,000)	%	Maximum Subscription (\$5,000,000)	%
Total	\$4,755,000	100	\$5,755,000	100
Exploration and development Tampu	\$1,986,000	41.6	\$1,986,000	34.3
Exploration and development Wiltshire	\$251,000	5.3	\$501,000	8.8
Exploration and Development Kalannie	\$251,000	5.3	\$501,000	8.8
Exploration Bonnie Rock	\$192,000	4.0	\$535,874	9.2
Working capital ⁴	\$600,000	12.6	\$700,000	12.2
Expenses of the Offer ²	\$449,117	9.5	\$514,606	8.9
Employee Costs	\$416,520	8.8	\$416,520	7.3
Administration ³	\$609,363	12.8	\$600,000	10.4
Total	\$4,755,000	100	\$5,755,000	100

Notes:

1. Includes \$323,000 in cash reserves and \$432,000 investments held for sale.
2. Expenses of the Public Offer includes legal fees, ASX fees, advisor fees, Investigating Accountant fees, Independent Geologist fees, Share Registry fees and brokerage costs.
3. Administration costs include, without limitation, general corporate costs such as the provision of contract services to the Company, ASX listing fees, Board and executive remuneration, office rent, and ongoing audit and accounting costs.
4. Working capital provides for future payments, additional capital to be used for additional exploration following the planned exploration programs and investment in new mineral exploration projects not yet identified by the Directors, including due diligence costs incurred in consideration of such projects.

In the event the amount raised is between the minimum subscription and the maximum subscription, the funds raised above the minimum subscription will be applied firstly to additional expenses of the Public Offer and then towards additional exploration expenditure on drilling and working capital.

The Public Offer will not be underwritten.

LEAD MANAGER

The Company has engaged CPS Capital Pty Ltd (**CPS** or **Lead Manager**) to act as the lead manager to the Public Offer. Upon completion of the Proposed Acquisition, the Company proposes to issue up to 50,000,000 Options (exercisable at \$0.04 per Option, expiring 4 years from the date of issue) to CPS, in consideration for those lead manager services. The value of these Options to be issued to CPS based on the Maximum Subscription is approximately \$192,500.

The Company has also agreed to pay CPS the following fees in connection with the Public Offer:

- (a) a management fee of 2% of the gross proceeds of the Public Offer (plus GST) in consideration for managing the Public Offer process (at maximum subscription, being a fee of \$100,000); and
- (b) a placement fee of 4% of the gross proceeds of the Public Offer (plus GST) in consideration for raising capital under the Public Offer (at maximum subscription, being a fee of \$200,000).

PRO FORMA CAPITAL STRUCTURE

The pro-forma capital structure of the Company following completion of the Proposed Acquisition is set out below.

Shares

	Shares (Min Subscription \$4,000,000)	Shares (Max Subscription \$5,000,000)
Current issued capital (post-Consolidation)	50,678,343 ¹	50,678,343 ¹
Capital Raising Shares (post-Consolidation)	200,000,000 ²	250,000,000 ³
Consideration Shares to be issued to HPAA shareholders under the Acquisition (post-Consolidation)	100,000,000 ⁴	100,000,000 ⁴
Shares to be issued on conversion of debt ⁵	15,321,657	15,321,657
Shares to be issued to Proposed Directors	9,000,000	9,000,000
Total on a post-Consolidation basis	375,000,000	425,000,000

Notes:

- Currently fully paid ordinary shares in the capital of the Company based on a Consolidation ratio of 20:1.
- Fully paid ordinary shares in the capital of the Company at an issue price of \$0.02 per Share to raise a minimum of \$4,000,000.
- Fully paid ordinary shares in the capital of the Company at an issue price of \$0.02 per Share to raise a maximum of \$5,000,000.
- Fully paid ordinary shares in the capital of the Company at a deemed issue price of \$0.02 per Share issued in consideration for the Proposed Acquisition.
- Debt Conversion Shares to be issued on conversion of outstanding debt owed to creditors of the Company.

