



Replacement Prospectus

ShawandPartners
an EFG company

Macarthur Minerals Limited
ACN 103 011 436

The Offer contained in this Replacement Prospectus is an invitation to acquire Shares in Macarthur Minerals Limited (Macarthur or Company). This Replacement Prospectus is issued by Macarthur and is dated 30 October 2019. A copy of this Replacement Prospectus was lodged with ASIC on 30 October 2019. This Replacement Prospectus replaces the Original Prospectus, which was dated 15 October 2019 and was lodged with ASIC on that day. Neither ASIC nor ASX takes any responsibility for the content of this Replacement Prospectus or the merits of the investment to which this Prospectus relates. This Replacement Prospectus differs from the Original Prospectus. The Company applied to the ASX within 7 days following the date of the Original Prospectus for official quotation by ASX of the Shares offered by the Replacement Prospectus. No securities will be issued on the basis of this Replacement Prospectus later than 13 months after the date of the Original Prospectus.

This Prospectus is an Offer to acquire on a post Consolidation basis up to 20,000,000 Shares at an Offer price of \$0.25 per Share to raise a minimum of \$5,000,000 with the ability to accept over-subscriptions of up to a further 10,000,000 Shares to raise a maximum of \$7,500,000 (before costs of the Offer). The Offer is conditional upon satisfaction of the Conditions, which are described in the Investment Overview and set out in the Section 1 of this Prospectus. No Securities will be issued under this Prospectus until such time as the Conditions are satisfied.

All securities offered under this Prospectus are described and offered on a post Consolidation basis.

Lead Manager and Corporate Advisor:

ShawandPartners
an **EFG** company



This Prospectus is an important document and should be read in its entirety. If after reading this Prospectus you have any questions about the Offer or any other matter, then you should consult your professional advisers. This Prospectus is issued pursuant to section 710 of the Corporations Act 2001 (Cth). The securities offered by this Prospectus are considered to be highly speculative.

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Important Information

Replacement Prospectus

This Replacement Prospectus (which is referred to in this document as either “this Replacement Prospectus” or “this Prospectus”) replaces the Original Prospectus. This Replacement Prospectus has been issued to, amongst other matters:

- (a) provide additional disclosure in relation to the Company’s proposed use of funds in the Investment Overview Section and Section 1;
- (b) provide additional disclosure of the Company’s business model and indicative target timelines for its Lake Giles Iron Project in the Investment Overview Section;
- (c) provide information on additional risks of investment in the Company in the Investment Overview Section and Section 8; and
- (d) provide greater clarity on the effect of the Offer on the Company’s market capitalisation.

Offeror

The Offer is made by Macarthur Minerals Limited ACN 103 011 436 (**Macarthur** or **the Company**), a company incorporated in Australia. Its business, management and key risks are described in Section 2 (Company Overview), Section 3 (Iron Ore Projects), Section 4 (Non-Iron Ore Projects), Section 8 (Risk Factors) and Section 9 (Board and Management) of this Prospectus.

Offer

The offer contained in this Prospectus (the Offer) is an Offer to acquire, on a post Consolidation basis, 20,000,000 Shares in Macarthur at an Offer Price of \$0.25 per Share to raise a minimum of \$5,000,000 (before costs) with the ability to accept oversubscriptions of up to a further 10,000,000 Shares to raise a maximum of \$7,500,000 (before costs).

This Prospectus is issued by the Company for the purposes of Chapter 6D of the Corporations Act.

Conditional Offer and Consolidation

The Offer under this Prospectus is subject to a number of conditions, being (each a **Condition**, collectively the **Conditions**):

- (a) the Consolidation of the Company’s Shares being completed;
- (b) the Company raising the Minimum Subscription (\$5,000,000);
- (c) to the extent required by the ASX or ASX Listing Rules, each person entering into a restriction agreement imposing such restrictions on trading the Shares as mandated by the ASX Listing Rules;
- (d) ASX providing the Company with a list of conditions which, once satisfied, will result in ASX admitting the Company to the ASX Official List;
- (e) the receipt of all necessary regulatory approvals, including any approvals required by ASX and TSX-V.

Further details of the Conditions are set out at Section 1 of this Prospectus. If the Conditions are not fulfilled on or before 15 November 2019, the Company may elect not proceed with the Offer and, if it so elects, will repay all Application Monies received, without interest and in accordance with the Corporations Act. Accordingly, the Offer is conditional on the satisfaction of the Conditions. In this regard, no Securities will be issued pursuant to this Prospectus unless all Conditions have been satisfied.

Except as stated otherwise, all references to Securities of the Company as set out in this Prospectus are described on the basis that the Consolidation has occurred.

Expiry Date

No Securities will be issued or sold on the basis of this Prospectus later than thirteen (13) months after the Prospectus Date.

Notice to Applicants

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its Securities or any other financial products.

This Prospectus is important and you should read it in its entirety, along with each of the documents incorporated by reference, prior to deciding whether to invest in the Company's Shares. There are risks associated with an investment in the Shares, and you must regard the Shares offered under this Prospectus as a speculative investment. Some of the risks that you should consider are set out in Section 8 of this Prospectus. You should carefully consider these risks in light of your personal circumstances including financial and taxation issues. There may also be additional risks that you should consider in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to analyse or interpret it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional advisor before deciding whether to invest in the Shares.

No person named in this Prospectus guarantees the Company's performance or any return on investment or any return of capital made pursuant to this Prospectus.

No offer where Offer would be illegal

This Prospectus does not constitute a public offer or invitation to purchase Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia, New Zealand, Hong Kong, or Singapore.

There may be legal restrictions related to the distribution of this Prospectus (including in electronic form) outside Australia and New Zealand, and therefore any person who resides outside Australia or New Zealand, and who receives this Prospectus outside Australia or New Zealand, should seek their own advice on, and observe, any such restrictions. Any person who has a registered address in any country outside of Australia and New Zealand, and who receives this Prospectus may only apply for Shares if that person is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer relying on a relevant

exception from, or are not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have such registered address.

The Company will not offer to sell, nor solicit an offer to purchase, any Shares in any jurisdiction where such offer, sale or solicitation may be unlawful. Any failure to comply with these restrictions may constitute violation of applicable securities laws.

Who is eligible to participate in the Offer?

This document does not constitute an offer of Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

New Zealand

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

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

If you (or any person for whom you are acquiring or procuring the Shares) are in New Zealand, you (and any such person):

- (a) are a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act"), (ii) meets the investment

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activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act;

- (b) acknowledge that: (i) Part 3 of the FMC Act shall not apply in respect of the offer of Shares to you, (ii) no product disclosure statement under the FMC Act may be prepared in respect of the offer of Shares and (iii) any information provided to you in respect of the offer is not required to, and may not, contain all of the information that a product disclosure statement under New Zealand law is required to contain;
- (c) warrant that if in the future you elect to directly or indirectly offer or sell any of the Shares allotted to you, you undertake not to do so in a manner that could result in (i) such offer or sale being viewed as requiring a product disclosure statement or other similar disclosure document or any registration or filing in New Zealand, (ii) any contravention of the FMC Act or (iii) the Company or its directors incurring any liability; and
- (d) warrant that (i) any person for whom you are acquiring Shares meets one or more of the criteria specified in subclause (a) above and (ii) you have received, where required, a safe harbour certificate in accordance with clause 44 of Schedule 1 of the FMC Act.

Hong Kong

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

investors” (as defined in the SFO and any rules made under that ordinance).

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

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

If you (or any person for whom you are acquiring the Shares) are in Hong Kong, you (and any such person) are a “professional investor” as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.

Singapore

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

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

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

If you (or any person for whom you are acquiring the Shares) are in Singapore, you (and any such person):

- are an “institutional investor” or an “accredited investor” (as such terms are defined in the Securities and Futures Act of Singapore (“SFA”))
- will acquire the Shares in accordance with applicable provisions of the SFA; and
- acknowledge that the offer of the Shares is subject to the restrictions (including selling restrictions) set out in the SFA.

No Cooling Off Period

Cooling off rights do not apply to an investment in Shares pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted by the Company.

Exposure Period

The Corporations Act prohibits the Company from processing applications to subscribe for Shares under the Offer during the seven (7) day period after the date of lodgement of this Prospectus (the Exposure Period). This period may be extended by ASIC for a further seven days. This period is an Exposure Period to enable market participants to examine this Prospectus prior to the raising of funds under the Offer. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

Electronic Prospectus

This Prospectus, with an accompanying Application Form, may be viewed online at the Company Website, www.macarthurminerals.com.

The Offer constituted by this Prospectus in electronic form is only available to Australian and New Zealand residents accessing an electronic version of this Prospectus in Australia or New Zealand. It is not available to persons in other jurisdictions. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

Incorporation by reference

The Company’s Corporate Governance Charter is not contained in this Prospectus, but has been lodged with ASIC, is available on the Company’s website at www.macarthurminerals.com, and is taken by law to be included in this Prospectus at Section 10 (“Corporate Governance”). If you are unsure whether you require the information contained in the Corporate Governance Policies to decide whether or not to invest in the Company, it is recommended that you obtain a copy of the Corporate Governance Policies. A copy of the Corporate Governance Policies can be obtained during the period of the Offer free of charge from the Company’s website at www.macarthurminerals.com or by contacting the Company on +61 7 3221 1796 or by email at communications@macarthurminerals.com.

Industry Data

This Prospectus contains industry data and forecasts that were obtained from industry publications, opinions, market data, third-party market research and publicly available information. These publications may state or imply that the information contained in them has been obtained from sources believed to be reliable, but the Company has not independently verified the accuracy or completeness of such information. There is no assurance that any of this information will be accurate or complete or that the forecasts contained within them will be achieved. These matters involve risks and uncertainties and are subject to change based on various factors, including those discussed in Section 8 of this Prospectus (“Risk Factors”).

Important Information

Privacy

By completing an Application Form, you consent to the collection, use and disclosure of your personal information as summarised below.

We collect personal information about you so that we can administer our dealings with you, provide you with Company information, products and services, service your needs as a Shareholder (if you become one), carry out appropriate administration of your Application and deal with any requests that you may have. If we do not collect your personal information, we may be unable to deal with your request or provide you with services and benefits, and we may not be able to process your Application.

The Company maintains the register of members of the Company through its Share Registry (presently Computershare) which is an external share registry service provider. The Company requires Computershare to comply with the Australian Privacy Principles in performing these services. The Company's register of members is required by law to maintain certain personal information about you such as your name and address and number of Securities held. In addition, the Company may collect personal information from members including contact details, bank account details, membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends (if any), sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office (ATO). In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company will only disclose personal information it has about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other associates of the Company and its subsidiaries;

(e) to your Broker; and

(f) to external service providers who supply services in connection with the administration of the Company's register such as the Share Registry, the Lead Manager and Corporate Advisor, auditors, Management, legal and other professional advisors, service providers, mailing houses, printers, Australia Post, financial institutions, suppliers, insurers, IT providers who run our IT services, payment processors who process payments, marketing providers who provide marketing and public relations services, and if we are required to by law.

In accordance with the requirements of the Corporations Act 2001 (Cth) (Corporations Act), information on the Shareholder register will be accessible by members of the public. A copy of Macarthur's current Privacy Policy is accessible on its website at www.macarthurminerals.com.

Disclaimer

No person should rely on any information that is not contained in this Prospectus for making a decision as to whether to acquire Shares under the Offer. No person is authorised by the Company or the Lead Manager and Corporate Advisor to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

This Prospectus may contain forward-looking statements concerning the Company's business, operations, financial performance and condition, as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target",

“will”, “would” and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates and projections about the Company’s business and the industry in which the Company operates and Management’s beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company’s control. As a result, any or all of the Company’s forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences between forward-looking statements and actual performance include, but are not limited to, the risks described in Section 8 of this Prospectus (‘Risk Factors’).

You are urged to consider the Risk Factors carefully when evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the information and risks the Company describes in the reports to be filed from time to time with the ASX after the date of this Prospectus.

This Prospectus contains industry data and forecasts that were obtained from industry publications, third-party market research and publicly available information. These publications generally state or imply that the information contained in them has been obtained from sources believed to be reliable, but the Company has not independently verified the accuracy or completeness of such information. In addition, where a source has been identified in this Prospectus as the source for providing specific information included in the Prospectus, the author of that information has not given their consent to this information being included in the Prospectus and has not authorised or caused the issue of the Prospectus.

This Prospectus also includes trademarks, trade names and service marks that are the property of other organisations.

