



# PROSPECTUS

**SINETECH LIMITED  
TO BE RENAMED 'CORELLA RESOURCES LIMITED' ACN 125 943 240**

For an offer of 200,000,000 Shares at an issue price of \$0.02 per Share to raise a minimum of \$4,000,000, with oversubscriptions of up to a further 50,000,000 Shares at an issue price of \$0.02 per Share to raise up to a further \$1,000,000 (**Public Offer**).

This Prospectus also includes the Secondary Offers, as detailed in Section 4.2.

The Offers will take place on a post-consolidation basis, following a twenty (20) to one (1) consolidation of the Company's issued share capital (**Consolidation**).

The Offers are conditional upon satisfaction of the Conditions, which are detailed further in Section 4.3. No Securities will be issued pursuant to this Prospectus until such time as the Conditions are satisfied.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-listing following a change in nature and scale of the Company's activities.

**Lead Manager:** CPS Capital Group Pty Ltd



## IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

**The Securities offered by this Prospectus should be considered highly speculative.**



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## CORPORATE DIRECTORY

### Current Directors

Warren Barry<sup>1</sup>  
*Non-Executive Director*

Terence James Butler<sup>1</sup>  
*Non-Executive Director*

Derek Hall<sup>1</sup>  
*Non-Executive Director*

Daniel Coletta<sup>1</sup>  
*Non-Executive Director*

### Proposed Directors

Anthony Cormack<sup>2</sup>  
*Proposed Managing Director*

Philip Re<sup>2</sup>  
*Proposed Non-Executive Chairman*

Peter Woods<sup>2</sup>  
*Proposed Non-Executive Director*

### Company Secretaries

Daniel Coletta

Derek Hall

### Current ASX Code

STC

### Proposed ASX Code

CR9

### Share Registry<sup>3</sup>

Automatic Registry Services  
Level 5  
126 Phillip Street  
SYDNEY NSW 2000

### Notes:

1. Each of the Current Directors will resign upon Settlement of the Acquisition.
2. To be appointed on and from Settlement of the Acquisition.
3. This entity has been included for information purposes only and has not been involved in the preparation of this Prospectus.

### Registered Office

642 Newcastle Street  
LEEDERVILLE WA 6007

Telephone: +61 8 6380 2555  
Facsimile: +61 8 9381 1122  
Email: [info@corellaresources.com.au](mailto:info@corellaresources.com.au)

### Website:

<http://www.corellaresources.com.au>

### Solicitors to the Company

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

### Lead Manager

CPS Capital Group Pty Ltd  
Level 45, 108 St Georges Terrace  
PERTH WA 6000

### Auditor

Criterion Audit Pty Ltd  
PO Box 233  
LEEDERVILLE 6902

### Investigating Accountant

Armada Audit and Assurance Pty Ltd  
Sangiorgio Court  
OSBORNE PARK WA 6017

### Independent Geologist

Geoscience Solutions  
6 Cockatoo Place  
BROOKDALE WA 6112



## IMPORTANT NOTICES

This Prospectus is dated 3 March 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

### **No offering where offering would be illegal**

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

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

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

### **US securities law matters**

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **US Securities Act**), and may not be offered or sold in the US or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) or an exemption is available from the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

- (a) it understands that the Securities have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the US;
- (c) it has not and will not send this Prospectus or any other material relating to the Offers to any person in the US; and
- (d) it will not offer or sell the Securities in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Securities are offered and sold.

### **Web Site – Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at <http://www.corellaresources.com.au>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing on to another

person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on 08 6380 2555 during office hours or by emailing the Company at [info@corellaresources.com.au](mailto:info@corellaresources.com.au).

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

### **Website**

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

### **No cooling-off rights**

Cooling-off rights do not apply to an investment in Securities issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

### **Investment Advice**

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Securities under this Prospectus.

### **Risks**

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities. Refer to Section E of the Investment Overview as well as Section 7 for details relating to some of the key risk



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factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

#### **Forward-looking statements**

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

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

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

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

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

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

#### **Financial Forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or

projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

#### **Competent Persons statement**

The information in the Investment Overview Section of the Prospectus, the Company and Projects Overview, included at Section 5, and the Independent Geologist's Report, included at Annexure A of the Prospectus, which relate to exploration targets, exploration results, mineral resources or ore reserves is based on information compiled by Mr Simon Jones. Mr Jones has sufficient 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**), by virtue of his being a Member of the Australian Institute of Geoscientists. Mr Jones is a Principal Geologist and full time employee of Geoscience Solutions. Mr Jones consents to the inclusion of the information in these Sections of the Prospectus in the form and context in which it appears.

#### **Continuous disclosure obligations**

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's Securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the

information readily accessible to the widest audience.

#### **Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **Photographs and Diagrams**

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

#### **Definitions and Time**

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12.

All references to time in this Prospectus are references to Australian Western Standard Time.

#### **Privacy statement**

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

#### **Change in nature and scale of activities and re-compliance with Chapters 1 and 2 of the ASX Listing Rules**

At the General Meeting, the Company will be seeking, among other things, Shareholder approval for the change in nature and scale of the Company's activities.

ASX requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules in connection with the Acquisition. This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-instatement of the Company to the Official List following a change in nature and scale of the Company's activities.

Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules following Settlement of the Acquisition.

The Acquisition is conditional on:

- (a) the satisfaction of the Conditions to the Offers;
- (b) Shareholders approving the Acquisition Resolutions at the General Meeting and
- (c) approval of the ASX of the Company's re-compliance with the admission requirements of Chapters 1

and 2 of the ASX Listing Rules.

In the event the Conditions are not satisfied then the Company will not proceed with the Offers and will repay all application monies received.

#### **Defined terms**

Unless the contrary intention appears, or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12.

#### **Consolidation**

The Company is seeking Shareholder approval at the General Meeting for a consolidation of the Company's issued capital on a twenty (20) to one (1) basis (**Consolidation**).

Unless stated otherwise, all references to Securities in this Prospectus are on a post-Consolidation basis.

#### **Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on 08 6380 2555.

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## 1. MANAGING DIRECTOR'S LETTER

Dear Investor

On behalf of the directors of Sinetech Limited (to be renamed 'Corella Resources Limited') (**Company**), it gives me great pleasure to invite you to become a shareholder of the Company.

The former activities of the Company have principally been the development of software applications and information technology systems to support validating credentials for potential employees and suppliers.

As announced on 11 February 2021, the Company has entered an acquisition agreement, pursuant to which the Company will acquire 100% of the issued capital in HPAA Pty. Ltd (**HPAA**) (the **Acquisition**).

HPAA is legal owner of four granted tenements and one tenement application, which together comprise four exploration projects prospective for high-grade kaolin and silica, described generally and located as follows:

- (a) the Tampu Kaolin Project, which is located in the shire of Beacon, 265km north east of Perth;
- (b) the Wiltshire Kaolin Project, which is located 370km north of Perth and 90km east of Geraldton;
- (c) the Kalannie Kaolin Project, which is located 210km north east of Perth and 65km west of Tampu; and
- (d) the Bonnie Rock Silica Project, which is located 250km east north east of Perth and 70km south of Tampu,

(together, the **Projects**).

This Prospectus is seeking to raise a minimum of \$4,000,000 and a maximum of \$5,000,000 by the issue of Shares at an issue price of \$0.02 per Share under the Public Offer in connection with the Acquisition. The purpose of the Public Offer is to provide funds to implement the Company's proposed exploration programmes set out in this Prospectus.

The Proposed Directors have significant expertise and experience in the mineral exploration industry and will aim to ensure that funds raised through the Public Offer will be utilised in a cost-effective manner to advance the Projects.

This Prospectus is issued for the purpose of supporting an application to have the Company's securities reinstated to trading on ASX. This Prospectus contains detailed information about the Company, its Projects, and the Public Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully. The Securities offered by this Prospectus should be considered highly speculative. Risks associated with an investment in the Company include exploration risks, risks with respect to access and tenure to mining tenements, commodity price and demand risks (particularly with respect to industrial minerals for which prices and demand are dependent on the quality and specifications of the product).

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

Yours sincerely

**Anthony Stephen Cormack**  
**Proposed Managing Director**



## 2. KEY OFFER INFORMATION

### 2.1 INDICATIVE TIMETABLE<sup>1</sup>

Action	Date
Lodgement of Prospectus with the ASIC	3 March 2021
Opening Date	3 March 2021
General Meeting	29 March 2021
Closing Date	6 April 2021
Issue of Securities under the Offers & Despatch of holding statements	9 April 2021
Expected date for re-quotation on ASX	16 April 2021

#### Notes:

1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are WST. The Company reserves the right to extend the Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Securities to applicants.
2. If the Offers are cancelled or withdrawn before completion of the Offers, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.

### 2.2 KEY STATISTICS OF THE OFFERS

	Minimum Subscription \$4,000,000	Maximum Subscription \$5,000,000
Offer Price per Share	\$0.02	\$0.02
Shares currently on issue <sup>1</sup>	50,678,343	50,678,343
Shares to be issued under the Acquisition <sup>2</sup>	100,000,000	100,000,000
Shares to be issued under the Public Offer	200,000,000	250,000,000
Shares to be issued under the Creditor Offer	15,321,657	15,321,657
Shares to be issued under the Director Offer	9,000,000	9,000,000
Gross Proceeds of the Offers	\$4,000,000	\$5,000,000
<b>Shares on issue Post-Listing (undiluted)<sup>4</sup></b>	<b>375,000,000</b>	<b>425,000,000</b>
<b>Market Capitalisation Post-Listing (undiluted)<sup>5</sup></b>	<b>\$7,500,000</b>	<b>\$8,500,000</b>
Options currently on issue <sup>1</sup>	Nil	Nil
Options to be issued under Option Offer <sup>5</sup>	50,678,343	50,678,343
Options to be issued under Creditor Offer <sup>5</sup>	15,321,657	15,321,657
Options to be issued under Director Offer <sup>5</sup>	9,000,000	9,000,000
Options to be issued to Lead Manager <sup>7</sup>	40,000,000	50,000,000
<b>Shares on issue Post-Listing (fully diluted)<sup>4</sup></b>	<b>490,000,000</b>	<b>550,000,000</b>
<b>Market Capitalisation Post-Listing (fully diluted)<sup>5</sup></b>	<b>\$9,800,000</b>	<b>\$11,000,000</b>

#### Notes:

1. The Company will seek approval for a Consolidation of its issued capital on a 20 for 1 basis at the General Meeting to be held at 10.00am on 29 March 2021. All references to Securities are on a post-Consolidation basis and are subject to rounding of individual holdings.
2. Refer to Section 9.2 for a summary of the Acquisition Agreement.

3. Certain Securities on issue post-listing will be subject to ASX-imposed escrow. Refer to Section 4.11 for a summary of the likely escrow position.
4. Assuming a Share price of \$0.02, however the Company notes that the Shares may trade above or below this price.
5. Refer to Section 10.3.1 for the terms and conditions of these Options.
6. Refer to Section 9.3 for a summary of the Debt Conversion Agreements pursuant to which the Creditor Offer is made.
7. Refer to Section 10.3.2 for the terms and conditions of the Lead Manager Options.

### 3. INVESTMENT OVERVIEW

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

Item	Summary	Further information
<b>A. COMPANY</b>		
Who is the issuer of this Prospectus?	<p>Sinetech Limited (ACN 125 943 240) (ASX: STC) (<b>Company</b>).</p> <p>In connection with the Acquisition set out in this Prospectus, the Company proposes changing its name to "Corella Resources Limited" and its ASX ticker code to "CR9".</p>	Section 5.1
Who is the Company?	<p>The Company is an Australian public company which has been listed on the Official List of ASX since 11 January 2008.</p> <p>The Company has historically been a software development company focused on the development of software applications and information technology systems to support validating credentials for potential employees and suppliers.</p> <p>However, since 2018 the Company has undergone a major restructuring, disposed of its main undertaking and has been seeking new business opportunities and acquisitions.</p> <p>The Company's Securities have remained suspended pending re-compliance with the ASX Listing Rules since 19 February 2019.</p> <p>The Company believes it has identified a unique opportunity to establish itself as a mineral exploration company with interests in a high-grade kaolin and silica deposits, located in Western Australia.</p>	Section 5.1
What is the consideration payable for the Acquisition?	<p>The Company will issue a total of 100,000,000 Shares to the HPAA Shareholders on a pro-rata basis in proportion to their shareholding in HPAA (subject to Shareholder approval at the General Meeting). No other amounts are payable for the Acquisition.</p>	Section 5.5, Section 9.2
What are the outstanding conditions precedent under the Acquisition Agreement?	<p>The following are the outstanding conditions precedent under the Acquisition Agreement:</p> <ul style="list-style-type: none"><li>(a) the Company receiving valid applications for the Minimum Subscription and completing the Public Offer;</li><li>(b) the Company obtaining all necessary Shareholder approvals required by the Corporations Act and the ASX Listing Rules in relation to the Acquisition and the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules, including without limitation, approval for the Company to undertake the Public Offer; and</li><li>(c) the board of the Company being reconstituted such that the Current Directors resign and the Proposed Directors are appointed;</li></ul>	Section 9.2



Item	Summary	Further information
	(d) the parties obtaining all necessary regulatory approvals to lawfully complete the Acquisition, including conditional approval by the ASX being granted to reinstate the Shares to trading on the Official List.	
What are the key investment highlights?	<p>(a) The Company will obtain ownership of the Tampu, Wiltshire, Kalannie and Bonnie Rock Projects pursuant to the Acquisition, which are each ideally situated for export of product and considered to be low cost exploration and potential production opportunities for products that have an active market.</p> <p>(b) The potential increase in market capitalisation of the Company following completion of the Acquisition and the Public Offer may lead to access to improved equity capital market opportunities and increased liquidity.</p> <p>(c) Shareholders may be exposed to further debt and equity opportunities that the Company did not have prior to the Acquisition.</p> <p>(d) The Company will re-comply with the ASX Listing Rules, ensuring re-instatement of its securities to Official Quotation and continued liquidity of its listed Shares (however, the Company notes that the ASX reserves the right to re-admit the Company and there is no guarantee that the Company will successfully re-comply with Chapters 1 and 2 of the ASX Listing Rules).</p> <p>(e) Appointment of the Proposed Directors will add experience and skill to the Board to assist with the growth of the Company.</p> <p>(f) The cash reserves of the Company will be conserved as the consideration payable by the Company in respect of the Acquisition is comprised only of Shares.</p>	Section 5.4
<b>B. HPAA, HPAA SHAREHOLDERS AND THE PROJECTS</b>		
Who is HPAA?	HPAA is an Australian proprietary company limited by shares which was incorporated on 27 August 2018 for the purpose of acquiring high-grade, low impurity kaolin and silica projects located in the Yilgarn Craton region of Western Australia, which form the Projects the subject of the Acquisition.	Section 5.5
What are the Projects?	<p>HPAA is the legal and beneficial owner of four granted tenements and one tenement application, which together comprise four exploration projects prospective for high-grade kaolin and silica, described generally and located as follows:</p> <p>(a) the Tampu Kaolin Project, which is located in the shire of Beacon, 265km north east of Perth (<b>Tampu</b>);</p>	Section 5.6, Annexure A

Item	Summary	Further information
	<p>(b) the Wiltshire Kaolin Project, which is located 370km north of Perth and 90km east of Geraldton (<b>Wiltshire</b>);</p> <p>(c) the Kalannie Kaolin Project, which is located 210km north east of Perth, Western Australia and 65km west of Tampu (<b>Kalannie</b>); and</p> <p>(d) the Bonnie Rock Silica Project, which is located 250km east north east of Perth and 70km south of Tampu (<b>Bonnie Rock</b>),</p> <p>(together, the <b>Projects</b>).</p>	
What is the Tampu Kaolin Project?	<p>The Tampu Kaolin Project comprises two granted exploration licences held by HPAA, being exploration licences E 70/5235 and E 70/5214, which are held by HPAA.</p> <p>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 contaminants. Further drilling and metallurgical test-work will be required in order to achieve a JORC compliant resource at Tampu.</p> <p>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. The Company has obtained all requisite approvals from the DMIRS, together with consents from registered proprietors, to enable it to conduct exploration activities at the Tampu Kaolin Project in line with its proposed exploration program set out in Section 5.7 and in the Independent Geologist's Report at Annexure A.</p> <p>The Company is aware that it may be required, in the future, to obtain further approvals and consents if it decides to alter or further its proposed exploration program. However, as at the date of this Prospectus, the Company has no intention to do so. Also refer to the Solicitor's Tenement Report at Annexure B for further details of the private land and consents obtained.</p>	Section 5.6, Annexure A, Annexure B
What is the Wiltshire Kaolin Project?	<p>The Wiltshire Kaolin Project comprises a single granted exploration licence, being E 70/5216, which is held by HPAA.</p> <p>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 Wiltshire. Chemical analyses by the Geological Survey of Western Australia (on kaolin samples drill samples from Wenmillia Dam show 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.</p>	Section 5.6, Annexure A
What is the Kalannie Kaolin Project?	<p>The Kalannie Kaolin Project comprises a single granted exploration licence, being exploration licence E 70/5215, which is held by HPAA.</p>	Section 5.6, Annexure A

Item	Summary	Further information
	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.	
What is the Bonnie Rock Silica Project?	The Bonnie Rock Silica Project comprises a single pending exploration licence, being exploration licence E 70/5665, which is held by HPAA.  Previous exploration undertaken on Bonnie Rock identified a prominent quartz vein 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 is suitable for use in the production of silicon metal.	Section 5.6, Annexure A
Where can I find more information about the Projects?	Detailed technical information, including previous exploration results, in respect of the Tampu Kaolin Project, Wiltshire Kaolin Project, Kalannie Kaolin Project and Bonnie Rock Silica Project is set out in the Independent Geologist's Report, which accompanies this Prospectus at Annexure A.	Annexure A
What is the industry in which the Company will operate?	Mineral exploration company (kaolin and silica).	Section 5, Annexure A
Who are the HPAA Shareholders	Details of the HPAA Shareholders and their entitlement to Consideration Shares in consideration for the Acquisition are set out in Section 5.5.	Section 5.5
<b>C. BUSINESS MODEL</b>		
What are the key business strategies of the Company?	Following completion of the Public Offer and Settlement of the Acquisition, the Company's proposed business model will be to further explore and develop the identified mineral deposits at the Projects in accordance with the exploration programmes set out in Section 5.7 with a view to implementing low capital expenditure production projects for kaolin and silica.  The Company's main objectives on completion of the Public Offer are:  (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; and  (c) consider other acquisitions which may 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	Section 5.7, Section 5.8



Item	Summary	Further information
	have the potential to deliver growth for Shareholders.	
What are the key dependencies of the Company's business model?	<p>The key dependencies influencing the Company's viability are:</p> <ul style="list-style-type: none"> <li>(a) Settlement of the Acquisition;</li> <li>(b) the Company's capacity to re-comply with Chapters 1 and 2 of the ASX Listing Rules to enable reinstatement of the Company's Securities to the Official List;</li> <li>(c) tenure and access to the Projects;</li> <li>(d) the Projects producing product that is of the quality and specifications required by potential buyers;</li> <li>(e) the Company's ability to meet resource, reserve and exploration targets;</li> <li>(f) raising sufficient funds to satisfy expenditure requirements, exploration and operating costs in respect of the Projects; and</li> <li>(g) minimising the environmental impact of its activities and ensuring compliance with occupational health and safety requirements.</li> </ul>	Section 5.9
What is the Company's growth strategy?	<p>The Company intends to increase Shareholder value as per the vision outlined above, by adopting the following strategies:</p> <ul style="list-style-type: none"> <li>(a) to advance the exploration and evaluation of deposits located within the Projects (where possible) to demonstrate the ability for the Projects to be developed into operating mines;</li> <li>(b) to evaluate and pursue other prospective opportunities in the resources sector in line with its strategy to develop high quality assets, particularly in respect of industrial minerals such as silica and kaolin; and</li> <li>(c) use funds raised from the Public Offer to continue exploration activities on the Projects aimed at the discovery of JORC Resources and implement low cost mining activities.</li> </ul>	Section 5.10
<b>D. KEY RISKS</b>		
General	<p>The business, assets and operations of the Company, including after Settlement of the Acquisition, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of our Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.</p> <p>The risks and uncertainties described below are not intended to be exhaustive. The summary of risks that</p>	Section 7

Item	Summary	Further information
	<p>follows is not intended to be exhaustive and this Prospectus does not take into account the personal circumstances, financial position or investment requirements of any particular person. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company, or its related entities and consequently Applicants. Based on the information available, a non-exhaustive list of risk factors for the Company associated with the Company's proposal to undertake the Acquisition is as follows.</p>	
Completion Risk	<p>Pursuant to the Acquisition Agreement, the Company has a conditional right to acquire 100% of the issued capital in HPAA.</p> <p>The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List of ASX. Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following Settlement of the Acquisition.</p> <p>There is a risk that the conditions for Settlement of the Acquisition cannot be fulfilled, including where the Company is unable to meet the requirements of the ASX for re-quotation of its Securities on the ASX. If the Acquisition is not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved. Should this occur, Shares will not be able to be traded on the ASX until such time as the Company has recompiled with Chapters 1 and 2 of the ASX Listing Rules and Shareholders may be prevented from trading their Shares until such time as a successful re-compliance is completed.</p>	Section 7.1 (a)
Additional Requirements for Capital	<p>The funds to be raised under the Public Offer are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional funding will be required.</p> <p>In addition, should the Company consider that its exploration results justify commencement of production on any of its Projects, additional funding will be required to implement the Company's development plans, the quantum of which remain unknown at the date of this Prospectus.</p> <p>Following completion of the Public Offer, the Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain</p>	Section 7.1 (c)

Item	Summary	Further information
	sufficient financing for the Company's activities may result in delay and indefinite postponement of their activities and the Company's proposed expansion strategy. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to Shareholders.	
Access Risk	<p>A number of the tenements overlap certain third party interests that may limit the Company's ability to conduct exploration and mining activities, including private land, Crown Reserves, areas on which native title is yet to be determined and other forms of tenure for railways, pipelines and similar third party interests.</p> <p>Where the Projects overlap private land, exploration and mining activity on the Projects may require approval from the DMIRS and/or authorisation or consent from the owners of the overlapping private land. The Company has obtained approval from the DMIRS and consents from the holders of certain lots of the private land overlapping the Tampu Kaolin Project. However, the Company has not obtained such approval and consents for the entirety of the private land overlapping the Tampu Kaolin Project. Accordingly, if the Company wishes to expand its exploration drilling at Tampu beyond that currently proposed, it will need to obtain further approvals and consents prior to doing so. While the Company does not anticipate there to be any issues with doing so, there can be no assurance that the Company will be able to obtain such approval and consents. While the Company considers the risk to be low, there can also be no assurance that if and when the Company intends to expand its exploration activities, the requisite approvals and consents will be obtained. For further details, refer to the Solicitor's Report on Title set out in Annexure B to this Prospectus.</p>	Section 7.2(a)
Exploration Risk	<p>Potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of the Projects, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</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>	Section 7.2(b)
Silica and Kaolin Demand Risk	There is a risk that the kaolin and silica that may be produced by the Company does not meet market specifications, whether due to insufficient grade or impurities. For example, the Kaolin market has demanding major element specifications for	Section 7.2(d)



Item	Summary	Further information
	<p>parameters such as purity (e.g. Al<sub>2</sub>O<sub>3</sub> content) in addition to tight specifications for trace elements such as Fe,K,Na, and T. Another risk for Kaolin could be the brightness levels of the Kaoli, ie for the paper industry.</p> <p>Failure to meet specifications may result in selling the products at discounted rates, or not finding markets at all. Other risks for silica may include particle size distribution and physical strength (crush resistance) as in the case of proppants for the oil industry. Industrial minerals are generally considered to be bulk commodities and are therefore susceptible to distance to market and transport costs; therefore, logistics may pose a risk to supplying markets.</p> <p>Prices for silica and kaolin will be largely subject demand in Asia. Such a decline could have a material adverse effect on the Company's business, results of operations and financial conditions generally.</p>	
Supply Agreement Risk	<p>The Company does not currently have supply agreements in place with respect to product that may be extracted from the Projects and may not be able to negotiate supply agreements on terms that permit the Company to finance and commence development of the Projects.</p> <p>Supply agreements involving the sale of silica and kaolin products typically have market-based pricing mechanisms. Accordingly, in periods with decreasing prices, results of operations may be lower than if agreements had fixed prices. In periods with increasing prices, some agreements may permit an increase in prices; however, some customers may elect to cease purchasing products if they do not agree with price increases or are able to find alternative, cheaper sources of supply. Furthermore, certain volume-based supply agreements may influence the ability to fully capture current market pricings. These pricing provisions may result in significant variability in results of operations and cash flows from period to period.</p>	Section 7.2(e)
Limited History	<p>Having been incorporated on 27 August 2018, HPAA has limited operating history, although it should be noted that the Proposed Directors have between them significant operational experience. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Projects. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.</p>	Section 7.2(g)
Restricted Securities reducing liquidity	<p>Subject to the Company being re-admitted to the Official List, certain securities on issue will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p>	Section 7.2(h)

Item	Summary	Further information
	The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX.	
Resource, Reserves and Exploration Targets	The Company has identified a number of exploration targets based on geological mapping and interpretations, geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining an economic resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.	Section 7.3(e)
Covid-19 Risk	The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.	Section 7.3(c)
Other risks	Investors are encouraged to refer to Section 7 of this Prospectus for a full list of risk factors affecting the Company.	Section 7
<b>E. KEY PEOPLE, INTERESTS, BENEFITS AND CONTRACTS</b>		
Who are the Current Directors and Proposed Directors?	<p>Prior to re-instatement to the Official List and subject to completion of the Acquisition, existing Directors Warren Barry, Terence Butler, Derek Hall and Daniel Coletta will resign and the Proposed Directors will be appointed, such that the Board of the Company on listing on ASX will be comprised of:</p> <ul style="list-style-type: none"> <li>(a) Anthony Cormack – <i>Proposed Managing Director</i>;</li> <li>(b) Philip Re – <i>Proposed Non-Executive Director</i>;</li> <li>(c) Peter Woods – <i>Proposed Non-Executive Director</i>.</li> </ul> <p>The profiles of each of the above Directors are set out in Section 10.1.</p>	Section 8.1
What benefits are being paid to Directors and others connected to the Public Offer?	Benefits to be paid to the Current Directors and Proposed Directors are set out in Section 8.1.	Section 8.1.
What are the significant interests of the	The Current Directors' and Proposed Directors' interests both before and after the Offers are set out in Section 8.2.	Section 8.2

Item	Summary	Further information
Directors of the Company?		
Who are the substantial shareholders of the Company and what will their interest be after completion of the Public Offer?	Details of the substantial Shareholders both before and after the Offers are set out in Section 5.14.	Section 5.14
What material contracts is the Company a party to?	The Company is a party to the material contracts set out in Section 9.	Section 9
<b>F. FINANCIAL INFORMATION</b>		
How has the Company been performing?	The audited historical statement of financial position as at 30 June 2018, 30 June 2019 and 30 June 2020; the summary audited historical consolidated statements of profit or loss and other comprehensive income; and the consolidated statements of cash flows for the financial years ending 2018, 2019 and 2020 are set out in Section 6 of this Prospectus.  Section 6 also contains the pro-forma historical statement of financial position as at 30 June 2020. The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company and HPAA, after adjusting for the effects of the pro forma adjustments. Refer to Section 6 of this Prospectus.	Section 6
How has HPAA been performing?	The audited historical statement of financial position as at 30 June 2019 and 30 June 2020; the summary audited historical statements of profit or loss and other comprehensive income; and the statements of cash flows for the period 28 August 2019 (incorporation) to 30 June 2019 and for the year ended 30 June 2020 are set out in Section 6 of this Prospectus.	Section 6
What is the financial outlook for the Company?	Given the current status of the Company and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings. 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 on a reasonable basis.	Important Notices Section
Does the Company have sufficient funds for its activities?	The Current Directors and Proposed Directors are of the view that the funds raised under the Public Offer, together with existing cash reserves of the Company, will provide the Company with sufficient working capital to progress the business set out in this Prospectus.	Section 5.11
<b>G. OFFERS</b>		
What is being offered under	Pursuant to this Prospectus, the Company invites applications for 200,000,000 Shares at an issue price of	Section 4.1, Section 5.11

Item	Summary	Further information
the Public Offer and who is entitled to participate?	<p>\$0.02 per Share to raise \$4,000,000, with oversubscriptions of up to a further 50,000,000 Shares at an issue price of \$0.02 per Share to raise up to a further \$1,000,000.</p> <p>The minimum amount the Company must raise pursuant to the Public Offer is \$4,000,000.</p>	
What is the purpose of the Public Offer?	<p>The primary purpose of the Public Offer is to:</p> <ul style="list-style-type: none"> <li>(a) assist the Company to meet the re-instatement requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules (see Section 4.8.1 for further details);</li> <li>(b) provide the Company with additional funding to progress exploration at the Projects;</li> <li>(c) remove the need for an additional disclosure document to be issued upon the sale of any Securities that are to be issued under the Offers, including any Shares issued upon exercise of convertible Securities; and</li> <li>(d) provide the Company with sufficient working capital.</li> </ul> <p>The Company intends on applying the funds raised under the Public Offer along with its current cash reserves in the manner detailed in Section 5.11.</p>	Section 4.4
Is the Public Offer underwritten?	The Public Offer is not underwritten.	Section 4.1.3
Who is the lead manager Public Offer and what fees are payable?	The Lead Manager to the Public Offer is CPS Capital Group Pty Ltd. Please refer to Section 4.1.4 for details of fees payable.	Section 4.1.4
Who is eligible to participate in the Public Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in Jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.9
What are the Secondary Offers?	<p>The Prospectus also includes the following secondary offers:</p> <ul style="list-style-type: none"> <li>(a) Consideration Offer;</li> <li>(b) Creditor Offer;</li> <li>(c) Option Offer;</li> <li>(d) Director Offer; and</li> <li>(e) Lead Manager Offer,</li> </ul> <p>(together, the <b>Secondary Offers</b>).</p> <p>Only specified persons will be entitled to participate in the Secondary Offers, all of whom will be approached directly by the Company.</p>	Section 4.2

Item	Summary	Further information
What will the Company's capital structure look like after Settlement of the Offers and the Acquisition?	Refer to Section 5.13 for a pro forma capital structure following Settlement of the Acquisition and the Offers.	Section 5.13
Will I be guaranteed a minimum allocation under the Public Offer?	No, the Company is not in a position to guarantee a minimum allocation of Shares under the Public Offer. Shares will be issued under the Public Offer in accordance with the allocation policy set out in Section 4.1.6.	Section 4.1.6
What are the terms of the Securities offered under this Prospectus?	A summary of the material rights and liabilities attaching to: <ul style="list-style-type: none"> <li>(a) the Shares offered under the Public Offer, Consideration Offer, Creditor Offer and Director Offer are set out in Section 10.2;</li> <li>(b) the Options offered under the Option Offer, Creditor Offer and Director Offer are set out in Section 10.3.1; and</li> <li>(c) the Options under the Lead Manager Offer are set out in Section 10.3.2.</li> </ul>	Section 10.2, Section 10.3
Will any Securities be subject to escrow?	<p>The Company anticipates that:</p> <ul style="list-style-type: none"> <li>(a) all Consideration Shares will be restricted from trading for a period of at least 12 months from Settlement and up to 24 months from the date of recommencement of trading of the Company's Shares on the Official List; and</li> <li>(b) all Options issued under the Option Offer will be restricted from trading for a period of at least 12 months from the date of issue;</li> <li>(c) all Options issued under the Creditor Offer will be restricted from trading for a period of at least 12 months from the date of issue;</li> <li>(d) all Securities issued under the Director Offer and the Lead Manager Offer will be escrowed for a period of 24 months from the date of recommencement of trading of the Company's Shares on the Official List.</li> </ul> <p>The Company does not anticipate that the Shares to be issued under the Creditor Offer will be subject to escrow given they are deemed to convert at \$0.02 each (being the same issue price as those Shares issued under the Public Offer). Furthermore, the Shares to be issued to Proposed Directors Anthony Cormack, Philip Re and Peter Woods (or their respective nominees) under the Public Offer (subject to Shareholder approval at the General Meeting) are unlikely to be escrowed given they are offered under the Public Offer (on the same terms as all other investors).</p> <p>The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's Shares</p>	Section 4.11



Item	Summary	Further information
	being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).	
Will the Shares be quoted?	Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.	Section 4.6
Will the Options be quoted?	The Company will not apply for quotation of the Options (or Lead Manager Options) offered under this Prospectus but the Company will apply for quotation of all Shares issued upon exercise of these Options.	Section 4.6
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in Section 2.1.	Section 2.1
What is the minimum investment size under the Public Offer?	Applications under the Public Offer must be for a minimum of \$2000 worth of Shares (100,000 Shares) and thereafter, in multiples of \$500 worth of Shares (25,000 Shares).	Section 4.1.5
Are there any conditions to the Offers?	<p>The Offers are conditional upon the Acquisition Agreements becoming unconditional, including:</p> <ul style="list-style-type: none"> <li>(a) the Company raising the Minimum Subscription under the Public Offer;</li> <li>(b) the Company receiving Shareholder approval for each of the Acquisition Resolutions at the General Meeting; and</li> <li>(c) the Company receiving Conditional Approval (and the Company being satisfied that it can meet those conditions),</li> </ul> <p>(each a <b>Condition</b>).</p> <p>In the event that the Conditions are not satisfied within the requisite period, the Offers will not proceed, and no Securities will be issued pursuant to this Prospectus. If this occurs, the Company will repay all application monies received by it in connection with this Prospectus within the time prescribed under the Corporations Act, without interest.</p>	Section 4.3
<b>H. ADDITIONAL INFORMATION</b>		
Is there any brokerage, commission or duty payable by Applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Securities under the Offers.	Section 4.7
What are the tax implications of investing in Securities?	<p>Holders of Securities may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Securities subscribed for under this Prospectus.</p> <p>The tax consequences of any investment in Shares depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 4.7

Item	Summary	Further information
What are the corporate governance principles and policies of the Company?	<p>To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (<b>Recommendations</b>).</p> <p>The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 8.4.</p> <p>In addition, the Company's full Corporate Governance Plan is available from the Company's website <a href="http://www.corellaresourceslimited.com.au">www.corellaresourceslimited.com.au</a>.</p> <p>Prior to listing on ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.</p>	Section 8.4
Where can I find more information?	<p>(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser.</p> <p>(b) By reviewing the Company's public announcements, which are accessible from ASX's website at <a href="http://www.asx.com.au">www.asx.com.au</a> under the ASX code "STC".</p> <p>(c) By visiting the Company's website at <a href="http://www.corellaresources.com.au">www.corellaresources.com.au</a>.</p> <p>(d) By contacting Daniel Coletta, the Company's Company Secretary, on +61 8 6380 2555.</p> <p>(e) By contacting the Share Registry on 1300 288 664.</p>	

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## 4. DETAILS OF THE OFFERS

### 4.1 The Public Offer

Pursuant to this Prospectus, the Company invites applications for up to 200,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$4,000,000, with oversubscriptions of up to a further 50,000,000 Shares at an issue price of \$0.02 per Share to raise up to a further \$1,000,000.