Options

	Options (Min Subscription \$4,000,000)	Options (Max Subscription \$5,000,000)
Options currently on issue	Nil	Nil
Options to be issued to existing Shareholders ¹	50,678,343	50,678,343
Lead Manager Options ²	40,000,000	50,000,000
Options to be issued on conversion of debt ¹	15,321,657	15,321,657
Options to be issued to Proposed Directors ¹	9,000,000	9,000,000
Total on a post-Consolidation basis	115,000,000	125,000,000

Notes:

- Options exercisable at \$0.03 each, on or before the date that is three years from the date of issue of the Options. These options will free-attach on a 1:1 basis to shares held post-Consolidation by current shareholders of the Company, shares issued on conversion of debt and shares to be issued to Proposed Directors for a total of 75,000,000 options.
- Options exercisable at \$0.03 each, on or before the date that is four years from the date of issue of the Options. Refer to page 14 of this announcement for further details on the fees payable to the lead manager to the Public Offer.

No person or entity will acquire a holding of Shares of, or increase their holding, to an amount in excess of 20% of all the Shares on issue at completion of the Proposed Acquisition.

PRO FORMA BALANCE SHEET

A pro forma balance sheet as at 30 June 2020 showing the effect of the Proposed Acquisition and Public Offer on the Company is set out in Schedule 2 of this announcement.

EFFECT OF THE PROPOSED MERGER ON THE COMPANY'S REVENUE, EXPENDITURE AND PROFIT BEFORE TAX

The Company does not expect to generate revenues from operations or sale of assets during the relevant period. The effect of the Proposed Acquisition on the Company's expenditure will be to increase expenditure as contemplated by the use of funds table set out above.

INDICATIVE TIMETABLE

An indicative timetable for completion of the Proposed Acquisition and the associated transactions set out in this Announcement is set out below:

Event	Date*
Execution of Acquisition Agreement	10 February 2021
Notice of Meeting for the Proposed Acquisition sent to Shareholders	15 February 2021
Lodge Prospectus with ASIC Opening date of the Public Offer	19 February 2021
Shareholder Meeting to approve the Proposed Acquisition	15 March 2021
Closing date of the Public Offer	15 March 2021
Settlement of Proposed Acquisition and Public Offer	26 March 2021
Re-quotation on the ASX (subject to the Company re-complying with Chapters 1 & 2 of the Listing Rules)	31 March 2021

*Please note this timetable is indicative only and the Directors reserve the right to amend the timetable as required.

ASX WAIVERS

The Company applied to ASX and was granted conditional waivers from the requirements of:

- (a) Listing Rule 2.1 (Condition 2) to allow the Company to issue Shares in connection with the Proposed Acquisition (including under the Public Offer) with an issue price which is less than 20 cents; and
- (b) Listing Rule 1.1 (Condition 12) to allow the Company to be reinstated to the Official List whilst having options on issue at less than 20 cents each (being the Options described on page 12 and set out in further detail in the capital structure table on page 17).

Further details of the terms and conditions of the above waivers are set out in Schedule 3 of this announcement.

DIRECTOR PARTICIPATION IN THE PUBLIC OFFER

Each of the Proposed Directors (Messrs Re, Cormack and Woods) wish to participate in the Public Offer. Accordingly, the Company will seek Shareholder approval for the Proposed Directors (or their nominee(s) or their family members) to subscribe for up to a total of 37,500,000 Shares at an issue price of \$0.02 per Share to raise up to \$750,000 as follows:

- (a) Mr Re – up to 12,500,000 Shares at an issue price of \$0.02 to raise up to \$250,000;
- (b) Mr Cormack – up to 12,500,000 Shares at an issue price of \$0.02 to raise up to \$250,000; and
- (c) Mr Woods – up to 12,500,000 Shares at an issue price of \$0.02 to raise up to \$250,000,

(together, the **Participation**).

The Participation is subject to Shareholder approval at the General Meeting.