Consents of Competent Persons

Technical Assessment Report and Prospectus

The disclosure contained in this Prospectus that relates to technical assessment of the mineral assets, exploration results and Mineral Resources in Section 5 of this Prospectus (‘Independent Technical Assessment Report’), is based on, and fairly reflects, information and conclusions derived by the following Competent Persons that have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’:

- Contributing author – Mr Aaron Meakin (Manager – Resources) responsible for Section 2 of the Technical Assessment Report. Mr Meakin is a fulltime employee of CSA Global and a Member of the AusIMM.
- Contributing author – Mr Ralph Porter responsible for Sections 3 and 4 of the Technical Assessment Report. Mr Porter is an associate of CSA Global and a Member of the AIG.
- Contributing author – Mr David Williams (Principal Resource Geologist) responsible for Section 2 of the Technical Assessment Report. Mr Williams is a fulltime employee of CSA Global and a Member of the AIG and a Member of the AusIMM.
- Contributing author – Mr Ilmar Tehnas responsible for Section 3 of the Technical Assessment Report. Mr Tehnas is an employee of CSA Global and a Member of the AusIMM.
- Contributing author – Mr Trivindren Naidoo (Principal Geologist - Valuation) responsible for all sections of the Technical Assessment Report. Mr Naidoo is a fulltime employee of CSA Global and a Member of the AusIMM.
- Peer reviewer – Mr Neal Leggo (Principal Geologist) responsible for all sections of the report. Mr Leggo is

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a fulltime employee of CSA Global and a Member of the AIG.

Messrs Meakin, Porter, Williams, Tehnas, Naidoo, and Leggo have reviewed the technical information contained in Section 1 ('Offer details'), Section 2 ('Company Overview'), Section 3 ('Iron Ore Projects') and Section 4 ('Non-Iron Ore Projects') of this Prospectus and consent to the inclusion of the technical information in the form and context in which it appears.

Mineral Resources

The information in this Prospectus that relates to Hematite Mineral Resource estimates is based on information compiled by Mr David Williams MAIG. Mr Williams 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". Mr Williams consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

The information in this Prospectus that relates to Magnetite Mineral Resource estimates at Snark, Clark Hill (North and South), and Sandalwood is based on information compiled by Mr Chris Allen MAIG. Mr Allen 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". Mr Allen consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

The information in this Prospectus that relates to Magnetite Mineral Resource Estimates for Moonshine and Moonshine North is based on information compiled by Mr Shane Fieldgate MAIG (RPGEO). Mr Fieldgate 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". Mr

Fieldgate consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

Company's Website

Any references to documents included on the Company's website, www.macarthurminerals.com, are provided for convenience only and, except as otherwise specifically stated to the contrary in this Prospectus none of the documents or other information on the website is incorporated by reference as content of this Prospectus.

Independent Expert Reports

The disclosure contained in this Prospectus of a scientific or technical nature, including disclosure of Mineral Resources, is based on the Technical Assessment Report set out in Section 5 of this Prospectus entitled "Independent Technical Assessment Report - Macarthur Minerals Projects in WA and Nevada: CSA Global Report No. R358.2019" dated 9 October 2019, prepared by CSA Global Pty Ltd, in accordance with the VALMIN Code and the JORC Code and other information that has been prepared by or under the supervision of competent persons (as such term is defined in the JORC Code), and included in this Prospectus with the consent of such persons.

Actual recoveries of mineral products may differ from reported Mineral Resources due to inherent uncertainties in acceptable estimating techniques. In particular, Inferred Mineral Resources have a great amount of uncertainty as to their existence, economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category of resource. Mineral Resources that are not Ore Reserves do not have demonstrated economic viability. Applicants are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into Proven and Probable Reserves.

The Solicitors' Report on Tenements is set out in Section 6 of this Prospectus.

The Independent Limited Assurance Report prepared by the Independent Accountants is set out in Section 7 of this Prospectus.

Photographs and diagrams

Photographs used in this Prospectus that do not have any description are for illustration or design purposes only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the Company owns the assets shown. Similarly, any assets depicted in the photographs such as equipment, buildings or other property are not necessarily assets that are owned or used by the Company and have been included for presentation and illustrative purposes unless stated otherwise. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Abbreviations

Defined terms and abbreviations used in this Prospectus and not otherwise defined herein are defined and explained in the Glossary in Section 14 of this Prospectus (Glossary of Defined Terms).

References to Time

All references to time in this Prospectus refer to the time in Brisbane, Australia (AEST), unless stated otherwise.

Financial Information and Currency

All financial amounts contained in this Prospectus are expressed in Australian Dollars, unless otherwise stated. Any discrepancies between totals and sums of components in figures and tables contained in this Prospectus are due to rounding.

Section 11 of this Prospectus ('Historical and Pro-Forma Financial Information') sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is set out in Section 11.2.

Statement of past performance

This Prospectus includes information regarding past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

Regulation of the Company

As the Company is primarily listed on the TSX Venture Exchange (TSX-V), its general corporate activities are regulated by the Business Corporations Act (British Columbia) SBC 2002 (**BCBCA**), in addition to the

Corporations Act in Australia. Please see Section 13 (and specifically Section 13.3) of this Prospectus for further information on the key differences between Australian and Canadian company law.

Chairman's Letter

30 October 2019

Dear Investors,

On behalf of the Board of Macarthur Minerals Limited (Macarthur or the Company), I am pleased to present this Prospectus and to invite you to become an investor in the Company.

Macarthur is a minerals exploration company that is currently listed on the TSX-V with a market capitalisation as at the last trading day prior to the Prospectus Date of approximately \$CDN 16.1 million. This Prospectus constitutes an offer (the Offer) to acquire, on a post Consolidation basis, 20,000,000 Shares at an Offer Price of \$0.25 per Share to raise a minimum of \$5,000,000 with the ability to accept oversubscriptions of up to a further 10,000,000 Shares to raise a maximum of \$7,500,000 (before Costs of the Offer). The nature of, and rights attaching to the Shares is explained in further detail in Section 13.1 of this Prospectus.

The Offer is to facilitate the dual listing of the Company on the ASX. The Board considers that a dual listing on the ASX will provide the Company with increased opportunities to access capital from institutional investors and an opportunity for non-institutional investors in Australia to participate in the advancement of the Company's Projects.

The Company's primary objective, supported by proceeds raised through the Offer, is to transition from an exploration company to a producer of high quality Magnetite Iron Ore concentrate for the export market. The Company has a target of transitioning from exploration activities to commencement of commercial mining operations at its Lake Giles Iron Project by Q1 2023, in accordance with the indicative timeframes set out in Table 3A of this Prospectus. (Transitioning from exploration activities to commercial mining operations involves a number of risks outlined in Section 8.2 and there is no guarantee that the commencement of commercial mining operations will be achieved within the Company's target timeframe or at all). The Company's planned development pathway targeting the premium Iron Ore market will aim to differentiate it as a producer that does not compete in the heavily discounted -60% Fe market, which is dominated by

larger producers in Western Australia.

The Company's flagship project is the Lake Giles Iron Project. This project is comprised of the Moonshine Magnetite Project and the Ularring Hematite Project, located in the Yilgarn Region of Western Australia. The region is a well-established mining district with one existing Iron Ore producer and several projects in the exploration and development stages. The region is well serviced with infrastructure including open access rail and Iron Ore export facilities at the Port of Esperance.

The Lake Giles Iron Project is at an advanced stage of development with approximately \$62 million expended on exploration, metallurgy, feasibility studies and environmental permitting to date. Substantial Mineral Resources have been delineated and include an Inferred Mineral Resource of 1,316 Mt @ 30.1% Fe for the Moonshine Magnetite Project, in addition to an Indicated Mineral Resource of 54.5 Mt @ 47.2% Fe and an Inferred Mineral Resource of 26.0 Mt @ 45.5% Fe for the Ularring Hematite Project.¹

The Company has already obtained environmental approval to develop the Ularring Hematite Project and intends to commence the approval process for the Moonshine Magnetite Project. The Company is not presently aware of any environmental restrictions that would materially restrict or prevent the approval of the Moonshine Magnetite Project.

In 2019 the Company completed a Preliminary Economic Assessment for a combined Magnetite and Hematite operation in respect of the Lake Giles Iron Ore Project (PEA). The results of the PEA are positive and support the Company's strategy of progressing to a Bankable Feasibility Study for the Lake Giles Iron Project, with the objective of transitioning from an exploration company to a producer of high quality Magnetite Iron Ore concentrate for the export market.

Mineral exploration is speculative, and developing a producing mine carries a range of financing, operating and regulatory risks. Securing a firm offtake partner and ensuring access to infrastructure that can provide a clear pathway to markets are critical components for success. The Company has therefore been advancing

¹ Refer to Table 3 and Table 8 of the Technical Assessment Report contained in Section 5 ("Technical Assessment Report") of this Prospectus for more information.

the development pathway for the Lake Giles Iron Project by undertaking the following steps:

- In March 2019, the Company entered into a binding offtake agreement with Glencore International A.G. for the marketing of the Company's Iron Ore product for up to 4 million wet metric tonnes (WMT) per annum. See Section 12 of this Prospectus for more information.
- On 10 July 2019, the Company closed a fully subscribed non-brokered private placement for USD \$6,000,000 of Convertible Notes (on conditional acceptance with attaching Warrants offered for one fourth of the commitment amount) to pursue activities for the development of the Lake Giles Iron Project. Glencore International AG participated in that placement, investing USD \$2,000,000, underscoring its commitment to arrangements under the binding Glencore Offtake Agreement. As at the Prospectus Date, USD\$4,950,000 of Convertible Notes have been issued. See Section 12 of this Prospectus for more information.
- A key component of the development stage of the Company's Lake Giles Iron Project is contracting a route to market for Magnetite concentrate. The Company has identified options for rail and port solutions and is currently engaging with relevant service providers to explore options for export.

In addition to its Iron Ore Projects, the Company holds interests in Nickel, Lithium and Gold exploration in the Pilbara and Yilgarn regions of Western Australia and Lithium exploration interests in Nevada, USA. The Company has entered into an earn-in joint venture agreement with ASX-listed exploration company Fe Limited to undertake exploration across the Pilbara Lithium Projects and the Pilbara Gold Projects. See Section 12 of this Prospectus for more information.

The Company has a proven track record of advancing resource projects from greenfields exploration through to delineation of Mineral Resources and advanced studies. The Company has a Board and Management team with the requisite skills and experience to develop the Lake Giles Iron Project. Transitioning from an explorer to a revenue generating Iron Ore producer is the Company's primary focus in the near-term, and

as Macarthur moves into this exciting phase, we look forward to the opportunity to welcome new investors.

This Prospectus contains details of the Company, its Projects and proposed operations, together with a statement of the risks associated with investing in the Company (see Section 8).

I encourage you to read the Prospectus carefully and in its entirety before making your investment decision and, if required, consult with your stockbroker, solicitor, accountant or other independent professional adviser.

I look forward to welcoming you as an investor in Macarthur.

Yours sincerely

Cameron McCall



Executive Chairman

Key Dates

Table 1: Key Dates

Indicative Timeline	
Lodgement of the Replacement Prospectus with ASIC	30 October 2019
Offer Opening Date	31 October 2019
Consolidation Commences	1 November 2019
Offer Closing Date	28 November 2019
Consolidation Completes	28 November 2019
Issue of Shares under the Offer	2 December 2019
Despatch of holding statements	4 December 2019
Expected date for commencement of trading of Shares on ASX	6 December 2019

The above table sets out the key dates for the lodgement of the Prospectus, opening and closing of the Offer and commencement of quotation of Shares on ASX.

The dates shown in Table 1 above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company in consultation with the Lead Manager and Corporate Advisor, reserves the right to vary the Offer Opening Date and the Offer Closing Date without prior notice, which may have a consequential effect on the

other dates. Furthermore, dates are dependent upon completion, and as such, satisfaction of the Conditions to the Offer. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Offer Opening Date.

The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to Applicants. If the Offer is withdrawn before settlement, Application Monies will be refunded in full (without interest) in accordance with the requirements of the Corporations Act.