The Shares offered under the Public Offer will rank equally with the existing Shares on issue. Refer to Section 10.2 for a summary of the terms of the Shares.

#### 4.1.1 Minimum subscription

The minimum amount which must be raised under the Public Offer is \$4,000,000 (**Minimum Subscription**). If the Minimum Subscription has not been raised within four months after the date of this Prospectus, the Offers will not proceed, and no Securities will be issued pursuant to this Prospectus.

If this occurs, the Company will repay all application monies received by it in connection with this Prospectus within the time prescribed under the Corporations Act, without interest.

#### 4.1.2 Oversubscriptions

The Company reserves the right to accept oversubscriptions of up to a further 50,000,000 Shares at an issue price of \$0.02 per Share to raise up to a further \$1,000,000. The maximum amount which may be raised under the Public Offer is accordingly \$5,000,000 (**Maximum Subscription**).

#### 4.1.3 Not underwritten

The Public Offer is not underwritten.

#### 4.1.4 Lead Manager

The Company has entered into a mandate with CPS Capital Group Pty Ltd (**Lead Manager** or **CPS Capital**) pursuant to which the Company has appointed CPS Capital as lead manager to the Public Offer and corporate advisor to the Company (**Lead Manager Mandate**). The Lead Manager Mandate commenced on 11 February 2021 and will continue until completion of the Public Offer.

In consideration for its services, the Company has agreed to pay the following fees to the Lead Manager:

- (a) a management fee of 2% of the gross proceeds raised under the Public Offer;
- (b) a placement fee of 4% of the gross proceeds raised under the Public Offer;
- (c) subject to Shareholder approval at the General Meeting, up to 50,000,000 Lead Manager Options (if Maximum Subscription is reached, 40,000,000 Lead Manager Options if Minimum Subscription is achieved).

The Lead Manager Options are valued at \$152,000 based on Minimum Subscription and \$190,000 at Maximum Subscription. These amounts are based on the value ascribed to the Lead Manager Options in Note 5 to the pro-forma

statement of financial position set out in Appendix 2, of \$0.0038 per Lead Manager Option.

If all Lead Manager Options to which CPS Capital is entitled are exercised, an additional \$2,000,000 will be raised by the Company.

In the event the Minimum Subscription is raised, all Lead Manager Options held by CPS Capital are exercised and no other Shares are issued, CPS Capital would hold 9.6% of the total Shares on issue. It should be noted that a portion of the Lead Manager Options may be granted to other parties that assist with raising funds under the Public Offer.

CPS Capital and its associates may also take up Shares under the Public Offer.

#### **4.1.5 Minimum application amount**

Applications under the Public Offer must be for a minimum of \$2000 worth of Shares (100,000 Shares) and thereafter, in multiples of \$500 worth of Shares (25,000 Shares).

#### **4.1.6 Allocation Policy**

The Company retains an absolute discretion to allocate Shares under the Public Offer and reserves the right, in its absolute discretion, to issue to an Applicant a lesser number of Shares than the number for which the Applicant applies or to reject an Application Form. If the number of Shares issued is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No Applicant under the Public Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by the Board will be influenced by the following factors:

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

The Company is seeking Shareholder approval at the General Meeting for certain Proposed Directors to take up Shares under the Public Offer. The Company is not obliged to issue such Shares to the Proposed Directors, nor are Proposed Directors obliged to take up such Shares.

The Company's decision on the number of Shares to be allocated to an Applicant will be final. The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

### **4.2 Secondary Offers**

#### **4.2.1 Consideration Offer**

This Prospectus includes an offer of 100,000,000 Shares to be issued to the HPAA Shareholders or their nominees (**Consideration Shares**) in consideration for the Acquisition (**Consideration Offer**).

The Consideration Shares offered under the Consideration Offer will rank equally with the existing Shares on issue other than in respect of any escrow imposed by ASX. A summary of the material rights and liabilities attaching to Shares is set out in Section 10.2 and a summary of the anticipated application of escrow to the Company's Securities is set out in Section 4.11.

Application for quotation of the Consideration Shares issued under the Consideration Offer will be made to ASX no later than 7 days after the date of this Prospectus.

Only the HPAA Shareholders may accept the Consideration Offer. A personalised Application Form in relation to the Consideration Offer will be issued to these parties together with a copy of this Prospectus.

#### **4.2.2 Option Offer**

This Prospectus includes an offer of 50,678,343 Options to be issued to Eligible Shareholders in recognition of their ongoing commitment and loyalty to the Company (**Option Offer**). Each Eligible Shareholder will be entitled to be issued one (1) Option for each Share held on the date of this Prospectus (**Record Date**).

The Options to be issued under the Option Offer will be issued on the terms and conditions set out in Section 10.3.1 and a summary of the anticipated application of escrow to the Options issued under the Option Offer is set out in Section 4.11.

The Company notes that in the event applications are not received from all Eligible Shareholders under the Option Offer, a lesser number than 50,678,343 Options may be issued.

The Company will not apply for quotation of the Options issued under the Option Offer but the Company will apply for quotation of all Shares issued upon exercise of the Options.

Only Eligible Shareholders may accept the Option Offer. A personalised Application Form in relation to the Option Offer will be issued to these parties together with a copy of this Prospectus.

#### **4.2.3 Creditor Offer**

This Prospectus includes an offer of 15,321,657 Shares and 15,321,657 Options to be issued to certain creditors of the Company (or their nominees) as identified in Section 9.3 of this Prospectus (**Creditor Offer**).

The material terms of the Debt Conversion Agreements pursuant to which the Creditor Offer is made are summarised in Section 9.3.

The Shares offered under the Creditor Offer will rank equally with the existing Shares on issue other than in respect of any escrow imposed by ASX. The Options to be offered under the Creditor Offer will be issued on the terms and conditions set out in Section 10.3.1. A summary of the anticipated application of escrow to the Shares and Options issued under the Creditor Offer is set out in Section 4.11.

The Company will not apply for quotation of the Options issued under the Creditor Offer but the Company will apply for quotation of all Shares issued upon exercise of the Options.



Only the Creditors identified in Section 9.3 of this Prospectus (or their nominees) may accept the Creditor Offer. A personalised Application Form in relation to the Creditor Offer will be sent to these parties together with a copy of this Prospectus.

#### **4.2.4 Director Offer**

This Prospectus includes the offer of 4,500,000 Shares and 4,500,000 Options to each of Philip Re and Peter Woods (**Director Offer**).

The Shares offered under the Director Offer will rank equally with the existing Shares on issue other than in respect of any escrow imposed by ASX. The Options to be offered under the Director Offer will be issued on the terms and conditions set out in Section 10.3.1. A summary of the anticipated application of escrow to the Securities issued under the Director Offer is set out in Section 4.11.

The Company will not apply for quotation of the Options issued under the Director Offer but the Company will apply for quotation of all Shares issued upon exercise of the Options.

Only Messrs Re and Woods or their nominees may accept the Director Offer. A personalised Application Form in relation to the Director Offer will be sent to these parties together with a copy of this Prospectus.

#### **4.2.5 Lead Manager Offer**

This Prospectus includes the offer of up to 50,000,000 Lead Manager Options to CPS Capital or its nominees (**Lead Manager Offer**).

The Lead Manager Options offered under the Lead Manager Offer will be issued on the terms and conditions set out in Section 10.3.2. The Lead Manager Options will not be quoted, but the Company will apply for quotation of all Shares issued upon exercise of the Lead Manager Options.

Only CPS Capital or its nominees may accept the Lead Manager Offer. A personalised Application Form in relation to the Lead Manager Offer will be issued to CPS Capital or its nominees together with a copy of this Prospectus.

#### **4.3 Conditions to the Offers**

The Offers are conditional upon the Acquisition Agreement becoming unconditional, including:

- (a) the Company raising the Minimum Subscription under the Public Offer;
- (b) the Company receiving Shareholder approval for each of the Acquisition Resolutions at the General Meeting; and
- (c) the Company receiving Conditional Approval (and the Company being satisfied that it can meet those conditions),

(each a **Condition**).

If the Conditions are not satisfied within the requisite period, each of the Offers will not proceed, and no Securities will be issued pursuant to this Prospectus. If this occurs, the Company will repay all application monies received by it in connection with this Prospectus within the time prescribed under the Corporations Act, without interest.

As set out above, the Acquisition Resolutions must be approved at the General Meeting for the Offers to proceed and for Settlement under the Acquisition Agreement to occur.

The “**Acquisition Resolutions**” are as follows:

- (a) approval for the change to nature and scale of the Company’s activities, specifically in relation to the change of the Company’s focus to become a mineral exploration entity as a result of the Acquisition, for which Shareholder approval is required under ASX Listing Rule 11.1.3;
- (b) approval for the Company to issue the HPAA Shareholders the Consideration Shares under ASX Listing Rule 7.1;
- (c) approval for the Company to undertake the Public Offer, for which approval is required under ASX Listing Rule 7.1;
- (d) election of the Proposed Directors as Directors of the Company;
- (e) approval to change the Company’s name to “Corella Resources Limited”;
- (f) replacement of the Company’s Constitution; and
- (g) approval to undertake the Consolidation.

Each of the Acquisition Resolutions is inter-conditional upon Shareholders approving the other Acquisition Resolutions. If any one or more of the Acquisition Resolutions are not approved by Shareholders, the Acquisition will not proceed. Applicants should refer to the Notice of Meeting for further information on the Acquisition Resolutions, a copy of which is available on the Company’s ASX platform (ASX:STC).

#### **4.4 Purpose of the Offers**

The primary purpose of the Offers is to:

- (a) assist the Company to meet the re-admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules (see Section 4.10 for further details);
- (b) provide the Company with additional funding to progress exploration and development of the Projects;
- (c) remove the need for an additional disclosure document to be issued upon the sale of any Securities that are to be issued under the Offers, including any Shares issued upon exercise of convertible Securities; and
- (d) provide the Company with sufficient working capital.

The Company intends on applying the funds raised under the Public Offer along with its current cash reserves in the manner detailed in Section 5.11.

#### **4.5 Applications**

Applications for Securities under the Offers must be made using the relevant Application Form. For further information on how to complete the Application Form, Applicants should refer to the instructions set out on the form.

Applications under the Public Offer must be accompanied by payment in full in Australian currency by cheque or electronic funds transfer in accordance with the instructions set out in the Application Form.

(a) **Option 1**

**Submit an Application form with a cheque**

Investors may complete an Application Form which accompanies and forms part of this Prospectus and enclose a cheque, made payable to "Sinetech Limited" and crossed "Not Negotiable". Investors must either mail or deliver both the Application Form (completed in accordance with the terms set out in the Application Form) and the cheque to the address set out on the Application Form by no later than the Closing Date.

(b) **Option 2**

**Submit an online Application Form and pay with BPAY or EFT (Electronic Funds Transfer)**

For online applications, investors can apply online with payment made electronically via BPAY® or EFT. 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**) or payment reference number unique to the online Application once the online Application Form has been completed. BPAY® or EFT payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Applicants must:

You should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions. It is your responsibility to ensure that payments are received by 5.00pm (AEST) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY® or EFT, and policies with respect to processing BPAY® or EFT transactions may vary between banks, credit unions or building societies. The Company accepts no responsibility for any failure to receive Application Money or payments by BPAY® before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

Investors can apply online by following the instructions at <https://investor.automic.com.au/#/w/sinetech> 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.

Completed Application Forms and any accompanying cheques or BPAY® payment must be received by the Company before 5.00pm (WST) on the relevant Closing Date by either being posted or delivered to the following addresses:

**By Post:**

Sinetech Limited  
C/- Automic Pty Ltd  
GPO Box 5193  
Sydney NSW 2001

**By hand delivery:**

Sinetech Limited  
C/- Automic Pty Ltd  
Level 5, 126 Phillip Street  
Sydney NSW 2000

An original, completed and lodged Application Form together with a cheque, BPAY® or EFT payment for any Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final, however an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque or BPAY® payment for the Application Monies.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Securities pursuant to this Prospectus. The return of a completed Application Form with the requisite Application Monies (if applicable) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- (a) agrees to be bound by the terms of the relevant Offer;
- (b) declares that all details and statements in the Application Form are complete and accurate;
- (c) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- (d) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Securities to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (e) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Securities are suitable for them given their investment objectives, financial situation or particular needs; and
- (f) acknowledges that the Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

Participation in the Secondary Offers is personal and Application Forms in relation to the Secondary Offers will be issued to the relevant participants together with a copy of this Prospectus.

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

Completed Application Forms must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Closing Date**.

The Company reserves the right to close the Offers early.

If you require assistance in completing an Application Form, please contact the Company Secretary, Daniel Coletta, on [secretary@corellaresources.com.au](mailto:secretary@corellaresources.com.au).

#### **4.6 ASX Listing**

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

The Company will not be applying for Official Quotation of the Options offered pursuant to this Prospectus.

#### **4.7 Taxation**

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

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

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

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

#### **4.8 Issues of Securities**

##### **4.8.1 General**

Subject to the satisfaction of the Conditions (see Section 4.3), the issue of Securities offered by this Prospectus will take place as soon as practicable after the Closing Date and in accordance with the timetable set out in the Key Offer Information Section on page 2 of the Prospectus.

##### **4.8.2 Defects in applications**

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



#### **4.8.3 Interest**

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

#### **4.9 Applicants outside Australia**

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

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

If you are outside Australia, it is your responsibility to ensure compliance with all laws of any country relevant to, and obtain all necessary approvals for, the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that there has been no breach of any such laws and all relevant approvals have been obtained.

Where this Prospectus has been dispatched to persons in jurisdictions outside of Australia, in which the securities legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only. This Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

#### **4.10 Suspension and Re-quotation on ASX**

ASX has determined that the Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's activities. In accordance with the ASX Listing Rules, the change in the nature and scale of the Company's activities will require:

- (a) Shareholder approval for the Acquisition Resolutions, which the Company is seeking at the General Meeting to be held on 29 March 2021; and
- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

The Company's Securities are currently suspended from trading on the ASX and will remain suspended and not be reinstated to Official Quotation until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by the ASX to the Official List.

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

- For personal use only
- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
  - (b) the Company must satisfy the "assets test" as set out in ASX Listing Rule 1.3.

The Company expects that the conduct of the Public Offer pursuant to this Prospectus will enable the Company to satisfy the above requirements.

#### **4.11 Restricted Securities and Free Float**

Subject to the Company's Securities being reinstated to Official Quotation, certain Securities on issue may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. The Company anticipates that:

- (a) all Consideration Shares will be restricted from trading for a period of either:
  - (i) for HPAA Shareholders that are not related parties or promoters – 12 months from the date of Settlement of the Acquisition; and
  - (ii) for HPAA Shareholders that are related parties or promoters – 24 months from the date of recommencement of trading of the Company's Shares on the Official List;
- (b) all Options issued under the Option Offer will be restricted from transfer for a period of either:
  - (i) for Existing Shareholders that are not related parties or promoters – 12 months from the date of issue of the Options; and
  - (ii) for Existing Shareholders that are related parties or promoters – 24 months from the date of recommencement of trading of the Company's Shares on the Official List;
- (c) all Options issued under the Creditor Offer will be restricted from transfer for a period of either:
  - (i) for Creditors that are not related parties or promoters – 12 months from the date of issue of the Options; and
  - (ii) for Creditors that are related parties or promoters – 24 months from the date of recommencement of trading of the Company's Shares on the Official List;
- (d) all Securities issued under the Director Offer and the Lead Manager Offer will be escrowed for a period of 24 months from the date of recommencement of trading of the Company's Shares on the Official List.

No Shares issued pursuant to the Public Offer will be subject to any escrow requirements by the ASX.

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's Shares being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).

Upon the Minimum Subscription being raised under this Prospectus, the Company's 'free float', being the percentage of Shares not subject to escrow and which are held by Shareholders that are not related parties or promoters of the Company (or their associates) at the time of reinstatement of the Company's Securities to Official Quotation, will be approximately 66%, comprising all Shares currently on issue in the Company and those Shares to be issued under the Public Offer, and excludes Shares held by related parties and promoters of the Company and Shares subject to ASX imposed escrow.

#### **4.12 Enquiries**

If you have any queries in relation to the Offers, please contact Daniel Coletta, the Company Secretary, on 08 6380 2555.

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## 5. COMPANY AND PROJECTS OVERVIEW

### 5.1 Background

The Company is an Australian public company, which was incorporated on 14 June 2007 and listed on the ASX on 11 January 2008. The Company has historically been a software development company focused on the development of software applications and information technology systems to support validating credentials for potential employees and suppliers.

On 10 February 2021, the Company announced that it had entered into the Acquisition Agreement with HPAA and the HPAA Shareholders under which the Company has a conditional right to acquire 100% of the issued capital in HPAA.

Refer to Section 9.2 for a summary of the terms and conditions of the Acquisition Agreement.

HPAA is the legal and beneficial owner of four granted tenements and one tenement application, which together comprise four exploration projects prospective for high-grade kaolin and silica, described generally and located as follows:

- (a) the Tampu Kaolin Project, which is located in the shire of Beacon, 265km north east of Perth (**Tampu**);
- (b) the Wiltshire Kaolin Project, which is located 370km north of Perth and 90km east of Geraldton (Wiltshire);
- (c) the Kalannie Kaolin Project, which is located 210km north east of Perth, Western Australia and 65km west of Tampu (Kalannie); and
- (d) the Bonnie Rock Silica Project, which is located 250km east north east of Perth and 70km south of Tampu (Bonnie Rock),

(together, the **Projects**).

Further details with respect to the Projects are set out in Sections 5.6, the Independent Geologist's Report set out in Annexure A and the Solicitor's Tenement Report set out in Annexure B.

In connection with the proposed Acquisition, the Company is seeking Shareholder approval at the General Meeting to change its name to "Corella Resources Limited" and following that will change its ticker code to "CR9".

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

### 5.2 Background to Acquisition

The Board considered several potential acquisition opportunities prior to entering into the Acquisition Agreement and settled on the Acquisition due to the unique opportunities the Acquisition presented. A detailed program of legal and technical due diligence was undertaken by the Company on the Projects.

The value of the 100,000,000 Consideration Shares to be issued to the HPAA Shareholders is \$2,000,000 based on the issue price of Shares under the Public

Offer. The Board considers that the quantum of the Consideration Shares to be issued in consideration for the Acquisition reflects reasonable fair value of the Projects in view of the key investment highlights set out in Section 5.4 of the Prospectus, and the Company having conducted arm's length negotiations with representatives of HPAA to arrive at the commercial terms of the Acquisition.

In determining the consideration for the Acquisition, the Company also took into account the following considerations:

- (a) recent third-party backdoor listing transactions involving acquisitions of mineral exploration assets; and
- (b) the Board's assessment of the future prospects of the Projects based on its geological review of the Projects, including a program of aircore drilling undertaken at the Tampu Project, and the Projects' proximity to ports suitable for distribution of product extracted from the Projects.

As with the acquisition of any business or asset that does not have a meaningful track record of revenue and profitability, there is not always an appropriate formal valuation methodology (e.g. discounted cash flow) available when determining the consideration. As such, the Company was required to take into account qualitative factors such as those set out above in coming to a decision on price. This is particularly relevant to the Acquisition, as kaolin and industrial mineral prices are not benchmarked and there are no defined mineral resources or ore reserves at the Projects.

The Projects offer Shareholders with the opportunity to hold a position in exploration projects with the potential to develop relatively low-cost mining operations in the short to medium term, subject to receipt of positive exploration results and subsequent definition of mineral resources and completion of technical studies.

### **5.3 Board and Management**

Prior to re-listing on the ASX and subject to completion of the Acquisition, existing Directors Warren Barry, Terence Butler, Derek Hall and Daniel Coletta will resign and the Proposed Directors will be appointed, such that the Board of the Company on re-listing on ASX will be comprised of:

- (a) Anthony Cormack – *Managing Director*;
- (b) Philip Re – *Non-Executive Chairman*; and
- (c) Peter Woods – *Non-Executive Director*.

The profiles of each of the Proposed Directors are set out in Section 8.1.

### **5.4 Key Investment Highlights**

The Current Directors and Proposed Directors are of the view that the following non-exhaustive list of advantages may be relevant to an investor's decision to apply for Shares under the Public Offer:

- (a) the Company will obtain ownership of the Tampu, Wiltshire, Kalannie and Bonnie Rock Projects pursuant to the Acquisition, which are each ideally situated for export of product and considered to be low cost exploration and potential production opportunities for products that have an active market;

- (b) the potential increase in market capitalisation of the Company following completion of the Acquisition and the Public Offer may lead to access to improved equity capital market opportunities and increased liquidity;
- (c) Shareholders may be exposed to further debt and equity opportunities that the Company did not have prior to the Acquisition;
- (d) the Company will re-comply with the ASX Listing Rules, ensuring its re-instatement to quotation and continued liquidity of its listed Shares (however, the Company notes that the ASX reserves the right to re-admit the Company and there is no guarantee that the Company will successfully re-comply with Chapters 1 and 2 of the ASX Listing Rules);
- (e) the appointment of the Proposed Directors will add experience and skill to the Board to assist with the growth of the Company; and
- (f) the cash reserves of the Company will be conserved as the consideration payable by the Company in respect of the Acquisition is comprised only of Shares.

## 5.5 HPAA

HPAA Pty. Ltd is an Australian proprietary company limited by shares which was incorporated on 27 August 2018 for the purpose of acquiring high-grade, low impurity kaolin and silica projects located in the Yilgarn Craton region of Western Australia, which form the Projects the subject of the Acquisition.

The consideration payable for the Acquisition is 100,000,000 Shares, to be issued to HPAA Shareholders as set out below:

Name of HPAA Shareholder	Number of Consideration Shares
Anthony Stephen Cormack <sup>1</sup>	12,909,091
Samuel Radford Moyle	8,060,606
Dylan Jensen ATF Blencowe Investment Trust	8,060,606
Simon William Vincent ATF S Vincent Family Trust	8,060,606
Julian Rodney Stephens ATF One Way Trust	12,909,091
Yuan By Yuan Capital Pty Ltd <Yo Yo Trading Trust>	12,500,000
Hekima Pty Ltd <The Ocean Trust>	12,500,000
Jindabyne Capital Pty Ltd <Providence Equity A/C>	12,500,000
Katherine Gaye Macpherson <sup>2</sup>	12,500,000
<b>Total</b>	<b>100,000,000</b>

### Notes:

- Anthony Stephen Cormack will be appointed as Managing Director of the Company following Settlement of the Acquisition.
- Katherine Gaye Macpherson is the spouse of Proposed Director, Mr Peter Woods, who will be appointed as Non-Executive Director of the Company following Settlement of the Acquisition.



## 5.6 Project Overview

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

### 5.6.1 Kaolin

The name "kaolin" is an adaptation of the Chinese term "Kauling", which is the name of a hill in Jiangxi Province that was historically mined. Kaolin is typically a soft white material consisting primarily of kaolinite, with lesser amounts of other minerals such as quartz, feldspar and various forms of iron and titanium oxide.

The mineral kaolinite has a theoretical chemical composition of 39.5%  $\text{Al}_2\text{O}_3$ , 46.54%  $\text{SiO}_2$  and 13.96% structural  $\text{H}_2\text{O}$ .

Kaolin deposits can be broadly described as two types, either residual or transported deposits. Residual deposits may be formed in situ (in place) by the alteration of feldspar-rich rocks such as granitoids or feldspathic sandstone by weathering or hydrothermal fluids.

Kaolin in weathered deposits is formed by the hydration of minerals such as feldspar to produce kaolinite. The weathering process resulted in the leaching and removal of silica, iron, potassium, sodium, calcium and magnesium from the original granitoid rock. It is noted that weathering processes may be affected by the composition of the original rock, topography, fracture zones (e.g. joints or faults), groundwater and the balance between the weathering process and erosion. The extent of kaolinisation partially depends on the nature of the parent rock. Granites with a high alumina to silica ratio are highly susceptible to kaolinisation processes.

All of the HPAA kaolin Projects are classified as a residual, having been formed by the weathering of primary granitoid rocks.

### 5.6.2 Tampu Kaolin Project

The Tampu Kaolin Project (**Tampu**) comprises two granted exploration licences held by HPAA, being exploration licences E 70/5235 and E 70/5214, which are currently held by HPAA.

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 contaminants. Further drilling and metallurgical test-work will be required in order to achieve a JORC compliant 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. The Company has obtained all requisite approvals from the DMIRS, together with consents from the registered proprietors, to enable it to conduct exploration activities at the Tampu Kaolin Project in line with its proposed exploration program set out in Section 5.7 and in the Independent Geologist's Report at Annexure A.

The Company is aware that it may be required, in the future, to obtain further approvals and consents if it decides to alter or further its proposed exploration program, however as at the date of this Prospectus, has no intention to do so. Also

refer to the Solicitor's Tenement Report at Annexure B for further details of the private land and consents obtained.

#### **5.6.3 Wiltshire Kaolin Project**

The Wiltshire Kaolin Project (**Wiltshire**) comprises a single granted exploration licence, being E 70/ 5216, which is currently held by HPAA.

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 samples drill samples from Wenmillia Dam show 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.

#### **5.6.4 Kalannie Kaolin Project**

The Kalannie Kaolin Project comprises a single granted exploration licence, being exploration licence E 70/5215, which is currently held by HPAA.

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.

#### **5.6.5 Silica**

Silica is found in nature in the form of hard rock quartz and naturally weathered sand and is one of the most plentiful naturally occurring minerals on the Earth. The uses of silica are extremely diverse and there are a number of established and emerging markets for varying grades of silica products.

Silica is used in agriculture, brick and tile, concrete, cleansers, foundry casting, ceramics and pottery, paint, glass, soaps, fibreglass, electronics, plaster, sandblasting, industrial effluent filtration, drinking water filtration, hazardous waste control.

The Company identified an early mover opportunity to enter the expanding high purity hard rock silica markets and actively secured the historical naturally occurring hard rock silica project at Bonnie Rock, Western Australia.

#### **5.6.6 Bonnie Rock Silica Project**

The Bonnie Rock Silica Project comprises a single pending exploration licence, being exploration licence E 70/5665, which is currently held by HPAA.

Previous exploration undertaken on the Bonnie Rock Project identified a prominent quartz vein 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 is suitable for use in the production of silicon metal.

#### **5.6.7 Technical Project Information**

Please refer to the Independent Geologist's Report (Annexure A) and Solicitor's Tenement Report (Annexure B) for detailed technical information in respect of the

Tampu Kaolin Project, Wiltshire Kaolin Project, Kalannie Kaolin Project and Bonnie Rock Silica Project.

## **5.7 Proposed Exploration Programme**

Please refer to the sections 3.9 (Tampu), 4.4 (Wiltshire), 5.4 (Kalannie) and 6.4 (Bonnie Rock) of the Independent Geologist's Report (Annexure A) for the proposed exploration programmes at each of the Projects.

## **5.8 Business Model**

Following completion of the Public Offer and Settlement of the Acquisition, the Company's proposed business model will be to further explore and develop the identified mineral deposits at the Projects in accordance with the exploration programmes set out in Section 5.7, with a view to implementing low capital expenditure production projects for kaolin and silica.

The Company's main objectives on completion of the Public Offer are:

- (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; and
- (c) consider other acquisitions which may 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.

## **5.9 Key Dependencies of the Business Model**

The key dependencies influencing the Company's viability are:

- (a) Settlement of the Acquisition;
- (b) the Company's capacity to re-comply with Chapters 1 and 2 of the ASX Listing Rules to enable re-instatement of the Company's Securities to Official Quotation;
- (c) tenure and access to the Projects;
- (d) the Projects producing product that is of the quality and specifications required by potential buyers;
- (e) the Company's ability to meet resource, reserve and exploration targets;
- (f) raising sufficient funds to satisfy expenditure requirements, exploration and operating costs in respect of the Projects; and
- (g) minimising the environmental impact of its activities and ensuring compliance with occupational health and safety requirements.

## **5.10 Growth Strategy**

The Company intends to increase Shareholder value as per the vision outlined above, by adopting the following strategies:

- (a) to advance the exploration and evaluation of deposits located within the Projects (where possible) to demonstrate the ability for the Projects to be developed into operating mines;
- (b) to evaluate and pursue other prospective opportunities in the resources sector in line with its strategy to develop high quality assets, particularly in respect of industrial minerals such as silica and kaolin; and
- (c) use funds raised from the Public Offer to continue exploration activities on the Projects aimed at the discovery of JORC Resources and implement low cost mining activities.

## 5.11 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:

Funds available	Minimum Subscription \$4,000,000	%	Maximum Subscription \$5,000,000	%
Existing cash reserves <sup>1</sup>	\$755,000	15.9	\$755,000	13.1
Funds raised from the Public Offer	\$4,000,000	84.1	\$5,000,000	86.9
<b>Total</b>	<b>\$4,755,000</b>	<b>100</b>	<b>\$5,755,000</b>	<b>100</b>
Allocation of funds	Minimum Subscription \$4,000,000	%	Maximum Subscription \$5,000,000	%
Exploration at Tampu Kaolin Project <sup>2</sup>	\$1,986,000	41.8	\$1,986,000	34.5
Exploration at Wiltshire Kaolin Project <sup>2</sup>	\$251,000	5.3	\$501,000	8.8
Exploration of Kalannie Kaolin Project <sup>2</sup>	\$251,000	5.3	\$501,000	8.8
Exploration at Bonnie Rock Silica Project <sup>2</sup>	\$192,000	4.0	\$535,874	9.3
Expenses of the Public Offer <sup>3</sup>	\$458,339	9.6	\$533,817	9.2
Administration Costs <sup>4</sup>	\$600,000	12.6	\$600,000	10.4
Employee Costs	\$416,520	8.8	\$416,520	7.2
Working capital <sup>5</sup>	\$600,141	12.6	\$680,789	11.8
<b>Total</b>	<b>\$4,755,000</b>	<b>100%</b>	<b>\$5,755,000</b>	<b>100%</b>

### Notes:

- Refer to Section 6. These funds represent cash held and investments held for sale by the Company and HPAA as at 30 June 2020. The Company and HPAA will incur further costs within the ordinary course of their respective businesses and in association with the Acquisition, which will diminish this amount prior to reinstatement to the Official List.
- Refer to Section 5.7 for a summary of the proposed exploration programme at the Tampu, Wiltshire and Kalannie Projects. Exploration expenses include tenure expenses, drilling, assays, testwork, resource estimations and costs of feasibility studies in respect of the Eneabba Tenement. If the Bonnie Rock Silica Project application is granted, additional funds will be applied to exploration of that tenement out of the Company's working capital.

3. Expenses of the Public Offer include legal fees, ASX fees, advisor fees, Investigating Accountant fees, Independent Geological Advisory Fees, Share Registry Fees and brokerage costs. Refer to Section 10.8 for further detail.
4. Administration costs include, without limitation, general corporate costs such as the provision of contract services to the Company, ASX listing fees, office rent and ongoing audit and accounting costs.
5. Working capital provides for additional capital to be used for additional exploration following the planned exploration programs or grant of additional tenements applied for by the Company and investment in new mineral exploration projects not yet identified by the Directors, including due diligence costs incurred in consideration of such projects.

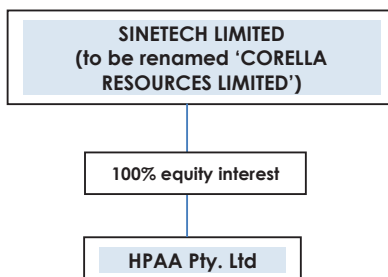
In the event the Company raises greater than the Minimum Subscription but less than Maximum Subscription, funds will first be deducted from expenditure on working capital, then exploration at the Bonnie Rock Silica Project and to the extent that there is a need to deduct further expenditure then pro rata across exploration at the Tampu, Wiltshire and Kalannie Kaolin Projects.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. As and when further funds are required, either for existing or future developments, the Company will consider both raising additional capital from the issue of Securities and/or from debt funding.

The Current Directors and Proposed Directors consider that, following completion of the Public Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 7.

## 5.12 Group Structure

Upon Settlement of the Acquisition, the group structure of the Company is anticipated to be as follows:



**Note:** The Company also has a wholly owned subsidiary, Longreach Number 2 Pty Ltd (**Longreach**), which is currently in the process of being deregistered. Longreach has no assets or operations.

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

## 5.13 Capital Structure

### 5.13.1 Shares<sup>1</sup>

	Minimum Subscription	Maximum Subscription
Shares currently on issue <sup>1,2</sup>	50,678,343	50,678,343
Shares to be issued under Public Offer <sup>3</sup>	200,000,000	250,000,000
Shares to be issued in consideration for the Acquisition <sup>4</sup>	100,000,000	100,000,000
Shares to be issued under Creditor Offer <sup>5</sup>	15,321,657	15,321,657
Shares to be issued under Director Offer <sup>6</sup>	9,000,000	9,000,000
<b>Total Shares on Settlement of the Acquisition</b>	<b>375,000,000</b>	<b>425,000,000</b>

#### Notes:

1. Refer to Section 10.2 for a summary of the terms of the Shares. This value assumes completion of the Consolidation and is subject to rounding of individual holdings.
2. Assuming no other Shares are issued prior to Settlement of the Acquisition. Based on 1,013,566,849 Shares on issue as at the date of this Prospectus (pre-Consolidation) and completion of the Consolidation. However, the number of Shares on issue post-Consolidation may differ due to rounding of individual holdings.
3. The Company will seek to raise \$4,000,000 through the issue of 200,000,000 Shares at \$0.02 per Share, with oversubscriptions of up to an additional 50,000,000 Shares to raise up to a further \$1,000,000.
4. Refer to Section 9.2 for a summary of the material terms and conditions of the Acquisition Agreement.
5. Refer to Section 9.3 for a summary of the material terms and conditions of the Debt Conversion Agreements pursuant to which the Creditor Offer is made.
6. Proposed Directors Philip Re and Peter Woods are to be issued 4,500,000 Shares and 4,500,000 Options each pursuant to the Director Offer, subject to Shareholder approval. Refer to Section 4.2.4 for further details regarding the Director Offer.

### 5.13.2 Options

Options	Minimum Subscription	Maximum Subscription
Options on issue as at the date of this Prospectus	Nil	Nil
Options to be issued under Option Offer <sup>1</sup>	50,678,343	50,678,343
Options to be issued under Creditor Offer <sup>2</sup>	15,321,657	15,321,657
Options to be issued under Director Offer <sup>3</sup>	9,000,000	9,000,000
Options to be issued under Lead Manager Offer <sup>4</sup>	40,000,000	50,000,000
<b>Total Options on Settlement of the Acquisition</b>	<b>115,000,000</b>	<b>125,000,000</b>

#### Notes:

1. Options issued under the Option Offer will be issued to Eligible Shareholders on the basis of one (1) Option for every Share held as at the Record Date.
2. Refer to Note 5 in Section 5.13.1 above.
3. Refer to Note 6 in Section 5.13.1 above.
4. Refer to Section 10.3.2 for the terms and conditions of the Lead Manager Options and Director Options.