REGULATORY REQUIREMENTS GENERALLY

The Company notes that:

- (a) the Proposed Acquisition requires Shareholder approval under the Listing Rules and therefore may not proceed if that approval is not forthcoming;
- (b) the Company is required to re-comply with ASX's requirements for admission and quotation and therefore the Proposed Acquisition may not proceed if those requirements are not met;
- (c) the Company considers that the Proposed Acquisition is in the best interests of Shareholders;
- (d) ASX has an absolute discretion in deciding whether to re-admit the Company to the official list and to quote its securities and therefore the Proposed Acquisition may not proceed if ASX exercises that discretion unfavourably;
- (e) in the event Shareholder approval for the Proposed Acquisition is not obtained, the Acquisition Agreement does not complete or ASX exercises its discretion not to re-admit the Company to the Official List of the ASX, then the Company will be removed from the Official List; and
- (f) investors should take account of these uncertainties in deciding whether to buy or sell the Company's securities.

Furthermore, the Company:

- (a) notes that ASX takes no responsibility for the contents of this announcement;
- (b) confirms that all material and accessible information available to the Directors as at the date of this announcement has been included in this announcement; and
- (c) confirms that it is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

For further information please contact:

Daniel Coletta
Director and Company Secretary
Sinetech Limited
Phone: +61 6380 2555

ASX release authorised by the Board of Directors of Sinetech Limited.

Important Notice

Competent Persons Statement:

The information in this announcement that relates to exploration results is based on information reviewed, collated and fairly represented by Mr. Tony Cormack who is a Member of the Australasian Institute of Mining and Metallurgy and a Director of HPAA Pty. Ltd. Mr. Cormack has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Cormack consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Forward Looking Statements:

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Sinetech operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside Sinetech's control.

The Company is not aware of any new information or data that materially affects the information included in this announcement, and the Company confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the exploration results in this release continue to apply and have not materially changed.

Sinetech does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of Sinetech, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by Sinetech. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision. By reviewing or retaining this announcement, you acknowledge and represent that you have read, understood and accepted the terms of this important notice.

SCHEDULE 1 – ACQUISITION AGREEMENT

The material terms of the Acquisition Agreement are as follows:

(a) **Acquisition**

The Company has agreed to acquire, and the HPAA shareholders have each agreed to sell, all of their fully paid ordinary shares in the capital of HPAA (**HPAA Shares**), free from encumbrances (**Proposed Acquisition**);

(b) **Consideration**

In consideration for the Proposed Acquisition, the Company has agreed to issue to the HPAA shareholders an aggregate of 100,000,000 Shares at a deemed issue price of \$0.02 per Share (**Consideration Shares**), to be apportioned amongst the HPAA shareholders pro-rata according to their respective shareholdings in HPAA;

(c) **Conditions Precedent**

Settlement is conditional upon the satisfaction (or waiver by the Company) of the following conditions precedent:

(i) **Due Diligence**

Completion of due diligence by the Company on HPAA's business, assets and operations, to the satisfaction of the Company;

(ii) **Capital Raising**

The Company undertaking a capital raising and receiving valid applications for at least \$4,000,000 worth of Shares;

(iii) **Re-compliance**

The Company re-complying with the requirements of Chapters 1 and 2 of the ASX Listing Rules and receiving conditional approval from ASX to re-admit its securities to official quotation on ASX on terms reasonably acceptable to STC

(iv) **Regulatory Approvals**

The Company and HPAA obtaining all necessary regulatory approvals to complete the Proposed Acquisition;

(v) **Board changes**

The board of the Company having been reconstituted as set out in Section 1.6(d) below;

(vi) **Shareholder approval**

The parties having received all shareholder approvals required to allow the Proposed Acquisition to complete including those required under the ASX Listing Rules and Corporations Act.

(d) **Board changes**

It is acknowledged and agreed that, upon completion of the Proposed Acquisition, the Board will be re-constituted with effect from settlement of the Acquisition so that the board comprises Anthony Cormack, Philip Re and Peter Woods.

The Acquisition Agreement otherwise contains terms and conditions considered standard for an agreement of its nature, including standard representations and warranties provided by both parties, due diligence and confidentiality and settlement obligations.