Lake Giles - Snark Hematite Deposit



Pilbara

Key Offer Information

The following table sets out the key Offer information on a post-Consolidation basis:

Table 2: Key Offer Information

Key Offer Information	Minimum Subscription	Maximum Subscription
Offer Price per Share	\$0.25	\$0.25
Gross proceeds under the Offer (before costs and expenses)	\$5,000,000	\$7,500,000
Total number of Shares available under the Offer	20,000,000	30,000,000
Existing Restricted Share Units ²	4,813,971	4,813,971
Existing Employee and Consultant Share Options ³	4,730,000	4,730,000
Lead Manager Options ⁴	500,000	500,000
Existing Convertible Notes	495 (convert into 9,166,667 Shares) ⁵	495 (convert into 9,166,667 Shares) ⁵
Existing Convertible Note Warrants	16,249,063 (convert into 4,062,266 Shares)	16,249,063 (convert into 4,062,266 Shares)
Existing Warrants (excluding Convertible Note Warrants)	21,675,913	21,675,913
Total Shares on issue on completion of Offer (undiluted) ⁶	100,508,406	110,508,406
Total Shares on issue on completion of Offer (fully diluted) ⁷	145,457,222	155,457,222
Indicative market capitalisation on completion of Offer (undiluted)	\$25,127,102	\$27,627,102
Indicative market capitalisation on completion of Offer (fully diluted)	\$36,364,305.60	\$38,864,305.60

Notes

Prospective investors in the Company wishing to participate in the Offer should note the following when reviewing the key Offer details listed in Table 2 above:

1. All references to Securities of the Company set out in the above table are described on the basis that the Consolidation has occurred. Further information on the effect of the Consolidation on the capital structure of the Company is set out in Section 13.2. All values in this table have been calculated on the basis of a TSX-V Share Price of \$0.225 post-Consolidation and an Exchange Rate of AUD\$1.00 : CAD\$0.90.

2. Details are set out in Section 9.9 of this Prospectus.

3. Details are set out in Section 9.8 and Section 9.9 of this Prospectus.

4. 500,000 Options to acquire Shares in the Company on the ASX at a strike price equivalent to 25% above the Offer Price (with a term of 3 years) to be issued on completion of the Offer to the Lead Manager and Corporate Advisor (or its nominee) in accordance with the Lead Manager Mandate – Further details are set out in Section 12.5 of this Prospectus.

5. Presuming all issued Convertible Notes are converted at 80% of an average five-day VWAP of C\$0.225 (an amount

approximately equal to the Offer Price in Australian dollars presuming an exchange rate of AUD\$1.00 : CAD\$0.90) and presuming an exchange rate of CAD\$1.00 : USD\$0.75. Further details of the Convertible Notes are set out in Section 12.2 of this Prospectus.

6. If the Company's Shares are admitted to the ASX Official List, it will have Shares listed on the ASX and the TSX-V which will be capable of transfer from one securities exchange to the other by application to be made to the Share Registry.

7. The total Shares on issue on completion of the Offer on a fully diluted basis includes all existing Shares and Shares issued under the Offer, and presumes all Restricted Share Units, Employee and Consultant Share Options, Lead Manager and Corporate Advisor Options, issued Convertible Notes and Warrants are exercised. Further details of the number of Shares issued on conversion of the issued Convertible Notes are set out in Section 12.2 of this Prospectus. **Convertible Notes are debt instruments. The indicative market capitalisation figures in Table 2 assume that the Convertible Notes are not converted. No assurance can be given on the effect on the market capitalisation of the Company if the Convertible Notes are converted**

8. The indicative market capitalisation is based on the Company trading at the Offer Price of \$0.25 per Share. No assurance can be given that the Company will trade on the ASX or TSX-V at the Offer Price.



Lake Giles - Snark Hematite Deposit

Investment Overview

The following provides an overview of information about the Company and where further information may be found in this Prospectus that may be relevant to your decision to apply for Shares. Information set out below is only intended to be an overview.

This Prospectus should be read and considered in its entirety. The Shares offered under this Prospectus carry no guarantee of a return of capital, return on investment, payment of a dividend, or the future value of the Shares.

Who is the issuer of this Prospectus?

(Further Information Section 2)

The Offer is made by Macarthur Minerals Limited ACN 103 011 436, a Company incorporated in Australia.

What is Macarthur?

(Further Information Section 2)

Macarthur is an Australian public company that is currently listed on the TSX-V (symbol: MMS), a minerals exploration company that aspires to transition into a producer of high-quality Magnetite Iron Ore within the target timeframes specified in Table 3A below.

The Company was registered as a public company in Australia on 2 December 2002 for the original purpose of pursuing minerals exploration.

The Company's flagship project is the Lake Giles Iron Project, which is held through its wholly owned subsidiary, Macarthur Iron Ore Pty Ltd (**Macarthur Iron**).

In addition to the Lake Giles Iron Project, the Company also has interests in other Iron Ore, Lithium, Gold and Nickel projects (**Ancillary Projects**).

What is the Lake Giles Iron Ore Project?

(Further Information Section 3)

The Company's flagship project is the Lake Giles Iron Project.

Through its wholly owned subsidiary Macarthur Iron, Macarthur holds 15 tenements covering approximately 62.5 square kilometres, situated approximately 175 kilometres Northwest of Kalgoorlie in the Yilgarn Region of South-western Western Australia.

The Lake Giles Iron Project consists of two separate but interrelated Iron Ore Projects:

- The Moonshine Magnetite Project; and

- The Ularring Hematite Project.

Both projects are at an advanced stage of exploration, with the delineation of Mineral Resources in accordance with the JORC Code detailed in Table 3 below:

Table 3: Mineral Resource delineation for Ularring Hematite Project and Moonshine Magnetite Project

	Ularring Hematite Project	Moonshine Magnetite Project
Product	Hematite	Magnetite
JORC Indicated Mineral Resource	54.5 million tonnes (Mt) at 47.2% Fe	Not delineated
JORC Inferred Mineral Resource	26.0 Mt at 45.4% Fe	1,316 Mt at 30.1% Fe
Environmental and Mining Approvals	Major environmental approvals received	Not applied for

In addition, the Company completed a Preliminary Economic Assessment for a combined Magnetite and Hematite operation in respect of the Lake Giles Iron Project (**PEA**). The Board considers that the results of the PEA are positive and support the Company's strategy of progressing to a Bankable Feasibility Study for the Lake Giles Iron Project. If the Bankable Feasibility Study supports a decision to mine and funding is secured, then the Company intends to commit to the next stages of development which will be required to transition from an exploration company to a producer of high quality Magnetite Iron Ore concentrate for the export market. A Copy of the PEA is publicly available in Canada on www.sedar.com.

Lake Giles Iron Project - Indicative Timeline for Commencement of Commercial Operations

The indicative timeline for the Company's planned pathway to commencement of commercial mining operations is set out in Table 3A below. The timeframes referred to in Table 3A are targets and there is no guarantee that the target timeframes can be achieved. The target timeframes and the transition from exploration activities to mining operations will be subject to the risk factors set out in Section 8 of this Prospectus, and in particular the risks identified at 8.2, "Transitional Risk", "Exploration and Development Risk" and "Infrastructure and Development Risk".

Table 3A: Indicative timeline to commencement of commercial operations for Lake Giles iron Project

Timeline	2019	2020				2021				2022				2023			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Bankable Feasibility Study ¹																	
Infill drilling ²																	
Resource modelling ³																	
Metallurgical testwork ⁴																	
Mine design ⁵																	
Infrastructure design ⁵																	
Regional infrastructure access ⁶																	
Environmental approval ⁷																	
Detailed engineering design ⁸																	
Contract tender and award ⁸																	
Project financing ⁸																	
Construction ⁸																	
First Production																	

Notes

1. Costs of the Bankable Feasibility (BFS) are detailed in Table 18 of the Technical Assessment Report for a total estimated cost of \$5.6m. Allocation of funds from the Offer under the Minimum Subscription are shown in Table 19 of the Technical Assessment Report. Funds from the Offer will be supplemented with additional funds currently held by the Company to meet the full estimated cost of the BFS. Refer to Section 8.2 for risks.

2. Infill drilling – The Company is currently undertaking an infill drilling program of the Moonshine and Moonshine North Magnetite deposits. The drilling consists of both RC and diamond drilling techniques. Samples obtained will be submitted to a laboratory for XRF and DTR assays. The results will underpin resource modelling and classification. Drilling costs are detailed in Table 18 of the Technical Assessment Report. Refer to Section 8.2 for risks.

3. The Moonshine and Moonshine North deposits consist of Inferred Mineral Resources. The infill drilling program involves closer spaced drilling across some of the deposits. The drilling program has been designed by CSA Global with the intention of lifting the classification of the Inferred Mineral Resource within the infill drilling area to a (JORC compliant) Indicated or Measured category to support the definition of a Mineral Reserve in conjunction with the Bankable Feasibility Study. Refer to Section 8.2, “Estimates of Iron Ore Mineral Reserves and Mineral Resources” for risks.

4. Further metallurgical test work will be undertaken from samples obtained from the Moonshine and Moonshine North Magnetite deposits. Test work will include DTR recovery, strength and abrasive tests, comminution studies, magnetic recovery, concentrate rheology and handling. Refer to Section 8.2 for risks.

5. The BFS will include sufficient engineering design to meet the NI43-101 standards of a Feasibility Study. Engineering design will cover mine design and scheduling; process design and infrastructure; non-process infrastructure including internal and

external haul roads, mine camp, explosives storage, workshops, rail siding, port storage and handling, bore field design, reticulation and storage. Refer to Section 8.2 for risks.

6. The Lake Giles Iron Project is located within close proximity to existing open access and private infrastructure that may obviate the need to construct or replicate certain infrastructure items. In concert with the BFS, the Company will work towards commercial arrangements to gain access to the Perth-Kalgoorlie rail line, the Esperance Port for product unloading and storage, existing private infrastructure including a nearby haul road, rail siding and camp. Refer to Section 8.2, “Infrastructure and Development Risk” for risks.

7. Mining of the Moonshine and Moonshine North Magnetite deposits requires environmental approval from various Western Australian and Commonwealth agencies. This will require an extension of existing environmental approvals to extend the impact zone for the Magnetite deposit. The Company plans to commence the environmental approval process in Q4 2019. As outlined in Section 3.7, “Environmental Approvals” the Company is not aware of any significant environmental issues that would prevent gaining approval to mine the Moonshine and Moonshine North deposits and construct and operate associated infrastructure. Refer to Section 8.2, “Environmental Regulation and Risk” for risks. Costs of the environmental approval process will be in addition to the BFS costs outlined in Table 18 of the Technical Assessment Report. The costs are estimated to be approximately \$500,000 and will be funded from existing cash reserves of the Company.

8. The proceeds of the Offer and the Company’s existing cash reserves are considered adequate to fund the Company through to completion of the BFS and environmental approvals. To progress to the next stages of detailed engineering design, contract tender and construction, the Company will be required to source project finance. This may be in the form of debt, equity, pre-sales of product or a combination of sources. Guarantee of project financing is uncertain and outlined in Section 8.2, “Financing Risk”.



Investment Overview

Glencore Offtake Agreement

On 13 March 2019, the Company entered into a binding Offtake Agreement with Glencore International A.G. in respect of Phase 1 mining operations at the Lake Giles Iron Project, with commercial terms for offtake of up to approximately 4 million tonnes per annum (Mtpa) average for the first ten (10) years of production.

The term of the Glencore Offtake Agreement will commence from the date of first shipment of Iron Ore from the Lake Giles Iron Project. The agreement ensures guaranteed sales and long-term revenue for the Company through that project's Phase 1 Mining Operations and contains an option to extend for a further ten (10) years for all future Iron Ore production. Shipment of Iron Ore is subject to a decision to mine being made following completion of a Bankable Feasibility Study, obtaining project approvals and securing port and rail access. See Section 12 of this Prospectus for more information.

The Company considers that the Glencore Offtake Agreement delivers the potential to avoid credit exposure to customers, and provides the added advantage of leveraging Glencore's global marketing strengths to further de-risk pricing and demand volatility.

About Glencore

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 90 commodities. The Group's operations comprise around 150 mining and metallurgical sites, oil production assets and agricultural facilities.

With a strong footprint in both established and emerging regions for natural resources, Glencore's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries. Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, oil and food processing sectors. Glencore also provides financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 158,000 people, including contractors.

Glencore is proud to be a member of the Voluntary

Principles on Security and Human Rights and the International Council on Mining and Metals. Glencore is an active participant in the Extractive Industries Transparency Initiative.

What are the Company's Ancillary Projects?