## 5.14 Substantial Shareholders

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

### As at the date of this Prospectus

Shareholder	Shares <sup>1</sup>	% (undiluted)	% (diluted)
Spruson Corporation Pty Ltd <Booyah Family A/C>	3,596,792	7.1	7.1
Terence Butler & Rosemary Butler <Butler Super Fund A/C>	2,971,894	5.86	5.86
BTR Holdings Pty Ltd <Mushy One A/C>	2,824,421	5.57	5.57

### Post-completion of the Offers – Minimum Subscription

Shareholder	Shares	% (undiluted)	% (diluted)
Peter Woods and associates <sup>2</sup>	29,500,000	7.87	6.94
Anthony Cormack and associates	25,409,091	6.77	5.18

### Post-completion of the Offers – Maximum Subscription.

Shareholder	Shares	% (undiluted)	% (diluted)
Peter Woods and associates <sup>2</sup>	29,500,000	6.94	6.18
Anthony Cormack and associates	25,409,091	5.98	4.62

#### Notes:

1. Subject to rounding of fractional entitlements on completion of the Consolidation.
2. Comprising 12,500,000 Consideration Shares to be issued to Katherine Gaye Macpherson, Mr Woods' spouse, as a HPAA Shareholder under the Acquisition Agreement and 12,500,000 Shares to be issued to Mr Woods (or his nominee) in respect of participation in the Public Offer (subject to Shareholder approval at the General Meeting) and 4,500,000 Shares and Options to be issued to Mr Woods subject to Shareholder approval at the General Meeting under the Director Offer.
3. Comprising 12,909,091 Consideration Shares to be issued to Mr Cormack as a HPAA Shareholder under the Acquisition Agreement and 12,500,000 Shares to be issued to Mr Cormack (or his nominee) in respect of participation in the Public Offer (subject to Shareholder approval at the General Meeting).

The Company will announce to the ASX details of its top 20 Shareholders following the completion of the Public Offer and prior to the date of reinstatement of the Company's Securities to the Official List.

## 5.15 Dividend Policy

For the Company to progress its business model as detailed in Section 5.8, significant funding is likely to be required and therefore the Company currently has no plans to declare any dividends.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant

by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

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25 February 2021

The Directors

Sinotech Limited (to be renamed 'Corella Resources Limited')

642 Newcastle Street

LEEDERVILLE WA 6007

Dear Directors,

## INVESTIGATING ACCOUNTANT'S REPORT

### 1. INTRODUCTION

Armada Audit and Assurance Pty Ltd ('**Armada**') has been engaged by Sinotech Limited ('**Sinotech**' or '**the Company**') to prepare this Investigating Accountant's Report ('**Report**') for inclusion in a prospectus to be lodged by the Company on or about 25 February 2021 ('**Prospectus**') for the purpose of facilitating the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules and re-admission to the Official List of the Australian Securities Exchange ('**ASX**').

Pursuant to the Prospectus, the Company will offer 200,000,000 fully paid ordinary shares at an issue price of \$0.02 per share to raise a minimum of \$4,000,000 ('**Minimum Subscription**'), with the ability to accept oversubscriptions of up to an additional 50,000,000 shares at the same issue price to raise an additional \$1,000,000 for a total of \$5,000,000 ('**Maximum Subscription**') ('**Public Offer**').

CPS Capital Group Pty Ltd ('**CPS**' or '**Lead Manager**') has been appointed lead manager to the Public Offer and will receive the fees described in Section 3 of this Report.

The Company has convened an extraordinary general meeting of its shareholders ('**EGM**') to consider and approve various resolutions required to complete the Acquisition, including approval to undertake the Public Offer. These resolutions are also described in further detail in Section 3 of this Report.

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of the Company.

Expressions defined in the Prospectus have the same meaning in this Report. This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

## 2. SCOPE

You have requested Armada to review the following historical financial information (together referred to as the **'Historical Financial Information'**) included in the Prospectus:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income of Sinetech for the year ended 30 June 2020;
- the audited historical Statement of Financial Position for Sinetech as at 30 June 2020;
- the audited historical Statement of Cash Flows of Sinetech for the year ended 30 June 2020;
- the audited historical Statement of Profit or Loss and Other Comprehensive Income of HPAA for the year ended 30 June 2020;
- the audited historical Statement of Financial Position for HPAA as at 30 June 2020; and
- the audited historical Statement of Cash Flows of HPAA for the year ended 30 June 2020.

The Historical Financial Information of Sinetech has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the *Corporations Act 2001*.

The Historical Financial Information of Sinetech has been extracted from the financial report for the year ended 30 June 2020, which was audited by UHY Haines Norton Chartered Accountants (UHY) in accordance with the Australian Auditing Standards. Upon completion of the audit, the independent auditor issued an unqualified audit opinion.

The Historical Financial Information of HPAA has been extracted from the financial report for year ended 30 June 2020, which was audited by Criterion Audit Pty Ltd and prepared in accordance with International Financial Reporting Standards. Upon completion of the audit, although the independent auditor issued an unmodified audit opinion on the financial report, they have noted that a material uncertainty exists regarding HPAA's going concern position due to HPAA recording losses after tax from continuing operations and net cash outflows from continuing operations. As a result, these conditions indicate a material uncertainty that may cast significant doubt on HPAA's ability to continue as a going concern. Refer to Appendices 1 and 2 of this Report for the Historical Financial Information of HPAA.

### *Pro Forma Historical Financial Information*

You have requested Armada to review the following pro forma historical financial information (the **'Pro Forma Historical Financial Information'**) included in the Prospectus:

- the pro forma historical Consolidated Statement of Financial Position as at 30 June 2020;

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of Sinetech and HPAA, after adjusting for the effects of the pro forma adjustments as detailed in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transaction to which the pro forma adjustments relate 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 or financial performance.

The Pro Forma Historical Financial Information has been compiled by Sinetech to illustrate the impact of the events or transactions detailed in Section 7 of the Report on Sinetech's financial position as at 30 June 2020. As part of this process, information about Sinetech's financial position has been extracted by Sinetech from the Company's financial statements for the year ended 30 June 2020.

### 3. BACKGROUND

#### *Background to Acquisition*

As announced on 11 February 2021, Sinetech entered a binding, conditional agreement with HPAA Pty Ltd ('**HPAA**') and its shareholders ('**HPAA Shareholders**') pursuant to which the Company has a right to acquire 100% of the issued capital of HPAA ('**Acquisition**'). HPAA holds three tenements which comprise prospective high-grade, high purity kaolin projects and one high purity silica project under application, located in Western Australia.

In consideration for the Acquisition, and subject to Shareholder approval, Sinetech will issue 100,000,000 fully paid ordinary shares in Sinetech, on a post-consolidation basis, at a deemed issue price of \$0.02 per share to the HPAA Shareholders ('**Consideration Shares**').

#### *Shareholder meetings and approvals*

The Acquisition, if completed, will amount to a significant change in the nature and scale of the Company's activities and as such, the Company is required to obtain approval from its shareholders and to comply with Chapters 1 and 2 of the ASX Listing Rules.

The Company has convened a shareholder meeting for on or late March 2021 ('**EGM**') at which shareholders will consider resolutions which are required to be passed to complete the Acquisition, namely:

- Approval to undertake the Public Offer;
- Approval to issue the 100,000,000 Consideration Shares to the HPAA Shareholders;
- Approval to issue 50,678,343 options to existing shareholders;
- Approval to issue up to 50,000,000 options to CPS Capital Pty Ltd;
- Approval to issue 15,321,657 debt conversion shares and options to certain related and unrelated creditors of the Company;
- Approval to issue 9,000,000 director incentive shares and options to Philip Re and Peter Woods;
- Approval for the proposed directors to participate in the Public Offer; and
- Approval to undertake a consolidation of the Company's issued capital on a 20:1 basis,

among other resolutions required to implement the Acquisition.

Subject to the Company obtaining the Shareholder approvals for the Essential Resolutions at the EGM, the Company will change its name to "Corella Resources Limited" and the existing board of Directors will be reconstituted with effect from completion of the Acquisition, such that Anthony Cormack, Phil Re and Peter Woods will be appointed as the Directors and the current board will resign.

#### *Lead Manager*

As noted above, the Company has entered into a lead manager mandate with CPS Capital Group Pty Ltd pursuant to which CPS has been engaged to lead manage the Public Offer.

In consideration for the engagement, CPS will receive a fee for the total funds raised under the Public Offer, estimated to be \$240,000 based on the Minimum Subscription or \$300,000 based on the Maximum Subscription. The Company will also issue CPS with unlisted options as lead manager under the Prospectus ('**CPS Options**'). The minimum amount of CPS Options that can be issued is 40,000,000 based on the Minimum Subscription and the maximum amount of CPS Options that can be issued is 50,000,000



based on the Maximum Subscription. The CPS Options are exercisable at \$0.04 each on or before the date that is four (4) years from the date of re-admission of the Company's securities to the official list of the ASX.

#### 4. DIRECTORS' RESPONSIBILITIES

The directors of Sinetech are responsible for the preparation and presentation of the Historical Financial Information and 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 of such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

#### 5. OUR RESPONSIBILITY

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

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, inspection of documents and applying analytical and other review procedures. A limited assurance engagement 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 a reasonable assurance engagement. Accordingly, we **do not express an audit opinion**.

A limited assurance engagement of this nature provides less assurance than an audit, and accordingly, this Report does **not express an audit opinion** on the Historical Financial Information and Pro-Forma Financial Information included in this Report or elsewhere in the Prospectus. For purposes of this engagement, we are not responsible for updating or re-issuing any reports or opinions on any Historical Financial Information used in compiling the Pro Forma Historical Financial Information.

#### 6. CONCLUSION

##### *Historical Financial Information*

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income of Sinetech for the year ended 30 June 2020;
- the audited historical Statement of Cash Flows of Sinetech for the year ended 30 June 2020
- the audited historical Statement of Financial Position for Sinetech as at 30 June 2020;
- the audited historical Statement of Profit or Loss and Other Comprehensive Income of HPAA for the year ended 30 June 2020;
- the audited historical Statement of Cash Flows of HPAA for the year ended 30 June 2020 and;
- the audited historical Statement of Financial Position for HPAA 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 2 of this Report.

### *Pro Forma Historical Financial Information*

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Consolidated Statement of Financial Position of Sinetech 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 2 of this Report.

## **7. ASSUMPTIONS ADOPTED IN COMPILING THE PRO FORMA STATEMENT OF FINANCIAL POSITION**

The pro forma historical Consolidated Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 30 June 2020 and the following transactions and events relating to the Acquisition and the issue of securities under this Prospectus:

- The Company will change its name from Sinetech Limited to 'Corella Resources Limited';
- Subject to shareholder approval, the issued capital of the Company be consolidated on the basis that every twenty (20) shares be consolidated into one (1) new share;
- The issue of the 100,000,000 Consideration Shares, on a post-consolidation basis, in consideration for the Acquisition;
- The issue of:
  - 200,000,000 shares at an offer price of \$0.02 per share to raise \$4 million before costs pursuant to the Prospectus, based on the Minimum Subscription being raised under the Public Offer; or
  - 250,000,000 shares at an offer price of \$0.02 per share to raise \$5 million before costs pursuant to the Prospectus, based on the Maximum Subscription being achieved under the Public Offer;
- The remuneration of the Lead Manager to the Public Offer as follows:
  - lead manager fee for the total funds raised from the Public Offer (estimated to be \$240,000 based on the Minimum Subscription or \$300,000 based on the Maximum Subscription); and
  - the issue of 40,000,000 unlisted options exercisable at \$0.04 each based on the Minimum Subscription being raised and up to 50,000,000 unlisted options exercisable at \$0.04 each based on the Maximum Subscription being achieved.

The unlisted options expire on or before the date that is four (4) years from the date of re-admission of the Company's securities to the official list of the ASX;

- The issue of 9,000,000 incentive shares with one (1) free attaching option, on a post-consolidation basis, to proposed directors Philip Re and Peter Woods (subject to shareholder approval);
- The issue of 6,462,244 shares on conversion of debt, on a post-consolidation basis, to an unrelated party with one (1) free attaching option;
- The issue of 8,859,413 shares conversion of debt, on a post-consolidation basis, to related parties with one (1) free attaching option;
- The issue of 50,678,343 options to existing shareholders exercisable at \$0.03 each and expiring on or before the date which is three (3) years from their date of issue; and

- Total costs relating to the Public Offer and re-listing is estimated between \$458,339 based on the Minimum Subscription and up to \$533,817 based on the Maximum Subscription. Of the total costs, \$240,000 and up to \$300,000 respectively relate to costs of the Public Offer. The balance of \$218,339 and up to \$233,817 respectively relate to costs associated with the re-listing process.

## 8. INDEPENDENCE

Armada is a member of the Armada Group. Armada does not have any interest in the outcome of the Acquisition other than in connection with the preparation of this Report, for which professional fees will be received.

## 9. DISCLOSURES

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which described 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.

Armada has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, Armada has not authorised the issue of the Prospectus. Accordingly, Armada makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully,

*Armada Audit  
& Assurance*

**Armada Audit and Assurance Pty Ltd**



**Nigel Dias**  
Director

## APPENDIX 1

### SINETECH LIMITED (TO BE RENAMED CORELLA RESOURCES LIMITED)

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Sinetech Limited Audited for the year ended 30 June 2020 AUD\$
<b>Revenue</b>	
Interest income	-
<b>Total revenue</b>	-
<b>Expenses</b>	
Director fees	(155,000)
Consulting and professional fees	(99,818)
Compliance and regulatory	(49,741)
Finance expenses	(499)
Fair value loss on financial assets at fair value through profit or loss	(402,658)
Other expenses	(10,101)
<b>Total expenses</b>	<b>(717,817)</b>
<b>Loss before income tax expense</b>	<b>(717,817)</b>
Income tax benefit / (expense)	-
<b>Loss after tax from continuing operations</b>	<b>(717,817)</b>
Other comprehensive loss	-
<b>Total comprehensive loss for the year</b>	<b>(717,817)</b>

### HPAA PTY LTD

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	HPAA Pty Ltd Audited for the year ended 30 June 2020 AUD\$
<b>Revenue and other income</b>	
Revenue	-
<b>Total revenue</b>	-
<b>Expenses</b>	
Administration expenses	(2,737)
<b>Total expenses</b>	<b>(2,737)</b>
<b>Loss before income tax expense</b>	<b>(2,737)</b>
Income tax benefit / (expense)	-
<b>Loss for the period</b>	<b>(2,737)</b>
Other comprehensive loss	-
<b>Total comprehensive loss for the period</b>	<b>(2,737)</b>

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income shows the historical financial performance of both Sinetech Limited and HPAA Pty Ltd and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3. Past performance is not a guide to future performance.

**SINETECH LIMITED (TO BE RENAMED CORELLA RESOURCES LIMITED)**

**STATEMENT OF CASH FLOWS**

	<b>Audited 30-Jun-20 AUD\$</b>
<b>Cash flow from operating activities</b>	
Receipts from customers	-
Government grant receipts related to operating activities	-
Payments to suppliers and employees	(129,393)
Interest received	-
Interest and finance costs paid	-
Net cash inflow / (outflow) from operating activities	<u>(129,393)</u>
<b>Cash flow from financing activities</b>	
Drawdown of borrowings (net of costs)	-
Repayment of borrowings	-
Proceed from share issue	250,000
Payment of share issue cost	(10,911)
Net cash inflow / (outflow) from financing activities	<u>239,089</u>
Net (decrease) / increase in cash and cash equivalents held	109,696
Cash and cash equivalents at the beginning of the year	<u>62,648</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>172,344</u>

**HPAA PTY LTD**

**STATEMENT OF CASH FLOWS**

	<b>Audited 30-Jun-20 AUD\$</b>
<b>Cash flow from operating activities</b>	
Payments to suppliers and other expenses	(2,737)
Payments for exploration, evaluation and development	(14,725)
Net cash used in operating activities	<u>(17,462)</u>
<b>Cash flow from investing activities</b>	
Net cash provided / (used in) investing activities	<u>-</u>
<b>Cash flow from financing activities</b>	
Proceeds from share issue	10,000
Loans from related parties	10,000
Repayment of loans from related parties	-
Net cash provided by financing activities	<u>20,000</u>
Net increase in cash and cash equivalents held	3,572
Cash and cash equivalents at the beginning of the year	<u>2,538</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>6,110</u>

## APPENDIX 2

### SINETECH LIMITED (TO BE RENAMED CORELLA RESOURCES LIMITED)

#### CONSOLIDATED PRO-FORMA STATEMENT OF FINANCIAL POSITION

	Notes	Sinetech Limited as at 30-Jun-20 (Audited) AUD\$	HPAA Pty Ltd as at 30-Jun-20 (Audited) AUD\$	Pro forma adjustments		Pro forma after offer	
				\$4 million AUD\$	\$5 million AUD\$	\$4 million AUD\$	\$5 million AUD\$
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	2	172,344	6,110	3,541,661	4,466,183	3,720,115	4,644,637
Trade and other receivables		10,801	-	-	-	10,801	10,801
Financial assets		550,643	-	-	-	550,643	550,643
Other assets		-	70	-	-	70	70
<b>TOTAL CURRENT ASSETS</b>		<b>733,788</b>	<b>6,180</b>	<b>3,541,661</b>	<b>4,466,183</b>	<b>4,281,629</b>	<b>5,206,151</b>
<b>NON CURRENT ASSETS</b>							
Exploration assets		-	56,704	-	-	56,704	56,704
Trade and other receivables		60,000	-	(60,000)	(60,000)	-	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>60,000</b>	<b>56,704</b>	<b>(60,000)</b>	<b>(60,000)</b>	<b>56,704</b>	<b>56,704</b>
<b>TOTAL ASSETS</b>		<b>793,788</b>	<b>62,884</b>	<b>3,481,661</b>	<b>4,406,183</b>	<b>4,338,333</b>	<b>5,262,855</b>
<b>CURRENT LIABILITIES</b>							
Trade and other payables	3	197,858	-	(123,850)	(123,850)	74,008	74,008
Loans		-	10,000	-	-	10,000	10,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>197,858</b>	<b>10,000</b>	<b>(123,850)</b>	<b>(123,850)</b>	<b>84,008</b>	<b>84,008</b>
<b>TOTAL LIABILITIES</b>		<b>197,858</b>	<b>10,000</b>	<b>(123,850)</b>	<b>(123,850)</b>	<b>84,008</b>	<b>84,008</b>
<b>NET ASSETS</b>		<b>595,930</b>	<b>52,884</b>	<b>3,605,511</b>	<b>4,530,033</b>	<b>4,254,325</b>	<b>5,178,847</b>
<b>EQUITY</b>							
Issued capital	4	30,075,664	56,500	(25,180,513)	(24,278,513)	4,951,651	5,853,651
Options reserve	5	-	-	467,000	505,000	467,000	505,000
Accumulated losses	6	(29,479,734)	(3,616)	28,319,024	28,303,546	(1,164,326)	(1,179,804)
<b>TOTAL EQUITY</b>		<b>595,930</b>	<b>52,884</b>	<b>3,605,511</b>	<b>4,530,033</b>	<b>4,254,325</b>	<b>5,178,847</b>

The pro-forma Statement of Financial Position after the Offer is as per the Statement of Financial Position before the Offer adjusted for the transactions relating to the issue of shares pursuant to this Prospectus. The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3.



## APPENDIX 3

### SINETECH LIMITED (TO BE RENAMED CORELLA RESOURCES LIMITED)

#### NOTES AND FORMING PART OF THE HISTORICAL AND PRO-FORMA FINANCIAL INFORMATION

##### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the Historical Financial Information and Pro Forma Historical Financial Information are the same as those applied by the Company in its financial report as at and for the year ended 30 June 2020. These policies have been consistently applied to all the years presented, unless otherwise stated.

The significant accounting policies adopted in the preparation of the Historical Financial Information and Pro Forma Historical Financial Information included in this Report have been set out below.

##### **Basis of preparation of historical financial information**

###### *Historical Cost Convention*

These financial statements have been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

##### **Going Concern**

The financial report has been prepared on a going concern basis, which contemplates the continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business. The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- a potential transaction which would see 100% of the shares in the Company being acquired by an unrelated listed Company of which the transaction would be conditional on the acquirer successfully raising sufficient working capital via a public offering to meet the capital requirements of the Company; and
- on-going support from the directors of the Company to provide necessary working capital, if required, to ensure that the Company remains a going concern.

However should the Company be unable to raise additional funding the Company may not be able to continue as a going concern. No adjustments have been made in relation to the recoverability of assets and classification of liabilities should the Company not be able to continue as a going concern.

##### a) Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward where the right of tenure of the area of interest is current and they are expected to be recouped through successful development on the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. The ultimate recoupment of capitalised exploration, evaluation and development expenditure is dependent upon the final approval of exploration permits.

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

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

## NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### b) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### c) Financial Assets

The Company's investment in listed shares is classified and measured at fair value through profit and loss (FVTPL) in accordance with *AASB 9 Financial Instruments*.

### d) Trade and Other Payables

Trade and other payables carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

### e) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### f) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### g) Share Based Payments

The Company may provide benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate option pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the extent to which the vesting period has expired, and
- (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

## NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### g) Share Based Payments (continued)

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

The amount charged or credited to the Statement of Profit or Loss and Other Comprehensive Income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

### h) Adoption of new and revised standards

Management assessment indicates that there are no new Australian Accounting Standards that have been issued but are not yet effective with an expected material impact on the Company's financial report in the period of initial application.

NOTE 2. CASH AND CASH EQUIVALENTS	Audited	Pro-forma after Offer	
	30-Jun-20 AUD\$	\$4 million AUD\$	\$5 million AUD\$
Cash and cash equivalents <sup>1</sup>	178,454	3,720,115	4,644,637
Audited balance of Sinetech Limited at 30 June 2020		172,344	172,344
Audited balance of HPAA Pty Ltd at 30 June 2020		6,110	6,110
<i>Pro-forma adjustments:</i>			
Proceeds from shares issued under the Public Offer		4,000,000	5,000,000
Less: Capital raising costs		(240,000)	(300,000)
Less: Listing costs		(218,339)	(233,817)
		3,541,661	4,466,183
Pro-forma Balance		3,720,115	4,644,637

<sup>1</sup> The cash and cash equivalents balance above does not account for working capital spent during the period from 30 June 2020 to completion.

**NOTE 3. TRADE AND OTHER PAYABLES**

	<b>Audited 30-Jun-20 AUD\$</b>	<b>Pro-forma after Offer AUD\$</b>
Trade and other payables	197,858	74,008
Audited balance of Sinetech Limited at 30 June 2020		197,858
Audited balance of HPAA Pty Ltd at 30 June 2020		-
<i>Pro-forma adjustments:</i>		
Settlement of trade and other payables due to unrelated parties via the issue of shares (refer Note 4)		(36,850)
Settlement of accrued directors fees due to related parties via the issue of shares (refer Note 4)		(87,000)
		<u>(123,850)</u>
Pro-forma Balance		<u>74,008</u>

**NOTE 4. ISSUED CAPITAL**

NOTE 4. ISSUED CAPITAL	Audited 30-Jun-20 AUD\$		Pro-forma after Offer \$4 million AUD\$	\$5 million AUD\$
Issued capital	30,132,164		4,951,651	5,853,651
	Number of shares (min)	Number of shares (max)	\$	\$
Fully paid ordinary share capital of Sinetech Limited at 30 June 2020 (post consolidation)	50,678,343	50,678,343	30,075,664	30,075,664
Fully paid ordinary share capital of HPAA Pty Ltd at 30 June 2020	-	-	56,500	56,500
Pro-forma adjustments:				
Proceeds from shares issued under the Public Offer	200,000,000	250,000,000	4,000,000	5,000,000
Issue of incentive shares to proposed directors	9,000,000	9,000,000	180,000	180,000
Settlement of trade and other payables due to unrelated parties via the issue of shares <sup>1</sup>	6,462,244	6,462,244	129,245	129,245
Settlement of trade and other payables due to related parties via the issue of shares <sup>2</sup>	8,859,413	8,859,413	177,188	177,188
Issue of the Consideration Shares for the acquisition of HPAA Pty Ltd (refer Note 7)	100,000,000	100,000,000	1,013,567	1,013,567
Elimination of Sinetech Limited issued capital following the Transaction (refer Note 7)	-	-	(30,075,664)	(30,075,664)
Less: issue of options to existing shareholders (refer Note 5)	-	-	(212,849)	(212,849)
Less: capital raising costs – lead manager fee of 6% of gross proceeds raised	-	-	(240,000)	(300,000)
Less: capital raising costs – options issued to lead manager for fund raising (CPS Options – refer Note 5)	-	-	(152,000)	(190,000)
	324,321,657	374,321,657	(25,180,513)	(24,278,513)
Pro-forma Balance	375,000,000	425,000,000	4,951,651	5,853,651

<sup>1</sup> \$129,245 in shares was issued to unrelated parties in settlement of trade and other payables owing of which \$36,850 related to amounts owing at 30 June 2020 (refer to Note 3).

<sup>2</sup> \$177,188 in shares was issued to related parties in settlement of directors fees of which \$87,000 related to amounts owing at 30 June 2020 (refer to Note 3).

NOTE 5. OPTIONS RESERVE	Audited 30-Jun-20 AUD\$		Pro-forma after Offer \$4 million AUD\$      \$5 million AUD\$	
Options reserve	-		467,000	505,000
	Number of options (min)	Number of options (max)	\$	\$
Options on issue of Sinetech Limited at 30 June 2020	-	-	-	-
Options on issue of HPAA Pty Ltd at 30 June 2020	-	-	-	-
<i>Pro-forma adjustments:</i>				
Issue of options to existing shareholders	50,678,343	50,678,343	212,849	212,849
Issue of options in relation to incentive shares issued to proposed directors	9,000,000	9,000,000	37,800	37,800
Issue of options in relation to the settlement of trade and other payables due to unrelated parties	6,462,244	6,462,244	27,141	27,141
Issue of options in relation to the settlement of accrued directors fees owing to related parties	8,859,413	8,859,413	37,210	37,210
Issue of options to the lead manager for fund raising (CPS Options)	40,000,000	50,000,000	152,000	190,000
	115,000,000	125,000,000	467,000	505,000
Pro-forma Balance	115,000,000	125,000,000	467,000	505,000

The Black-Scholes option valuation methodology was used in calculating the fair value of the 75,000,000 options to be issued to the following parties:

- 6,462,244 options issued to unrelated parties for settlement of debt;
- 8,859,413 options issued to related parties for settlement of accrued directors fees;
- 50,678,343 options issued to existing shareholders; and
- 9,000,000 options issued in relation to incentive shares issued to proposed directors.

The fair value of the above options to be issued has been calculated using the following inputs:

Options to be issued	Minimum Offer \$4 million	Maximum Offer \$5 million
Number of options	75,000,000	75,000,000
Fair Value of Option	\$0.0042	\$0.0042
Underlying share price	\$0.02	\$0.02
Exercise price	\$0.03	\$0.03
Expected volatility	50%	50%
Expiry date (years)	3	3
Expected dividends	Nil	Nil
Risk free rate	0.11%	0.11%

Using the Black-Scholes option valuation methodology, the fair value of the CPS Options to be issued has been calculated using the following inputs:

CPS Options to be issued	Minimum Offer \$4 million	Maximum Offer \$5 million
Number of options	40,000,000	50,000,000
Fair value of option	\$0.0038	\$0.0038
Underlying share price	\$0.02	\$0.02
Exercise price	\$0.04	\$0.04
Expected volatility	50%	50%
Expiry date (years)	4	4
Expected dividends	Nil	Nil
Risk free rate	0.11%	0.11%

NOTE 6. ACCUMULATED LOSSES	Audited 30-Jun-20 AUD\$	Pro-forma after Offer \$4 million AUD\$	\$5 million AUD\$
Accumulated losses	(29,483,350)	(1,164,326)	(1,179,804)
Audited balance of Sinetech Limited at 30 June 2020		(29,479,734)	(29,479,734)
Audited balance of HPAA Pty Ltd at 30 June 2020		(3,616)	(3,616)
<i>Pro-forma adjustments:</i>			
Elimination of Sinetech's accumulated losses following the Acquisition (refer Note 7)		29,479,734	29,479,734
Amount recognised as ASX listing expense on the Acquisition (refer to Note 7)		(417,637)	(417,637)
Share based payment for incentive shares issued to proposed directors		(180,000)	(180,000)
Share based payment for the issue of options in relation to incentive shares issued to directors		(37,800)	(37,800)
Share based payments for the settlement of accrued directors fees via issue of options to related parties		(37,210)	(37,210)
Share based payments for the settlement of trade and other payables via issue of options to unrelated parties		(27,141)	(27,141)
Share based payments for the settlement of trade and other payables including accrued directors fees (post-June 2020) via issue of shares		(182,583)	(182,583)
Write-off of non-current trade and other receivables as bad debt		(60,000)	(60,000)
Listing costs		(218,339)	(233,817)
		28,319,024	28,303,546
Pro-forma Balance		(1,164,326)	(1,179,804)

## NOTE 7. ACQUISITION ACCOUNTING

### Provisional accounting for the Acquisition

A summary of the details of the Acquisition as included in our Report is set out below. These details have been determined for the purpose of the pro-forma adjustments as at 30 June 2020 and will require re-determination based on the identifiable assets and liabilities as at the successful acquisition date, which may result in material changes to the value as disclosed below.

Under the Acquisition, Sinetech Limited ('Sinetech') will acquire all of the shares in HPAA Pty Ltd ('HPAA') by issuing a total of 100,000,000 ordinary shares (post-consolidation) in Sinetech to HPAA shareholders, giving HPAA shareholders a controlling interest in Sinetech and equating to a controlling interest in the combined entity following the Acquisition. As a result, HPAA will be deemed the acquirer for accounting purposes as HPAA shareholders will own approximately 66.37% ( $100,000,000 / 150,678,343$ ) of the consolidated entity post share consolidation (prior to the shares issued in relation to the Public Offer) and have control of the Board. The acquisition of HPAA by Sinetech is not deemed to be a business combination as Sinetech is not considered to be a business under the requirements of AASB 3 *Business Combinations* (AASB 3).

In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* the Group applied, by analogy, the guidance in AASB 3 on reverse acquisitions, resulting in HPAA, (the non-listed entity) being identified as the accounting acquirer and Sinetech (the listed non-operating entity) being identified as the accounting acquiree.

As such, the consolidation of these two companies is on the basis of the continuation of HPAA with no fair value adjustments, whereby HPAA is deemed to be the accounting parent. Therefore the most appropriate treatment for the transaction is to account for it under AASB 2 *Share Based Payments*, whereby HPAA is deemed to have issued shares to Sinetech shareholders in exchange for the net assets held by Sinetech.

In accordance with AASB 3 the consideration transferred by the accounting acquirer for its interest in the accounting acquiree is based on the number of the equity instruments the legal subsidiary would have to issue to the owners of the legal parent to give the same percentage equity interest in the combined entity that results from the reverse acquisition. AASB 3 states that the fair value of the consideration transferred should be based on the most reliable measure. The fair value of the consideration transferred was determined by reference to the ASX listed quoted price of the shares of Sinetech Limited at date of acquisition.

In this instance, the value of the Sinetech shares provided has been determined as the notional number of equity instruments that the shareholders of HPAA would have had to issue to Sinetech to give the owners of Sinetech the same percentage ownership in the combined entity. The value of the consideration is deemed to be \$1,013,567, being 50,678,343 shares on issue (post-consolidation) immediately prior to the acquisition multiplied by the price of the shares as per the Public Offer of \$0.02.

The pre-acquisition equity balances of Sinetech are eliminated against this increase in issued share capital upon consolidation and the balance is deemed to be the amount paid for the ASX listing status of Sinetech, being \$417,637.



## NOTE 7. ACQUISITION ACCOUNTING (CONTINUED)

The net asset acquired, and the amount recognised as an ASX listing expense, are as follows:

NOTE 7. PROVISIONAL ACCOUNTING FOR THE ACQUISITION	Acquiree's carrying amount before Acquisition (\$)
<b>Net assets acquired:</b>	
Cash and cash equivalents	172,344
Trade and other receivables	70,801
Financial assets	550,643
Trade and other payables	(197,858)
<b>Net assets of Sinetech as at 30 June 2020</b>	<b>595,930</b>
 Fair value of Sinetech Consideration Shares	 1,013,567
Less: Total Sinetech net assets acquired	(595,930)
<b>Amount recognised as ASX listing expense upon Acquisition</b>	<b>417,637</b>

## NOTE 8. RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors' interests are disclosed in the Prospectus.

## APPENDIX 4

### SINETECH LIMITED (TO BE RENAMED CORELLA RESOURCES LIMITED)

The below Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Cash Flows have been extracted from the audited financial report for the year ended 30 June 2019 of Sinetech Limited and have been included for **illustrative purposes only**. The figures contained in the extracts below were independently audited by the Company's auditor UHY Haines Norton Chartered Accountants. Armada Audit & Assurance have not conducted a review or audit of this information and therefore express no opinion on the historical financial information contained in Appendix 4.

#### EXTRACTS FROM 2019 AUDITED FINANCIAL REPORT

##### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited 30-Jun-19 AUD\$	Audited 30-Jun-18 AUD\$
<b>Revenue</b>		
Interest income	5,332	1,330
Other income	-	54,054
<b>Total revenue</b>	<b>5,332</b>	<b>55,384</b>
<b>Expenses</b>		
Director fees	(199,000)	-
Consulting and professional fees	(616,159)	-
Compliance and regulatory	(52,420)	-
Finance expenses	(81,697)	(13,000)
Fair value loss on financial assets at fair value through profit or loss	(3,700,000)	(875,000)
Loss on sale of investments	(1,005,225)	-
General and administrative expenses	-	(195,566)
Other expenses	(48,147)	-
<b>Total expenses</b>	<b>(5,702,648)</b>	<b>(1,083,566)</b>
<b>Loss before income tax expense</b>	<b>(5,697,316)</b>	<b>(1,028,182)</b>
Income tax benefit / (expense)	-	(348,435)
<b>Loss after tax from continuing operations</b>	<b>(5,697,316)</b>	<b>(1,376,617)</b>
Profit after tax from discontinued operations	932,986	742,728
<b>Loss for the year</b>	<b>(4,764,330)</b>	<b>(633,889)</b>
Other comprehensive loss	-	-
<b>Total comprehensive loss for the year</b>	<b>(4,764,330)</b>	<b>(633,889)</b>

## STATEMENT OF FINANCIAL POSITION

	Audited 30-Jun-19 AUD\$	Audited 30-Jun-18 AUD\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	62,648	233,120
Trade and other receivables	5,342	-
Other financial assets	953,035	6,887,265
<b>TOTAL CURRENT ASSETS</b>	<b>1,021,025</b>	<b>7,120,385</b>
<b>NON CURRENT ASSETS</b>		
Trade and other receivables	60,000	60,000
<b>TOTAL NON CURRENT ASSETS</b>	<b>60,000</b>	<b>60,000</b>
<b>TOTAL ASSETS</b>	<b>1,081,025</b>	<b>7,180,385</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	57,528	392,558
Borrowings	-	1,000,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>57,528</b>	<b>1,392,558</b>
<b>TOTAL LIABILITIES</b>	<b>57,528</b>	<b>1,392,558</b>
<b>NET LIABILITIES</b>	<b>1,023,497</b>	<b>5,787,827</b>
<b>EQUITY</b>		
Issued capital	29,785,414	29,785,414
Reserves	725,460	725,460
Accumulated losses	(29,487,377)	(24,723,047)
<b>(DEFICIENCY) / SURPLUS IN EQUITY</b>	<b>1,023,497</b>	<b>5,787,827</b>

## STATEMENT OF CASH FLOWS

	Audited 30-Jun-19 AUD\$	Audited 30-Jun-18 AUD\$
<b>Cash flow from operating activities</b>		
Receipts from customers	-	11,879,983
Government grant receipts related to operating activities	1,018,722	1,352,697
Payments to suppliers and employees	(943,662)	(15,224,514)
Interest received	15,420	11,399
Interest and finance costs paid	(48,227)	(106,261)
Net cash inflow / (outflow) from operating activities	<b>42,253</b>	<b>(2,086,696)</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of Australian listed securities	587,275	-
Proceeds from sale of business assets	-	250,000
Cash transferred to purchaser in sale of business assets	-	(1,258,135)
Payments for plant and equipment	-	(8,745)
Payments for intangible assets	-	(590,497)
Government grant receipts related to capitalised software	-	315,017
Net cash inflow / (outflow) from investing activities	<b>587,275</b>	<b>(1,292,360)</b>
<b>Cash flow from financing activities</b>		
Drawdown of borrowings (net of costs)	120,194	2,700,000
Repayment of borrowings	(920,194)	(1,700,000)
Net cash inflow / (outflow) from financing activities	<b>(800,000)</b>	<b>1,000,000</b>
Net (decrease) / increase in cash and cash equivalents held	(170,472)	(2,379,056)
Cash and cash equivalents at the beginning of the year	233,120	2,612,176
<b>Cash and cash equivalents at the end of the year</b>	<b>62,648</b>	<b>233,120</b>

## APPENDIX 5

### HPAA PTY LTD

The below Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Cash Flows have been extracted from the audited financial report for the year ended 30 June 2019 of HPAA Pty Ltd and have been included for **illustrative purposes only**. The figures contained in the extracts below were independently audited by the Company's auditor Criterion Audit Pty Ltd. Armada Audit & Assurance have not conducted a review or audit of this information and therefore express no opinion on the historical financial information contained in Appendix 5.