SCHEDULE 2 – PRO FORMA BALANCE SHEET

Pro-forma Balance Sheet			Minimum Subscription		Maximum Subscription	
	STC 30/06/2020	HPA 30/06/2020	Pro forma adjustments	Pro forma post capital raise	Pro forma adjustments	Pro forma post capital raise
Current assets						
Cash and cash equivalents	172,344	6,110	3,550,883	3,729,337	5,485,394	5,663,848
Trade and other receivables	10,801	70	-	10,871	-	10,871
Tangible fixed assets	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Prepayment	-	-	-	-	-	-
Other assets	550,643	-	-	550,643	-	550,643
Total current assets	733,788	6,180	3,550,883	4,290,851	5,485,394	6,225,362
Non-current assets						
Exploration and evaluation expenditure	-	56,704	-	56,704	-	56,704
Trade and other receivables	60,000	-	-	60,000	-	60,000
Total non-current assets	60,000	56,704	-	116,704	-	116,704
Total assets	793,788	62,884	3,550,883	4,407,555	5,485,394	6,342,066
Current liabilities						
Trade and other payables	101,838	-	-	101,838	-	101,838
Accrued expenses	96,020	-	-	96,020	-	96,020
Borrowings	-	-	-	-	-	-
Total current liabilities	197,858	-	-	197,858	-	197,858
Non-current liabilities						
Trade and other payables	-	10,000	-	10,000	-	10,000
Total non-current liabilities	-	10,000	-	10,000	-	10,000
Total liabilities	197,858	10,000	-	207,858	-	207,858
Net Assets (Liabilities)	595,930	52,884	3,550,883	4,199,697	5,485,394	6,134,208
Equity						
Share capital	30,075,664	56,500	3,550,883	33,683,047	5,485,394	35,617,558
Accumulated losses	(29,479,734)	(3,616)	-	(29,483,350)	-	(29,483,350)
Total equity	595,930	52,884	3,550,883	4,199,697	5,485,394	6,134,208

SCHEDULE 3 – TERMS AND CONDITIONS OF ASX WAIVERS

ASX Listing Rule 2.1 (Condition 2)

Listing Rules 2.1 (Condition 2) provides that the issue price or sale price of all the securities for which an entity seeks quotation (except options) must be at least 20 cents in cash.

The Company has received a conditional waiver from the requirements of Listing Rule 2.1 (Condition 2) to allow the Company to offer Shares under the Public Offer with an issue price which is less than 20 cents.

The ASX granted the Company a waiver from Listing Rules 2.1 (Condition 2) to the extent necessary to permit the issue price of the ordinary shares issued under the Prospectus not to be at least \$0.20 each, on the following conditions:

- (a) the issue price of the Shares under the Public Offer is not less than \$0.02 per Share;
- (b) the terms of the waiver are disclosed to the market and, along with the terms and conditions of the Shares to be issued under the Public Offer, are clearly disclosed in the notice of meeting and in the prospectus to be issued in respect of the Public Offer;
- (c) the Company's shareholders approve the issue price of the Shares issued under the Public Offer, in conjunction with the approval obtained under Listing Rule 11.1.2 in respect of the Proposed Acquisition; and
- (d) the Company completes a consolidation of its capital structure in conjunction with the Proposed Acquisition such that its securities are consolidated at a ratio that will be sufficient, based on the lowest price at which the Company's securities traded over the 20 trading days preceding the date of the suspension of the Company's securities from official quotation, to achieve a market value for its securities of not less than the price at which the Shares issued under the Public Offer are issued.

ASX Listing Rule 1.1 (Condition 12)

ASX Listing Rule 1.1 (Condition 12) provides that if an entity has options on issue the exercise price for each underlying security must be at least 20 cents in cash.

The Company has received a conditional waiver from the requirements of Listing Rule 1.1 (Condition 12) to allow the Company to be reinstated to the Official List with Options on issue at less than 20 cents each.

The ASX granted the Company a waiver from Listing Rules 1.1 (Condition 12) to the extent necessary to permit the issue price of the ordinary shares issued under the Prospectus not to be at least \$0.20 each, on the following conditions:

- (a) the exercise price of the Options is not less than \$0.03 each;
- (b) the terms of the waiver are disclosed to the market and, along with the terms and conditions of the Options, are clearly disclosed in the notice of meeting pursuant to which the Company will seek the approval required under listing rule 11.1.2 for the Proposed Acquisition and in the prospectus to be issued in respect of the Public Offer; and
- (c) the Company's shareholders approve the issue of the Options in conjunction with the approval obtained under listing rule 11.1.2 for the Proposed Acquisition.