(Further Information Section 3)

Treppo Iron Project and Mt Jackson Iron Project

Through the Company's wholly owned subsidiary Esperance Iron Ore Export Company Pty Ltd, Macarthur holds the following projects:

- The Treppo Iron Project, which comprises one application for an Exploration Licence that is located approximately 30 kilometres West of the Lake Giles Iron Project.
- The Mt Jackson Iron Project, which comprises one granted Exploration Licence and one application for an Exploration Licence that are located approximately 35 kilometres West-northwest and 38 kilometres Southwest respectively of the Treppo Iron Project.

Both projects are adjacent to active and past Iron Ore mining operations.

Lithium Projects

Through the Company's wholly owned subsidiary, Macarthur Lithium Pty Ltd (MLi), Macarthur holds 18 Exploration Licences in the Eastern Pilbara region of Western Australia (the **Pilbara Lithium Projects**). The Company has entered into the FEL Option Agreement with Fe Limited in respect of the Pilbara Lithium Projects. See Section 13 of this Prospectus ('Material Contracts') for further details. The Pilbara Lithium Projects target hard rock Lithium contained in pegmatite minerals such as Spodumene.

Through the Company's wholly owned subsidiary Macarthur Lithium Nevada Pty Ltd (**MLN**), Macarthur holds 210 Placer Mining Claims in the Railroad Valley, Nevada USA (the **Nevada Lithium Project**). The Nevada Lithium Project targets Lithium brine. The Company will continue to work towards attracting a joint venture partner to explore and develop the Nevada Lithium Project.

Gold Projects

(Further Information Section 4)

Through the Company's wholly owned subsidiary MLI, Macarthur holds the following:

- the Hillside Gold Project, which covers four contiguous tenements; and
- the Panorama Gold Project, which covers three contiguous tenements.

All tenements of these projects are included in the Pilbara Lithium Projects and are subject to the FEL Option Agreement.

What is the Company's business model and core strategy?

The Company's pursuit of exploration activities has been very successful and, whilst the Company will continue to actively pursue exploration targets, the Company's core strategy is currently focused on creating project revenues by advancing the development of its Lake Giles Iron Ore Project within the target timeframes specified in Table 3A of this Prospectus.

Macarthur has delineated Mineral Resources in accordance with the JORC Code for both the Ularring Hematite Project and the Moonshine Magnetite Project detailed in Table 3 above.² Additional infill drilling is required to establish a Measured Mineral Resource, and a preliminary or Bankable Feasibility Study is required to establish a Proven or Probable Mineral Reserve.

The Ularring Hematite Project has obtained approval from the Western Australian Environmental Protection Agency (EPA) for the development and construction an Iron Ore mine. Further environmental surveys and EPA approval is required for the Moonshine Magnetite Project. Other environmental approvals and operating licences are required before Iron Ore production can commence.

The Company aims to commence Phase 1 mining operations at its Lake Giles Iron Project to produce up to 4 Mtpa of Magnetite concentrate. The Company will target a Magnetite concentrate product at approximately 68% Fe for Phase 1. Where that grade is achieved, the Company may consider introducing Hematite fines from the Ularring Hematite Project to

produce a blended concentrate at approximately 65% Fe. It is intended that Iron Ore concentrate will be exported via the Port of Esperance in Western Australia. Potential options for the export of Iron Ore through the Port of Fremantle are also being explored.

By targeting production of a Magnetite concentrate with low levels of impurities and a low Slag Volume Index, the Company aims to offer a premium export product which sells on the high grade 65% Fe fines market. Magnetite concentrate typically has a reduced coking coal consumption requirement (when compared to Iron Ore products with a lower Fe grade) leading to improved furnace optimisation.

The Company's planned development pathway will therefore clearly differentiate it as a producer that does not compete in the -60% Fe market – a market which is already dominated by larger producers in Western Australia.

The Company is not currently producing revenues and is therefore dependent upon raising capital from investors to support this core strategy until it commences earning revenues following the future development of its Lake Giles Iron Project.

What is the historical and financial performance and pro-forma financial position of the Company?

The Company was registered as an Australian public company on 2 December 2002.

The statutory audited historical statement of profit and loss and other comprehensive income of the Company for the financial year ending 31 March 2019 is set out in the Historical and Pro-Forma Financial Information at Section 11. Summarised statements of profit and loss and financial position are set out in Table 4 and Table 5 overleaf. *(See Section 11.3.2 for further details).*

Investment Overview

Table 4: Summarised Historical Statements of Profit or Loss and Other Comprehensive Income

	31 March 2019 (\$'000)	31 March 2018 (\$'000)	31 March 2017 (\$'000)
Revenue & other income/ (expenses*)	(2,388)	901	(194)
Depreciation	(33)	(34)	(36)
Operating and exploration expenses	(2,314)	(4,256)	(3,645)
Impairment reversal	55,852	-	-
Income tax expense	-	-	-
Income/(Loss) for the period	51,117	(3,389)	(3,875)



Table 5: Summarised Historical Statement of Financial Position

	As at 31 March 2019 (\$'000)	As at 31 March 2018 (\$'000)	As at 31 March 2017 (\$'000)
Total current assets	424	1,516	1,258
Total non-current assets	63,010	6,253	6,079
Total Assets	63,434	7,769	7,337
Total current liabilities	2,988	626	1,158
Total non-current liabilities	19	14	11
Total Liabilities	3,007	640	1,169
Net Assets	60,427	7,129	6,168
Total Equity	60,427	7,129	6,168

After transaction costs and following closing of the Offer, the Company is expected to have either:

1. a proforma balance of cash and cash equivalents of approximately \$11.1 million (based on achieving a Minimum Subscription of the Offer); or
2. a proforma balance of approximately \$13.5 million (based on achieving a Maximum Subscription of the

Table 5A: Summarised Proforma Statement of Financial Position
(Further Information Section 11)

	Significant transactions post 31 March 2019 (\$'000)	Offer Adjustments Minimum (\$'000)	Offer Adjustments Maximum (\$'000)	Pro Forma consolidated Minimum (\$'000)	Pro Forma consolidated Maximum (\$'000)
Total current assets	8,140	4,184	6,520	12,748	15,084
Total non-current assets	716	-	-	63,726	63,726
Total Assets	8,856	4,184	6,520	76,474	78,810
Total current liabilities	(409)	-	-	2,579	2,579
Total non-current liabilities	8,999	-	-	9,018	9,018
Total Liabilities	8,590	-	-	11,597	11,597
Net Assets	266	4,184	6,520	64,877	67,213
Total Equity	266	4,184	6,520	64,877	67,213

Notes

Table 5A above takes into account the effect of subsequent events and pro forma adjustments on the Statement of Financial Position line items as a consequence of transactions undertaken since 31 March 2019 (as if they occurred as at 31 March 2019), including USD\$6,000,000 in Convertible Notes.

Offer).

Table 6: Summarised Historical Statement of Cash Flows

(Further Information Section 12)

(See Table 6 below and Section 11.4.2 for further details).

	31 March 2019 (\$'000)	31 March 2018 (\$'000)	31 March 2017 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees	(1,917)	(3,415)	(3,462)
Other receipts	36	530	92
Net cash used in operating activities	(1,881)	(2,885)	(3,370)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation expenditure	(868)	(139)	-
Proceeds on sale of equipment	-	(4)	(5)
Net cash used in investing activities	(868)	(143)	(5)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues	1,704	3,628	3,928
Share issuance costs	(7)	(37)	(14)
Net cash used in financing activities	1,697	3,591	3,914
Net increase/ (decrease) in cash held	(1,052)	563	539
Cash at the beginning of the period	1,370	807	268
Cash at the end of the period	318	1,370	807

Table 6 above takes into account the effect of subsequent events and pro forma adjustments on the Statement of Financial Position line items as a consequence of transactions undertaken since 31 March 2019 (as if they occurred as at 31 March 2019), including USD\$6,000,000 of Convertible Notes, of which USD\$4,950,000 of Convertible Notes have been issued. The remaining balance of Convertible Notes totalling USD\$1,050,000 have been accounted for in other receivables as those Convertible Notes are yet to

be issued.

The Board is satisfied that upon successful completion of the Offer, the Company will have sufficient working capital to meet its short-term strategy and business objectives after the Offer Closing Date.

Convertible Notes

(Further Information Section 12)

On 10 July 2019, the Company announced that it had closed its non-brokered private placement of Convertible Notes for gross proceeds of USD\$6,000,000 on conditional acceptance. As at the Prospectus Date, USD\$4,950,000 of Convertible Notes have been issued.

The Convertible Notes are issued with Attaching Warrants. The Convertible Notes and Attaching Warrants are subject to a restricted (or "hold") period of four months and one day following the distribution date with an expiry date of 36 months from the advance date.

What material contracts have been entered into by the Company? (Further Information Section 12)

The contracts entered into by Macarthur which are material to its operations are as follows:

1. Glencore Offtake Agreement;
2. Convertible Note and Attaching Warrant Arrangements;
3. FEL Option Agreement;
4. Works Agreement with Idrilling Pty Ltd (for drilling services);
5. Lead Manager Mandate;
6. Service Agreements with key executives; and
7. Directors Letters of Appointment.

Key Investment Highlights

What are the Company's key strengths?

Strong growth prospects

Macarthur holds large mining and exploration tenement positions in Western Australia which form part of globally significant Iron Ore producing regions. The Company's current drilling program at the Moonshine Magnetite Project is focused on delineating a Measured Resource (to JORC standard) to feed into the development of a Bankable Feasibility Study that will be capable of

Investment Overview

Supporting mining and processing operations for the production of a Magnetite concentrate within the target timeframes specified in Table 3A of this Prospectus.

Following successful completion of the current drilling program, Macarthur considers that it will be strongly positioned to take advantage of the future growth potential in international markets for specialty steel products which are reliant on high grade Magnetite concentrate. Further drilling success at Moonshine could create significant Shareholder value growth.

High quality, experienced Management team

Macarthur's Board and Management team members have strong credentials and networks which could facilitate unique access and profile for the Company in the global Iron Ore industry and from a capital markets perspective. Macarthur's executive Management team is led by Cameron McCall, Alan Joseph Phillips, and Andrew Bruton.

The Company's executive Management team members have a proven track record of:

- delivering significant shareholder value growth;
- managing resources sector assets;
- successfully negotiating and executing critical project and infrastructure contracts, (including contracts for mining services, port, rail, energy (gas and electricity) and water);
- managing commercial and project risks; and
- delivering significant capital raising and M&A transaction outcomes.

Experienced technical and project team

Macarthur's assets, and in particular its Iron Ore assets, have been secured by a geoscientific technical team with a proven track record of exploring and discovering significant mining assets.

The Company's project and technical team members also have experience in successfully delivering minerals projects. This experience includes all aspects of project development from feasibility assessment, environmental research, planning and approvals, construction and production through to mine closure. The team's experience in developing operating mines

includes development of operating Iron Ore mines, including an Iron Ore mine at Extension Hill in Western Australia (owned by Mount Gibson Iron Limited).

Strong competitive position

Macarthur has a portfolio of commanding Iron Ore assets in close proximity to legacy, large scale Iron Ore producing mines and existing rail and port infrastructure. With the competitive advantage of:

- an experienced and successful geoscientific technical team; and
- a highly experienced Board and Management team with a history of delivering projects and achieving value growth for shareholders.

Macarthur is uniquely positioned to realise strong value creation through its existing portfolio of Iron Ore assets, other mineral assets, and external growth opportunities.

Transition to near term Magnetite producer

The combined experience of the Company's Management and technical teams places Macarthur in an improved position to transition to a mining company producing high-quality Magnetite concentrate, and to pursue target timeframes for commencement of commercial mining operations specified in Table 3A of this Prospectus, subject to the risks outlined in Section 8.2.

Summary of Key Investment Risks

What are the key investment risks?

As with any equities investment, there are risks involved with investing in the Company.

The summary below seeks to identify the major areas of risk associated with an investment in the Company, but should not be viewed as an exhaustive list of all risk factors to which the Company and its Shareholders are exposed. These risks and other risks associated with an investment in Macarthur are set out in greater detail in Section 8 of this Prospectus ('Risk Factors').

Transition Risk

The Company's Projects are in the exploration and development stage. The Company has a target of transitioning from exploration activities to commencing commercial mining operations at its Lake Giles Iron

Project by Q1 2023 (in accordance with the indicative timeframes set out in Table 3A of this Prospectus). The timeframes contained in Table 3A are indicative only and no assurance can or will be given by the Company that the timeframes will be achieved. The transition from exploration activities to commercial mining operations involves a number of risks and there is no guarantee that the commencement of commercial mining operations will be achieved within the Company's target timeframe or at all.