#### EXTRACTS FROM 2019 AUDITED FINANCIAL REPORT

##### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited 28-Aug-18 to 30-Jun-19 AUD\$
<b>Revenue</b>	
<b>Total revenue</b>	-
<b>Expenses</b>	
Administrative expenses	(879)
<b>Total expenses</b>	(879)
<b>Loss before income tax expense</b>	(879)
Income tax benefit / (expense)	-
<b>Loss for the period</b>	(879)
Other comprehensive loss	-
<b>Total comprehensive loss for the period</b>	(879)

##### STATEMENT OF FINANCIAL POSITION

	Audited 30-Jun-19 AUD\$
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	3,572
Other assets	385
<b>TOTAL CURRENT ASSETS</b>	<b>3,957</b>
<b>NON CURRENT ASSETS</b>	
Exploration, evaluation and development expenditure	41,664
<b>TOTAL NON CURRENT ASSETS</b>	<b>41,664</b>
<b>TOTAL ASSETS</b>	<b>45,621</b>
<b>TOTAL CURRENT LIABILITIES</b>	-
<b>TOTAL LIABILITIES</b>	-
<b>NET LIABILITIES</b>	<b>45,621</b>
<b>EQUITY</b>	
Share capital	46,500
Accumulated losses	(879)
<b>SURPLUS IN EQUITY</b>	<b>45,621</b>

## STATEMENT OF CASH FLOWS

Audited  
28-Aug-18 to  
30-Jun-19  
AUD\$

### Cash flow from operating activities

Payments to suppliers and other expenses	(879)
Payments for exploration, evaluation and development	(19,549)
Net cash used in operating activities	(20,428)

### Cash flow from investing activities

Net cash provided / (used in) investing activities	-
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### Cash flow from financing activities

Proceeds from share issue	24,000
Loans from related parties	103,000
Repayment of loans from related parties	(103,000)
Net cash provided by financing activities	24,000

Net increase in cash and cash equivalents held 3,572

Cash and cash equivalents at the beginning of the year -

**Cash and cash equivalents at the end of the year 3,572**

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## 7. RISK FACTORS

The business, assets and operations of the Company, including after Settlement of the Acquisition, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of our Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

The risks and uncertainties described below are not intended to be exhaustive. The summary of risks that follows is not intended to be exhaustive and this Prospectus does not take into account the personal circumstances, financial position or investment requirements of any particular person. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company, or its related entities and consequently Applicants. Based on the information available, a non-exhaustive list of risk factors for the Company associated with the Company's proposal to undertake the Acquisition is as follows.

### 7.1 Risks relating to the Change in Nature and Scale of Activities

#### (a) Completion Risk

Pursuant to the Acquisition Agreement, the Company has a conditional right to acquire 100% of the issued capital in HPAA.

The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List of ASX. Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following Settlement of the Acquisition.

There is a risk that the conditions for Settlement of the Acquisition cannot be fulfilled, including where the Company is unable to meet the requirements of the ASX for re-quotations of its Securities on the ASX. If the Acquisition is not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved. Should this occur, Shares will not be able to be traded on the ASX until such time as the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and Shareholders may be prevented from trading their Shares until such time as a successful re-compliance is completed.

#### (b) Dilution Risk

The Company currently has 50,678,343 Shares on issue (subject to rounding of individual holdings in connection with the Consolidation). In connection with the Acquisition, the Company proposes to issue:

- (i) 100,000,000 Consideration Shares under the Consideration Offer;
- (ii) up to 250,000,000 Public Offer Shares;

- (iii) 50,678,343 Options under the Option Offer;
- (iv) 15,321,657 Shares and Options under the Creditor Offer;
- (v) 9,000,000 Shares and Options under the Director Offer; and
- (vi) up to 50,000,000 Options under the Lead Manager Offer.

Set out below is a table setting out the interests of various groups following the issue of the above Securities and assuming the Minimum Subscription is raised under the Public Offer:

Group	% (undiluted)	% (diluted)
Existing Shareholders	13.51	20.68
HPAA Shareholders	26.67	20.41
Investors under Public Offer	53.33	40.82
Anthony Stephen Cormack	6.77	5.18
Philip Re	4.53	4.39
Peter Woods	7.87	6.94

Some investors may consider that this concentration of ownership and risk of future dilution increases the risk of participating in the Public Offer.

(c) **Additional Requirements for Capital**

The funds to be raised under the Public Offer are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional funding will be required.

In addition, should the Company consider that its exploration results justify commencement of production on any of its Projects, additional funding will be required to implement the Company's development plans, the quantum of which remain unknown at the date of this Prospectus.

Following completion of the Public Offer, the Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of their activities and the Company's proposed expansion strategy. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to Shareholders.



## 7.2 Company Specific

### (a) Tenure and access risk

#### **Applications**

HPAA is applicant for the Bonnie Rock Silica Project exploration licence, being exploration licence E70/5665. While the Company does not anticipate there to be any issues with the grant of this application, there can be no assurance that the application will be granted. While the Company considers the risk to be low, there can also be no assurance that when the relevant tenement is granted, it will be granted in its entirety. Some of the tenement areas applied for may be excluded.

#### **Renewal**

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to the discretion of the relevant authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

#### **Access**

A number of the tenements overlap certain third party interests that may limit the Company's ability to conduct exploration and mining activities, including private land, Crown Reserves, areas on which native title is yet to be determined and other forms of tenure for railways, pipelines and similar third party interests.

Where the Projects overlap private land, exploration and mining activity on the Projects may require approval from the DMIRS and/or authorisation or consent from the owners of the overlapping private land. The Company has obtained all requisite approvals from the DMIRS and consents from holders of the relevant lots of the private land overlapping the Tampu Kaolin Project to enable the Company to conduct exploration activities in line with its proposed exploration program set out in Section 5.7 and the Independent Geologist's Report.

The Company has not obtained such approval and consents for the entirety of the private land overlapping the Tampu Kaolin Project. If the Company wishes to alter or expand its proposed exploration activities at Tampu beyond the current program, it may need to obtain further approvals and consents prior to doing so. While the Company does not anticipate it will be required to obtain such consents, there can be no assurance that, if required, the requisite approvals and consents will be obtained (although the Company considers the risk to be low). For further details, refer to the Solicitor's Report on Title set out in Annexure B to this Prospectus.

Further, in circumstances where authorisation or consent is delayed or not granted, the Company would be required to engage in a court process to obtain an easement for it to access the land to conduct its proposed exploration activities. There is a risk that this process could result in the Company incurring additional cost or that it could create delays to the Company's proposed exploration program. Further, if the relevant

easement is not granted, then depending on the significance of the mining tenements involved, this could impact upon the Company's operations.

The Company will also require consent of the Minister or from relevant native title parties prior to commencing exploration and development of parts of the Projects that are subject to Crown Reserves, outstanding Native Title determinations or Indigenous Land Use Agreements. Please refer to the Solicitor's Report set out in Annexure B for further details.

(b) **Exploration Risk**

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Projects, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

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

The success of the Company will also depend upon the Company 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 programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenement, a reduction in the cash reserves of the Company and possible relinquishment of the projects.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(c) **Mine Development Risk**

Possible future development of a mining operation at the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including

environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(d) **Silica and Kaolin Demand Risk**

There is a risk that the kaolin and silica that may be produced by the Company does not meet market specifications, whether due to insufficient grade or impurities. For example, the Kaolin market has demanding major element specifications for parameters such as purity (e.g.  $\text{Al}_2\text{O}_3$  content) in addition to tight specifications for trace elements such as Fe, K, Na, and T. Another risk for Kaolin could be the brightness levels of the Kaolin, ie for the paper industry. The silica market has demanding major element specifications for parameters such as purity (e.g.  $\text{SiO}_2$  content) in addition to tight specifications for trace elements such as Fe, Ti and Cr in the glass industry.

Failure to meet specifications may result in selling the products at discounted rates, or not finding markets at all. Other risks for silica may include particle size distribution and physical strength (crush resistance) as in the case of proppants for the oil industry. Industrial minerals are generally considered to be bulk commodities and are therefore susceptible to distance to market and transport costs; therefore, logistics may pose a risk to supplying markets.

Prices for silica and kaolin will be largely subject demand from customers in Asia. Such a decline could have a material adverse effect on the Company's business, results of operations and financial conditions generally.

The development and use of new technology for effective alternatives for glass or ceramics, or the development of new processes to replace silica, could also cause a decline in demand for the products produced and could have a material adverse effect on the Company's business, results of operations and financial conditions generally.

Demand for silica and kaolin products can be affected generally by advances in industry and the development and use of new technology or new processes that reduce or eliminate the need for silica and kaolin products, including as a material for metal casting, ceramics, metallurgical processes, chemical production, paint and coatings, filtration and water production and proppant. Such events could cause a decline in demand for the products produced and could have a material adverse effect on the Company's business, results of operations and financial conditions generally.

(e) **Supply Agreement Risk**

The Company does not currently have supply agreements in place with respect to product that may be extracted from the Projects and may not be able to negotiate supply agreements on terms that permit the Company to finance and commence development of the Projects.

Supply agreements involving the sale of silica and kaolin products typically have market-based pricing mechanisms. Accordingly, in

periods with decreasing prices, results of operations may be lower than if agreements had fixed prices. In periods with increasing prices, some agreements may permit an increase in prices; however, some customers may elect to cease purchasing products if they do not agree with price increases or are able to find alternative, cheaper sources of supply. Furthermore, certain volume-based supply agreements may influence the ability to fully capture current market pricings. These pricing provisions may result in significant variability in results of operations and cash flows from period to period.

If the Company is successful in developing the Projects to the mining of product, the Company is likely to sell products to customers on a purchase order basis and pursuant to supply agreements that will contain customary termination provisions for bankruptcy related events and uncured breaches of the applicable agreement. If any of these major customers substantially reduces or altogether ceases purchasing products and the Company is not able to generate replacement sales into the market, the business, financial condition, and results of operations could be adversely affected for a short-term period until such time as the Company can generate replacement sales in the market.

(f) **Reliance on Key Personnel**

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

(g) **Limited History**

Having been incorporated on 27 August 2018, HPAA has limited operating history, although it should be noted that the Proposed Directors have between them significant operational experience. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its projects. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(h) **Restricted Securities Reducing Liquidity**

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

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

### 7.3 Industry Specific Risks

#### (a) Exploration Costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

#### (b) Exploration Success

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

There can be no assurance that exploration of the mining tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The Company has not yet published resource estimates for any prospects. There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit or that the exploration tonnage estimates and conceptual project developments discussed in this Prospectus are able to be achieved.

The exploration costs of the Company described in the Independent Geologist's Report are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

#### (c) Resource, Reserves and Exploration Targets

The Company has identified a number of exploration targets based on geological mapping and interpretations, geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining an economic resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.

Reserve and Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature Resource and Reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

(d) **Operations**

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.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(e) **Environmental**

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

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

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

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



(f) **Native title**

The Native Title Act 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.

One granted tenement forming the Wiltshire Kaolin Project (E 70/5216) in which the Company will acquire an interest following Settlement overlaps with land that is subject to claims of native title and to Indigenous Land Use Agreements (**ILUAs**), which require that the Company enters into an Aboriginal heritage agreement with the Indigenous group the subject of the ILUA prior to commencing exploration activities over those parts of the Project that overlap the areas covered by the ILUAs.

The existence of a native title claim or an ILUA is not an indication that native title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court. The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

#### **7.4 General Risks**

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company, as well as on its ability to fund its operations.

(b) **Commodity price volatility and exchange rate risk**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

As the Company's Shares have been suspended from trading since February 2019, there is currently no public market for Shares. There is no guarantee that an active trading market in the Company's Shares will develop or that the prices at which Shares trade will increase following Settlement of the Acquisition and completion of the Public Offer. The



prices at which Shares trade may be above or below the Public Offer price and may fluctuate in response to a number of factors.

(c) **Covid-19 Risk**

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

(d) **Competition risk**

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

(e) **Market conditions**

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

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) currency fluctuations
- (iv) interest rates and inflation rates;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company, the Directors, or the Proposed Directors warrant the future performance of the Company or any return on an investment in the Company.

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

(f) **Taxation**

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

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

(g) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Public Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(h) **Agents and contractors**

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

(i) **Force majeure**

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

(j) **Litigation risks**

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

(k) **Insurance**

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 of all risks associated with the Company's business may not always be available and where available the costs may be prohibitive.

#### **7.5 Investment Speculative**

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

Therefore, the Securities 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 Securities.

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

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## 8. BOARD AND MANAGEMENT

### 8.1 Directors of the Company

Following Settlement of the Acquisition, it is intended that Existing Directors, Warren Barry, Terence Butler, Derek Hall and Daniel Coletta will resign.

Upon Settlement of the Acquisition, the Company has agreed to appoint Anthony Cormack as Managing Director, Philip Re as Non-Executive Chairman and Peter Woods as Non-Executive Director, such that the directors of the Company upon re-listing on the ASX will be as follows:

(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). Mr Cormack's most recent company North West Nickel sold to Chalice Mining Limited (ASX: CHN) in 2019.

Mr Cormack 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).

The Board does not consider Mr Cormack to be an independent Director.

(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. Mr Re has held several board positions on various ASX listed companies over the years.

Mr Re currently acts as chairman of ASX listed Westar Industrial Limited (ASX: WSI) and as non-executive director of Emerge Gaming Limited (ASX: EM1).

The Board considers Mr Re to be an independent Director.

(c) **Peter Woods**  
*Proposed 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 including Non-Executive Director for Matador Mining Ltd (ASX: MZZ) and recently Non-Executive Director for TNT Mines Ltd (ASX: TIN).

The Board does not consider Mr Woods to be an independent Director.

The Company is aware of the need to have sufficient management to properly manage the business and the Board will continually monitor the management roles in the Company. The Board may look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company.

## 8.2 Personal Interests of Directors

Directors are not required under the Constitution to hold any Shares to be eligible to act as a Director. Details of the Directors' and Proposed Director's remuneration are set out in the table below:

	Remuneration year ended 30 June 2020	Proposed remuneration year ended 30 June 2021 <sup>1</sup>	Proposed remuneration year ended 30 June 2022 <sup>1</sup>
<b>Proposed Directors</b>			
Anthony Stephen Cormack	Nil	\$45,833	\$110,000
Philip Re	Nil	\$20,000	\$48,000
Peter Woods	Nil	\$20,000	\$48,000
<b>Existing Directors</b>			
Warren Barry	Nil	\$11,628	Nil
Terence Butler	\$41,000	\$13,530	Nil
Derek Hall	\$30,000	\$23,481	Nil
Daniel Coletta <sup>2</sup>	Nil	Nil	Nil

### Notes:

- These amounts include superannuation (payable at ten percent for Messrs Cormack, Re and Woods) and become payable on and from Settlement of the Acquisition. In addition, the Proposed Directors will receive the following securities in connection with their appointments as Directors:
  - Anthony Stephen Cormack – a total of 25,409,091 Shares, comprising 12,909,091 Consideration Shares to be issued to Mr Cormack as a HPAA Shareholder under the Acquisition Agreement and 12,500,000 Shares to be issued to Mr Cormack (or his nominee) in respect of participation in the Public Offer.
  - Philip Re – a total of 17,000,000 Shares and 4,500,000 Options, comprising 4,500,000 Shares and Options to be issued to Mr Re under the Director Offer and 12,500,000 Shares to be issued to Mr Re (or his nominee) in respect of participation in the Public Offer; and
  - Peter Woods – a total of 29,500,000 Shares, comprising 12,500,000 Consideration Shares to be issued to an entity related to Mr Woods as a HPAA Shareholder under the Acquisition Agreement, 12,500,000 Shares to be issued to Mr Woods (or

his nominee) in respect of participation in the Public Offer and 4,500,000 Shares and Options to be issued to Mr Woods subject to Shareholder approval at the General Meeting under the Director Offer.

2. Daniel Coletta has received fees for company secretarial and chief financial officer services provided to the Company of \$18,000 to date for the financial year ending 30 June 2021 and \$60,000 for the financial year ended 30 June 2020.

The Company's Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Shareholders have approved the payment of fees to the Non-Executive Directors which in aggregate cannot exceed \$500,000 per annum, although this may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

Details of the Directors' and the Proposed Directors' relevant interest in the Securities of the Company upon completion of the Offers (assuming the Minimum Subscription is raised under the Public Offer is set out in the table below):

Director/Proposed Director	Shares	% (undiluted) <sup>5</sup>	Options	% (diluted) <sup>6</sup>
<b>Proposed Director<sup>1</sup></b>				
Anthony Stephen Cormack	25,409,091 <sup>3</sup>	6.77	Nil	5.18
Philip Re	17,000,000 <sup>4</sup>	4.53	4,500,000 <sup>4,6</sup>	4.39
Peter Woods	29,500,000 <sup>5</sup>	7.86	4,500,000 <sup>5,6</sup>	6.94
<b>Existing Director<sup>2</sup></b>				
Warren Barry	3,627,753 <sup>7</sup>	0.97	3,627,753	1.48
Terence Butler	4,948,418 <sup>8</sup>	1.32	4,948,418	2.02
Derek Hall	2,674,086 <sup>9</sup>	0.7	2,674,086	1.10
Daniel Coletta	Nil	-	Nil	-

**Notes:**

1. To be appointed on and from Settlement of the Acquisition.
2. To resign at Settlement of the Acquisition.
3. Comprising 12,909,091 Consideration Shares to be issued to Mr Cormack as a HPAA Shareholder under the Acquisition Agreement and 12,500,000 Shares to be issued to Mr Cormack (or his nominee) in respect of participation in the Public Offer (subject to Shareholder approval at the General Meeting).

4. Comprising 4,500,000 Shares and Options to be issued to Mr Re under the Director Offer and 12,500,000 Shares to be issued to Mr Re (or his nominee) in respect of participation in the Public Offer (subject to Shareholder approval at the General Meeting).
5. Comprising 12,500,000 Consideration Shares to be issued to an entity related to Mr Woods as a HPAA Shareholder under the Acquisition Agreement and 12,500,000 Shares to be issued to Mr Woods (or his nominee) in respect of participation in the Public Offer (subject to Shareholder approval at the General Meeting) and 4,500,000 Shares and Options to be issued to Mr Woods subject to Shareholder approval at the General Meeting under the Director Offer.
6. Refer to Section 10.3.1 for the terms of the Director Options.
7. Comprising 3,046,351 Shares held by Mr Barry as at the date of this Prospectus and 581,402 Shares and Options to be issued to Mr Barry pursuant to the Creditor Offer (subject to Shareholder approval at the General Meeting). Subject to Shareholder approval, Mr Barry will also be entitled to 3,046,351 Options under the Option Offer.
8. Comprising 2,971,893 Shares held by Mr Butler as at the date of this Prospectus and 1,976,525 Shares and Options to be issued to Mr Butler pursuant to the Creditor Offer (subject to Shareholder approval at the General Meeting). Subject to Shareholder approval, Mr Butler will also be entitled to 2,971,893 Options under the Option Offer.
9. As at the date of this Prospectus, Mr Hall does not hold any Securities in the Company. However, the Company is seeking Shareholder approval at the General Meeting to issue 2,674,086 Shares and Options to Mr Hall pursuant to the Creditor Offer.

It is noted that the Company is seeking Shareholder approval at the General Meeting to allow Messrs Cormack, Re and Woods to participate in the Public Offer and subscribe for up to 12,500,000 Shares (\$250,000) each. The ability for the Proposed Directors to subscribe for those Shares is contingent on Shareholder approval being obtained for the relevant resolutions at the General Meeting.

### **8.3 Agreements with Directors and Related Parties**

The material terms and conditions of the services agreements and director appointment letters in place with the Proposed Directors are summarised in Section 9.4.

### **8.4 Corporate Governance**

#### **8.4.1 ASX Corporate Governance Council Principles and Recommendations**

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. To implement these systems, the Company has adopted a set of policies and procedures. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate



Governance Plan is available in a dedicated corporate governance information Section of the Company's website [www.corellaresources.com.au](http://www.corellaresources.com.au).

#### **8.4.2 Board of directors**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) leading and setting the strategic direction, values and objectives of the Company;
- (b) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- (c) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- (d) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (e) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (f) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- (g) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (h) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (i) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

### 8.4.3 Composition of the Board and diversity

Election of Board members is substantially the responsibility of the Shareholders in general meeting, subject to the following:

- (a) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (b) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

Following Settlement of the Acquisition, the Board will consists of three directors (two non-executive Directors and one executive Director) of whom only Philip Re will be considered independent. The Board considers the current balance of skills and expertise to be appropriate given the Company for its currently planned level of activity.

The Company, the Company's stated values and all the Company's related bodies corporate are committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

### 8.4.4 Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

#### **8.4.5 Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

#### **8.4.6 Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

#### **8.4.7 Remuneration arrangements**

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

The total maximum remuneration of non-executive Directors is initially set by the Constitution. Subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum cap will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

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

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

#### **8.4.8 Trading policy**

The Board has adopted a trading policy that sets out the guidelines on the sale and purchase of securities in the Company by its directors, officers, employees and contractors. The trading policy generally provides that for directors, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

#### **8.4.9 External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

#### **8.4.10 Audit committee**

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- (a) monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- (b) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- (c) monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- (d) management of the Company's relationships with external auditors.

#### **8.4.11 Departures from Recommendations**

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will also be announced prior to reinstatement of the Company's Securities to Official Quotation on the ASX.

## 9. MATERIAL CONTRACTS

### 9.1 Lead Manager Mandate

The Company has entered into a mandate agreement with CPS Capital Group Pty Ltd (**CPS Capital** or **Lead Manager**) pursuant to which the Company has appointed CPS Capital as the lead manager and corporate advisor to the Company (**Lead Manager Mandate**).

The material terms and conditions of the Lead Manager Mandate are set out below:

<b>Term</b>	The Lead Manager Mandate commenced on 10 February 2021 and will continue until completion of the Public Offer ( <b>Term</b> ).
<b>Fees</b>	<p>In consideration for its services, the Company has agreed to pay to the following fees to the Lead Manager:</p> <ul style="list-style-type: none"><li>(a) management fee of 2% of the gross proceeds raised under the Public Offer (plus GST) in consideration for managing the Public Offer;</li><li>(b) placement fee of 4% of the gross proceeds raised under the Public Offer (plus GST) in consideration for raising capital under the Public Offer; and</li><li>(c) up to 50,000,000 Options (if Maximum Subscription is reached, 40,000,000 Options if Minimum Subscription is achieved) exercisable at \$0.04 each on or before the date that is four (4) years from the date of re-instatement of the Company's Securities to the Official List of the ASX (<b>Lead Manager Options</b>).</li></ul>
<b>Expenses</b>	The Lead Manager is entitled to be reimbursed for all reasonable travel and other out of pocket expenses (including legal fees and third-party disbursements) properly incurred in relation to the engagement of the Lead Manager, irrespective of completion of the Public Offer. Any expense above \$500 will require prior approval of the Company.
<b>Termination</b>	<p>The Lead Manager may terminate the Lead Manager Mandate:</p> <ul style="list-style-type: none"><li>(a) By fourteen (14) days' notice in writing to that effect:<ul style="list-style-type: none"><li>(i) if the Company commits or allows to be committed a material breach of any of the terms or conditions of the Lead Manager Mandate; or</li><li>(ii) if any warranty or representation given or made by the Company is not complied with or proves to be untrue in any respect.</li></ul></li><li>(b) Immediately by notice in writing to that effect if:<ul style="list-style-type: none"><li>(i) if the Company becomes insolvent, has a receiver, administrative receiver or manager or administrator appointed over the whole of or any of their assets, enters into any composition with creditors generally or has an order made or resolution passed for it to be wound up; or</li><li>(ii) if a court makes an administration order with respect to the Company or any composition in satisfaction of its debts of or a scheme of arrangement of the affairs of such other party.</li></ul></li></ul> <p>The Company may terminate the Lead Manager Mandate by seven (7) days written notice to the Lead Manager, at which time any outstanding expenses will be immediately payable.</p>

The Lead Manager Mandate also contains various other terms and conditions that are considered standard for an agreement of its nature.

## 9.2 Acquisition Agreement

The Company has entered into a binding acquisition agreement (**Acquisition Agreement**) with HPAA Pty. Ltd (**HPAA**) and the shareholders of HPAA (**HPAA Shareholders**), pursuant to which the Company has a conditional right to acquire 100% of the issued capital of HPAA (**HPAA Shares**) from the HPAA Shareholders.

The material terms of the Acquisition Agreement are as follows:

<b>Consideration</b>	The consideration payable by the Company for the Acquisition is 100,000,000 Shares ( <b>Consideration Shares</b> ) to be apportioned amongst the HPAA Shareholders on a pro rata basis. Refer to Section 5.5 for a breakdown with respect to the issue of the Consideration Shares.
<b>Conditions Precedent</b>	<p>Settlement of the Acquisition is subject to the satisfaction (or waiver) of the following conditions precedent:</p> <ul style="list-style-type: none"><li>(a) completion of due diligence by the Company on HPAA's business, assets and operations, to the satisfaction of STC;</li><li>(b) the Company completing the Public Offer;</li><li>(c) the Company re-complying with the requirements of Chapters 1 and 2 of the ASX Listing Rules and receiving conditional approval from ASX to admit its Shares to Official Quotation on ASX on terms reasonably acceptable to the Company; and</li><li>(d) the parties obtaining all necessary regulatory and Shareholders approvals to complete the Acquisition,</li></ul> <p>(together, the <b>Conditions Precedent</b>).</p> <p>If the Conditions Precedent are not satisfied (or waived) on or before 5:00 pm (WST) on 5:00pm WST on 10 November 2021 (or such later date as is agreed between the parties), any party may terminate the Acquisition Agreement by notice in writing to the other parties.</p>
<b>Board Changes</b>	At Settlement, all Current Directors will resign and the Proposed Directors will be appointed Directors of the Company.
<b>Settlement</b>	Settlement of the Acquisition will occur on the date which is five (5) business days after the satisfaction (or waiver) of the Conditions Precedent.

The Acquisition Agreement otherwise contains representations and warranties, considered standard for an agreement of this nature.

## 9.3 Debt Conversion Agreements

The Company currently has existing debts owing to creditors of the Company totalling \$306,433.15 (**Existing Debt**). On Settlement of the Acquisition, and subject to Shareholder approval, the Company is proposing to satisfy repayment of the Existing Debt by converting it into Shares at a deemed issue price of \$0.02 per Share (being the same issue price as those Shares issued under the Public Offer) and issuing one (1) Option for each Shares issued (**Debt Conversion**).

The Creditor Offer made under this Prospectus is made to the Creditors identified below (or their nominees).

The Existing Debt is owed to the following parties (**Creditors**):

Party	Details	Amount Owed	Shares to be issued under Creditor Offer	Options to be issued under Creditor Offer
Terence Butler <sup>1,2</sup>	Accrued Director fees	\$39,530.49	1,976,525	1,976,525
Warren Barry <sup>1,3</sup>	Accrued Director fees	\$11,628.03	581,402	581,402
Derek Hall <sup>1,2</sup>	Accrued Director fees	\$53,481.73	2,674,086	2,674,086
Umberto Mondello <sup>1,4</sup>	Accrued Director fees	\$72,548.01	3,627,400	3,627,400
Marnae Investments Pty Ltd ATF Marnae Investments Trusts <sup>5</sup>	Accounting, Chief Financial Officer and Administration Services fees	\$129,244.89	6,462,244	6,462,244
<b>Total</b>		<b>\$306,433.15</b>	<b>15,321,657</b>	<b>15,321,657</b>

**Notes:**

1. Messrs Butler, Barry and Hall are each a related party of the Company by virtue of being a Director and in the case of Umberto Mondello a related party by virtue of being a former Director. Shareholder approval for the issue of these Securities is sought at the General Meeting.
2. Accrued Director fees for the period 1 January 2020 up to the date of the General Meeting.
3. Accrued Director fees for the period 1 August 2020 up to the date of the General Meeting.
4. Accrued Director fees for the period 1 January 2020 to 15 January 2021, being the date on which Mr Mondello resigned as a Director of the Company.
5. An entity controlled by Marco Russo, an unrelated party of the Company.

The Company has entered into agreements with each of the Creditors pursuant to which the parties have agreed that the Existing Debt owing to that Creditor will be satisfied by the Company issuing that number of Shares which is equal to the amount owing divided by \$0.02 (**Debt Conversion Shares**) together with one (1) Option free attaching to each Debt Conversion Share issued (**Debt Conversion Options**) (**Conversion Agreements**). The Conversion Agreements are subject to the Company obtaining the required Shareholder approvals at the General Meeting to allow the issue of the Debt Conversion Shares and Debt Conversion Options, the making of the Creditor Offer (see Section 4.2.2 of this Prospectus) and Settlement occurring. Upon issue of the Debt Conversion Shares and Debt Conversion Options, the Company will be released from any further payment obligations owing in respect of the portion of the Existing Debt which has been converted and shall be released from any claims in relation to the converted portion of the Existing Debt owing to that Creditor.

The Conversion Agreements otherwise contain terms considered standard for an agreement of its nature, including those in relation to warranties and assignment.

The Board considers that the Debt Conversion will allow the Company to preserve cash reserves following Settlement.



## 9.4 Agreements with Proposed Directors

### 9.4.1 Executive Services Agreement – Anthony Cormack

The Company and Anthony Cormack have entered into an executive services agreement (**ESA**) pursuant to which Mr Cormack will be appointed as “Managing Director” of the Company on and from Settlement of the Acquisition. The material terms of the ESA are as follows:

<b>Remuneration</b>	<p>The Company will pay Mr Cormack a fee of \$110,000 per annum (inclusive of superannuation). Mr Cormack's fee may be reviewed annually by the Company.</p> <p>In addition to the fee the Company may at any time during the Term pay to Mr Cormack an annual short-term incentive.</p>
<b>Term</b>	<p>Mr Cormack's employment will commence on the date of Settlement of the Acquisition (<b>Commencement Date</b>) and will continue until the ESA is validly terminated in accordance with its terms (<b>Term</b>).</p>
<b>Termination by Company</b>	<p>The Company may terminate Mr Cormack's employment in the following manner:</p> <ul style="list-style-type: none"> <li>(a) by giving not less than one (1) months' notice, provided that the Company will be required to pay Mr Cormack the equivalent of 1 months' salary at the end of the notice period or 1 months' salary if the notice period is dispensed with;</li> <li>(a) by giving not less than one (1) month's written notice if at any time Mr Cormack: <ul style="list-style-type: none"> <li>(i) is or becomes incapacitated by illness or injury of any kind which prevents Mr Cormack from performing his duties for a period of two (2) consecutive months or any periods aggregating two (2) months in any period of 12 months during the term of his employment;</li> <li>(ii) is or becomes of unsound mind or under the control of any committee or officer under any law relating to mental health;</li> <li>(iii) commits any serious or persistent breach of any of the provisions contained in the ESA and the breach is not remedied within 14 days of the receipt of written notice from the Company to Mr Cormack to do so;</li> <li>(iv) in the reasonable opinion of the Board, is absent in, or demonstrates incompetence with regard to the performance of his duties, or is neglectful of any duties under the ESA or otherwise does not perform all duties under the ESA in a satisfactory manner, provided that Mr Cormack: <ul style="list-style-type: none"> <li>(A) has been counselled on at least three separate occasions of the specific matters complained of by the Board; and</li> <li>(B) after each such occasion has been provided with a reasonable opportunity of at least a month to remedy the specific matters complained of by the Board.</li> </ul> </li> <li>(v) commits or becomes guilty of any gross misconduct; or</li> <li>(vi) refuses or neglects to comply with any lawful reasonable direction or order given by the Company which Mr Cormack, after receipt of prior notice, has failed to rectify to the reasonable satisfaction of the Company within 21 business days of receipt of that notice; or</li> </ul> </li> <li>(b) summarily without notice:</li> </ul>

	<ul style="list-style-type: none"> <li>(i) if at any time Mr Cormack is convicted of any major criminal offence which brings the Company or any of its related bodies corporate into lasting disrepute, by giving notice effective immediately and without payment of any salary other than salary accrued to the date of termination; or</li> <li>(ii) if Mr Cormack breaches the Company's internet policy or email policy; or</li> <li>(iii) if Mr Cormack discloses, communicates, uses or misuses price sensitive information without the prior written consent of the Board except to the extent that Mr Cormack is required by law to disclose, communicate or use it.</li> </ul>
<b>Termination by Mr Cormack</b>	<p>Mr Cormack may at his sole discretion, terminate the ESA in the following manner:</p> <ul style="list-style-type: none"> <li>(a) after providing written notice to the Company if at any time the Company commits any serious or persistent breach of any of the provisions contained in the ESA and the breach is not remedied within 28 days of receipt of that notice, by giving notice effective immediately; and</li> <li>(b) without cause, by giving notice to the Company that the termination is effective at the end of 1 month.</li> </ul>

The ESA also contains various other terms and conditions that are considered standard for an agreement of this nature.

#### **9.4.2 Non-Executive Director Appointment Letters**

The Company has entered appointment letters with Philip Re and Peter Woods pursuant to which Messrs Re and Woods have been engaged as Non-Executive Chair and Non-Executive Director, respectively, on and from the date of Settlement of the Acquisition. Messrs Re and Woods will each receive a Director fee of \$48,000 per annum (plus superannuation).