SCHEDULE 4 – JORC CODE, 2012 EDITION

TABLE 1 – SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Drilling Commentary
Sampling Techniques	<i>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.</i>	A total of 7 air-core holes for 219m were drilled at the Tampu Kaolin Project in 2019. Bulk drill cuttings were obtained at 1-metre intervals. The entire 1-metre sample was manually split using a 3-tier (0.875:0.125 split) riffle splitter to facilitate the mass reduction of a laboratory assay split. Logged kaolin intercepts were composited on 2m intervals. Non-kaolin samples were not composited or assayed. Laboratory splits were submitted Intertek Perth for assay sample preparation and XRF analyses.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Drilling and sampling activities were supervised by a suitably qualified Company geologist who was present at the drill rig at all times. All bulk 1-metre drill samples were geologically logged by the geologist at the drill site. All mass reduction (field and laboratory splitting) of samples were performed within Gy's Sampling Nomogram limits relevant to this style of mineralisation. Field duplicate splits were undertaken nominally every 20 th sample to quantify sampling and analytical error.
	<i>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.</i>	Logged mineralogy percentages, lithology information and colour were used to determine compositing intervals.
Drilling Techniques	<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>	Conventional blade bit air-core drilling was employed to obtain all drill cuttings from surface during this drill program. Drilling with these was completed using standard 4-inch diameter/3m length drill rods equipped with inner tubes. Drilling was performed with standard face discharge air-core blade bits. The nominal drill hole diameter is 107mm.
Drill Sample Recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Samples are assessed visually for recoveries. Overall, recovery is very good.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Drill bits (face discharge) used were appropriate for the type of formation to maximise amount of drill cutting recovered. Drill bits were replaced where excessive wearing of the tungsten cutting teeth had occurred.
	<i>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.</i>	Visual examination indicates no material bias related to preferential loss or gain of different materials has occurred.
Logging	<i>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.</i>	All individual 1-metre auger intervals are geologically logged, recording relevant data to a set template using company codes. A small representative sample is collected for each 1-metre interval and placed in appropriately labelled chip trays for future reference.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	All logging includes lithological features and estimates of basic mineralogy. Logging is generally qualitative.
	<i>The total length and percentage of the relevant intersection logged</i>	100% of samples are geologically logged.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Not applicable – no core drilling conducted.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	The entire 1-metre sample was manually split using either a 3-tier riffle splitter or a combination thereof to facilitate the mass reduction of a laboratory assay split. Compositing of the laboratory sample split was performed on a geological basis. prior to splitting 50:50 with a single tier riffle splitter. One of the off-splits was submitted to the laboratory for assay. All rejects splits (i.e. the material not sent for assaying) of each individual 1-metre interval were returned to original sample bag, cable tied and placed in storage for future reference.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	The riffle splitter is cleaned after each sub-sample is taken.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance</i>	Extreme care is taken to ensure an equivalent mass is taken from each 1m sample to make up each composite.