Development Risk

Development of the Projects, including the Lake Giles Iron Project, depends upon a number of variables which may not be able to be controlled by the Company. These include:

Title Risk

The Company cannot guarantee that one or more of its tenements will not be challenged. The Company may not be able to ensure that it has obtained a secure claim to individual mineral properties or exploration rights and as a result the Company's ability to develop the Projects may be constrained. The Company may not have conducted surveys of all of the claims in which it holds direct or indirect interests. A successful challenge could result in Macarthur being unable to operate on all or part of its tenements which could, in turn, affect development of the Projects.

Contractual Risk

The Company is a party to various contracts, including but not limited to the Material Contracts summarised in Section 12 of this Prospectus.

Whilst the Company will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company is a party will be fully performed by all contracting parties.

In addition, there is a risk that elements of the Company's Material Contracts may be unenforceable on the basis that they constitute an "agreement to agree".

As such, no assurance can be given that if a contracting party does not comply with any contractual provisions, the Company will be successful in enforcing compliance with an agreement and recovering any loss in full.

Native Title and Aboriginal Heritage Risk

There are currently two (2) registered native title claims affecting the Pilbara Lithium Project and the Pilbara Gold Project, and one claim not accepted for registration. There is one registered native title claim affecting the Iron Ore projects of Macarthur Iron Ore Pty Ltd and Esperance Iron Ore Exploration Company Pty Ltd. Although there are no current native title claims impacting the Lake Giles Iron Project tenements, areas surrounding those tenements (which may be required to support the future development of that project) could be subject to native title claims and may therefore require agreement with native title parties.

The Native Title Claim Groups have lodged expedited procedure objections to some of the Exploration Licence applications included in the Treppo Iron and Mt Jackson Iron Projects and retain the right to lodge objections against other applications in respect of which the objection period has not yet closed. If the Company is not able to reach agreement with the objectors, there is a risk that the objections will be upheld and the Tenements the subject of the applications may not be granted.

Environmental Regulation and Risk

The Company is engaged in exploration and development activities with minimal environmental impact and actively engages with government departments to ensure open communication and accurate assessment of environmental approvals. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates.

The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future. Future changes in environmental regulation, if any, may adversely affect the Company's operations and regulatory and environmental approvals may not be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property.

Reliance on and Relevance of Project Studies

The Project Studies are evaluations of potential development of a project at a given time taking many

Investment Overview

factors into account. No assurance can be given that the process, methodology or plan of development included in a project study will be progressed and included in further studies.

Financing Risk

Macarthur's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to Macarthur on reasonable terms or at all. Failure to obtain appropriate financing on a timely basis or reasonable terms may jeopardise the Projects (due to inability to meet minimum tenement expenditure commitments), result in a loss of business opportunity and excessive funding costs.

Operational Risk

If the Company decides to develop and commission a mine, the operations of the Company including mining and processing may be affected by a range of factors. These include failure to achieve predicted grade in exploration, mining and processing, technical difficulties encountered with commissioning and operating plant and equipment, mechanical failure, and metallurgical problems which affect extraction rates and costs.

Prospective Applicants should carefully consider these and other risks that are more fully disclosed in Section 8 of this Prospectus ('Risk Factors').

Directors, Key Employees, Related Party Interests and Substantial Holders Overview

Who are the Directors of the Company?

(Further Information Section 9)

The Company has an experienced Board consisting of:

Cameron McCall, Executive Chairman

Alan Joseph Phillips, CEO and Executive Director

Alan Spence Phillips, Non-Executive Director

Daniel Lanskey, Non-Executive Director (Independent)

Andrew Suckling, Non-Executive Director (Independent)

What benefits are being paid to Directors?

(Further Information Section 12)

The Company has entered into a consultancy agreement with each of:

- Alan Joseph Phillips (as Chief Executive Officer and Executive Director) for a fee of \$240,000 plus GST per annum; and
- Cameron McCall (as Executive Chairman) for a fee of \$240,000 plus GST per annum.

The Company has also entered into non-executive director letters of appointment with each of:

- Alan Spence Phillips (Non-executive Director), who receives a base director's fee of \$80,000 per annum;
- Daniel Lanskey (independent Non-executive Director), who receives a base director's fee of \$60,000 per annum; and
- Andrew Suckling (independent Non-executive Director), who receives a base director's fee of USD\$60,000 per annum.

Alan Spence Phillips and Daniel Lanskey each also receive a total additional fee of \$10,000 per annum in addition to their base director's fee in respect of their appointment as members of the Audit & Risk Committee and the Remuneration and Nomination Committee of the Company. Andrew Suckling receives a total additional fee of USD\$10,000 per annum in addition to his base director's fee in respect of his appointment as Chair of the Audit & Risk and Remuneration Committees of the Company.

What are the Directors' holdings in the Company?

The Directors are expected to hold a direct or indirect interest in the Company on completion of the Offer. Assuming the Directors exercise their existing Warrants, Employee Performance Rights and Employee and

Table 7: Shares of Directors following exercise of all Warrants, Employee Performance Rights and Employee and Consultant Share Options issued in the Company have been converted into Shares of the Company

Director	Shares Following Exercise of Employee Performance Rights and Employee and Consultant Share Options							
	Min. Subscription				Max. Subscription			
	Number of Shares (pre-Consol)	% (pre-Consol)	Number of Shares	% (post-Consol)	Number of Shares (pre-Consol)	% (pre-Consol)	Number of Shares	% (post-Consol)
Cameron McCall	12,946,078	2.38%	3,236,520	2.38%	12,946,078	2.22%	3,236,520	2.22%
Alan Joseph Phillips ²	40,047,959	7.37%	10,011,990	7.37%	40,047,959	6.87%	10,011,990	6.87%
Alan Spence Phillips	-	-	--	--	-	-	-	-
Daniel Lanskey	-	-	--	-	-	-	-	-
Andrew Suckling	2,000,000	0.37%	500,000	0.37%	2,000,000	0.34%	500,000	0.34%
Total	54,994,037	10.12%	13,748,509	10.12%	54,994,037	9.43%	13,748,509	9.43%

Notes

1. Except as stated otherwise, all references to Securities of the Company set out in the above table are described on the basis that the Consolidation has occurred.
2. The Shares, Options, RSUs and Warrants are held in aggregate by First Apollo Capital Pty Ltd and Unlimited Business Strategies Pty Ltd, which are entities associated with Mr Alan Joseph Phillips.

Consultant Share Options (subject to vesting and exercise conditions being satisfied), and the Directors do not apply for Shares under the Offer), they will have interests in the issued share capital of the Company as outlined in Table 7.

What Escrow arrangements will be in place at completion of the Offer?

(Further Information Section 10)

There are compulsory Escrow arrangements under the ASX Listing Rules. Shares, Warrants, Employee Performance Rights and Employee and Consultant Share Options held by certain Directors and Existing Shareholders immediately prior to completion of the Offer may be subject to Escrow arrangements in the period immediately following completion of the Offer as required by the ASX Listing Rules.

Subject to the above, none of the Shares offered under this Prospectus will be treated as restricted securities and will be freely transferable from their date of allotment.

Please refer to Section 13.7 of this Prospectus for further details.

Are there any significant Related Party transactions?

(Further Information Section 10)

The Company has entered into a number of transactions with Related Parties which have been entered into on either an “arm’s length” basis or been approved by Shareholders in general meeting. These transactions include:

- a consultancy agreement for services as a Director and CEO with Alan Joseph Phillips;
- a consultancy agreement for services as Executive Chairman with Cameron McCall;
- letters of appointment with each of the Non-Executive Directors, Alan Spence Phillips, Daniel Lanskey and Andrew Suckling;
- Deeds of Access, Indemnity and Insurance with each Director and the Company Secretary; and
- the issue of Employee and Consultant Share Options and Employee Performance Rights to the Directors and the Company Secretary of the Company.

The terms of all of these agreements and the Letters of Appointment are set out in Section 11 of this Prospectus (‘Material Contracts’).

Investment Overview

Who are the Substantial Shareholders in the Company?

Those Shareholders holding a relevant interest in 5% or more of the Securities on issue both as at the Prospectus Date and on the Offer Closing Date (assuming the Maximum Subscription) are set out in Table 8 below (assuming no substantial Shareholder acquires Shares under the Offer).

Table 8: Substantial Shareholders¹

Shareholder	Existing Shares	Post Consolidation		
		% holding prior to Offer	Min % holding on completion of the Offer (undiluted)	Max % holding on completion of the Offer (undiluted)
Cadence Minerals Plc	7,500,000	9.32%	7.46%	6.79%

Notes

1. Except as stated otherwise, all references to Securities of the Company set out in the above table are described on the basis that the Consolidation has occurred.

Summary of the Offer and the Proposed Use of Offer Proceeds

What is the Offer?

(Further Information Section 1)

This Prospectus constitutes an Offer to acquire on a post Consolidation basis 20,000,000 Shares in Macarthur at an Offer Price of \$0.25 per Share to raise a minimum of \$5,000,000 (Minimum Subscription) with the ability to accept oversubscriptions of up to a further 10,000,000 Shares to raise a maximum of \$7,500,000 (Maximum Subscription). The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its short-term strategy and business objectives.

What is the Offer Price (in AUD)?

(Further Information Section 1)

\$0.25 per Share.

Will the Shares be quoted on the ASX?

(Further Information Section 1)

The Company will apply within seven days of the date of this Prospectus to ASX for Official Quotation of the Shares issued pursuant to this Prospectus.

Existing Shareholders will be able to trade their Shares on the ASX, however, prior to trading on the ASX, existing Shareholders will need to transfer their Shares onto the Australian Share Register and establish an account with an appropriate stockbroker. For further details on such procedures, please contact the Offer Information Line operated by Computershare (Melbourne) on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Is the Offer underwritten?

(Further Information Section 1)

No, the Offer is not underwritten.

What is the proposed use of funds raised under the Offer ?

(Further Information Section 1.)

The Offer Proceeds are expected to be allocated as follows:

1. Complete a Bankable Feasibility Study for the Lake Giles Iron Project;
2. Subject to a successful Bankable Feasibility Study being delivered and a decision to mine being made, undertaking a tender process for mining services and infrastructure;
3. Pay the costs of the Offer; and
4. Continue exploration activities and fund holding costs for the Company's other minerals and metals projects.

A summary and breakdown of how the Company proposes to apply the Offer Proceeds (inclusive of the key budget components outlined above) is set out in Table 9 overleaf.



Table 9: Indicative application of Offer Proceeds

Estimated Use of Funds All figures are \$	Minimum Subscription	%	Maximum	%
Contribution to Bankable Feasibility Study Costs for Lake Giles Iron Project ¹	3,800,000	76%	5,600,000	75%
Mt Jackson Iron Project Exploration	100,000	2%	300,000	4%
Nevada Lithium Project Exploration	100,000	2%	100,000	1%
Working Capital/Corporate	500,000	10%	850,000	11%
Lead Manager and Corporate Advisor Offer Fees ¹	500,000	10%	650,000	9%
TOTAL²	5,000,000	100%	7,500,000	100%

Notes

1. The total costs to complete the Bankable Feasibility Study (BFS) are estimated to be approximately \$7,000,000. The application of Offer Proceeds for the BFS represents the portion of the Offer Proceeds that will be applied to the BFS with the balance of the BFS costs being funded from working capital currently on hand.

2. The total estimated Costs of Offer are set out in Table 38 on Page 175 of this Prospectus. These costs are anticipated to be approximately \$816,228 excl GST (based on Minimum Subscription), and approximately \$979,681 excl GST (based on Maximum Subscription). The application of Offer Proceeds referred to in Table 9 above include Lead Manager and Corporate Advisor Offer Fees (which form part of the Costs of Offer) but do not make provision for the balance of the Costs of Offer referred to in Table 38 (being 316,228 in the case of Minimum Subscription and 329,681 in the case of Maximum Subscription). Those additional costs will be funded from working capital currently on hand.

3. Excludes the estimated Costs of Offer (other than Lead Manager and Corporate Advisor Fees) set out in Section 13.8 of this Prospectus.

Will the Company be adequately funded after completion of the Offer?

The Board believes that the Company's current cash reserves, plus the Offer Proceeds, will be sufficient to fund the Company's short-term strategy and business objectives. The Board will consider the use of additional funding if appropriate to further accelerate growth or fund a specific project, transaction or expansion.

What will the market capitalisation of the Company be upon Listing on the ASX?