#### **9.5 Deeds of indemnity, insurance and access**

The Company has entered into a Deed of Indemnity, Insurance and Access with each of the Current Directors and Proposed Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

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## **10. ADDITIONAL INFORMATION**

### **10.1 Litigation**

The Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **10.2 Rights and liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the

amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a 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 he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares and other Securities as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of

that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of Constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of votes validly cast for Shares at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

**10.3 Options**

**10.3.1 Option Offer, Creditor Offer and Director Offer**

Set out below are the terms and conditions of the Options to be issued under the Option Offer, Creditor Offer, Director Offer:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (k) below, the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is 3 years from the date of issue (**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 following the date of issue and will expire on 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 15 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 paragraph (ii) above 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 Optionholder are to be changed in a manner consistent with the Corporations Act and 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.

### 10.3.2 Lead Manager Options

Set out below are the terms and conditions of the Options to be issued to the Lead Manager under the Lead Manager Offer:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (k) below, the amount payable upon exercise of each Option will be \$0.04 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is four (4) years from the date of re-instatement of the Company's Securities to the Official List of the ASX (**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 following the date of issue and will expire on 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 15 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 paragraph (ii) above 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 Optionholder are to be changed in a manner consistent with the Corporations Act and 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.

#### 10.4 **ASX Waivers**

The Company has received the following waiver from the ASX Listing Rules:

**ASX Listing Rules 1.1 (Condition 12) and 2.1 (Condition 2)**

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. ASX 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 obtained a conditional waiver from the requirements of ASX Listing Rules 1.1 (Condition 12) and 2.1 (Condition 2) to allow the Company to offer

Shares under the Offers at an issue price which is less than 20 cents and to have Options on issue with exercise prices below \$0.20.

#### **10.5 Interests of Directors**

Other than as set out in this Prospectus, no Director or Proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers.
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or Proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offers.

#### **10.6 Interests of Experts and Advisers**

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers.
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

CPS Capital has acted as Lead Manager for the Company in relation to the Public Offer. The Company estimates it will pay CPS Capital those fees as set out in Section 9.1. During the 24 months preceding lodgement of this Prospectus with ASIC, CPS Capital has not received any fees under the Lead Manager Mandate from the Company.

Armada Audit and Assurance Pty Ltd (**Armada**) has acted as Investigating Accountant for the Company and has prepared the Independent Accountant's Report which is included at Section 6 of this Prospectus. The Company estimates it will pay Armada \$12,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Armada has not received fees from the Company.

Criterion Audit Pty Ltd (**Criterion**) has acted as auditor of the Company since 27 November 2020. During the 24 months preceding lodgement of this Prospectus with ASIC, Criterion has received \$4,000 (excluding GST) and accrued \$6,000 in fees from the Company.

Geoscience Solutions has prepared the Independent Geologist's Report which is included at Annexure A of this Prospectus. The Company estimates it will pay Geoscience Solutions \$5,000 (excluding GST) for these services. Other than in connection with preparation of the Independent Geologist's Report, during the 24 months preceding lodgement of this Prospectus with ASIC, Geoscience Solutions has not received any fees from the Company or HPAA for their services.

Steinepreis Paganin has acted as the Australian solicitors to the Company in relation to the Offers. The Company estimates that it will pay Steinepreis Paganin up to \$135,000 (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, Steinepreis Paganin has not received any fees from the Company.

## 10.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section 10.7:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and

- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

CPS Capital has given its written consent to being named as the Lead Manager to the Public Offer in this Prospectus. CPS Capital has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Armada has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Accountant's Report at Section 6 of this Prospectus in the form and context in which the information and report is included. Armada Audit and Assurance Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Criterion Audit has given its written consent to being named as auditor of the Company in this Prospectus and to the inclusion of the Company's audited accounts in the Prospectus in the form and context in which the information is included. Criterion has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Geoscience Solutions has given its written consent for the inclusion of the Independent Geologist's Report at A of this Prospectus in the form and context in which the information and report is included. Geoscience Solutions has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors of the Company in the Prospectus and the inclusion of the Solicitor's Report on Title at Annexure B of this Prospectus in the form and context in which the information in the report is included. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus.

Automic Registry Services has given its written consent to being named as share registry of the Company in this Prospectus. Automic Registry Services has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

## 10.8 Expenses of the Offers

The total expenses of the Offers (excluding GST) are estimated to be approximately \$458,339 for the Minimum Subscription and \$533,817 for the Maximum Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Amount \$	
	Minimum Subscription	Maximum Subscription
ASIC fees	\$3,206	\$3,206
ASX fees	\$63,133	\$68,611
Legal fees	\$135,000	\$135,000
Investigating Accountant's Fees	\$12,000	\$12,000
Lead Manager fees	\$240,000	\$300,000
Fees for Independent Geologist's Report	\$5,000	\$5,000
Other	\$10,000	\$10,000
<b>TOTAL</b>	<b>\$458,339</b>	<b>\$533,817</b>

## 10.9 Governing law

The Offers and the contracts formed on return of an Application Form are governed by the laws applicable in Western Australia, Australia. Each person who applies for Securities pursuant to this Prospectus submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia, and the relevant appellate courts.

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**11. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.



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**Derek Hall**  
**Director**  
**For and on behalf of**  
**SINTECH LIMITED**

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## 12. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

**Acquisition** means the acquisition by the Company of 100% of the issued capital of HPAA from the HPAA Shareholders in accordance with the Acquisition Agreement.

**Acquisition Agreement** means the binding acquisition agreement between the Company, HPAA and the HPAA Shareholders dated 10 February 2021, the material terms of which are set out in Section 9.2.

**Applicant** means a party that completes an Application Form and submits it to the Company in accordance with this Prospectus relating to the Offer.

**Application Form** means an application form attached to or accompanying this Prospectus relating to the Offer.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the board of Directors as constituted from time to time.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**CHESS** means the Clearing House Electronic Sub-register System.

**Closing Date** means the closing date of the Offers as set out in the indicative timetable on page 2 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offers early).

**Company** means Sinetech Limited (to be renamed "Corella Resources Limited") (ACN 125 943 240).

**Conditional Approval** means the letter issued by the ASX to the Company stating the conditions that are required to be met by the Company in order to re-comply with Chapters 1 and 2 of the ASX Listing Rules for re-quotations of its Securities on the Official List.

**Consideration Offer** has the meaning given in Section 4.2.1.

**Consideration Shares** means has the meaning given in Section 9.2

**Consolidation** means the 1 for 20 consolidation of the Company's issued capital, for which approval is sought from Shareholders at the General Meeting.

**Constitution** means the constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Creditor Offer** has the meaning given in Section 4.2.3.



**Current Directors** means the Directors of the Company as at the date of this Prospectus.

**Director** means a director of the Company.

**Director Offer** means the offer of Shares and Options described in Section 4.2.2.

**DMIRS** means the Western Australian Department of Mines, Industry Regulation and Safety.

**Eligible Shareholder** means a Shareholder as at the date of this Prospectus who is registered as having a residential address in Australia.

**General Meeting** means the general meeting of Shareholders to be held at 10.00am on 29 March 2021.

**HPAA Shareholders** means the shareholders of HPAA and **HPAA Shareholder** means any one of them.

**Lead Manager** or **CPS Capital** means CPS Capital Group Pty Ltd (AFSL 294848) (ABN 73 088 055 636).

**Lead Manger Mandate** has the meaning given to it in Section 9.1.

**Maximum Subscription** means the maximum amount to be raised pursuant to the Offer, being \$5,000,000.

**Minimum Subscription** means the minimum amount to be raised under the Offer, being \$4,000,000.

**Notice of Meeting** means the notice of meeting in respect of the General Meeting released on the Company's ASX platform and dated 26 February 2021.

**Offers** means the Public Offer and the Secondary Offers and **Offer** means any one of the Offers.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation by ASX in accordance with the ASX Listing Rules.

**Option** means an option to acquire a Share.

**Projects** has the meaning given in Section 5.1.

**Proposed Acquisition** means the acquisition by the Company of 100% of the issued capital of HPAA from the HPAA Shareholders on the terms set out in the Acquisition Agreement.

**Proposed Directors** means Messrs Anthony Stephen Cormack, Phil Re and Peter Woods.

**Prospectus** means this prospectus.

**Public Offer** means the offer pursuant to this Prospectus of 200,000,000 Shares at an issue price of \$0.02 per Share to raise \$4,000,000, together with oversubscriptions of up to a further 50,000,000 Shares at an issue price of \$0.02 per Share to raise up to a further \$1,000,000.

**Record Date** means the date of this Prospectus.

**Secondary Offers** means the Consideration Offer, Option Offer, Creditor Offer, Director Offer and the Lead Manager Offer.

**Section** means a section of this Prospectus.

**Security** has the same meaning as that given in the ASX Listing Rules.

**Settlement** means settlement of the Acquisition pursuant to the Acquisition Agreement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**WST** means Australian Western Standard Time as observed in Perth, Western Australia.

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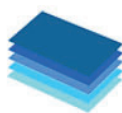
INDEPENDENT GEOLOGIST'S REPORT  
FOR SINETECH LIMITED'S (ASX:STC)  
WEST AUSTRALIAN KAOLIN AND SILICA PROJECTS

MARCH 2021

A report by Mr Simon Jones of Geoscience Solutions

*BSc (Geology), MAIG*

*Date: 2<sup>nd</sup> March 2021*



Geoscience Solutions

# INDEPENDENT GEOLOGIST'S REPORT

## Report Prepared for

Client Name: Sinetech Limited (ASX:STC)  
Project Name: West Australian Kaolin and Silica Project  
Contact Name: Tony Cormack  
Contact Title: Contract Geologist  
Office Address: PO BOX 315  
Hamilton Hill

## Report Issued by

Mr Simon Jones  
BSc (Geology), MAIG  
Principal Consultant

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## Report Information

Document Name: Sinetech Limited Independent Geologist's Report  
Reporting Standards: JORC Code 2012, VALMIN 2015  
Last Edit: 2<sup>nd</sup> March 2021  
Effective Date: 2<sup>nd</sup> March 2021

## Author and Reviewers Signatures

Author: Simon Jones

Signature:

Geoscience Solutions has prepared this report on behalf of Sinetech Limited. Public disclosure, publication, or presentation of any information contained in this document must be accompanied by written consent from Geoscience Solutions consultancy.

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## 1 EXECUTIVE SUMMARY

Geoscience Solutions has been commissioned by Sinetech Limited (to be renamed to “Corella Resources Limited”) (“**Company**”) to provide an Independent Geologist’s Report (“**IGR**”) on mineral assets which the Company proposes to acquire by virtue of acquiring 100% of the issued capital of HPAA Pty. Ltd (“**HPAA**”), which is the current holder of the mineral assets, pursuant to an acquisition agreement dated 10 February 2020 (“**Acquisition Agreement**”). Geoscience Solutions understands that the Company is undertaking a transaction to re-comply with Chapters 1 and 2 of the ASX Listing Rules and that this IGR is to be included a prospectus dated on or around 3 March 2021 (“**Prospectus**”) to be lodged by the Company with the ASIC and may be relied upon by shareholders and potential investors.

The subject of this IGR are the tenements belonging to the Tampu Kaolin Project (“**Tampu**”), the Wiltshire Kaolin Project (“**Wiltshire**”), the Kalannie Kaolin Project (“**Kalannie**”) and the Bonnie Rock Silica Project (“**Bonnie Rock**”), together the “**Projects**”. A Project location map is presented in Figure 1 and a list of the tenements which comprise the mineral assets is presented in Table 1.

### 1.1 Project Locations

The Tampu Kaolin Project is located north of Beacon in the shire of Beacon, 265km north-east of Perth, Western Australia (Figure 1). The Kalannie Kaolin Project is 210km north-east of Perth and some 65km west of the Tampu. The Wiltshire Kaolin Project is 370km north of Perth and 90km east of Geraldton. The Bonnie Rock Project is located 250km east north-east of Perth and 70km south-east of Tampu

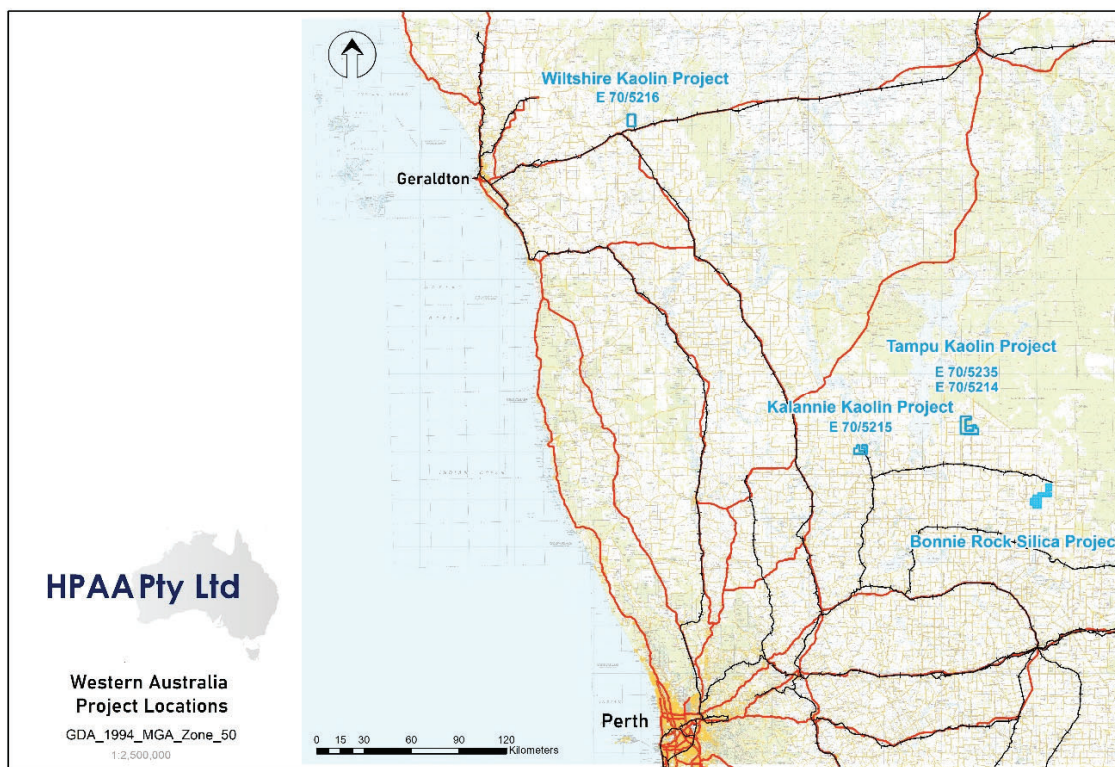


Figure 1 Tenement Regional Location Plan

## 1.2 Tampu Kaolin Project

The Tampu Kaolin Project comprises two granted exploration licences held by HPAA.

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 contaminants. 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 where the known Tampu mineralisation occurs for the purposes of exploration drilling and sub-surface rights at Tampu.

## 1.3 Wiltshire Kaolin Project

The Wiltshire Kaolin Project comprises a single granted exploration licence, E 70/ 5216, held by HPAA.

Wiltshire is located adjacent to the Wenmillia Dam kaolin deposit held by Blue Diamond Pty Ltd 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 the 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. This is a grass-roots project and significant further exploration and metallurgical test-work is required.

A surface rights agreement is not currently in place with the owners of the freehold titles on the Wiltshire Kaolin Project. The Company intends to complete early exploration activities to establish the prospectivity for kaolin prior to establishing surface rights agreements with the respective landowners.

#### 1.4 Kalannie Kaolin Project

The Kalannie Kaolin Project comprises a single granted exploration licence, E 70/5215, held by HPAA.

A GSWA kaolin sample from the Kalannie 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.

A surface rights agreement is not currently in place with the owners of the freehold titles on the Kalannie Kaolin Project. The Company intends to complete early exploration activities to establish the prospectivity for kaolin prior to establishing surface rights agreements with the respective landowners.

#### 1.5 Bonnie Rock Silica Project

The Bonnie Rock Silica Project comprises a single pending exploration licence, E 70/5665 held by HPAA.

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

A surface rights agreement is not currently in place with the owners of the freehold titles on the Bonnie Rock Silica Project. The Company intends to complete early exploration activities to establish the prospectivity for hard rock silica prior to establishing surface rights agreements with the respective landowners.

#### 1.6 Planned Expenditure

Direct exploration expenditure across the Projects is budgeted at \$2.68 million over two years if the minimum subscription amount of \$4,000,000 is raised. The exploration programs proposed by the Company are consistent with the status and potential of the Projects.

The Company's proposed expenditure is sufficient to meet the costs of the exploration programs and meet statutory tenement expenditure requirements.

## 1.7 Logistics

Kaolin is an industrial commodity. Efficiently moving the product from mine to market is as important as the product itself in terms of viability of the business. The Projects each have ready access to both road and rail enabling a variety of options if the Projects advance to a development stage. The bulk shipping ports of Fremantle and Geraldton are both logistically convenient.

## 2 INTRODUCTION

### 2.1 Terms of Reference

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

### 2.2 Tenement Schedule

The Company has commissioned independent legal advice regarding the status of the tenements that are referred to in this IGR (as set out in the Tenement Schedule) underlying the mineral assets. Geoscience Solutions has not reviewed the material contracts relating to the Projects and is not qualified to make legal representations in this regard.

The Projects tenement schedule is shown in Table 1.

Table 1 - Tenement Schedule

TENEMENT	TYPE	STATUS	APPLICATION DATE	GRANT DATE	TITLE HOLDERS	AREA (Blocks)	PROJECT
<b>E 70/5235</b>	EL	LIVE	30/01/2018	08/10/2019	HPAA Pty Ltd	6	Tampu
<b>E 70/5214</b>	EL	LIVE	25/09/2018	06/05/2019	HPAA Pty Ltd	22	Tampu
<b>E 70/5215</b>	EL	LIVE	25/09/2018	07/09/2020	HPAA Pty Ltd	11	Kalannie
<b>E 70/5216</b>	EL	LIVE	25/09/2018	03/07/2019	HPAA Pty Ltd	12	Wiltshire
<b>E 70/5665</b>	EL	PENDING	24/11/2020	TBA	HPAA Pty Ltd	24	Bonnie Rock

### 2.3 Disclaimer

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

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

This IGR has been prepared in compliance with the Corporations Act 2001 (Cth) and ASIC Regulatory Guides 111 and 112 with respect to Geoscience Solutions independence as experts. Geoscience Solutions regards RG112.31 to be in compliance whereby there are no business or professional relationships or interests which would affect the expert's ability to present an unbiased opinion within this IGR.

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

This IGR has an effective date of the 2 March 2021, this being the most recent date on which the Company made material in its possession available to the author and the author is unaware of any material change since this date. Simon Jones consents to the distribution of this IGR in the form and context in which it appears.



Simon Jones

BSc Geology, MAIG



## 2.4 Qualifications, Experience & Independence

Geoscience Solutions is a geological exploration and management consulting business. We provide an extensive range of strategic services and advice to companies in Australia's mining industry.

The Geoscience Solutions team is led by principal geologist Simon Jones, whom has a background as an exploration geologist with over 20 years broad experience and technical excellence in gold, base metals, iron ore, uranium, coltan, diamonds, graphite, REE, lithium, and nickel-copper-cobalt exploration predominantly in Australia and West Africa. Mr Jones has worked for private companies, junior explorers, international consultancies, and major miners.

## 2.5 Competent Persons Statement

The information in this IGR that relates to Exploration Data is based on information compiled by Mr Simon Jones a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Jones is a Principal Geologist with Geoscience Solutions and will not receive any consideration securities as a nominee of the HPAA shareholders under the Acquisition Agreement. Mr Jones has sufficient experience that is relevant to the style of mineralisation and type of deposit under



consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code (2012 edition). Mr Jones consents to the inclusion in the IGR of the matters based on his information in the form and context in which it appears.

## 2.6 Principal Source of Information

The principal sources of information used to compile this IGR comprise technical reports and data variously compiled by the Company, HPAA and their respective partners or consultants, publicly available information such as historical reports and discussions with the Company and HPAA technical and corporate management personnel. A listing of the principal sources of information are included in the references attached to this IGR. Figures used in this IGR have been prepared either by Geoscience Solutions, HPAA or derived from historical reports and journals.

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

### 3 TAMPU KAOLIN PROJECT

#### 3.1 Tenure

HPAA applied for the primary E 70/5235 on the 30<sup>th</sup> January 2019 and the supplementary tenement E 70/5214 on the 25<sup>th</sup> September 2018. The main tenement consists of 6 graticular blocks for an area of 15km<sup>2</sup> located on the Beacon 1:100,000 Map sheet and the Bencubbin 1:250,000 sheet. The tenement was granted on the 8<sup>th</sup> October 2019. The additional tenement E 70/5214 consists of 22 blocks for an area of 65km<sup>2</sup> and was granted on 6<sup>th</sup> May 2019.

Table 2 The Tampu Kaolin Project Tenement Schedule

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

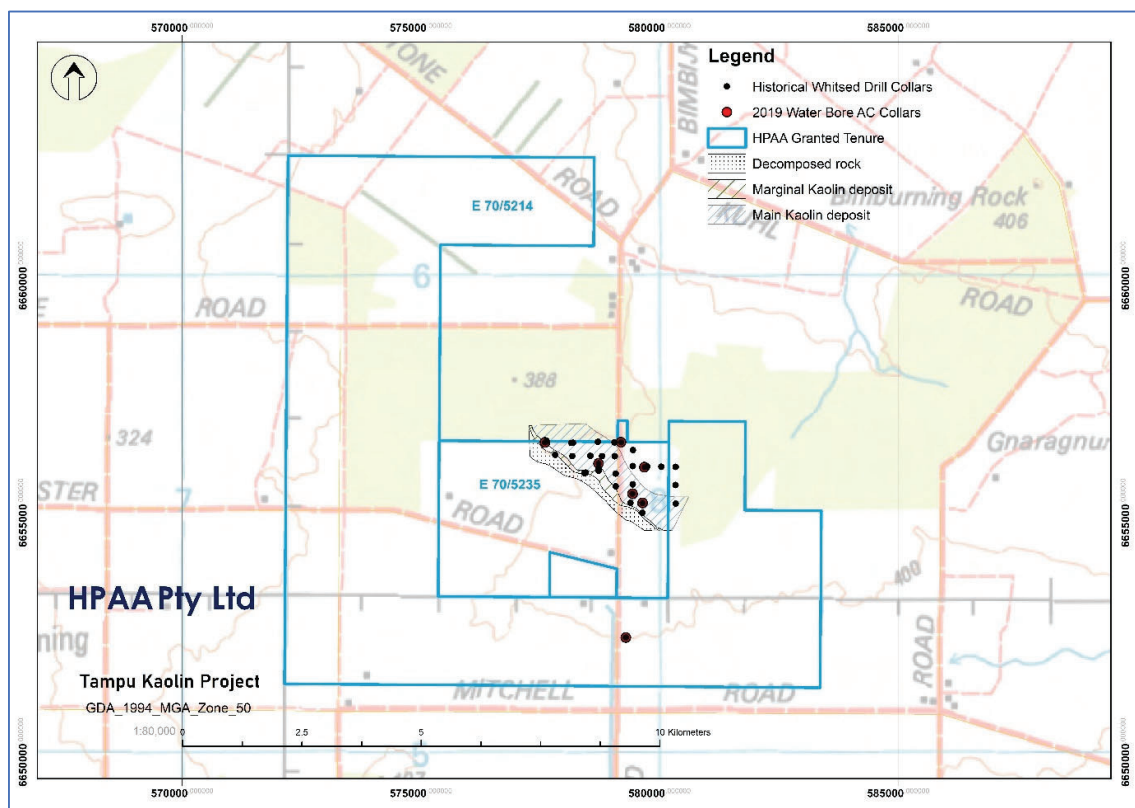


Figure 2 The Tampu Kaolin Project

### 3.2 Location, Access & Infrastructure

The Tampu Kaolin Project is located approximately 265km north-east of Perth, Western Australia. The tenements are accessible via Toodyay Road through to Toodyay, then via Bolgart, Calingiri and Wongan Hills through to Beacon. From Beacon access is via Bimbilly road to the locality of Tampu and the tenement area.

Sealed public roads provide excellent access within the Tampu project area (Figures 6 & 7).

Topography consists of flat, low-lying wheat belt plains. A large portion of the project is in open farmland.

Beacon is the closest town for supplies, fuel and accommodation (Figure 3). The town of Beacon has railway access and also a large currently unused grain storage facility and grain hopper over the railway line (Figure 5).

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 (Figure 4). This facility would be suitable to any future mining operation.

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

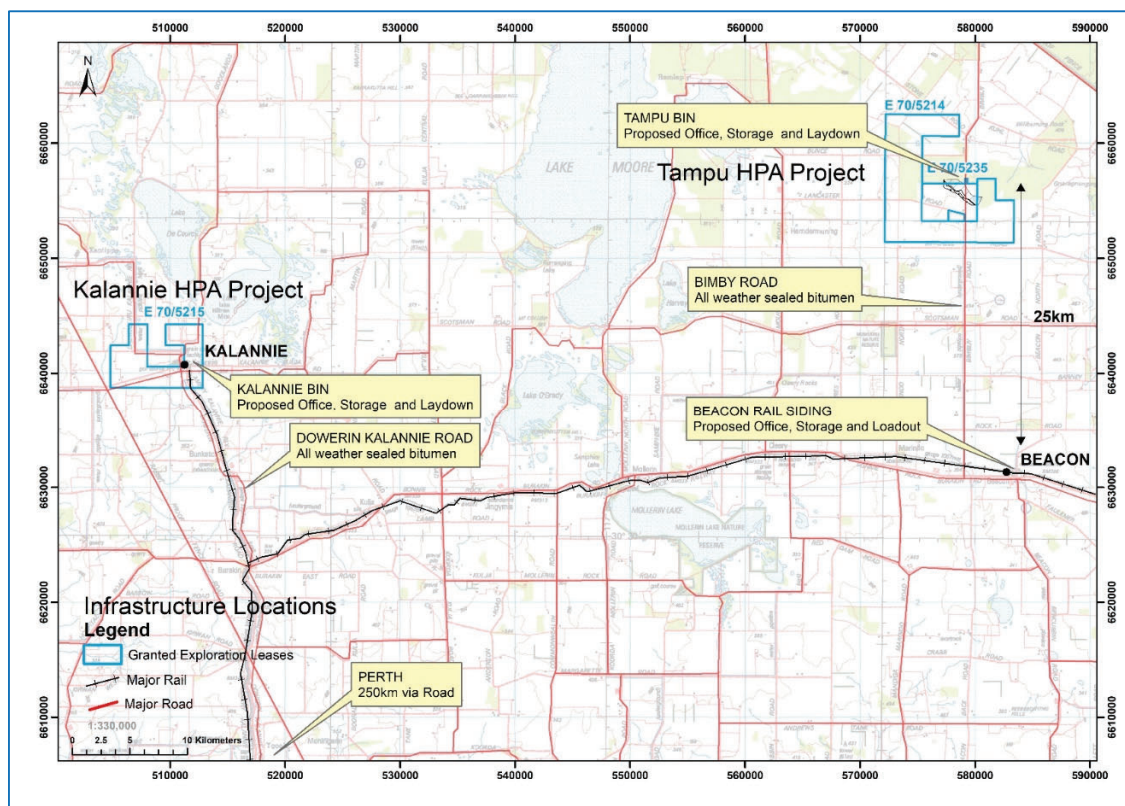


Figure 3 The Tampu Project area showing access to rail and both the Tampu and Beacon Bin and Rail Siding



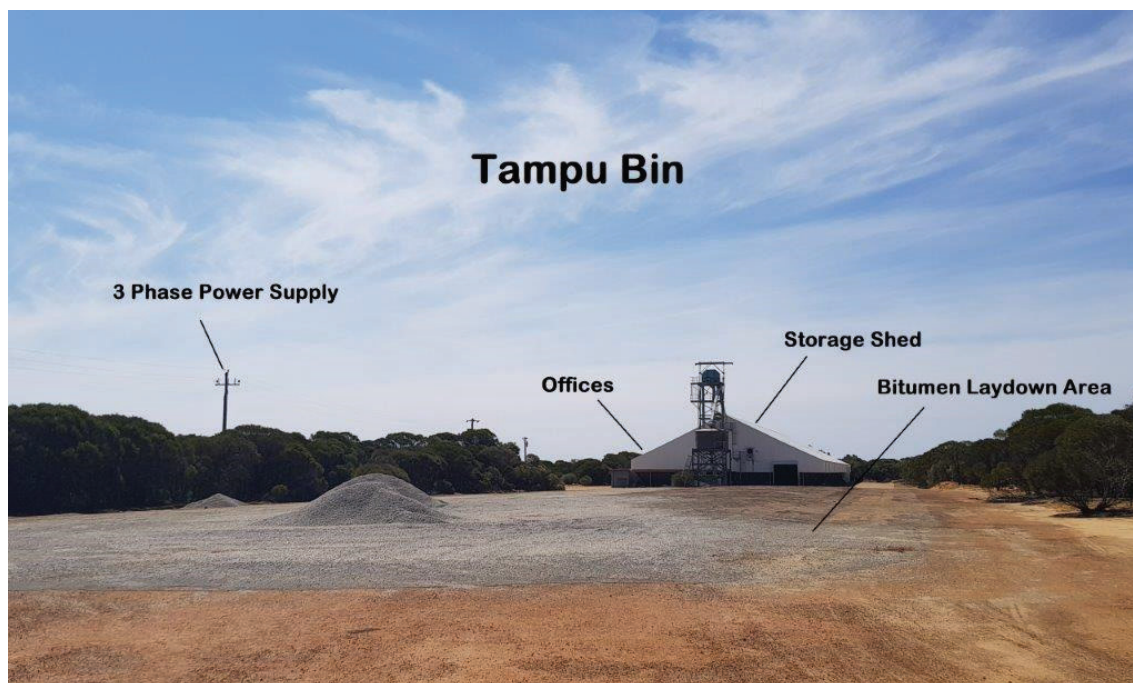


Figure 4 Tampu CBH grain storage facility



Figure 5 Beacon CBH grain storage facility adjacent to the Rail line through to Kwinana



*Figure 6 Sealed roads through the project area*



*Figure 7 Three phase power through the project area*

### 3.3 Drainage, Climate, Flora & Fauna

The Tampu area experiences hot dry summers from December to February with average day time temperatures ranging from about 25°C to 45°C. The mild to cool wet winters average day time temperatures from 9°C to 24°C. Overnight temperatures can be very cold, 0°C to 5°C, with frosts common during July and August.

The town is influenced by strong east to north-easterlies from spring to summer, variable in autumn and south-west to southerly winds in winter.

Beacon sits on the northeast border of the Wheatbelt region with agriculture being the major industry in the area.

### 3.4 Exploration History

The Tampu Kaolin deposit was discovered by Whitsed Resources (“**Whitsed**”) in early 1991.

Whitsed conducted an air core (**AC**) drilling program and detailed metallurgical test-work.

Details of the early Whitsed historical drilling, sampling and assaying techniques are limited. Simple hand-written geological logs were entered into a drill-hole database created by HPAA. No assay files were available.

The re-constituted historical database contains 27 holes for 446.9 metres of air-core drilling conducted over two campaigns.

The first program included holes K1-K15. The 16 holes were drilled to an average depth of 16m. The second program included 11 holes, C1-C11. The holes were drilled to an average depth of 17m with a maximum depth of 24m.

Table 3 Air Core Exploration Drill Holes Tampu (Whitsed Resources 1992)

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

The locations of the 27 completed AC drill holes were digitised from scanned maps in the reports by Whitsed Resources (Figure 8).



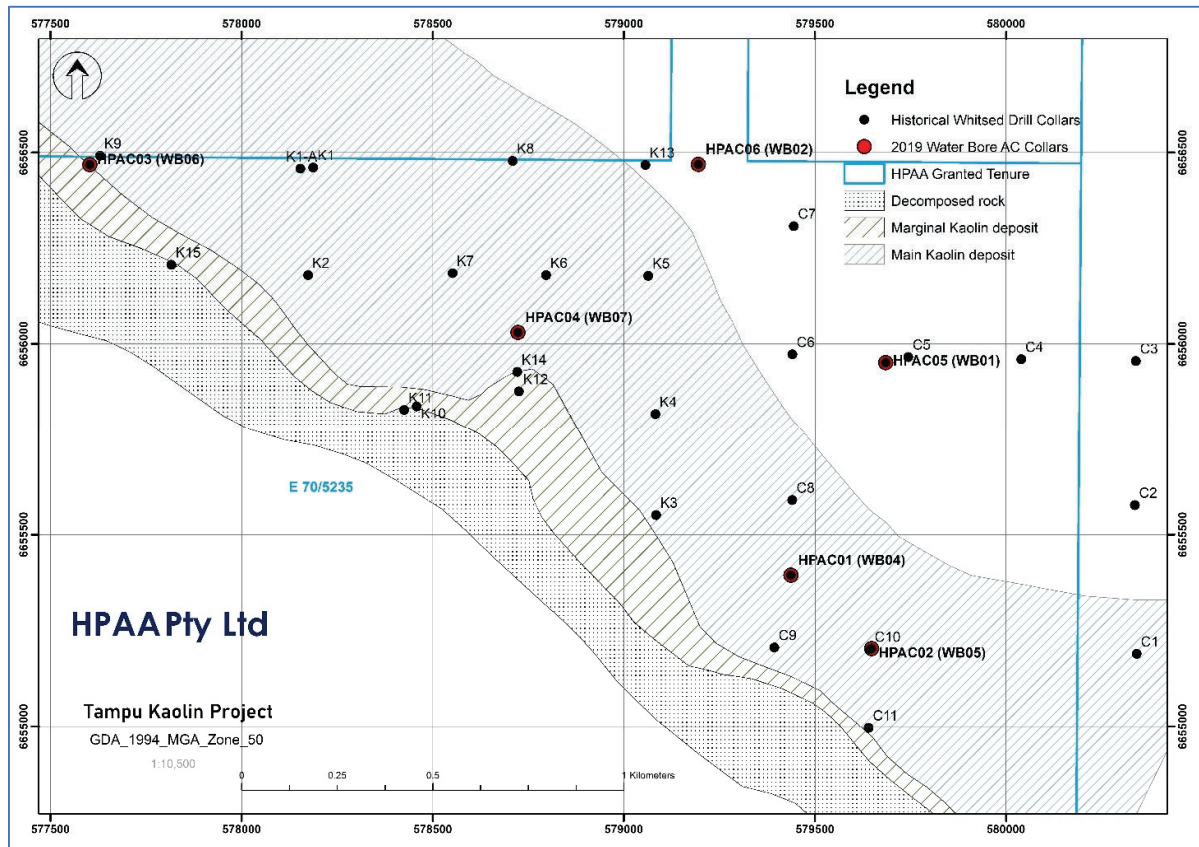


Figure 8 Re-drafted from Whitsed Resources Limited – Geological map of the Tampu Kaolin Deposit 1992.

The historical report contained results of various chemical and physical analyses completed on RC drilling samples and one water sample. The analyses contained in the report were completed by laboratories including the CSIRO, APPM, ANALABS and the WA Department of Mines.