	<i>results for field duplicate/second-half sampling.</i>	
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The sample size is considered appropriate for the material sampled.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Drill sample assays: The assaying and laboratory procedures are considered to be appropriate for reporting kaolin mineralisation, according to industry best practice. Each entire 2m composite sample was wet-screened at 45µm and the -45µm fraction was subject to XRF chemical analysis at Bureau Veritas Laboratories in Perth, Western Australia. Metallurgical and mineralogical test-work: -45µm sample was analysed by scanning electron microscopy (SEM) and elemental analysis by energy dispersive spectroscopy (EDS) at Microanalysis Laboratories in Perth, Western Australia. Brightness and colour were analysed using an Elrepho 2000 Datacolour instrument. The sample was analysed at 23 °C at ambient humidity. The instrument was calibrated against a barium sulphate standard prior to analysis. Standard illuminant D65 was used.
	<i>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.</i>	Acceptable levels of accuracy and precision have been established. No handheld methods are used for quantitative determination.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicate, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Bureau Veritas used internal XRF standards and duplicates. The overall quality of QA/QC is considered to be good.
	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant mineralisation intersections were verified by qualified, alternative company personnel.
Verification of sampling & assaying	<i>The use of twinned holes.</i>	No twin holes have been used.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	All data was collected initially on paper logging sheets and codified to the Company's templates. This data was hand entered to spreadsheets and validated by Company geologists. This data was then imported to a Microsoft Access Database then validated automatically and manually.
	<i>Discuss any adjustment to assay data.</i>	No adjustments have been made to assay data.
	<i>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.</i>	A hand-held Garmin GPS was used to set out drill hole locations.
Location of data points	<i>Specification of the grid system used.</i>	MGA2020 Zone 50
	<i>Quality and adequacy of topographic control.</i>	GPS pickups are considered to be adequate topographic control measures for this early stage of drilling.
	<i>Data spacing for reporting of Exploration Results.</i>	Drill-hole spacing is broad, though it is deemed that these holes should be broadly representative of the mineralisation style in the general area. More work is required to accurately determine the variability of the mineralisation at the Tampu Kaolin Project.
Data spacing & distribution	<i>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.</i>	Not applicable, no Mineral Resource or Ore Reserve estimations are covered by new data in this report.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has occurred.
	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known considering the deposit type</i>	No bias attributable to orientation of sampling has been identified.
Orientation of data in relation to geological structure	<i>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.</i>	All holes were drilled vertically as the nature of the mineralisation is horizontal. No bias attributable to orientation of drilling has been identified.
	<i>The measures taken to ensure sample security</i>	Samples were stored in secure storage from the time of drilling, through gathering, compositing and analysis. The samples were sealed as soon as site preparation was completed, and again securely stored during shipment and while at laboratories.
Sample security	<i>The measures taken to ensure sample security</i>	Samples were stored in secure storage from the time of drilling, through gathering, compositing and analysis. The samples were sealed as soon as site preparation was completed, and again securely stored during shipment and while at laboratories.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data</i>	It is considered by the Company that industry best practice methods have been employed at all stages of the exploration. No reviews of sampling techniques and data have been undertaken other than by the author of this Independent Geologist's Report.