(Further Information Key Offer Information)

The undiluted market capitalisation of the Company on Listing, assuming the Maximum Subscription, is expected to be approximately \$27,627,102 million. The Company's capital structure on completion of the Offer is set out in the Key Offer Information of this Prospectus.

What are the conditions of the Offer?

The Offer under this Prospectus is subject to the following Conditions:

1. the Consolidation of the Company's Shares being completed;
2. the Company raising the Minimum Subscription (\$5,000,000);
3. to the extent required by the ASX or ASX Listing Rules, each person entering into a restriction agreement imposing such restrictions on trading the Shares, as mandated by the ASX Listing Rules;
4. ASX providing the Company with a list of conditions which, once satisfied, will result in ASX admitting the Company to the ASX Official List; and
5. the receipt of all necessary regulatory approvals, including any approvals required by ASX and TSX-V.

Further details of the Conditions are set out in Section 1 of this Prospectus. If the Conditions are not fulfilled on or before 7 November 2019, the Company may elect not to proceed with the Offer and if that occurs, then the Company will repay all Application Monies received, without interest and in accordance with the Corporations Act. Accordingly, the Offer is conditional on the satisfaction of the Conditions and no Securities will be issued pursuant to this Prospectus unless all

Investment Overview

Conditions have been satisfied.

Except as stated otherwise, all references to Securities of the Company set out in this Prospectus are described on the basis that the Consolidation has occurred.

Share Consolidation

Pursuant to the Notice of Meeting filed on 30 September 2019, the Company is scheduled to hold the General Meeting on 31 October 2019, at which the Company will be seeking Shareholder approval to Consolidate all of its 322,033,625 existing Shares on issue on the basis of one (1) post-Consolidation Share for every four (4) pre Consolidation Shares.

The effect of the Consolidation on the existing capital structure is set out in Section 13.2 of this Prospectus.

If the Consolidation is approved by Shareholders at the General Meeting, each Shareholder will still (subject only to the rounding of fractions) hold the same proportion of the Company's issued Share capital as held prior to the Consolidation. All existing rights attaching to the Shares held by Shareholders set out in Constitution of the Company will not be affected.

How do I apply for Shares under the Offer?

(Further Information Section 1)

Instructions on how to apply for Shares under this Offer and on how to complete the Application Form accompanying this Prospectus are set out in this Prospectus and on the Application Form itself.

What is the Minimum Application under the Offer?

(Further Information Section 1)

Applications must be for a minimum of 10,000 Shares (\$2,500) (Minimum Application) and thereafter in multiples of 2,000 Shares (\$500).

What is the allocation policy applicable to the Offer?

(Further Information Section 1)

In consideration for the Directors agreeing to consider your Application, you agree that your Application is an irrevocable offer which cannot be withdrawn.

The acceptance of Applications and the allocation of Shares are at the discretion of the Company, in consultation with the Lead Manager and Corporate

Advisor. The Company reserves the right to reject any Application and to allot to an Applicant a lesser number of Shares than the number for which the Applicant applies.

No Applicant under the Offer has any assurance of being allocated all or any Shares applied for.

When will I receive confirmation that my Application has been successful?

(Key Offer Information, Section 1)

Allotment of the Shares under this Prospectus will take place as soon as practicable after Offer Closing Date so long as the Minimum Subscription is reached and official quotation on the ASX is granted. Application Monies will be held in a trust account until allotment.

Unless the Company (in consultation with the Lead Manager and Corporate Advisor) varies the Offer Opening Date and the Offer Closing Date, holding statements, confirming Applicants' allocations under the Offer, are expected to be despatched to Shareholders by no later than 4 December 2019.

Is there any brokerage, commission or stamp duty payable by Applicants?

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

How can I obtain further information?

(Further Information Section 1)

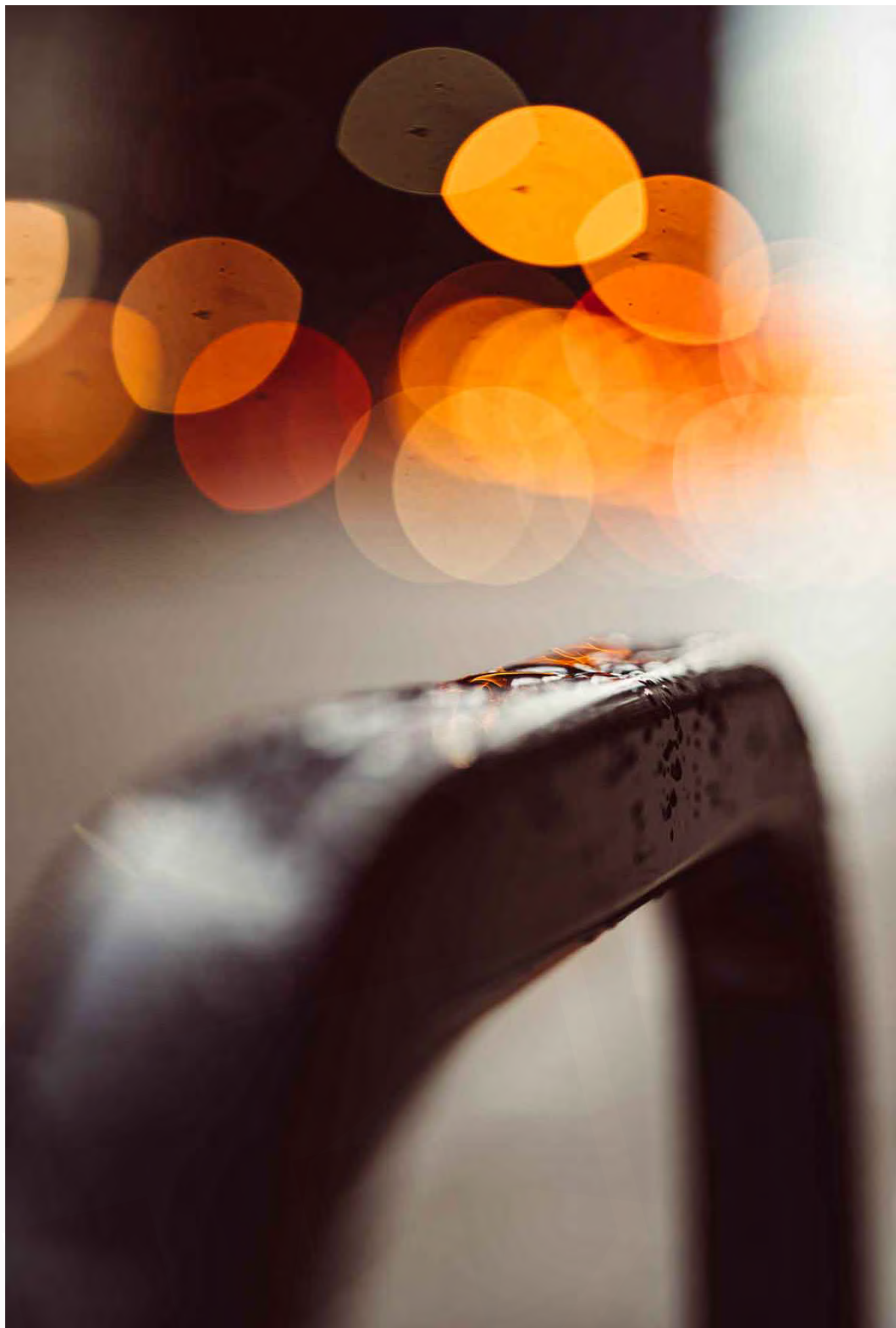
If you have any queries about investing under the Offer, you should contact your broker, financial advisor, accountant or other professional adviser.

If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call:

- The Company between 9:00 am and 5:30 pm AEST on 07 3221 1796 (within Australia) or +61 7 3221 1796 (outside Australia); or
- The Offer Information Line operated by Computershare (Melbourne) on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).



Pilbara





1.0

Offer Details

1.0 Offer Details

What is the Offer?

This Prospectus constitutes an Offer by Macarthur to acquire on a post Consolidation basis 20,000,000 Shares in Macarthur at an Offer Price of \$0.25 per Share to raise a minimum of \$5,000,000 (**Minimum Subscription**) with the ability to accept oversubscriptions of up to a further 10,000,000 Shares to raise a maximum of \$7,500,000 (**Maximum Subscription**).

The Offer is not underwritten.

What are the Conditions to the Offer?

Completion of the Offer under this Prospectus is subject to the following Conditions:

1. the Consolidation of the Company's Shares being completed;
2. the Company raising the Minimum Subscription (\$5,000,000);
3. to the extent required by the ASX or ASX Listing Rules, each person entering into a restriction agreement imposing such restrictions on trading the Shares as mandated by the ASX Listing Rules;
4. ASX providing the Company with a list of conditions which, once satisfied, will result in ASX admitting the Company to the ASX Official List;
5. the receipt of all necessary regulatory approvals, including any approvals required by ASX and TSX-V.

If the Conditions are not fulfilled on or before 7 November 2019, the Company may elect not to proceed with the Offer and if that occurs, then the Company repay all Application Monies received, without interest and in accordance with the Corporations Act. Accordingly, the Offer is conditional on the satisfaction of the Conditions. In this regard, no Securities will be issued pursuant to this Prospectus unless all Conditions have been satisfied.

What is the Offer Price and what is the Minimum Application?

The Offer Price is \$0.25.

Applications must be for a minimum of 10,000 Shares (\$2,500) and thereafter in multiples of 2,000 Shares (\$500).

There is no maximum amount that may be applied for by an Applicant under the Offer. Applications will not be considered until the Offer Price has been received in full in cleared funds. The Company reserves the right to accept or reject Applications in full or in part.

If the Minimum Subscription is not satisfied within four months after the Prospectus Date, Macarthur will repay all Application Monies in full without interest as soon as practicable or, subject to certain conditions, issue a supplementary or replacement prospectus and rely on the relief provided in ASIC Corporations Instrument (Minimum Subscription and Quotation Conditions) 2016/70 to refresh the relevant time period before it expires.

How are dividends determined?

The Company is currently in the exploration and evaluation stage for its Projects and, as such is not generating revenue, and to date has not declared dividends.

It is the Company's present intention to apply surplus cash flow to continue to fund the exploration and development of the Projects rather than distributing these moneys in the form of dividends. It is the Directors' intention to review this policy from time to time and commence the payment of dividends once the Company is able to generate a substantial and sustainable level of cash flow, after allowing for capital expenditure and other commitments.

The Company can give no assurance as to the amount, timing, franking or payment of dividends. The capacity to pay dividends will depend on a number of factors including future earnings, capital expenditure requirements and the financial position of the Company.

Who is eligible to participate in the Offer?

Eligible Investors are Retail Investors who are resident in Australia, as well as Wholesale Investors in Australia, New Zealand, Singapore and Hong Kong as determined by the Company in consultation with the Lead Manager and Corporate Advisor.

All Retail Investors must have an eligible residential address in Australia. This Prospectus does not constitute an Offer or invitation to subscribe for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an Offer or invitation or issue under this Prospectus.

What are the key dates of the Offer?

The key dates of the Offer are set out in Table 10 below.

Table 10: Key Offer dates

Indicative Timeline	
Lodgement of the Replacement Prospectus with ASIC	30 October 2019
Offer Opening Date	31 October 2019
General Meeting of the Company	31 October 2019
Consolidation Commences	1 November 2019
Offer Closing Date	28 November 2019
Consolidation Completes	28 November 2019
Issue of Shares under the Offer	2 December 2019
Despatch of holding statements	4 December 2019
Expected date for commencement of trading of Shares on ASX	6 December 2019

The dates in Table 10 above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company in consultation with the Lead Manager and Corporate Advisor, reserves the right to vary the Offer Opening Date and the Offer Closing Date without prior notice, which may have a consequential effect on the other dates. Furthermore, dates are dependent upon satisfaction of the Conditions to the Offer. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Offer Opening Date.

The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to Applicants. If the Offer is withdrawn before settlement, Application Monies will be refunded in full (without interest) in accordance with the requirements of the Corporations Act.

How will the Offer affect the capital structure of the Company?