The six raw samples Whitsed analysed (GSWA 94476-78 and 94482-84) were shown by XRD to contain kaolinite as their main mineral, with a high proportion of quartz and minor mica. The SEM studies showed partly hexagonal to hexagonal kaolin platelets, with minor content of tubular halloysite.

The ISO brightness of the raw samples tested ranged from 74 to 81%. This was measured on samples without significant screening or processing and commentary suggested it would be easily improved by separating the kaolin from the other coarse minerals such as quartz and mica.

In the 2003 - 2005 period Mineral Engineering Technical Services (**METS**) held the Tampu Project and completed an internal desktop review and surface auger sampling.

METS reported that they, the University of Melbourne, and the CSIRO were convinced of the technical viability of producing an alumina product from the Tampu project. Data collected show a high natural alumina grade at 37%  $Al_2O_3$  after beneficiation and that a separate quartz sand silica product could also be obtained. The silica content of the residue after it was washed and dried was expected to increase to over 95%  $SiO_2$ .

METS also considered a pre-feasibility study pending the positive outcomes of metallurgical test-work, though market conditions at the time meant this work was ultimately not undertaken.



### 3.5 Kaolin Geology

The name “kaolin” is an adaptation of the Chinese term “Kauling”, which is the name of a hill in Jiangxi Province that was historically mined. Kaolin is typically a soft white material consisting primarily of kaolinite, with lesser amounts of other minerals such as quartz, feldspar and various forms of iron and titanium oxide.

The mineral kaolinite has a theoretical chemical composition of 39.5%  $\text{Al}_2\text{O}_3$ , 46.54%  $\text{SiO}_2$  and 13.96% structural  $\text{H}_2\text{O}$ .

Kaolin deposits can be broadly described as two types, either residual or transported deposits. Residual deposits may be formed in situ (in place) by the alteration of feldspar-rich rocks such as granitoids or feldspathic sandstone by weathering or hydrothermal fluids.

Kaolin in weathered deposits is formed by the hydration of minerals such as feldspar to produce kaolinite. The weathering process resulted in the leaching and removal of silica, iron, potassium, sodium, calcium and magnesium from the original granitoid rock. It is noted that weathering processes may be affected by the composition of the original rock, topography, fracture zones (e.g. joints or faults), groundwater and the balance between the weathering process and erosion. The extent of kaolinisation partially depends on the nature of the parent rock. Granites with a high alumina to silica ratio are highly susceptible to kaolinisation processes.

The Tampu, Wiltshire and Kalannie Projects are each classified as a residual, having been formed by the weathering of primary granitoid rocks.

### 3.6 Regional Geology

Tampu is located within the Murchison Province of the Yilgarn Craton. The Murchison terranes encompass the north western portion of the Yilgarn Craton. They are bounded by the Perth Basin to the west, the Narryer Terrane to the northwest, the Bryah and Padbury Basins to the north, the Southern Cross terranes to the east, and the South-West terranes to the south.

Four suites of granitoid rocks have been distinguished in the Murchison terranes. These are pegmatite-banded gneiss, recrystallized monzogranite, and two compositionally diverse suites of post-folding granitoids. These were emplaced into the Murchison Supergroup, in the order mentioned, during three phases of granitoid magmatism.

The presence of extensive areas of granitoid and gneiss in the Murchison terranes suggests a strong potential for large kaolin deposits. Significant residual deposits are known at Gabbin, Mullewa (adjacent the Wiltshire Project), Mount Gibson, and Carlinga Well.

Tertiary weathering has deeply lateritised the basement granite to laterite and kaolin. Quaternary climatic conditions have produced an aeolian colluvial sandplain and drainages, obscuring the basement geology over much of the region.



Figure 9 Regional Geology of the Yilgarn Craton indicating kaolin deposits and occurrences

### 3.7 Local Geology

The Tampu Project area geology is dominated by lateritised granitic basement of the Murchison Terrane covered by Tertiary aeolian and alluvial/colluvial sediments (Figure 11). The basement has been intruded by dolerite dykes and quartz veins. The dykes strike east-northeast.

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.

Table 4 Typical Tampu geology profile

Depth	Geology
0 – 3m	Sands and Gravels
3 – 8m	Silcrete (Sometimes Absent)
8 – 22m	White Kaolin
22 – 30m	Saprolitic Granite
>30m	Fresh Granite

Continuity of kaolin grade at the Tampu Project is controlled by the depth and completeness of weathering over the primary granitoid. A typical cross section through the Tampu deposit illustrates its shallow, laterally extensive, sub-horizontal nature (Figure 10).

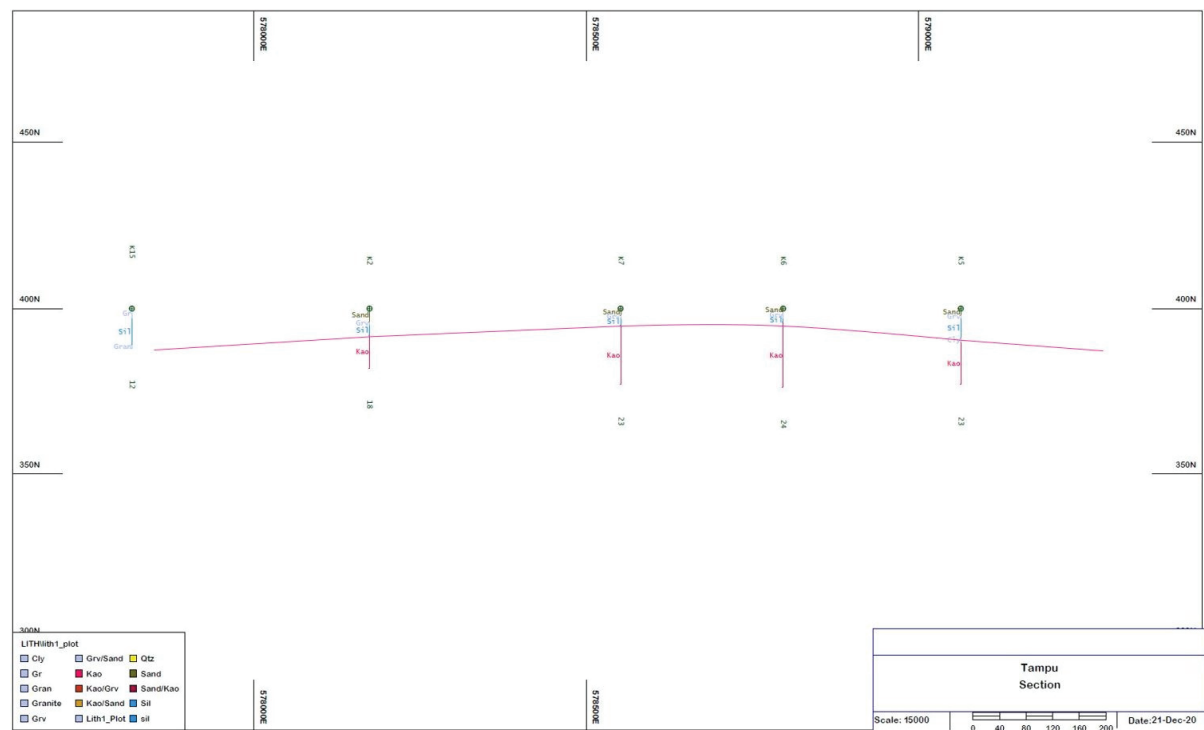


Figure 10 - Tampu Cross Section 6656200mN

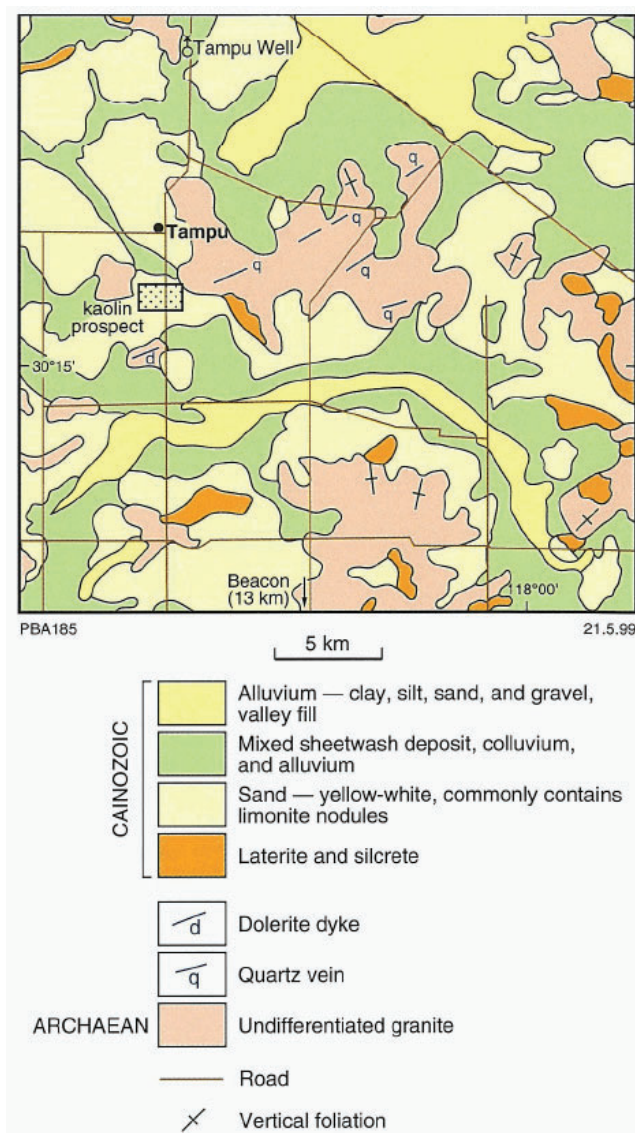


Figure 11 Local Geology around the Tampu Kaolin project

### 3.8 HPAA work programs

In mid-2019, HPAA was able to sample 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 (Figure 16).



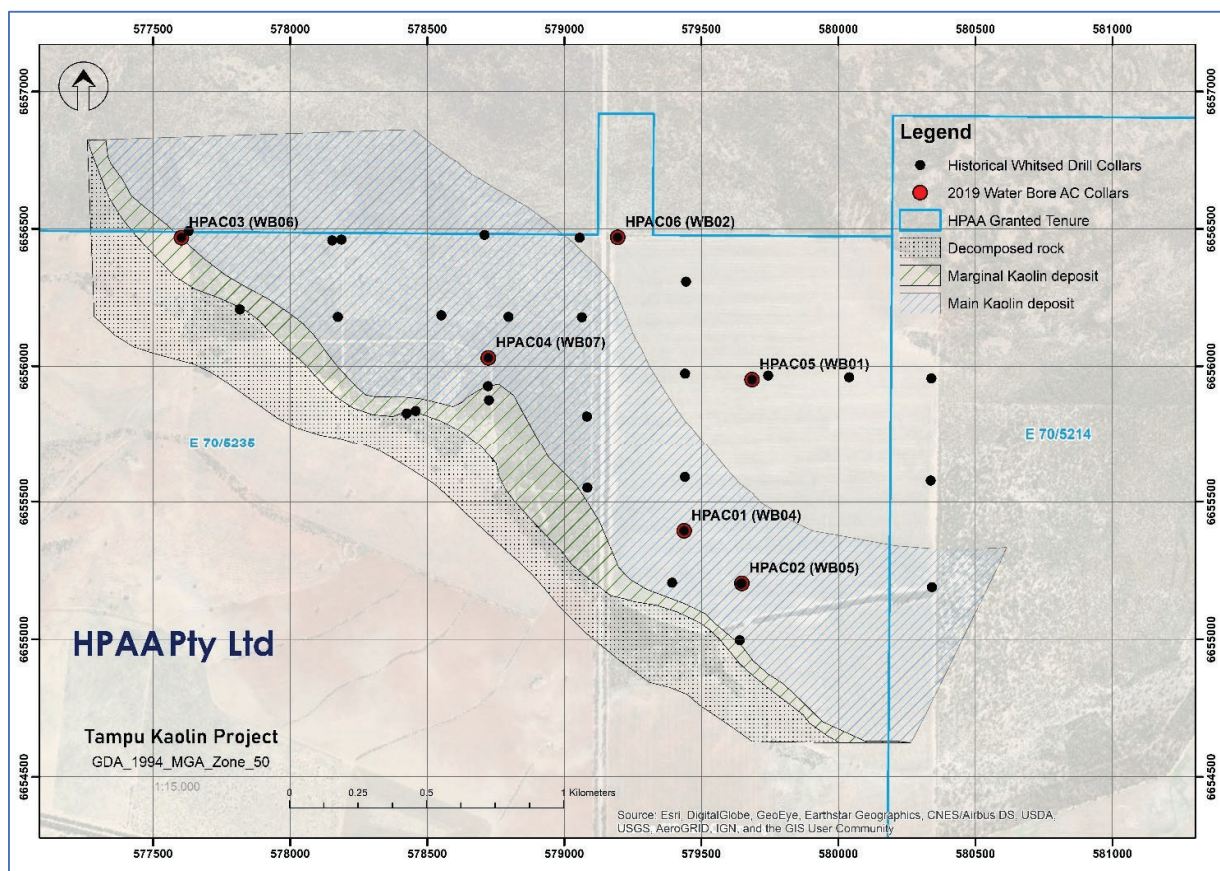


Figure 12 Air core and water bore location map of 2019 HPAA Tampu air core program

Chip-trays of drill holes HPAC003 and HPAC004 are shown in Figure 13 and 14. Limonitic pedolith of 3m to 5m is underlain by a thick zone of high grade, high purity kaolin. Locations of the drill holes can be seen in Figure 12 above.



Figure 13 HPAC03: 8m @ 35.67% Al<sub>2</sub>O<sub>3</sub>, 0.46% Fe<sub>2</sub>O<sub>3</sub>, 0.11% K<sub>2</sub>O, 0.07% Na<sub>2</sub>O, 0.38% TiO<sub>2</sub> from 5m (assay on -45µm fraction)



Figure 14 HPAC04: 8m @ 36.45% Al<sub>2</sub>O<sub>3</sub>, 0.42% Fe<sub>2</sub>O<sub>3</sub>, 0.25% K<sub>2</sub>O, 0.03% Na<sub>2</sub>O, 0.36% TiO<sub>2</sub> from 3m (assay on -45µm fraction)





*Figure 15 2019 Water Bore Air-core drilling program.*



*Figure 16 Typical bright white kaolin intersection at the Tampu project*

Table 5 2019 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 6 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	
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 Company conducted a sighter metallurgical test-work program in 2019 on two separate composite samples. Work undertaken included;

- Wet screening at 45µm
- XRF chemical analysis of the fine fraction -45µm
- Particle size distribution
- Scanning electron microprobe (SEM) on one sample
- Brightness and colour analysis

The wet screening of two primary raw composites showed the following yields to the -45µm fraction.

Table 7 Yield to -45µm of composite samples.

Sample ID	- 45µm
HPAC003 5-13m	57.1%
HPAC004 3-11m	40.8%

XRF chemistry on Tampu -45µm fractions show it is one of the most chemically pure kaolin products in Australia with high aluminium and very low contaminant elements particularly iron, titanium, potassium and sodium (Table 8).

Table 8 XRF chemistry on Tampu -45µm fraction

	HPAA
	<i>Tampu</i>
%	<i>a</i>
Al <sub>2</sub> O <sub>3</sub>	38.3
SiO <sub>2</sub>	47.3
Fe <sub>2</sub> O <sub>3</sub>	0.29
TiO <sub>2</sub>	0.40
K <sub>2</sub> O	0.12
Na <sub>2</sub> O	0.03
LOI	13.6

A – Air core composite sample screened at -45µm. HPAC004 5-13m HPAA Pty Ltd. 17/09/2019

Bulk composite -45µm 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 17).

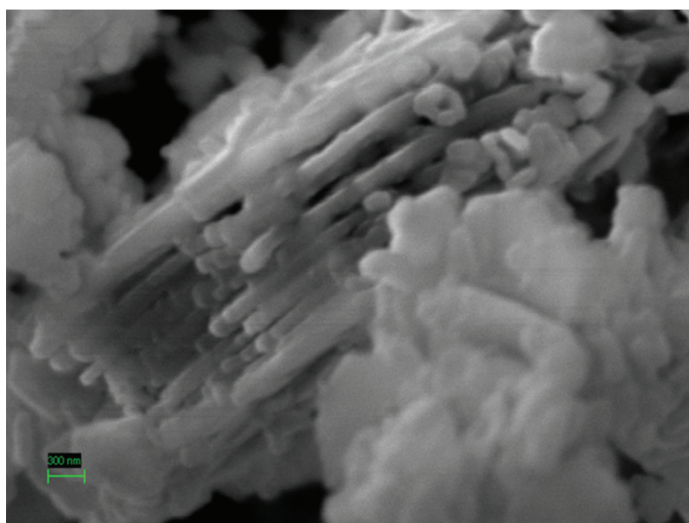


Figure 17 HPAC04 showing a cluster containing possible halloysite nanotubes.

The sample was 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. Tampu kaolin shows exceptional pre-calcined and calcined whiteness and brightness (Table 9).

Table 9 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

### 3.9 Proposed Expenditure

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:

- 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.
- 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.
- Using the screened kaolin as a feedstock to produce 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%  $Al_2O_3$  products.
- 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.
- Progress kaolin and HPA offtake agreements and strategic partnerships. Send product samples of Tampu HPA to prospective off-takers.

The proposed expenditure for Tampu is sufficient to meet the costs of the planned exploration and meet statutory tenement expenditure requirements.

Table 10 Tampu Short Term Priority Expenditure

Tampu Kaolin Project			
Item	Year 1	Year 2	Total

<b>Admin</b>			
Tenure Costs	\$ 25,000.00		\$ 25,000.00
Drafting, reporting, geology,	\$ 30,000.00	\$ 35,000.00	\$ 65,000.00
Resource Calculation	\$ 50,000.00		\$ 50,000.00
	\$ 105,000.00	\$ 35,000.00	\$ <b>140,000.00</b>
<b>Drilling JORC Compliance</b>			
Air-Core 200 x 200m - Recon - 2,350m	\$ 252,000.00		\$ 252,000.00
Air-Core 100 x 100m - Indicated - 2,500m	\$ 262,000.00		\$ 262,000.00
Air-Core 50 x 50m - Measured - 2,400m		\$ 256,000.00	\$ 256,000.00
Air-Core Assays	\$ 84,000.00	\$ 42,000.00	\$ 126,000.00
Diamond PQ - Metallurgy - 250m		\$ 123,000.00	\$ 123,000.00
Diamond PQ Assays		\$ 62,000.00	\$ 62,000.00
	\$ 598,000.00	\$ 483,000.00	\$ <b>1,081,000.00</b>
<b>Metallurgy Test work</b>			
Metallurgy Test work 1 Tonne Program		\$ 150,000.00	\$ 150,000.00
HPA Processing 4N/5N	\$ 100,000.00	\$ 100,000.00	\$ 200,000.00
	\$ 100,000.00	\$ 250,000.00	\$ <b>350,000.00</b>
<b>Scoping Study</b>			
Mining Studies		\$ 25,000.00	\$ 25,000.00
Mineral Processing / Refining		\$ 75,000.00	\$ 75,000.00
Infrastructure and Services		\$ 50,000.00	\$ 50,000.00
Environment and Approvals		\$ 100,000.00	\$ 100,000.00
Stakeholders and Social Sustainability		\$ 40,000.00	\$ 40,000.00
Economic Modelling		\$ 25,000.00	\$ 25,000.00
Marketing and Sales		\$ 100,000.00	\$ 100,000.00
	\$ -	\$ 415,000.00	\$ <b>415,000.00</b>
<b>Total Exploration and Development Year 1 and 2 Tampu</b>			\$ <b>1,986,000.00</b>

## 4 WILTSHIRE KAOLIN PROJECT

### 4.1 Tenure

HPAA applied for the primary E 70/5216 on the 25<sup>th</sup> September 2018. The tenement consists of 12 graticular blocks for an area of 36km<sup>2</sup> located on the Tallering 1:100,000 Map sheet and the Yalgoo 1:250,000 sheet. The tenement was granted on the 3<sup>rd</sup> July 2019.

Table 11 The Wiltshire Kaolin Project Tenement Schedule

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

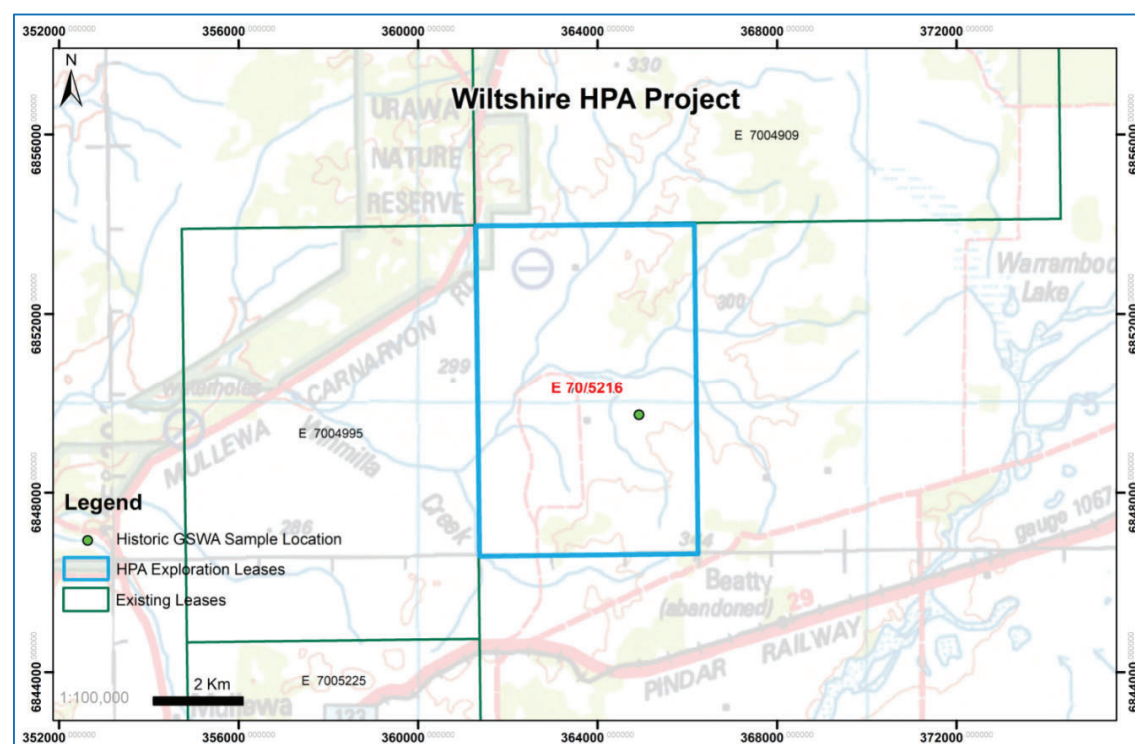


Figure 18 Wiltshire Kaolin Project Location and Access

### 4.2 Location, Access, Infrastructure

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. The Wiltshire Project comprises a single granted exploration licence E 70/5216 held by HPAA.

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.

Mullewa, 8km to the south west, is the closest town for supplies, fuel and accommodation. The town of Mullewa is serviced by the Pindar railway and hosts a large grain storage facility and grain hopper over the railway line (Figure 18).

### 4.3 Exploration History

In 1992 Auralia Resources NL explored an area immediately north east of Mullewa townsite for kaolin. A large kaolin deposit was subsequently identified which straddles Wenmillia Creek, and immediately underlies 5-6m of laterite and recent creek sediments.

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. This is relevant to the Wilshire Project because the kaolin is known to extend south east along Wenmillia Creek and is interpreted to extend into HPAA's tenure.

GSWA analysed sample 94459, described as medium, sub-hexagonal, stacked platelets of kaolin from drill hole M112 (12-15m) from the Wenmillia Dam Deposit, adjacent to HPAA's exploration licence.

### 4.4 Proposed Expenditure

The Company intends to complete non-intrusive geological reconnaissance of the Wilshire Project area to identify suitable kaolin targets.

On identification of prospects from the reconnaissance mapping and sampling the Company will execute agreements with the property owners for the purposes of exploration drilling and sub-surface rights at the Wilshire Project.

Table 12 Wiltshire Short Term Priority Expenditure

Wiltshire Kaolin Project			
Item	Year 1	Year 2	Total
<b>Admin</b>			
Tenure Costs	\$ 25,000.00		\$ 25,000.00
Drafting, reporting, geology	\$ 2,000.00	\$ 5,000.00	\$ 7,000.00
	\$ 27,000.00	\$ 5,000.00	\$ <b>32,000.00</b>
<b>Exploration Reconnaissance</b>			
Reconnaissance Mapping and Sampling	\$ 45,000.00		\$ 45,000.00
Air-Core 100 x 100m - Recon - 1,500m		\$ 154,000.00	\$ 154,000.00
Air Core Assays		\$ 20,000.00	\$ 20,000.00
	\$ 45,000.00	\$ 174,000.00	\$ <b>219,000.00</b>
<b>Total Exploration and Development Wiltshire</b>			\$ <b>251,000.00</b>

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## 5 KALANNIE KAOLIN PROJECT

### 5.1 Tenure

HAA applied for the primary Kalannie Project tenement E 70/5215 on the 25<sup>th</sup> September 2018. The tenement consists of 11 graticular blocks for an area of 32km<sup>2</sup> located on the Kalannie 1:100,000 Map sheet and the Bencubbin 1:250,000 sheet. The tenement was granted on the 3<sup>rd</sup> July 2019.

Table 13 The Kalannie Kaolin Project Tenement Schedule

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

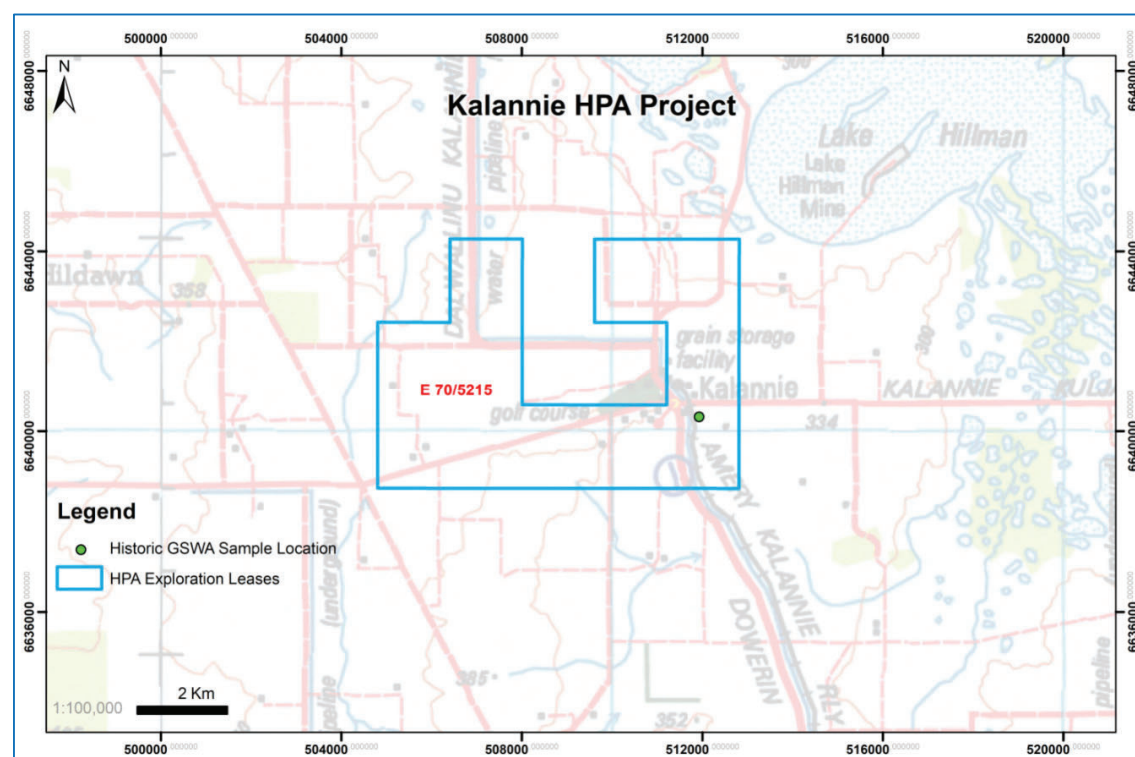


Figure 19 Kalannie Kaolin Project Location and Access

### 5.2 Location, Access, Infrastructure

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. The Kalannie Project comprises a single granted exploration licence held by HAA.

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 town has supplies, fuel and accommodation. The town is also serviced by the state railway and hosts a large grain storage facility and grain hopper over the railway line (Figure 19).

### 5.3 Exploration History

A single Kaolin sample (GSWA 132214) was taken from within the tenure containing 64% kaolinite and 36% quartz after examination by XRD. The ISO brightness of the sample was reported to be 74.9% and could be increased to greater than 80% quartz if the quartz were removed before measurement.

### 5.4 Proposed Expenditure

The Company intends to complete non-intrusive geological reconnaissance of the Kalannie Project area to identify suitable Kaolin targets.

On identification of prospects from the reconnaissance mapping and sampling the Company will execute agreements with the property owners for the purposes of exploration drilling and sub-surface rights at the Project.

Table 14 Kalannie Short Term Priority Expenditure

Kalannie Kaolin Project			
Item	Year 1	Year 2	Total
<b>Admin</b>			
Tenure Costs	\$ 25,000.00		\$ 25,000.00
Drafting, reporting, geology	\$ 2,000.00	\$ 5,000.00	\$ 7,000.00
	\$ 27,000.00	\$ 5,000.00	\$ 32,000.00
<b>Exploration Reconnaissance</b>			
Reconnaissance Mapping and Sampling	\$ 45,000.00		\$ 45,000.00
Air-Core 100 x 100m - Recon - 1,500m		\$ 154,000.00	\$ 154,000.00
Air Core Assays		\$ 20,000.00	\$ 20,000.00
	\$ 45,000.00	\$ 174,000.00	\$ 219,000.00
<b>Total Exploration and Development Wiltshire</b>			\$ 251,000.00

## 6 BONNIE ROCK SILICA PROJECT

### 6.1 Tenure

HAA applied for the primary Bonnie Rock Project tenement E 70/5665 on the 24th November 2020. The tenement consists of 24 graticular blocks for an area of 70km<sup>2</sup> located on the Barbalin 1:100,000 Map sheet and the Bencubbin 1:250,000 sheet. The tenement is in the application stage.

Table 15 The Bonnie Rock Silica Project Tenement Schedule

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

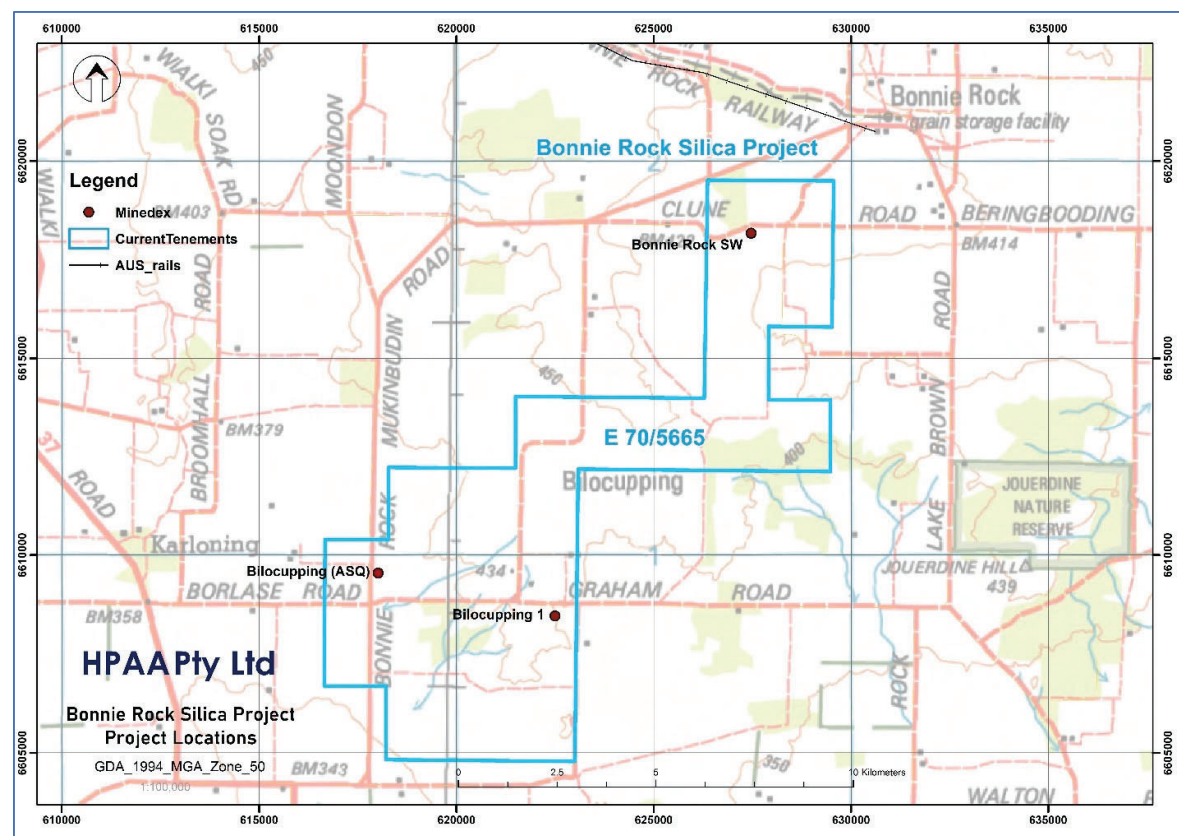


Figure 20 Bonnie Rock Silica Project Location and Access

## 6.2 Location, Access, Infrastructure

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.

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

The small wheatbelt town of Bonnie Rock sits within the northern extent of the tenement. The town hosts a CHB grain storage facility and is the terminus of the railway to Perth (Figure 20).

The established town of Mukinbudin also lies 25km south, it has supplies, fuel and accommodation. The town is also serviced by the state railway and hosts a large grain storage facility and grain hopper over the railway line.

## 6.3 Exploration History

Australian Silica Quartz Pty Ltd (**ASQ**), a wholly owned subsidiary of Bauxite Resources Limited owned a single block tenement over the Bilocupping Quartz vein (Bilocupping Project) from 19<sup>th</sup> July 2018 to 18<sup>th</sup> June 2020.

Previous exploration undertaken on the Bonnie Rock Project identified a prominent quartz vein that extends for an unknown distance below cover. Chemical analyses indicated that the quartz is moderately high grade.

The Bilocupping quartz vein is a vertically jointed quartz vein by the side of the Mukinbudin-Bonnie Rock Road which trends in an east-west direction and is about 3-4 m wide. The full extent of the outcrop is unknown as the outcrop is not continuous along the strike directions (Figure 21).

A sample GSWA164589 was taken and a thin section prepared from the Bilocupping Vein, GSWA164589, indicating the primary hydrothermal vein quartz aggregate consists of vaguely sparry/prismatic crystals (commonly 5 mm but up to 20 mm in size), typically with dispersed minute fluid inclusions.