TABLE 2 - REPORTING OF EXPLORATION RESULTS

Criteria	Explanation	Commentary																																										
Mineral tenement & land tenure status	<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 environment settings.</i>	The Company owns 100% of the following tenements; <table><tr><th>TENEMENT</th><th>TYPE</th><th>STATUS</th><th>APPLICATION DATE</th><th>GRANT DATE</th><th>TITLE HOLDERS</th><th>AREA (Blocks)</th></tr><tr><td>E 70/5235</td><td>EL</td><td>LIVE</td><td>30/01/2018</td><td>08/10/2019</td><td>HPAA Pty Ltd</td><td>6</td></tr><tr><td>E 70/5214</td><td>EL</td><td>LIVE</td><td>25/09/2018</td><td>06/05/2019</td><td>HPAA Pty Ltd</td><td>22</td></tr><tr><td>E 70/5215</td><td>EL</td><td>LIVE</td><td>25/09/2018</td><td>07/09/2020</td><td>HPAA Pty Ltd</td><td>11</td></tr><tr><td>E 70/5216</td><td>EL</td><td>LIVE</td><td>25/09/2018</td><td>03/07/2019</td><td>HPAA Pty Ltd</td><td>12</td></tr><tr><td>E 70/5665</td><td>EL</td><td>PENDING</td><td>24/11/2020</td><td>TBA</td><td>HPAA Pty Ltd</td><td>24</td></tr></table>	TENEMENT	TYPE	STATUS	APPLICATION DATE	GRANT DATE	TITLE HOLDERS	AREA (Blocks)	E 70/5235	EL	LIVE	30/01/2018	08/10/2019	HPAA Pty Ltd	6	E 70/5214	EL	LIVE	25/09/2018	06/05/2019	HPAA Pty Ltd	22	E 70/5215	EL	LIVE	25/09/2018	07/09/2020	HPAA Pty Ltd	11	E 70/5216	EL	LIVE	25/09/2018	03/07/2019	HPAA Pty Ltd	12	E 70/5665	EL	PENDING	24/11/2020	TBA	HPAA Pty Ltd	24
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	<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>	The tenements are in good standing and no known impediments to exploration or mining exist.																																										
Exploration done by other parties	<i>Acknowledgement and appraisal of exploration by other parties.</i>	<p>The Tampu kaolin deposit was discovered by Whitsed Resources (“Whitsed”) in early 1991. Whitsed conducted an air core (AC) drilling and metallurgical test-work. Details of the early Whitsed historical drilling, sampling and assaying techniques are extremely limited. The Whitsed drill log information and locations were available. The geological logging and drill-hole information is the only historical data published in this report.</p> <p>Minor surface sampling has been conducted by the GSWA over the Wiltshire and Kalannie kaolin projects with the results summarised in the body of this report.</p> <p>Australian Silica Quartz Pty Ltd (ASQ), and the GSWA have conducted work programs at the Bonnie Rock Project. The relevant work is summarised in the body of this report.</p>																																										
Geology	<i>Deposit type, geological setting and style of mineralisation</i>	<p>The project is dominated by lateritised granitic basement of the Murchison Terrane covered by Tertiary aeolian and alluvial/colluvial sediments (Figure 10). The basement has been intruded by dolerite dykes and quartz veins.</p> <p>Tampu is a residual kaolin deposit formed in situ through the kaolinisation of a feldspar-rich granitoid by weathering. The overlying regolith profile includes sands, gravel and some minor clays into a hard silcrete horizon and varying thickness.</p> <p>Continuity of kaolin grade at the project is controlled by the depth and completeness of weathering over the primary granitoid.</p>																																										
Drill hole information	<i>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: easting and northings of the drill hole collar; elevation or RL (Reduced Level-elevation above sea level in metres of the drill hole collar); dip and azimuth of the hole; down hole length and interception depth; and hole length</i>	All collar and composite data are provided in the body and Appendices of this report. All holes were drilled vertically.																																										
	<i>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</i>	No information has been excluded.																																										
Data aggregation methods	<i>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.</i>	All results reported are of a length-weighted average.																																										
	<i>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.</i>	No significant aggregate intercepts have been reported.																																										
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values are used in this report.																																										

	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>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').</i></p>	<p>It is considered that the mineralisation lies in laterally extensive, near surface, flat "blanket" style.</p> <p>Mineralisation is generally horizontal.</p> <p>Downhole widths approximate true widths. Some mineralisation currently remains open at depth.</p>
Diagrams	<p>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 the drill collar locations and appropriate sectional views.</p>	<p>Refer to figures in the body of this report.</p>
Balanced reporting	<p>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.</p>	<p>All material results have been reported in this report.</p>
Other substantive exploration data	<p>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.</p>	<p>No other substantive exploration data is available.</p>
Further work	<p>The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>	<p>The Company plans to complete further exploration and development at the Tampu Kaolin Project following on from due diligence drilling undertaken in 2019. The Company plans to rapidly progress the following objectives:</p> <p>a) To achieve a maiden JORC mineral resource by expanding and confirming the potential of the mineralised area. It is anticipated that approximately 194 air-core and 8 PQ3 diamond core holes to 30m deep on average, will be drilled during the first year which will encompass approximately 4,850m of drilling.</p> <p>b) Complete an initial stage of sighter metallurgical test-work looking at physical characteristics (sizing, brightness etc.) and mineralogy aimed at testing the suitability for traditional kaolin markets.</p> <p>c) Using the screened kaolin as a feedstock to product high-purity alumina ("HPA"). This sighter test work will be performed on beneficiated kaolin samples from the Tampu deposit in order to test the amenability to the chloride processing route, initially targeting 99.99% Al₂O₃ products.</p> <p>d) Optimisation test-work to focus on improving aluminium recovery and solution purity in the HPA product. Sighter work for an alternative process also be conducted here to provide alternative processing options for the deposit.</p> <p>Refer to diagrams in the body of this report.</p>