Effect of Offer on capital structure

Following Consolidation, the effect of the Offer on the capital structure of the Company is set out below on a post-Consolidation basis:

Table 11: Effect of Offer on capital structure

Securities on issue prior to Offer		
Existing Shares	80,508,406	
Existing RSUs	4,813,971	
Existing employee and consultant share Options	4,730,000	
Existing Convertible Notes	495 (convert into 9,166,667 Shares) ²	
Existing Convertible Note Warrants	16,249,063 (convert into 4,062,266 Shares)	
Existing Warrants	21,675,913	
Offer		
	Min. Subs	Max. Subs
Total number of Shares available under the Offer	20,000,000	30,000,000
Securities on issue post Offer		
	Min. Subs	Max. Subs
Total Shares on issue on completion of Offer (undiluted)	100,508,406	110,508,406
RSUs	4,813,971	4,813,971
Employee and consultant share Options	4,730,000	4,730,000
Lead Manager Options ¹	500,000	500,000
Convertible Notes	495 ² (convert into 9,166,667 Shares)	495 ² (convert into 9,166,667 Shares)
Convertible Note Warrants	16,249,063	16,249,063
Existing Warrants (excluding Convertible Note Warrants)	21,675,913	21,675,913
Total Shares on issue on completion of the Offer (fully diluted) ³	145,457,222	155,457,222

1.0 Offer Details

Notes

1. 500,000 Options to acquire Shares in the Company on the ASX at a strike price equivalent to 25% above the Offer Price (with a term of 3 years) to be issued on completion of the Offer to the Lead Manager and Corporate Advisor (or its nominee) in accordance with the Lead Manager Mandate – Further details are set out in Section 12.5 of this Prospectus.

2. The conversion of Convertible Notes into Shares in Table 11 is calculated on a post-Consolidation basis. Presuming all issued Convertible Notes are converted at 80% of an average five-day VWAP of C\$0.225 (an amount approximately equal to the Offer Price in Australian dollars presuming an exchange rate of AUD\$1.00 : CAD\$0.90) and presuming an exchange rate of CAD\$1.00 : USD\$0.75. Further details of the Convertible Notes are set out in Section 12.2 of this Prospectus.

3. The total Shares on issue on completion of the Offer in Table 11 is calculated on a post-Consolidation basis. The total Shares on issue on completion of the Offer on a fully diluted basis includes all existing Shares and Shares issued under the Offer, and presumes all Restricted Share Units, Employee and Consultant Share Options, Lead Manager and Corporate Advisor Options, issued Convertible Notes and Warrants are exercised. Further details of the number of Shares issued on conversion of the issued Convertible Notes are set out in Section 12.2 of this Prospectus.

How will the proceeds of the Offer be used?

The Offer Proceeds are expected to be allocated as follows:

1. Complete a Bankable Feasibility Study for the Lake Giles Iron Project;
2. Subject to a successful Bankable Feasibility Study being delivered and a decision to mine being made, undertaking a tender process for mining services and infrastructure;
3. Paying a portion of the Costs of Offer (with the balance being funded from working capital currently on hand); and
4. Continue exploration activities and fund holding costs for the Company's other minerals and metals projects.

A summary and breakdown of how the Company proposes to apply the Offer Proceeds (inclusive of the key budget components outlined above) is set out in Table 12 below

Table 12: Estimated use of Offer Proceeds following close of Offer

Estimated Use of Funds All figures are \$	Minimum Subscription	%	Maximum Subscription	%
Bankable Feasibility Study of Lake Giles Iron Projects	3,800,000	76%	5,600,000	75%
Mt Jackson Iron Project Exploration	100,000	2%	300,000	4%
Nevada Lithium Project Exploration	100,000	2%	100,000	1%
Working Capital/Corporate Administration	500,000	10%	850,000	11%
Lead Manager and Corporate Advisor Offer Fees ¹	500,000	10%	650,000	9%
Allocation of Offer Proceeds excluding Lead Manager and Corporate Advisor Fees	4,500,000	90%	6,850,000	91%
TOTAL²	5,000,000	100%	7,500,000	100%

Notes

¹Lead Manager and Corporate Advisor cash fees are 6% of the Offer Proceeds, plus a success fee on successful completion of \$200,000. See Section 12 for details.

²Excludes Lead Manager and Corporate Advisor Options-based fees being 500,000 post consolidation Options at a strike price equivalent to 25% above the Offer Price – see Section 12 for details.

Table 12 is a statement of current intentions as at the Prospectus Date. Applicants should note that, as with any budget, the allocation of funds set out in the previous page table may change depending on a number of factors, including operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the manner in which the Offer Proceeds are applied.

The Board believes that the Company's current cash reserves (which as at the Prospectus Date are approximately \$6.59 million) plus the Offer Proceeds will be sufficient to fund the Company's short-term strategy and business objectives. The Board will consider the use of additional funding if appropriate to further accelerate growth or fund a specific project, transaction or expansion.

Will the Shares be quoted on ASX?

The Company will apply for quotation of the Shares on ASX under the ticker code "MIO".

The Offer is conditional on, among other matters, the Conditions of Offer being satisfied and ASX approving the application for quotation. The fact that the ASX may admit the Company to the ASX Official List is not to be taken in any way as an indication of the merits of the Shares, the Offer or the Company. The ASX takes no responsibility for the contents of this Prospectus.

If ASX does not admit the Shares under the Offer to Official Quotation within three months after the Prospectus Date, or such period as varied by ASIC, no Shares will be issued under this Prospectus and the Company will repay all Application Monies within the time prescribed under the Corporations Act, without interest.

Existing Shareholders will be able to trade their Shares on the ASX, however, prior to trading on the ASX, existing Shareholders will need to transfer their Shares onto the Australian Share Register and establish an account with an appropriate stockbroker. For further details on such procedures, please contact the Offer Information Line operated by Computershare (Melbourne) on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

What are the tax implications of investing in the Shares?

The taxation implications of investing in the Company will depend on an Applicant's individual circumstances. Applicants should obtain their own tax advice or financial planning advice prior to investing.

How do I apply for Shares under the Offer?

Applications for Shares under this Prospectus may only be made under the Offer:

- by applying online at www.macarthurminerals.com and paying by BPAY®; or
- by completing a printed copy of the Application Form attached to or accompanying this Prospectus and paying by cheque, bank draft or money order; or
- by broker firm Applicants lodging an Application Form and Application Monies in accordance with the specific direction from a broker.

The Shares under the Offer may only be issued in response to an Application Form. If the Company does not have reasonable grounds to believe that the form was included in or accompanied by the Prospectus when the form was distributed, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

How do I pay for my Shares?

Apply Online and pay by BPAY®

If you are an Eligible Investor, and you are applying online, you must complete your online Application by following the instructions and by making a BPAY® payment. If you are applying using a paper copy of the Application Form, you cannot pay for Shares using BPAY®. Instead you must pay by cheque, bank draft or money order.

Using the BPAY® details provided when you complete your online Application, you need to:

- (1) access your participating BPAY® financial institution either through telephone banking or internet banking;
- (2) select BPAY® and follow the prompts;

1.0 Offer Details

- (3) enter the biller code supplied;
- (4) enter the unique “Customer Reference Number” supplied for each Application;
- (5) enter the total amount to be paid which corresponds to the number of Shares you wish to apply for under each Application (i.e. the Minimum Application). Note that your financial institution may apply limits on your use of BPAY®. You should enquire about the limits that apply in your own personal situation;
- (6) select the account you wish your payment to be made from;
- (7) schedule your payment. Note that Applications without payment cannot be accepted; and
- (8) record your BPAY® receipt number and date paid. Retain these details for your records.

BPAY® payments must be made from an Australian dollar account of an Australian financial institution. You will need to check with your financial institution in relation to their BPAY® closing times to ensure that your Application Monies will be received by 5.00pm (AEST) on the Offer Closing Date. If you do not pay the Application Monies by this time, your Application will be incomplete and will not be accepted.

If you complete your Application by making a BPAY® payment, you do not need to complete or return the paper Application Form. By completing a BPAY® payment, you acknowledge you are applying pursuant to the Application Form.

Apply by Post and pay by Cheque, Bank Draft or Money Order

If you do not wish to pay by BPAY®, a paper Application Form must be completed in accordance with its accompanying instructions. Once completed, please lodge your Application Form and Application Monies so that they are received at the following address by 5.00pm AEST on the Offer Closing Date.

By mail to:

Macarthur Minerals Offer

**C/- Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3001**

Cheque(s), or bank draft(s) or money orders must be:

- (a) in Australian currency;
- (b) drawn at an Australian branch of a financial institution;
- (c) crossed “Not Negotiable”; and
- (d) made payable: to “Macarthur Minerals Limited”.

If paying by cheque(s), Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

Broker Applications

Broker firm Applicants should lodge your Application Form and Application Monies in accordance with the specific direction from your Broker.

If Broker firm Applicants have any queries about applying for Shares under the Offer, you should contact the Lead Manager and Corporate Advisor or the Offer Information Line operated by Computershare (Melbourne) on **1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia)**.

Acceptance of Offer Applications

Regardless of the method of Application the Registry must receive the relevant Application by no later than the Offer Closing Date (unless the Company varies the dates and times).

Completed BPAY® payment or a completed and lodged paper Application Form constitutes an irrevocable offer

to Macarthur to subscribe for Shares on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus), and as set out in the Application Form.

Macarthur reserves the right to:

- a) reject any Application, including Applications that have not been correctly completed or are accompanied by payments that are dishonoured;
- b) accept late Applications received after the Offer Closing Date;
- c) allocate to any Applicant a lesser number of Shares than that for which any Applicant applied; and
- d) waive or correct any errors made by an Applicant in their Application.

Payment cannot be made in New Zealand dollars. New Zealand resident Applicants must arrange for payment to be made in Australian dollars.

Are there restrictions on who may participate in the Offer?

Yes. The Offer is only open to Eligible Investors. Eligible Investors are Retail Investors in Australia, and Wholesale Investors in Australia, New Zealand, Singapore and Hong Kong.

This Prospectus does not constitute a public offer or invitation to purchase Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia, New Zealand, Hong Kong, or Singapore.

Is there an allocation policy?

In consideration for the Directors agreeing to consider your Application, you agree that your Application is an irrevocable offer which cannot be withdrawn.

The acceptance of Applications and the allocation of Shares are at the discretion of the Company, in consultation with the Lead Manager and Corporate Advisor. The Company reserves the right to reject any Application and to allot to an Applicant a lesser number of Shares than the number for which the Applicant applies. No Applicant under the Offer has any assurance of being allocated all or any Shares applied for.

What are my obligations once I submit an Application Form?

Submission of a completed Application Form is an Offer by you to the Company to purchase Shares on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and the Application Form.

To the extent permitted by law, your Application is irrevocable.

Acceptance of an Application Form by the Company for all or some of the Shares specified by you in the Application Form will give rise to a binding contract between you and the Company.

When will the Shares be allotted?

The acceptance of Applications and the allocation of Shares are at the discretion of the Company, in consultation with the Lead Manager and Corporate Advisor. The Company reserves the right to reject any Application and to allot to an Applicant a lesser number of Shares than the number for which the Applicant applies.

Allotment of the Shares under this Prospectus will take place as soon as practicable after Offer Closing Date so long as the Minimum Subscription is reached and Official Quotation on the ASX is granted. Application Monies will be held in a trust account until allotment.

This account will be established and kept by the Share Registry in trust for each Applicant. Any interest earned on the Application Monies will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.

Where the number of Shares allotted is less than the number applied for, the surplus monies will be returned

1.0 Offer Details

by cheque within thirty days of the Offer Closing Date. Where no allotment is made, the amount tendered on application will be returned in full by cheque by the date of admission to the ASX Official List. Interest will not be paid on monies refunded. The Directors, with the Lead Manager and Corporate Advisor, will have the sole discretion as to the allotment of Shares if subscriptions exceed the Maximum Subscription. The Company intends to allot Shares as soon as it is aware that the Minimum Subscription is reached.

Shares will be allotted and notices dispatched to holders as soon as possible after determination by the Company of entitlements. The Directors may, in consultation with the Lead Manager and Corporate Advisor, extend the Offer Closing Date.

Are there any Escrow Arrangements?

Subject to the Company being admitted to the ASX Official List, certain securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.

During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner. The Company will announce to the ASX full details (quantity and duration) of the Shares and Options required to be held in escrow prior to the Shares commencing trading on ASX.

Where can I find more information?

Further information about the Offer and the Company can be found in the remainder of this Prospectus.

Visit macarthurminerals.com or shawandpartners.com.au and read the information available. The websites and its contents do not form part of this Prospectus and are not to be interpreted as part of, or incorporated into, this Prospectus.

If you have any queries about investing under the Offer, you should contact your Broker, financial advisor, accountant or other professional.