The extensive fracturing between, and to a lesser extent through, primary crystals and associated micro-brecciation is largely occupied by microcrystalline quartz. Sub-parallel stringers and earlier sealed stringers through some very coarse crystals indicate multiple crack and seal events. Some microsparry quartz, partly healing fractures, may have a late-stage epithermal genesis, and minor small patches of decussate sericite conceivably has the same genesis. Subparallel 'crack and seal' microveinlets/laminae occur through several of the earlier very coarse quartz crystals.

Sample GSWA164589 assayed 98.90% SiO<sub>2</sub>, 0.42% Al<sub>2</sub>O<sub>3</sub>, 0.23% Fe<sub>2</sub>O<sub>3</sub>, 0.01% TiO<sub>2</sub>, and 0.011% P<sub>2</sub>O<sub>5</sub>, indicating the quartz is moderately high-grade. The thermal stability and thermal strength values averages were 94.5 and 95.8% respectively, indicating that the quartz should be suitable for use in the production of silicon metal. (Abeyasinge, 2003; GSWA Mineral Resources Bulletin 21).





*Figure 21 Quartz Vein 'Bilocupping' cropping out at the Bonnie Rock Silica Project*

The area surrounding the Bilocupping project has a number of quartz veins which intrude the Archaean granitic rock and gneiss. Two additional quartz occurrences are recorded within the tenement boundaries, Bilocupping 1 and Bonnie Rock SW.

A sample GSWA164588 was taken from Bilocupping 1. This prominent north-easterly trending quartz vein on the south side of Graham Road, 4.5 km southwest of Bilocupping, is about 3–4 m wide and has vertical jointing. From exposures at a road cutting, the vein is seen to be intruding granitic rock. The extent of Bilocupping 1 vein is uncertain as outcrop is not continuous along the strike directions.

A thin section of sample GSWA164588 indicates that about 60% of quartz is more or less sparry vein quartz, with a size range of about 0.5–2 mm. The remainder consists of coarse (2–5 mm) grains. The textural characteristics suggest that the vein is hydrothermal in origin. The primary crystalline aggregate shows localised dislocation along a network of brittle single fractures and narrow (2 mm) corridors of brecciation. Minor recrystallization and possible later stage quartz is found along simple fractures. Minor limonite-stained clay–sericite (7%) of uncertain origin is found in very small clusters scattered along disruption zones.

Sample GSWA164588 assayed 99.00% SiO<sub>2</sub>, 0.34% Al<sub>2</sub>O<sub>3</sub>, 0.10% Fe<sub>2</sub>O<sub>3</sub>, 0.01% TiO<sub>2</sub>, and 0.01% P<sub>2</sub>O<sub>5</sub>, indicating that the quartz is high-grade.

The samples from Bilocupping 1 and Bilocupping ASQ, GSWA164588–89 had average thermal stability and thermal strength values of 94.5 and 95.8% respectively, indicating that the quartz is suitable for use in the production of silicon metal.

Bonnie Rock SW is exposed at the south side Clune Road, approximately 4 km southwest of Bonnie Rock. The vein is about 10–15 m wide and the outcrop extends to about 100 m southwards, but it does not appear to extend to the north side of the road.

A thin section of a sample (GSWA164591) from this quartz vein indicates that at least 85% consists of primary hydrothermal quartz crystals, mostly subhedral/sparry, ranging in size from 2 to 10 mm. These crystals are randomly interlocked. The quartz crystals are stressed with internal 'ghost-like' textures indicating early fractures subsequently healed in situ (crack and seal). However, later and more random fractures are commonly occupied by mobilized or possible epithermal microcrystalline/microsparry quartz. Minor interstitial areas between original crystals are infilled by the same epithermal microcrystalline quartz. Sparse, minute inclusions of sericite are present in many of the primary quartz crystals, and sparse, coarser sericite has formed in the later vein quartz.

Sample GSWA164591 assayed 99.30% SiO<sub>2</sub>, 0.20% Al<sub>2</sub>O<sub>3</sub>, 0.06% Fe<sub>2</sub>O<sub>3</sub>, <0.01% TiO<sub>2</sub> and 0.002% P<sub>2</sub>O<sub>5</sub>, indicating that the quartz is high grade. The thermal stability and thermal strength values of the sample are 99.7 and 95.7% respectively and indicate possible potential of the material for use in the production of silicon metal.

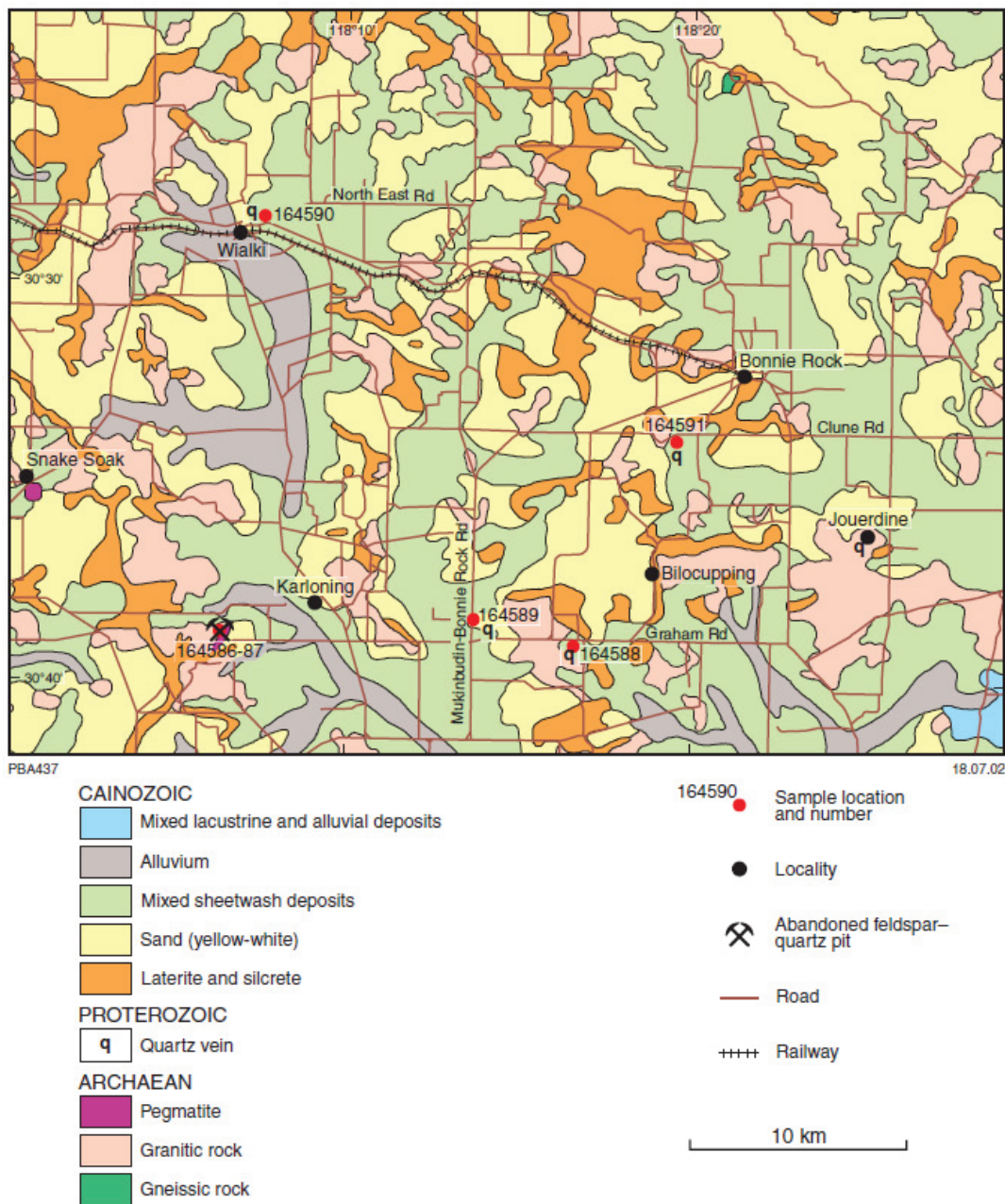


Figure 22 Regional Geology of the Bonnie Rock Silica Project

#### 6.4 Proposed Expenditure

High purity quartz has potential for multiple technology uses including speciality glass, photovoltaic cells, electronic screen and semi-conductors.

The Company intends to complete non-intrusive geological reconnaissance of the Bonnie Rock Silica Project area to locate and sample the three known silica targets.



On identification of prospects from the reconnaissance mapping and sampling the Company will execute agreements with the property owners for the purposes of reconnaissance exploration drilling and sub-surface rights at the Bonnie Rock Silica Project.

Table 16 Bonnie Rock Short Term Priority Expenditure

Bonnie Rock Silica Project			
Item	Year 1	Year 2	Total
<b>Admin</b>			
Tenure Costs	\$ 25,000.00		\$ 25,000.00
Drafting, reporting, geology	\$ 2,000.00	\$ 5,000.00	\$ 7,000.00
	\$ 27,000.00	\$ 5,000.00	\$ <b>32,000.00</b>
<b>Exploration Reconnaissance</b>			
Reconnaissance Mapping & Sampling	\$ 45,000.00		\$ 45,000.00
Reverse Circulation (RC) Drilling 100 x 100m - Recon - 750m		\$ 68,000.00	\$ 68,000.00
RC Assays		\$ 12,000.00	\$ 12,000.00
Metallurgy Test work on Samples		\$ 35,000.00	\$ 35,000.00
	\$ 45,000.00	\$ 115,000.00	\$ <b>160,000.00</b>
<b>Total Exploration and Development Bonnie Rock</b>			\$ <b>192,000.00</b>

## 7 References

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Harben, P.W. (2002). Kaolin, in The Industrial Minerals Handybook: A guide to markets, specification & prices, 146-152. 4th Edition, Industrial Minerals information Ltd., UK. ISBN 1-904333-04-4.

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## 8 Appendix

### 8.1 Appendix 1 – JORC CODE, 2012 EDITION – TABLE 1

#### SECTION 1 – SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	2019 Tampu Air-core Drilling Commentary
<b>Sampling Techniques</b>	<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 <sup>th</sup> 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.
<b>Drilling Techniques</b>	<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.
<b>Drill Sample Recovery</b>	<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.
<b>Logging</b>	<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.
<b>Sub-sampling techniques Sub-sampling techniques and sample preparation</b>	<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,</i>	Extreme care is taken to ensure an equivalent mass is taken from each 1m sample to make up each composite.

	<i>including for instance 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.
<b>Quality of assay data and laboratory tests</b>	<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.
<b>Verification of sampling &amp; assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant mineralisation intersections were verified by qualified, alternative company personnel.
	<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.
<b>Location of data points</b>	<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.
	<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.
<b>Data spacing &amp; distribution</b>	<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.
	<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.
<b>Orientation of data in relation to geological structure</b>	<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.
	<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.
<b>Sample security</b>	<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.
<b>Audits or reviews</b>	<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.

## SECTION 2 - REPORTING OF EXPLORATION RESULTS

Criteria	Explanation	Commentary																																																
<b>Mineral tenement &amp; land tenure status</b>	<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>	<p>The Company owns 100% of the following tenements;</p> <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><th>PROJECT</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><td>Tampu</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><td>Tampu</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><td>Kalannie</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><td>Wiltshire</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><td>Bonnie Rock</td></tr></table>	TENEMENT	TYPE	STATUS	APPLICATION DATE	GRANT DATE	TITLE HOLDERS	AREA (Blocks)	PROJECT	E 70/5235	EL	LIVE	30/01/2018	08/10/2019	HPAA Pty Ltd	6	Tampu	E 70/5214	EL	LIVE	25/09/2018	06/05/2019	HPAA Pty Ltd	22	Tampu	E 70/5215	EL	LIVE	25/09/2018	07/09/2020	HPAA Pty Ltd	11	Kalannie	E 70/5216	EL	LIVE	25/09/2018	03/07/2019	HPAA Pty Ltd	12	Wiltshire	E 70/5665	EL	PENDING	24/11/2020	TBA	HPAA Pty Ltd	24	Bonnie Rock
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E 70/5665	EL	PENDING	24/11/2020	TBA	HPAA Pty Ltd	24	Bonnie Rock																																											
	<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.																																																
<b>Exploration done by other parties</b>	<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 limited. All of the Whitsed work is summarised in the body of 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. All the relevant detail is summarised in the body of this report.</p>																																																
<b>Geology</b>	<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>																																																
<b>Drill hole information</b>	<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.																																																
<b>Data aggregation methods</b>	<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.																																																

	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.	No significant aggregate intercepts have been reported.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used in this report.
<b>Relationship between mineralisation widths &amp; intercept lengths</b>	These relationships are particularly important in the reporting of Exploration Results.	It is considered that the mineralisation lies in laterally extensive, near surface, flat "blanket" style.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Mineralisation is generally horizontal.
	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'.	Downhole widths approximate true widths. Some mineralisation currently remains open at depth.
<b>Diagrams</b>	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.	Refer to figures in the body of this report.
<b>Balanced reporting</b>	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.	All material results have been reported in this report.
<b>Other substantive exploration data</b>	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.	No other substantive exploration data is available.
<b>Further work</b>	The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large-scale step-out drilling).	<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% <math>Al_2O_3</math> 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><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></p>	<p>Refer to diagrams in the body of this report.</p>

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3 March 2021

Your Ref:  
Our Ref: 5452-01  
Contact: MPF: NCB  
Mark Foster  
Partner  
mfoster@steinpag.com.au

The Board of Directors  
Sinetech Limited  
642 Newcastle Street  
LEEDERVILLE WA 6007

Dear Sirs

**SOLICITOR'S REPORT ON TENEMENTS**

We have been instructed to prepare this report (**Report**) for inclusion in a prospectus by Sinetech Limited (to be renamed "Corella Resources Limited") (ACN 125 943 240) (**Company**).

The prospectus is being prepared in connection with the Company's proposed re-compliance with Chapters 1 and 2 of the ASX Listing Rules and public offer of 200,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of \$0.02 per Share to raise a minimum of \$4,000,000, with oversubscriptions of up to a further 50,000,000 Shares at an issue price of \$0.02 per Share to raise up to a further \$1,000,000 (**Prospectus**).

**1. SCOPE**

We have been requested to report on certain mining tenements in which the Company will acquire an interest on settlement under the Acquisition Agreement (defined below) (the **Tenements**).

The Tenements are located in Western Australia. Details of the Tenements are set out in Part I of this Report.

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

## 2. SEARCHES

For the purposes of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows (**Searches**):

- (a) we have obtained mining tenement register searches of the Tenements from the registers maintained by the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**) (**Tenement Searches**). These searches were conducted on 12 February 2021 and updated on 24 February 2021. Key details on the status of the Tenements are set out in Part I of this Report;
- (b) we have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (**ILUAs**) that overlap or apply to the Tenements. This material was obtained on 15 February 2021. Details of any native title claims (registered or unregistered), native title determinations and ILUAs are set out in Section 6 of this Report and Part II of this Report;
- (c) we have obtained searches from the online Aboriginal Heritage Inquiry System maintained by the Department of Planning, Lands and Heritage (**DPLH**) for any Aboriginal sites registered on the Western Australian Register of Aboriginal sites over the Tenements (**Heritage Searches**). These searches were conducted on 12 February 2021. Details of any Aboriginal Sites are set out in Part II of this Report;
- (d) we have obtained quick appraisal user searches of Tengraph which is maintained by the DMIRS to obtain details of features or interests affecting the Tenements (**Tengraph Searches**). These searches were conducted on 12 February 2021. Details of any material issues identified from the Tengraph Searches are set out in the notes to Part 1 of this Report;
- (e) we have obtained certificate of title searches, which are maintained by Landgate, to obtain details of the freehold/private land affecting the Tenement (**Landgate Searches**). These searches were conducted on 15 February 2021. Details of any material issues identified from the Landgate Searches are set out in Section 9 of this Report; and
- (f) we have been provided with consents obtained by the Company from the registered proprietors of certain lots of private land overlapping two of the Granted Exploration Licences (**Consents**). Other than the Consents, the Company has not provided us with any material agreements relating to the Tenements.

## 2. OPINION

As a result of our Searches, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches this Report provides an accurate statement as to:

- (a) the Company's interest in the Tenements;
- (b) the validity and good standing of the Tenements; and

- (c) third party interests, including encumbrances and freehold/private land, in relation to the Tenements.

### 3. EXECUTIVE SUMMARY

Subject to the qualifications and assumptions in this Report, we consider the following to be material information and issues in relation to the Tenements:

#### (a) **Company's interest in the Tenements**

The Tenements comprise four granted exploration licences (**Granted Exploration Licences**) and one exploration licence application (**Application**). The Company will acquire an indirect interest in the Granted Exploration Licences and the Application from HPAA Pty. Ltd. (**HPAA**) on Settlement under the heads of agreement dated 11 February 2021 pursuant to which the Company has a right to acquire 100% of the issued capital in HPAA, subject to satisfaction of certain conditions precedent (**Acquisition Agreement**).

Further information on the Acquisition Agreement is set out in Section 9 of the Prospectus.

#### (b) **Applications for Tenements**

One of the Tenements (namely, E70/5665) is an application and has not yet been granted. The grant of the Application is therefore not guaranteed and will need to satisfy the Future Act Provisions to be valid under the NTA.

#### (c) **Private Land**

All of the Tenements overlap private land. As at the date of this Report, the Company has obtained all requisite approvals from the DMIRS (**DMIRS Approval**) and Consents from the registered proprietors in respect of the private land overlapping the Granted Exploration Licences (as required pursuant to Section 29 of the Mining Act) to enable it to commence its proposed exploration activities. If the Company intends to alter or further its exploration activities beyond those currently proposed, it may be required to seek DMIRS approval and consents from additional registered proprietors prior to doing so. Key details relating to the relevant private land, including the Consents, are provided in Section 9 and Part III of this Report.

#### (d) **Native title and Aboriginal Tenements**

All of the Tenements are within the external boundaries of one native title determination (**Native Title Determination**). Additionally, one of the Granted Exploration Licences and the Application overlap registered aboriginal sites (**Aboriginal Sites**). The Company has not entered into any aboriginal heritage agreements (**Heritage Agreements**) in respect of the Aboriginal Sites overlapping either the Application or the Granted Exploration Licence. Further details of the Native Title Determination, the Aboriginal Sites and the reasons why the Company has not entered into Heritage Agreements are set out in Part II of this Report. Please also refer to Section 8 of the Prospectus for further details around the risks pertaining to the Company not having entered into Heritage Agreements on Tenements overlapping Aboriginal Sites.

(e) **ILUA**

One of the Granted Exploration Licences overlaps an Indigenous Land Use Agreement (**ILUA**). Further details of the ILUA are set out in Section 6 and Part II of this Report.

(f) **Crown land**

The Tenements overlap Crown land and crown reserves. The Mining Act imposes prohibitions on prospecting, exploration and mining activities and restrictions on access to certain parts of mining tenements that overlap Crown land without the prior agreement of the occupier which commonly involves the tenement holder paying compensation to the occupier of the Crown land. Conditions may apply in respect of areas the subject of reserve and this land type may have implications for access, activities, and future development. Further details are provided in Section 7.2 of this Report.

#### **4. DESCRIPTION OF THE TENEMENTS**

The Tenements comprise exploration licences granted under the *Mining Act 1978* (WA) (**Mining Act**). The Schedule provides a list of the Tenements. The Tenement Schedule in Part 1 of this Report provides a list of the Tenements. This section of the Report provides a description of the nature and key terms of this type of mining tenement as set out in the Mining Act and potential successor tenements.

##### **4.1 Exploration Licence**

(a) **Rights**

The holder of an exploration licence is entitled to enter the land for the purposes of exploration for minerals with employees and contractors and such vehicles, machinery and equipment as may be necessary or expedient.

(b) **Term**

An exploration licence has a term of 5 years from the date of grant. The Minister may extend the term by a further period of 5 years followed by a further period or periods of 2 years.

(c) **Retention status**

The holder of an exploration licence granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource in or under the land the subject of the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease.

(d) **Conditions**

Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection

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and reporting requirements. These standard conditions are not detailed in Part 1 of this Report. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence.

(e) **Relinquishment**

The holder of an exploration licence applied for and granted after 10 February 2006 must relinquish not less than 40% of the blocks comprising the licence at the end of the fifth year. A failure to lodge the required partial surrender could render the tenement liable for forfeiture.

(f) **Priority to apply for mining lease**

The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

(g) **Transfer**

No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restriction on transfer or other dealings.

## **4.2 Mining lease**

(a) **Application**

Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister decides whether to grant an application for a mining lease.

The application, where made after 10 February 2006, must be accompanied by either a mining proposal or a statement outlining mining intentions and a "mineralisation report" indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a "mineralisation report" will only be approved where the Director, Geological Survey considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

(b) **Rights**

The holder of a mining lease is entitled to mine for and dispose of any minerals on the land in respect of which the lease was granted. A mining lease entitles the holder to do all acts and things necessary to effectively carry out mining operations.

(c) **Term**

A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal

application has been determined, the transferee is deemed to be the applicant.

(d) **Conditions**

Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. An unconditional performance bond may be required to secure performance of these obligations. A failure to comply with these conditions may lead to forfeiture of the mining lease. These standard conditions are not detailed in 4.2 of this Report.

(e) **Transfer**

The consent of the Minister is required to transfer a mining lease.

#### **4.3 Miscellaneous licence**

(a) **Application**

Any person may apply for a miscellaneous licence. The mining registrar or warden decides whether to grant an application for a miscellaneous licence. A miscellaneous licence may be granted for a prescribed purpose that is directly connected with mining operations. An application for a miscellaneous licence cannot be legally transferred and continues in the name of the applicant.

(b) **Rights**

The holder of a miscellaneous licence is entitled to carry out the activities for the purpose specified in the miscellaneous licence.

(c) **Term**

A miscellaneous licence granted or applied for before 6 June 1998 has a term of 5 years and the Minister may renew it for a further term of 5 years and if so, must renew for a further term or terms of 5 years. A miscellaneous licence applied for and granted after 6 June 1998 has a term of 21 years and the Minister may renew for a further term of 21 years and if so, must renew for a further term or terms of 21 years. Where a miscellaneous licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

(d) **Conditions**

A miscellaneous licence is granted subject to various standard conditions. A failure to comply with these conditions may lead to forfeiture of the miscellaneous licence. These standard conditions are not detailed in this Report.

(e) **Transfer**

The consent of the Minister is required to transfer a miscellaneous licence.

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## 5. ABORIGINAL HERITAGE

There may be areas or objects of Aboriginal heritage located on the Tenements.

Aboriginal sites were identified on one of the Granted Exploration Licences and the Application from the Heritage Searches (as noted in Part II of this Report).

We have not been provided with any Aboriginal heritage agreements which have been entered into in respect of the Tenements (as noted in Part II of this Report).

Under Aboriginal heritage agreements, parties holding an interest in a tenement (whether title or mineral rights only) may dispose of any or all of its rights with respect to their interest in the tenement, but must first procure an executed deed of assumption in favour of the relevant native title group by which the assignee (purchaser) agrees to be bound by the provisions of the heritage agreement and to assume, observe and perform the obligations of the assignor (vendor) under the heritage agreement insofar as they relate to the interest being acquired by the assignee (purchaser). In the case of the Company such an assumption would be restricted to the obligations relating to the mineral rights (excluding iron ore) on the Tenements.

As heritage agreements relate to the process of 'clearing' areas of land on tenements in order to conduct exploration activities it is possible a purchaser may rely on surveys previously completed by a vendor where it wishes to conduct activities on areas within tenements previously cleared of heritage sites without the requirements to Commonwealth legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage as set out below. To ensure that it does not contravene such legislation, it may be necessary for the Company to enter into separate arrangements with the traditional owners of the sites.

### 5.1 Western Australian legislation

Tenements are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 1972* (WA) (**WA Heritage Act**).

The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons (whether or not they are recorded on the register or otherwise known to the Register of Aboriginal Sites, DPLH or the Aboriginal Cultural Material Committee).

The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered. The WA Heritage Act protects all registered and unregistered sites.

## 5.2 Aboriginal Heritage Sites relating to the Tenements

As stated above, our Searches indicated there are two registered Heritage Sites on the Tenements, details of which are set out below.

Relevant Tenement	Aboriginal Heritage Site	Type and Status	Relevant Project
E70/5665	Bonnie Rock – Painting (ID: 5603)	Painting, Registered Site	Bonnie Rock Silica Project
E70/5215	Mongers Lake Waterway (ID: 24380)	Mythological, Natural Feature Registered Site	Kalannie Kaolin Project

The Company has not entered into any Aboriginal Heritage Agreements in respect of the above Heritage Sites overlapping the Tenements (as noted in Part II of this Report).

The Company has advised that:

- (a) in respect of the Aboriginal Heritage Site identified on Granted Exploration Licence E70/5215:
  - (i) the Company is aware of the existence of the Kalannie Kaolin Site on E70/5215, however, as at the date of this report, has not entered into a Heritage Agreement in respect of the area of E70/5215 overlapping the Kalannie Kaolin Aboriginal Heritage Site;
  - (ii) the requirement for HPAA to enter into a Heritage Agreement was overlooked due to an administrative error made by the DMIRS at the time E70/5215 was initially applied for and granted to HPAA. The Granted Exploration Licence was therefore granted to HPAA without a condition that a Heritage Agreement be entered into and accordingly, HPAA did not enter into an Aboriginal Heritage Agreement;
  - (iii) DMIRS subsequently recognised the above oversight, and on or about 7 August 2020, sent a letter to HPAA requesting that it:
    - (A) enter into a Heritage Agreement; and
    - (B) provide a statutory declaration confirming that a Heritage Agreement has been entered into,
  - (iv) the relevant Native Title Body then withdrew their objection to the Granted Exploration Licence and accordingly, no Heritage Agreement was entered into;

- (v) the Company has not identified the existence of high brightness kaolin on the land the subject of the overlap between E70/5215 and the Kalannie Kaolin Aboriginal Heritage Site (which comprises less than 1% of E70/5215) and therefore does not intend on commencing exploration activities on that overlapping land;
  - (vi) on this basis, as at the date of this Report, the Company is not required to enter into a Heritage Agreement prior to commencing its proposed exploration program on E70/5215; and
  - (vii) the Company is aware that, if it intends to commence exploration activities on the land the subject of the E70/5215 which overlaps the Kalannie Kaolin Aboriginal Heritage (which comprises less than 1% of E70/5215), it will be required to enter into a Heritage Agreement, however, as stated above, the Company does not currently intend to do so.
- (b) the Aboriginal Heritage Site identified on the Application (E70/5665):
- (i) the Company is aware of the existence of the Bonnie Rock Aboriginal Heritage Site on E70/5665;
  - (ii) as at the date of this Report, the Company has not entered into a Heritage Agreement in respect of the overlapping land of the Application and the Bonnie Rock Aboriginal Heritage Site; and
  - (iii) if required (being, if the Company wishes to conduct exploration activities on that land the subject of the Tenement overlapping the Bonnie Rock Heritage Site), the Company intends to enter into an agreement with the traditional landowners prior to commencing such activities on the relevant land.

In order to ensure that the Company does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage, we recommend that the Company consider entering into separate arrangements with the traditional owners of the land the subject of the overlap between the Bonnie Rock Heritage Site and the Application. The Company should consider doing so prior to commencing exploration activities on E70/5665.

## **6. NATIVE TITLE**

### **6.1 General**

The law of Australia recognises the existence of native title rights held by indigenous Australians over their traditional lands<sup>1</sup>. Native title exists where an indigenous group has maintained a continuous traditional connection with the land, and those rights have not been extinguished.

Native title may be extinguished:

- (a) in whole by the grant of an interest in land conferring “exclusive possession” such as a freehold interest in the land; or

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<sup>1</sup> *Mabo v Queensland (No 2)* (1992) 175 CLR 1

- (b) in part by the grant of an interest conferring “non-exclusive possession” including the grant of pastoral leases and mining leases, or the creation of certain reserves. In this case, the native title will co-exist with the other rights to the land.

The *Native Title Act 1993* (Cth) (**NTA**):

- (a) provides a process for indigenous people to claim native title rights<sup>2</sup> and compensation<sup>3</sup>;
- (b) confirms the validity of past actions (including grants of land tenure) by the Commonwealth and State governments<sup>4</sup>; and
- (c) specifies the procedures which must be complied with to ensure that acts that may affect native title rights (such as the grant or renewal of a mining tenement) are valid.

The NTA has been adopted in Western Australia by the enactment of the Titles (Validation) and Native Title (Effect of Past Acts) Act 1995.

## 6.2 Native title claim process

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The application is then referred to the NNTT to assess whether the claim meets the registration requirements in the NTA, and if so, the native title claim will be entered on the register of native title claims (**RNTC**) maintained by the NNTT.

Native title claimants have certain procedural rights, including the rights to negotiation and compensation, in relation to the grant of mining tenements if their native title claim is registered at the time the State issues a notice of the proposed grant of the mining tenement (**Section 29 Notice**), or if their claim becomes registered within four months after the Section 29 Notice.

Once a claim is registered, a claimant must prove its claim in the Federal Court in order to have native title determined and the claim entered on the National Native Title Register (**NNTR**).

## 6.3 Grant of tenements and compliance with the NTA

The grant of any mining tenement after 23 December 1996 must comply with the applicable NTA procedures in order to be valid. The exception to this is where native title has never existed over the land covered by the tenement, or has been extinguished prior to the grant of the tenement.

The absence of a claim does not necessarily indicate that there is no native title over an area, as native title claims could be made in the future.

Unless it is clear that native title does not exist (such as where the land the subject of a tenement application is freehold land), the usual practice of the State is to comply with the NTA when granting a tenement. This ensures the grant will be valid if a court

<sup>2</sup> Parts 3 and 4 of the NTA

<sup>3</sup> Part 3, Division 5 of the NTA

<sup>4</sup> Part 2, Division 2 of the NTA

subsequently determines that native title rights exist over the land subject to the tenement.

The procedural requirements in the NTA relating to the grant of a mining tenement (referred to as the “**Future Act**” procedures) include four alternatives:

- (a) the right to negotiate, which is the primary Future Act procedure prescribed by the NTA;
- (b) the expedited procedure, which may be used in relation to the grant of exploration and prospecting licences;
- (c) an indigenous land use agreement; and
- (d) the infrastructure process.

Future Act procedures are provided below.

#### **6.4 Right to negotiate**

The primary Future Act procedure prescribed by the NTA is the “right to negotiate”.

The right to negotiate involves a negotiation between the registered native title claimants, the tenement applicant and the State government, the aim of which is to agree the terms on which the tenement may be granted.

The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the native title claimants. The parties may also agree on conditions that will apply to activities carried out on the tenement.

The initial negotiation period is six months from the date on which the State issues a Section 29 Notice.

If the parties cannot reach an agreement within the initial six month period, any party may refer the matter to arbitration before the NNTT, which then has six (6) months to determine whether the tenement can be granted and if so, on what conditions.

#### **6.5 Expedited procedure**

Where the grant of a tenement is unlikely to directly interfere with community or social activities or areas or sites of particular significance, or involve major disturbance to land or waters, the NTA permits the State to follow an expedited procedure for the grant of a tenement.

The State applies the expedited procedure to the grant of exploration and prospecting tenements.

Registered native title parties can lodge an objection to the use of the expedited procedure within the period of four months following the issue of the Section 29 Notice by the State (**Objection Period**).

If no objections are lodged or if the objections are withdrawn, the State may grant the tenement at the expiry of the Objection Period without undertaking a negotiation process.



If an objection is lodged, the NNTT must determine whether the grant of the tenement is an act attracting the Expedited Procedure. If the NNTT determines the expedited procedure does not apply, the parties must follow the right to negotiate procedure or enter into an indigenous land use agreement.

The DMIRS currently has a policy of requiring applicants for prospecting licences and exploration licences to sign and send a Regional Standard Heritage Agreement (**RSHA**) to the registered native title claimant, or prove they have an existing RSHA or Alternative Heritage Agreement in place.

The RSHA provides a framework for the conduct of Aboriginal heritage surveys over the land the subject of a tenement prior to the conducting of ground-disturbing work and conditions that apply to activities carried out within the tenement.

If the registered native title claimant does not execute the RSHA within the Objection Period (and no objections are otherwise lodged), the tenement may still be granted at the expiry of the Objection Period. If the tenement applicant refuses or fails to execute or send the RSHA to the registered native title holder, the DMIRS will process the application under the right to negotiate procedure.

#### **6.6 Infrastructure process**

The right to negotiate and expedited procedures also do not apply for grants of tenements for the sole purpose of the construction of an infrastructure facility.

In Western Australia, the DMIRS applies the infrastructure process to most miscellaneous licences and general purpose leases, depending on their purpose. For these types of tenements, an alternative consultation process applies, and in the absence of an agreement between the native title claimants and the applicant, the matter can be referred to an independent person for determination.

#### **6.7 Renewals**

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act provisions in order to be valid under the NTA, except where:

- (a) the area to which the mining tenement applies is not extended;
- (b) the term of the renewed mining tenement is not longer than the term of the earlier mining tenement; and
- (c) the rights to be created are not greater than the rights conferred by the earlier mining tenement.

#### **6.8 Native title claims and determinations affecting the Tenements**

Our Searches indicate that the Tenements are within the external boundaries of native title claims/determinations as set out in the table below.

TRIBUNAL NUMBER	TENEMENTS AFFECTED	% OVERLAP
WC2017/007 (Marlinyu Ghoorlie)	E70/5214	100%
	E70/5215	100%
	E70/5235	100%

TRIBUNAL NUMBER	TENEMENTS AFFECTED	% OVERLAP
	E70/5665	100%
WCD2020/001 (Yamatji Nation Determination)	E70/5216	100%
WCD2020/001 (Yamatji Nation - ILUA)	E70/5216	100%

#### Marlinyu Ghoorlie Native Title Claim

As set out above, Tenements E70/5214, E70/5215, E70/5235 and E70/5665 are within the external boundaries of the Marlinyu Ghoorlie Native Title Claim, which was registered by the NNTT on 28 March 2019, however, has not yet been determined by the Federal Court.

We have not identified anything in our enquiries to indicate that the Granted Exploration Licences which are subject to the Marlinyu Ghoorlie Native Title Claim were not validly granted in accordance with the NTA. The Granted Exploration Licences were granted following the expedited procedure in the NTA.

In relation to the Application, which is also subject to the Marlinyu Ghoorlie Native Title Claim, to be validly granted, the Company will need to comply with the Future Act procedures of the NTA as described above.

The Company is not a party to any Heritage Agreement with the Claimant Group in relation to the Granted Exploration Licences, further details of which are set out in Section 5.2 of this Report.

#### Yamatji Nation Native Title Determination

As set out above, Tenement E70/5216 is within the external boundaries of the "Taylor on behalf of the Yamatji Nation Claim v the State of Western Australia" Claim (the **Yamatji Nation Determination**). The Yamatji Nation Determination was determined by the Federal Court on 6 October 2020.

We have not identified anything in our enquiries to indicate that the granted Tenements which are subject to the Yamatji Nation Native Title Determination were not validly granted in accordance with the NTA.

### 6.9 Indigenous land use agreement

The right to negotiate and expedited procedures do not have to be followed if an indigenous land use agreement (**ILUA**) has been registered with the NNTT.

An ILUA is a voluntary contractual arrangement negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which the relevant mining tenement may be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

#### **6.10 Indigenous land use agreements affecting the Tenements**

As set out in the table above in Section 6.8, our searches indicate that 100% of the land comprising Granted Exploration Licence E50/5216 is subject to an ILUA designated as Yamatji Nation Indigenous Land Use Agreement (Area Agreement) that was registered on 30 July 2020. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is the State of Western Australia.

The ILUA applies to approximately 47,490 km (sq) of land and is located in the vicinity of Geraldton extending westerly to the 12 nautical mile limit, northerly to approximately 20km south of Kalbarri, southerly to approximately 90km north of Moora and easterly to approximately 63km west of Mount Magnet.

The Company is not a party to the Yamatji Nation Indigenous Land Use Agreement (refer to Part II of this Report for the names of the parties to the ILUA). Accordingly, there is currently no conditions precedent imposed on the Company prior to conducting any exploration or mining activity on the land the subject of the ILUA, being the land under Granted Exploration Licence E70/5216.

We recommend that, if the Company wishes to convert E70/5216 into a mining lease, prior to doing so the Company should seek further clarification on the conditions imposed under the ILUA.

### **7. CROWN LAND AND RESERVES**

#### **7.1 Crown Land**

The Mining Act:

- (a) prohibits the carrying out of prospecting, exploration or mining activities on Crown land that is less than 30 metres below the lowest part of the natural surface of the land and:
  - (i) for the time being under crop (or within 100 metres of that crop);
  - (ii) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard vineyard, plantation, airstrip or airfield;
  - (iii) situated within 100 metres of any land that is an actual occupation and on which a house or other substantial building is erected;
  - (iv) the site of or situated within 100 metres of any cemetery or burial ground; or
  - (v) if the Crown land is a pastoral lease, the site of or situated within 400 metres of any water works, race, dam, well or bore not being an excavation previously made and used for purposes by a person other than the pastoral lessee, without the written consent of the occupier, unless the warden by order otherwise directs, and

- (b) imposes restrictions on a tenement holder passing over Crown land referred to in section 7.1(a), including:
- (i) taking all necessary steps to notify the occupier of any intention to pass over the Crown land;
  - (ii) the sole purpose for passing over the Crown land must be to gain access to other land not covered by section 7.1(a) to carry out prospecting, exploration or mining activities;
  - (iii) taking all necessary steps to prevent fire, damage to trees, damage to property or damage to livestock by the presence of dogs, the discharge of firearms, the use of vehicles or otherwise; and
  - (iv) causing as little inconvenience as possible to the occupier by keeping the number of occasions of passing over the Crown land to a minimum and complying with any reasonable request by the occupier as to the manner of passage.
- (c) requires a tenement holder to compensate the occupier of Crown land:
- (i) by making good any damage to any improvements or livestock caused by passing over Crown land referred to in section 7.1(a) or otherwise compensate the occupier for any such damage not made good; and
  - (ii) in respect of land under cultivation, for any substantial loss of earnings suffered by the occupier caused by passing over Crown land referred to in section 7.1(a).

The warden may not give the order referred to in section 7.1(a) that dispenses with the occupier's consent in respect of Crown land covered by section 7.1(a)(iii). In respect of other areas of Crown land covered by the prohibition in section 7.1(a), the warden may not make such an order unless he is satisfied that the land is genuinely required for mining purposes and that compensation in accordance with the Mining Act for all loss or damage suffered or likely to be suffered by the occupier has been agreed between the occupier and the tenement holder or assessed by the warden under the Mining Act.

Although the Company will be able to undertake its proposed activities on those parts of the Tenements not covered by the prohibitions and pass over those parts of the Tenements to which the restrictions do not apply immediately upon listing on ASX, the Company should consider entering into access and compensation agreements with the occupiers of the Crown land upon commencement of those activities in the event further activities are required on other areas of the Tenements which are subject to prohibitions or restrictions.

## 7.2 Crown Reserves

As set out in Part I of this Report, some land the subject of the Tenements overlaps Crown reserved as set out in the table below.

Tenement	Crown land	% overlap
E70/5214	Class "C" Reserve Parklands, Walk Trails and	4.85%

Tenement	Crown land	% overlap
	Conservation (R 15828)	
	Class "C" Reserve Water (R 20524)	11.3%
	Class "C" Reserve Water (R 25323)	1.07%
E70/2515	Class "C" Reserve Recreation Golf Links (R 25747)	0.64%
	Class "C" Reserve Sanitary & Rubbish Disposal Site (R 25753)	0.12%
E70/5665	Class "C" Reserve Water (R 22048)	0.03%

Under section 41 of the *Land Administration Act 1997* (WA) (**LAA**) the Minister may set aside Crown lands by Ministerial Order in the public interest. Every such reservation has its description and designated purpose registered on a Crown Land Title (**CLT**) and is depicted on an authenticated map held by Landgate.

The *Land Act 1933* (WA) provided for State reserves to be classified as Class A, B or C. There is no provision in the LAA to create new Class B reserves and there is no longer reference to Class C reserves.

Upon the *Land Act 1933* (WA) being repealed, all Class C reserves became reserved land under the LAA. Schedule 3 of the *Land Administration Amendment Act 2000* (WA), at section 3(5), provides that any land which was classified as a Class C reserve, upon the day the LAA came into operation, is to be treated as a reserve within the meaning of the LAA. Tenement holders are limited as to what activities may be undertaken on reserved land, requiring the written consent of the Minister for Mines and Petroleum.

Class A affords the greatest degree of protection for reserved lands, requiring approval of Parliament to amend the reserve's purpose or area, or to cancel the reservation. The A classification is used solely to protect areas of high conservation or high community value. Class B reserves continue but are no longer created under the LAA. The Minister for Lands may deal with Class B reserved lands as normal reserves, provided that, should the reservation be cancelled, a special report is made to both Houses of Parliament within 14 days from the cancellation or within 14 days after the commencement of the next session.

Once created, a reserve is usually placed under the care, control and management of a State government department, local government or incorporated community group by way of a Management Order registered against the relevant CLT. A Management Order under the LAA does not convey ownership of the land – only as much control as is essential for the land's management.

## 8. FLORA AND FAUNA RESERVES

As set out in Part I of the Schedule to this Report, Tenement E70/5216 overlaps with the following flora and fauna reserve:

- Class "C" Reserve - Conversation of Flora & Fauna (0.99% overlap).

State Government policy provides that mining should not occur on national parks, nature reserves, conservation parks or state forests and, where possible, a tenement applicant is encouraged to excise the conservation area from the area of the application.

The Company has advised that in relation to E70/5216, the areas that overlap flora and fauna reserves were not excised from the tenement application. The Company is aware that, if it intends to commence exploration activities on the land the subject of the overlap between E70/5216 and the relevant flora and fauna reserve (comprising less than 1% of E70/5216), it will be required to obtain Ministerial consent in accordance with the procedure set out below. At this stage, the Company has advised that it does not intend to do so.

If a conservation area is not excised, the DMIRS will refer the application to the Department of Environment Regulation (**DER**) for comment and or consent. Under the Mining Act, mineral exploration on national parks, class "A" nature reserves and certain conservation parks requires the concurrence of the Minister for Environment. In relation to nature reserves other than class "A" reserves, and certain conservation parks, the Minister for the Environment and Conservation is required to give his recommendation in relation to the grant.

Where the Minister for the Environment and Conservation concurs with the grant or provides recommendations in relation to the grant, additional conditions and endorsements are generally placed on the tenement. These conditions are designed to minimise the impacts on the environment and to draw the tenement holders attention to the requirements under other environmental protection legislation.

It is noted that class "A" nature reserves attract restrictions on mining activities within the conservation reserves, including:

- (a) a mining lease or a general purpose lease cannot be granted over a class A reserve without the consent of both Houses of Parliament; and
- (b) mining can only be commenced in a class A reserve with the approval of the Minister for Mines and Petroleum and the Minister for Environment and Conservation.

## **9. PRIVATE LAND**

### **9.1 Private Land**

Generally and subject to certain exceptions and limitations, private land which is not already subject to a mining tenement is considered open for mining under the Mining Act, and a mining tenement may be issued in relation to such land, entitling the holder to the rights granted thereby.

However, a tenement may not be granted in respect of private land which is:

- (a) in *bona fide* and regular use as a yard, stockyard, garden, orchard, vineyard, plant nursery or plantation or is land under cultivation or within 100m of that site;
- (b) the site of a cemetery or burial ground or within 100 metres of that site;
- (c) the site of a dam, bore, well or spring or within 100 metres of that site;
- (d) on which there is erected a substantial improvement or within 100 metres of that improvement; or
- (e) a parcel of land with an area of 2,000 square metres or less,



unless the written consent of the private landholder and any other occupier is obtained or the tenement is only granted in respect of the land below 30 metres from the surface of the private land. If the tenement is only granted in respect of the land below 30 metres from the surface of the private land, the tenement holder can apply to the Minister for the land between the surface and 30 metres depth to be included in the tenement, which application may be granted provided that the private landowner has consented to such land being included in the tenement.

The Granted Exploration Licences comprising the Tampu Kaolin Project were only granted in respect of the land below 30 metres from the surface of the private land (refer to the Schedule in Part I for the full list of endorsements and conditions). Accordingly, HPAA applied to the Minister to amend the Granted Exploration Licence to include the private land between the surface and a depth of 30 metres. On 18 November 2020, DMIRS sent a letter to HPAA confirming the relevant Granted Exploration Licences (E70/5214 and E70/5235) had been amended to include such private land to a depth of 30 metres. As required by Section 29 of the Mining Act, the Company also obtained consent from the Registered Proprietors in respect of the private land, as noted in the table in Section 9.2 below. The remaining Granted Exploration Licences (being E70/5215 and E70/5216) were granted without the above restriction and HPAA's rights under those Tenements were therefore not limited to the land below 30 metres from the surface of the private land. Accordingly, HPAA were not required to obtain approval from DMIRS, or consent from the registered proprietors of the land, for inclusion of the private land to a depth of 30 metres and have not done so.

Because the Application has not yet been granted, it is unknown whether there will be a similar restriction imposed on that Tenement in respect of the overlapping private land. We suggest that, if granted, the Company consider any requirement to apply to DMIRS for the inclusion of private land to a depth of 30m, and to obtain consent from the registered proprietors of the private land overlapping E70/5665.

The owners and occupiers of any land where mining takes place are entitled according to their respective interests to compensation for all loss and damage suffered or likely to be suffered by them resulting or arising from the mining, whether or not lawfully carried out. The tenement holder may not commence mining on the surface or within a depth of 30 metres from the surface until compensation has been agreed with the private landowner or paid in accordance with the Mining Act. Compensation may be determined by agreement between the tenement holder and private landowner or occupier, or by the warden.

The owner and any other occupier may be entitled to compensation for:

- (a) deprivation of the possession or use of the natural surface or any part of the land;
  - (b) damage to the land or any part of the land;
  - (c) severance of the land or any part of the land from other land of, or used by, the owner or occupier;
  - (d) loss or restriction of a right of way or other easement or right;
  - (e) loss of, or damage to, improvements;
  - (f) social disruption;
-



- (g) in the case of private land that is land under cultivation, any substantial loss of earnings, delay, loss of time, reasonable legal or other costs of negotiation, disruption to agricultural activities, disturbance of the balance of the agricultural holding, the failure on the part of a person concerned in the mining to observe the same laws or requirements in relation to that land as regards the spread of weeds, pests, disease, fire or erosion, or as to soil conservation practices, as are observed by the owner or occupier of that land; and
- (h) any reasonable expenses properly arising from the need to reduce or control the damage resulting or arising from the mining.

The Company has not entered into any compensation agreements with owners or occupiers in relation to the private land overlapping the Tenements.

Most grants of freehold which were made prior to 1899 in Western Australian included the grant of minerals other than gold, silver and previous minerals, which were reserved to the Crown. This land is commonly referred to as 'minerals to owner' land as the landowner owns all other minerals and has the right to deal with those minerals as it sees fit.

Our searches have confirmed that none of the Private Land is 'minerals to owner' land.

## 9.2 Private Land Affecting the Tenements

Our Searches indicate that the Tenements overlap private land as follows:

Tenement	% overlap with Private Land	Section 29 Consents Obtained
E70/5214	81.11%	Brian and Marian Kirby, Jeff and Susan Munns, further consents to be considered subject to kaolin prospects
E70/5215	80.74%	Not required
	16.16%	
E70/5216	97.83%	Not required
E79/5235	97.15%	Brian and Marian Kirby, Jeff and Susan Munns, further consents to be considered subject to kaolin prospects
E70/5665	66.06%	Not required
	32.45%	

In respect of the private land overlapping the Granted Exploration Licences comprising the Tampu Kaolin Project (E70/5214 and E70/5235), the Company has advised that:

- (a) it is aware of the existence of the private land set out above overlapping the two Granted Exploration Licences E70/5214 and E70/5235;
- (b) in light of (a), where the Company has identified high brightness kaolin and intends to commence exploration activities on the Relevant Freehold Land, the Company has:
- (i) applied for, and received confirmation of the approval from DMIRS of the inclusion of private land to a depth of 30m into those parts of the two relevant Granted Exploration Licences; and
  - (ii) obtained consents (as required pursuant to Section 29 of the Mining Act) from the parties set out above (refer far right column) for the inclusion of private land to a depth of 30m for those parts of the two relevant Granted Exploration Licences,
- (c) the Company is yet to determine the existence of high kaolin on the remaining Relevant Freehold Land on the Tampu Kaolin Project and, as at the date of this Report, has therefore not yet sought approval from the DMIRS or consent from other occupiers of the Relevant Freehold Land, to include private land to a depth of 30m for those parts of the Granted Exploration Licence; and
- (d) if the Company identifies high kaolin on the remaining area of the Tampu Kaolin Project, the Company will seek consent from the occupiers of that land prior to commencing further exploration activities.

We recommend that, prior to commencing any exploration activities on parts of the land the subject of E70/5214 and E70/5235 (for which the Company has not already obtained DMIRS approval and occupier consents), the Company consider the requirement to obtain DMIRS approval and occupier consents.

As stated above, if granted, the Company must consider any approval/consent requirements imposed on the Application prior to commencing exploration activities on that Tenement.

## 10. FORFEITURE RISK

Our Searches indicate that, as at 24 February 2021, none of the Tenements are at risk of forfeiture by virtue of having unmet annual minimum expenditure requirements.

Our Searches indicate that a number of Tenements, as set out below, have tenement years that expire on or before 10 October 2021. The Company should ensure that rents are exemption applications are lodged within time if it appears that minimum annual expenditure will not be satisfied.

Tenement	Relevant Tenement Year end	Expenditure Amount due by tenement year end
E70/5235	07/10/2021	\$20,000
E70/5214	05/05/2021	\$22,000
E70/5215	06/09/2021	\$20,000
E70/5216	02/07/2021	\$20,000

As set out in the Tenement Schedule in Part I of this Report, our Searches indicate that there are no outstanding rental payments in respect of the Tenements.

## **11. QUALIFICATIONS AND ASSUMPTIONS**

This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;
- (b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;
- (d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;
- (f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (g) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (h) with respect to the application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;
- (i) references in Parts I and II of this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (j) the information in Parts I and II of this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (k) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted,

or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;

- (l) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of the Environment and Conservation;
- (m) native title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and
- (n) Aboriginal heritage sites or objects (as defined in the WA Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the WA Heritage Act or is the subject of a declaration under the Commonwealth Heritage Act other than the Heritage Searches. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

## 12. CONSENT

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully

**STEINEPREIS PAGANIN**

## PART I – TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS / ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
E70/5235	HPAA Pty. Ltd.	100	08/10/2019	07/10/2024	6 BL	\$0 due (for year ended 07/10/21) \$846.00 (for year ending 07/10/2022)	Tenement year ended 07/10/20: Expended in full Tenement Year to 07/10/21: \$20,000	End: 1-10 Cond: 1-5	Section 29 Consent obtained from owner of Land Lots 3240, 3967 and 4020.  Note that Endorsement 10 relates to the inclusion of private land to a depth of 30m.	Claims: Marlinyu Ghoorlie WC2017/007
E70/5214	HPAA Pty. Ltd.	100	06/05/2019	05/05/2024	22BL	\$0 due (for year ended 05/05/21) \$3,102.00 (for year ending 05/05/2022)	Tenement year ended 05/05/20: Expended in full Current Tenement Year to 05/05/21: \$22,000	End: 1, 2, 4-9, 11, 12 Cond: 1, 2, 3, 6	Section 29 Consent obtained from owner of Land Lots 3260, 4020, 3239, 3967 4032.  Note that Endorsement 10 relates to the inclusion of private land to a depth of 30m.	None
E70/5215	HPAA Pty. Ltd.	100	07/09/2020	06/09/2025	11BL	\$0 due (for year ended	Tenement year ended 06/09/20:	End: 1-9 Cond: 1-3, 6-	None	Claims: Marlinyu

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS / ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
						06/09/2021) \$1,551/00 (for year ending 06/09/2022)	N/A Current Tenement Year to 06/09/2021: \$20,000	8, 9-16, 18  Objection 541322 – Warden Recommended Application for Grant 10/11/2019		Ghoorlie WC2017/007, 1 Registered Aboriginal Heritage Site (ID 24804, Mongers Like Waterway)
E70/5216	HPAA Pty. Ltd.	100	03/07/2019	02/07/2024	12BL	\$0 due (for year ended 02/07/2021) \$1,692.00 (for year ending 02/07/22)	Tenement year to 02/07/20: Expended in Full  Current Tenement Year to 02/07/21: \$20,000	End: 1, 2, 4-9, 14-17 Cond: 1-3, 17, 19	None	Determination: Yamatji Nation WCD2020/001
E70/5665	HPAA Pty. Ltd.	100	(24/11/2020)	N/A	24BL	\$0 due (for year ended 23/11/2021)	N/A – application pending	N/A – application pending	Application still pending.	Claims: Marlinyu Ghoorlie WC2017/007, 1 Registered Aboriginal Heritage Site (ID 5603, Bonnie Rock)

References to numbers in the “Notes” column refers to the notes following this table.

References to letters in the “Notes” column refers to the material contracts which are summarised in Part III of this Report.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

Please refer to Part II of this Report for further details on native title and Aboriginal heritage matters.

**Notes:**

**Tenement conditions and endorsements**

Endorsements	
1.	The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.
2.	The Licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
3.	The land the subject of this Licence affects a Rare Flora sites (including Rare Flora Sites 87013 & 87014) declared under the Wildlife Conservation Act 1950. The Licensee is advised to contact the Department of Biodiversity Conservation and Attractions (DBCA) via email address flora.data@dbca.wa.gov.au (with ID numbers) to receive the population details and information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.
<b>In respect to Water Resource Management Areas (WRMA) the following endorsements apply:</b>	
4.	The Licensee's attention is drawn to the provisions of the: Waterways Conservation Act, 1976 Rights in Water and Irrigation Act, 1914 Metropolitan Water Supply, Sewerage and Drainage Act, 1909 Country Areas Water Supply Act, 1947 Water Agencies (Powers) Act 1984
5.	The rights of ingress to and egress from, and to cross over and through, the mining tenement being at all reasonable times preserved to officers of Department of Water and Environmental Regulation (DWER) for inspection and investigation purposes.
6.	The storage and disposal of petroleum hydrocarbons, chemicals and potentially hazardous substances being in accordance with the current published version of the Department of Water and Environmental Regulation (DWER) relevant Water Quality Protection Notes and Guidelines for mining and mineral processing.
7.	The taking of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless current licences for these activities have been issued by Department of Water and Environmental Regulation (DWER).
8.	Measures such as drainage controls and stormwater retention facilities are to be implemented to minimise erosion and sedimentation of adjacent areas, receiving catchments and waterways.
9.	All activities to be undertaken so as to avoid or minimise damage, disturbance or contamination of waterways, including their beds and banks, and riparian and other water dependent vegetation.
10.	By approval the grant of this licence is amended to include Lot 3240 and Lot 3967 on Deposited Plan 204459 and Lot 4020 on Deposited Plan 165383 to a depth of 30 metres from the natural surface.
<b>In respect to Public Drinking Water Source Areas (PDWSA) the following endorsement applies:</b>	
11.	All activity within proclaimed public drinking water source areas shall comply with the current published version of the Department of Water and



Endorsements	
	<p>Environmental Regulation (DWER) [Quality Protection Note 25 Land Use Compatibility in Public Drinking Water Source Areas]. Key issues that need to be considered within the Water Quality Protection Note are:</p> <ul style="list-style-type: none"> <li>All exploration involving the storage, transport and use of toxic and hazardous substances (including human wastes) within public drinking water source areas being prohibited unless approved in writing by the DWER.</li> </ul> <p>Seek written advice from the DWER if handling, storing and/or using hydrocarbons and potentially hazardous substances.</p>
Private Land	
12.	By approval the grant of this licence is amended to include Lot 3239 on Deposited Plan 204472, Lot 3260 on Deposited Plan 204452, Lot 3967 on Deposited Plan 204459, Lot 4020 on Deposited Plan 165383 and Lot 4032 on Deposited Plan 168355 to a depth of 30 metres from the natural surface.
13.	The Licensee's attention is drawn to the provisions of section 55 of the Land Administration Act 1997.
In respect to Proclaimed Surface Water Areas, Irrigation District Areas and Rivers (Greenough River and Tributaries) (RIWI Act) the following endorsements apply:	
14.	The taking of surface water from a watercourse or wetland is prohibited unless a current licence has been issued by the Department of Water and Environmental Regulation (DWER).
15.	Advice shall be sought from the Department of Water and Environmental Regulation (DWER) and the relevant water service provider if proposing exploration activity in an existing or designated future irrigation area, or within 50 metres of a channel, drain or watercourse from which water is used for irrigation or any other purpose, and the proposed activity may impact water users.
16.	<p>No exploration activity is to be carried out if:</p> <ul style="list-style-type: none"> <li>it may obstruct or interfere with the waters, bed or banks of a watercourse or wetland</li> <li>it relates to the taking or diversion of water, including diversion of the watercourse or Wetland unless in accordance with a permit issued by the Department of Water and Environmental Regulation (DWER).</li> </ul>
In respect to Proclaimed Ground Water (Gascoyne) Areas the following endorsement applies:	
17.	The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by the Department of Water and Environmental Regulation (DWER), unless an exemption otherwise applies.
Conditions	
1.	All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines, Industry Regulation and Safety. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, Department of Mines, Industry Regulation and Safety.
2.	All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
3.	Unless the written approval of the Environmental Officer, Department of Mines, Industry Regulation and Safety is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of

Conditions	
	operations.
4.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water Reserves 15828, 20524 and 25323.
5.	No interference with Geodetic Survey Station Bencubbin 25 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
<b>Consent to mine on Water Reserve 20524 granted.</b>	
6.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Recreation Golf Links Reserve 25747, Sanitary and Rubbish Disposal Site Reserve 25753 and Park and Recreation Reserve 48204.
7.	No interference with Geodetic Survey Stations Bencubbin 91, 109 and 115 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
8.	Mining on a strip of land 20 metres wide with any pipeline as the centreline being confined to below a depth of 31 metres from the natural surface and no mining material being deposited upon such strip and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.
<b>In respect to Rail Corridor Land (Cadoux to Kalannie) the following conditions apply;</b>	
9.	No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land Cadoux to Kalannie as shown in TENGRAPH without the prior written approval of the Minister responsible for the Mining Act 1978.
10.	No surface excavation approaching closer to the boundary of the Safety Zone established by Condition 8 hereof than a distance equal to three times the depth of the excavation without the prior written approval of Mines Safety, DMIRS.
11.	Mining below 15 metres from the natural surface of the land in the Safety Zone established in Condition 8 hereof being approved by Mines Safety, DMIRS in consultation with the operator of the railway on corridor land.
12.	No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition 8 hereof without the prior approval of the operator of the railway on corridor land.
13.	The Licensee not excavating, drilling, installing, erecting, depositing or permitting to be excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition 8 hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of Mines Safety, DMIRS.
14.	No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the Director, Dangerous Goods and Petroleum Safety, DMIRS.
15.	The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA.
16.	Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 for the purpose of protecting the rail corridor land.
17.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Conservation of Flora and Fauna Reserve 33475.
18.	No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres below the surface.

Conditions	
19.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Conservation of Flora and Fauna Reserve 33475.

Tengraph interests

	Land Type	Description
1.	Road Reserves	<p>E70/5214 overlaps the following roads:</p> <ul style="list-style-type: none"> <li>• Bimbijy Road;</li> <li>• Bunce Road;</li> <li>• Lancaster Road;</li> <li>• Marino North Road; and</li> <li>• Stone Road.</li> </ul> <p>E70/5215 overlaps the following roads:</p> <ul style="list-style-type: none"> <li>• Campbell Road;</li> <li>• Cottage Road;</li> <li>• Dalwallinu Kalannie Road;</li> <li>• Dowerin Kalannie Road;</li> <li>• Goodlands Road;</li> <li>• Jones Road;</li> <li>• Kalannie Kulja Road; and</li> <li>• Pithara East Road.</li> </ul> <p>E70/5216 overlaps the following roads:</p> <ul style="list-style-type: none"> <li>• Carnarvon Mullewa Road;</li> <li>• Road No 8549; and</li> <li>• Tiller Road.</li> </ul> <p>E70/5325 overlaps the following roads:</p> <ul style="list-style-type: none"> <li>• Bimbiji Road; and</li> <li>• Lancaster Road.</li> </ul> <p>E70/5665 overlaps the following roads:</p> <ul style="list-style-type: none"> <li>• Bonnie Rock Mukinbudin Road;</li> <li>• Borlase Road;</li> <li>• Clune Road;</li> <li>• Doig Road;</li> <li>• Graham Road;</li> <li>• McInnes Road;</li> <li>• Road No. 9147; and</li> </ul>

	Land Type	Description
		<ul style="list-style-type: none"> <li>Wandanning Road.</li> </ul>
2.	<b>Rail Corridor Land</b>	<p>E70/5215 overlaps the following rail corridor land:</p> <ul style="list-style-type: none"> <li>Road Corridor Land Cadoux to Kalannie (0.35%).</li> </ul>
3.	<b>Crown Reserves</b>	<p>Under section 41 of the Land Administration Act 1997 the Minister may set aside Crown lands by Ministerial Order in the public interest. Every such reservation has its description and designated purpose registered on a Crown Land Title (CLT) and is depicted on an authenticated map held by Landgate.</p> <p>Reservation action is normally initiated by the Department for Planning and Infrastructure following community or Government request, land planning decisions, or as a result of the subdivision of land.</p> <p>The Land Act 1933 provided for State reserves to be classified as Class A, B or C. There is no provision in the LAA to create new Class B reserves and there is no longer reference to Class C reserves. Class A affords the greatest degree of protection for reserved lands, requiring approval of Parliament to amend the reserve's purpose or area, or to cancel the reservation. The A classification is used solely to protect areas of high conservation or high community value. Class B reserves continue, but are no longer created under the LAA. The Minister for Lands may deal with Class B reserved lands as normal reserves, provided that, should the reservation be cancelled, a special report is made to both Houses of Parliament within 14 days from the cancellation or within 14 days after the commencement of the next session.</p> <p>Once created, a reserve is usually placed under the care, control and management of a State government department, local government or incorporated community group by way of a Management Order registered against the relevant CLT. A Management Order under the LAA does not convey ownership of the land – only as much control as is essential for the land's management.</p> <p>Tenement E70/5214 overlaps the following crown reserves:</p> <ul style="list-style-type: none"> <li>R 15828 Class "C" Reserve Parklands, Walk Trails and Conservation (4.85%);</li> <li>R 20524 Class "C" Reserve Water (11.3%); and</li> <li>R 25323 Class "C" Reserve Water (1.07%).</li> </ul> <p>Tenement E70/5215 overlaps the following crown reserves:</p> <ul style="list-style-type: none"> <li>R 25747 Class "C" Reserve Recreation Golf Links (0.64%); and</li> <li>R 25753 Class "C" Reserve Sanitary &amp; Rubbish Disposal Site (0/12%).</li> </ul> <p>Tenement E70/5665 overlaps the following crown reserves:</p> <ul style="list-style-type: none"> <li>R 22048 Class "C" Reserve Water (0.03%).</li> </ul>
4.	<b>Abandoned Railway</b>	<p>E70/5215 overlaps the following abandoned railway:</p> <ul style="list-style-type: none"> <li>Railway Reserve Unnumbered (0.09%); and</li> <li>Railway Reserve Unnumbered (0.27%).</li> </ul>
5.	<b>Private/Freehold Land</b>	<p>Tenement E70/5214 overlaps the following private/freehold land:</p>

	Land Type	Description
		<ul style="list-style-type: none"> <li>Freehold Land Act – Western Australia (81.11%).</li> </ul> <p>Tenement E70/5215 overlaps the following private/freehold land:</p> <ul style="list-style-type: none"> <li>Freehold Land Act – Western Australia (80.74%); and</li> <li>Freehold Transfer Land Act – Western Australia (16.16%).</li> </ul> <p>Tenement E70/5216 overlaps the following private/freehold land:</p> <ul style="list-style-type: none"> <li>Freehold Land Act – Western Australia (97.83%).</li> </ul> <p>Tenement E70/5235 overlaps the following private/freehold land:</p> <ul style="list-style-type: none"> <li>Freehold Land Act – Western Australia (97.15%).</li> </ul> <p>Tenement E70/5665 overlaps the following private/freehold land:</p> <ul style="list-style-type: none"> <li>Freehold Land Act – Western Australia (66.06%); and</li> <li>Freehold Transfer Land Act – Western Australia (32.45%).</li> </ul>
6.	<b>Flora &amp; Fauna Reserve</b>	<p>Tenement E70/5216 overlaps the following flora and fauna reserve:</p> <ul style="list-style-type: none"> <li>Class "C" Reserve Conversation of Flora &amp; Fauna (0.99%).</li> </ul>
7.	<b>DAA Heritage Survey Areas</b>	<p>The following DAA Heritage Survey Areas were identified on Tenement E70/5216:</p> <ul style="list-style-type: none"> <li>HSA 28282 1 (0.09%);</li> <li>HSA 28283 1 (0.09%);</li> <li>HSA 28284 1 (0.09%);</li> <li>HSA 28297 1 (0.09%); and</li> <li>HSA 29299 1 (0.09%).</li> </ul>
8.	<b>File Notation Area</b>	<p>Tenement E70/5216 overlaps the following file notation area:</p> <ul style="list-style-type: none"> <li>Parklands Walk Trails and Conservation Section 16(3) Clearance (4.85%).</li> </ul> <p>Tenement E70/5216 overlaps the following file notation area:</p> <ul style="list-style-type: none"> <li>Yamatji Nation Indigenous Land Use Agreement (formerly GASA) – Geraldton Alternative Settlement Agreement (100%).</li> </ul> <p>Tenement E70/5665 overlaps the following file notation area:</p> <ul style="list-style-type: none"> <li>Proposed amalgamation of Reserve 22048 with Lot 50 Shire of Mukinbudin Section 16(3) Clearance</li> </ul>
9.	<b>Groundwater area</b>	<p>Groundwater is a reserve of water beneath the earth's surface in pores and crevices of rocks and soil. Recharge of groundwater aquifers is slow and can take many years. Groundwater often supports wetland and stream ecosystems.</p> <p>Groundwater areas are proclaimed under the Rights in Water and Irrigation Act, 1914.</p> <p>There are 45 proclaimed groundwater areas in Western Australia where licences are required to construct or alter a</p>

	Land Type	Description
		well and to take groundwater. The Department of Water is responsible for managing proclaimed areas under the Act. The following Ground Water Areas were identified on Tenement E70/516: GWA 17, Gascoyne (100%).
10.	<b>Surface Water Area Pilbara</b>	<p>The Rights in the Water and Irrigation Act 1914 provides the Governor of Western Australia the power to proclaim, or prescribe through regulation, a Surface Water Area.</p> <p>A Surface Water Area is proclaimed for the purposes of regulating the taking of water from watercourses and wetlands. An area is proclaimed, or prescribed through regulations, where there is a need for systematic management of the use of water. The proclamation is made on the recommendation of the Department of Water and must first be tabled before both Houses of Parliament.</p> <p>Proclaiming or prescribing an area has the effect of allowing the use of water for commercial activity under a licence. Where an area has been proclaimed, the provisions of Division 1B of Part III of the Act apply to surface water in that area.</p> <p>The following Surface Water Areas were identified on Tenement E70/5216:</p> <ul style="list-style-type: none"> <li>• SWA 19, Surface Water Area Greenough River and Tributaries Catchment Area (100%).</li> </ul> <p>The following Surface Water Areas were identified on Tenement E70/5665:</p> <ul style="list-style-type: none"> <li>• SWA 2, Surface Water Area Avon River System (99.18%).</li> </ul>



## PART II – NATIVE TITLE CLAIMS

TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	REGISTERED	IN MEDIATION	STATUS
WC2017/007	WAD647/2017	Marlinyu Ghoorlie	Yes	No	Active
WCD2020/001	WAD19/2019	Yamatji Nation	Determined	No	Active

### ILUAs

The land under Tenement E70/5216 is subject to an ILUA designated as Yamatji Nation Agreement that was registered on 30 July 2020. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is the State of Western Australia.

The ILUA applies to approximately 47,9790 sq km of land and is located in the vicinity of Geraldton extending westerly to the 12 nautical mile limit, northerly to approximately 20 km south of Kalbarri, southerly to approximately 90 km north of Moora and easterly to approximately 63 km west of Mount Magnet.

### HERITAGE & COMPENSATION AGREEMENTS

None – please refer to Section 5.2 of this Report for further detail around the reasons as to why there are no heritage or compensation agreements in place in respect of the Tenements.

### ABORIGINAL HERITAGE SITES – WESTERN AUSTRALIA

TENEMENT	ABORIGINAL HERITAGE SITES
E70/5235	None
E70/5214	None
E70/5215	1 Registered Site ID: 24380 Name: Mongers Lake Waterway Type: Mythological, Natural Feature
E70/2516	None
E70/5665	1 Registered Site ID: 5603 Name: Bonnie Rock Type: Painting

### PART III – FREEHOLD/PRIVATE LAND

Tenement	Relevant Freehold Act	% overlap	CERTIFICATE OF TITLE – VOLUME/FOLIO NUMBER (LAND LOTS)	REGISTERED PROPRIETOR/S	GRANT DATE
E70/5214	Freehold Land Act – Western Australia	81.11%	1293/448	BRIAN ROGER KIRBY MARIAN ELEANOR KIRBY	10/05/1965
			3240	BRIAN ROGER KIRBY MARIAN ELEANOR KIRBY <sup>1</sup>	-
E70/5215	Freehold Land Act – Western Australia	80.74%	287/99A	JILLIAN DENISE BLACKLOCK-REED	15/03/1972
	Freehold Transfer Land Act – Western Australia	16.16%			
E70/5216	Freehold Land Act – Western Australia	97.83%	2122/300	ROBERT FREDERICK JENKIN, ROBERTA JEAN JENKIN	19/12/1997
E70/5235	Freehold Land Act – Western Australia	97.15%	(3260), (4032)	BRIAN ROGER KIRBY MARIAN ELEANOR KIRBY <sup>1</sup>	-
E70/5665	Freehold Land Act – Western Australia	66.06%	1596/616	VERNON RICHARD BENT	22/06/1981
	Freehold Transfer Land Act – Western Australia	32.45%			



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