If you have queries about the Offer, how to apply under the Offer or would like additional copies of this

Prospectus, please call:

- The Company between 9:00 am and 5:30 pm AEST on 07 3221 1796 (within Australia) or +61 7 3221 1796 (outside Australia); or
- The Offer Information Line operated by Computershare (Melbourne) on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Fees and Costs Associated with the Offer

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

The total estimated costs to the Company in connection with the Offer, including advisory, legal, accounting, listing and administrative fees as well as printing, advertising and other expenses are currently estimated to be approximately \$980,000 assuming the Maximum Subscription.

Application Monies

The Company, the Share Registry or the Lead Manager and Corporate Advisor will hold all Application Monies in trust in a separate account until Shares are issued to successful Applicants.

Application Monies will be refunded to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. The Company will retain any interest earned on Application Monies.

Commissions Payable

The Company reserves the right to pay a commission of up to 6% (exclusive of GST) of amounts subscribed in excess of \$5,000 per Applicant and 8% in respect of amounts subscribed less than \$5,000 per Applicant, through any licensed securities dealers or Australian financial services licensees in respect of any valid Applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee.

Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee. The Lead Manager and Corporate Advisor will be responsible for paying all commissions that Shaw and Partners and the Company agree with any other licensed securities dealers or

Australian financial services licensee out of the fees paid by the Company to Lead Manager and Corporate Advisor under the Lead Manager Mandate.

CHES and Issuer Sponsored Holdings

The Company will apply to participate in CHES and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHES is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

Following the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHES holders or, where applicable, the Security holder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHES sub register or through the Share Registry in the case of a holding on the issuer sponsored sub register.

The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

Substantial Shareholders

Those Shareholders holding more than 5% or more of the Securities on issue both as at the Prospectus Date and on the Offer Closing Date (assuming the Maximum Subscription on a post-Consolidation basis) are set out in Table 13 below (assuming no substantial Shareholder acquires Shares under the Offer):

Table 13: Substantial Shareholders

Shareholder	Existing Shares	% holding prior to Offer	Post Consolidation	
			Min % holding on completion of the Offer (undiluted)	Max % holding on completion of the Offer (undiluted)
Cadence Minerals Plc	7,500,000	9.32%	7.46%	6.79%

Note Except as stated otherwise, all references to Securities of the Company set out in the above table are described on the basis that the Consolidation has occurred.





2.0

Company Overview

2.0 Company Overview

2.1 About the Company

Macarthur is an Australian public company that is currently listed on the TSX-V (symbol: MMS). It intends to dual list on ASX (symbol: MIO).

Macarthur is a minerals exploration company that aspires to transition from an exploration company to a producer of high-quality Magnetite Iron Ore concentrate for the export market within the target timeframes specified in Table 3A of this Prospectus. The Company's flagship project is its Lake Giles Iron Project, which is held through its wholly owned subsidiary, Macarthur Iron Ore Pty Ltd. The Company's Ancillary Projects are:

- the Treppo Iron and Mt Jackson Iron Projects (held through its wholly owned subsidiary Esperance Iron Ore Export Company Pty Ltd (EIO));

- the Pilbara Lithium Projects and the Pilbara Gold Projects (held through its wholly owned subsidiary, Macarthur Lithium Pty Ltd; and
- the Nevada Lithium Project located in the Railroad Valley in Nevada, USA (held through its wholly owned subsidiary, Macarthur Lithium Nevada Limited, a Nevada incorporated company).

The Company's other subsidiary companies, referred to in the corporate structure diagram in Figure 3 below, are dormant and do not hold projects or assets.

Macarthur's Projects located in Western Australia are shown in Figure 1. The Nevada Lithium Project, located in the Railroad Valley in Nevada, USA, is shown in Figure 2.



Figure 1. Map showing Projects in Western Australia. Prepared internally by Macarthur Minerals, September 2019

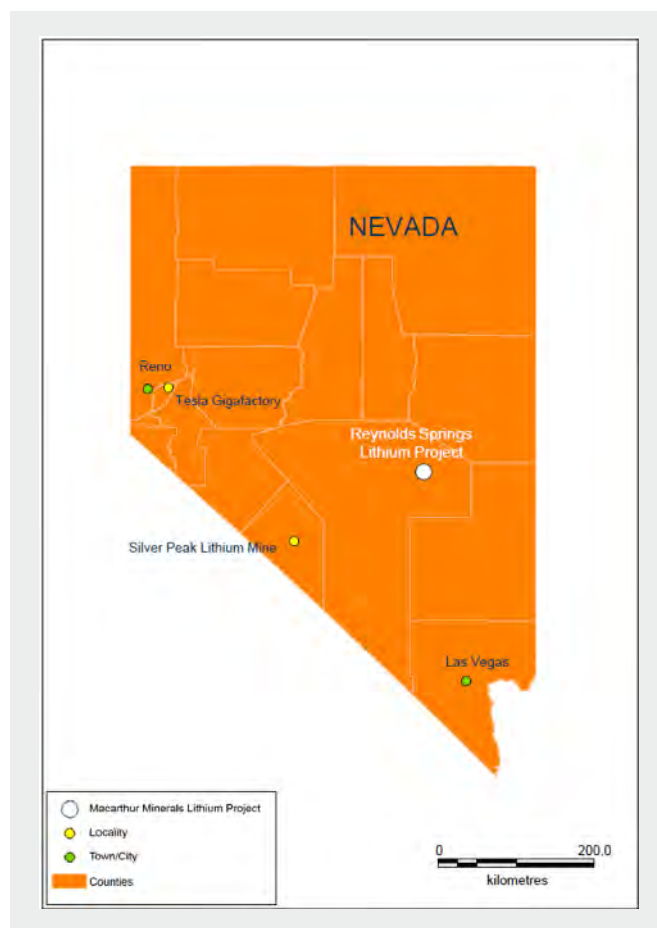


Figure 2. Map showing Nevada Lithium Project. Prepared internally by Macarthur Minerals, September 2019

2.2 Company History

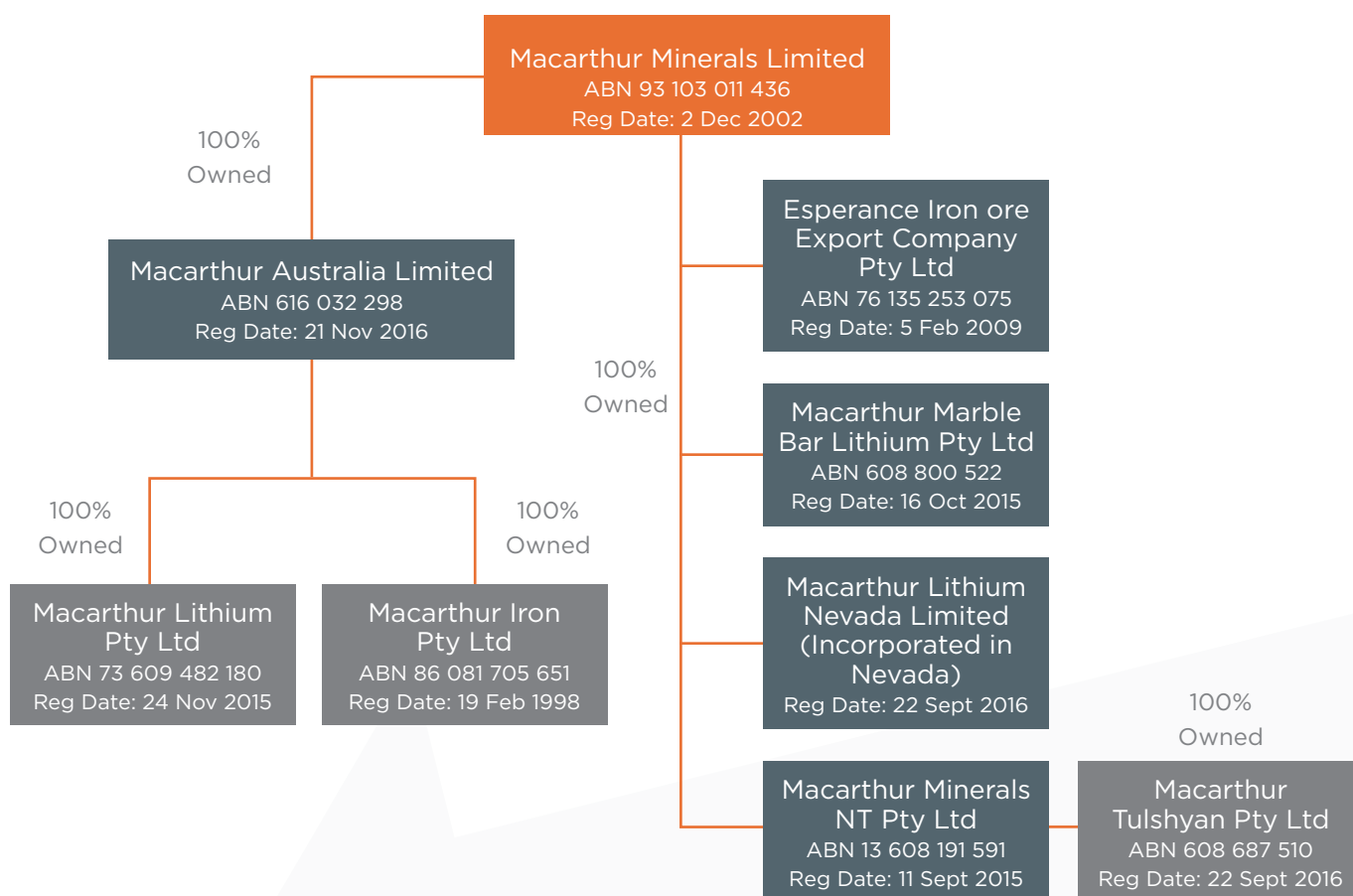
A synopsis of Macarthur's history is as follows:

- Macarthur was founded by Ken Talbot and was registered as an Australian public company on 2 December 2002.
- On 14 October 2011, the Company was originally listed on the Toronto Stock Exchange.
- On 25 June 2015, the Company moved its listing onto the Toronto Stock Exchange Venture.
- To date, Macarthur has raised and expended approximately \$62 million on developing its flagship Lake Giles Iron Project.

- The Company recently listed on the OTCQB Venture Market in February 2019 under the symbol "MMSDF" for the purposes of expanding the Company's access to investors in the United States².
- The Company is now seeking to dual list on the ASX to provide Eligible Investors with an opportunity to invest in the Company as it seeks to transition from an exploration company to a producer of high quality Magnetite Iron Ore concentrate for the export market in the near-term.

The current Corporate Structure of Macarthur is shown in Figure 3 below.

Figure 3: Corporate Structure Post Offer (Prepared internally by Macarthur September 2019)



2. The OTCQB was established in 2010. It is an over the counter, decentralised market where securities not listed on major exchanges are traded directly by a network of dealers. Companies trading on OTCQB must meet minimum reporting standards, pass a bid test, and must undergo annual verification. Instead of providing an order matchmaking service, dealers carry inventories of securities in order to facilitate any buy and sell orders. The OTCQB marketplace is run through OTC Link, an inter-dealer quotation and trading system developed by OTC Markets Group. OTC Link is registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and also as an alternative trading system. OTC Link enables broker-dealers to post and disseminate their quotes, and to negotiate trades through the system's electronic messaging capability. All broker-dealers that trade OTCQB securities have to be members of the Financial Industry Regulatory Authority (FINRA) and registered with the SEC. (FINRA is an independent, nongovernmental organization that writes and enforces the rules governing registered brokers and broker dealer firms in the United States). They are also subject to state securities regulations.

2.0 Company Overview

2.3 Core Focus - Why Magnetite?

The Company's core focus following successful admission to the ASX Official List will be bringing the Lake Giles Iron Project into commercial production (within the target timeframes specified in Table 3A of this Prospectus) in order to generate revenues.



Figure 4. Picture at Lake Giles Iron Project, 2016

Subject to the delivery of a successful Bankable Feasibility Study, the Company:

- aims to commence Phase 1 mining operations at its Lake Giles Iron Project to produce up to 4 Mtpa of Magnetite concentrate; and
- will target Magnetite concentrate at approximately 68% Fe for Phase 1.

Where that grade is achieved, the Company may consider introducing Hematite fines from the Ularring Hematite Project to produce a blended concentrate at approximately 65% Fe.

It is intended that Iron Ore concentrate will be produced for export via the Port of Esperance in Western Australia with sale of the first 10 years' production contracted to Glencore under the Glencore Offtake Agreement.

The Lake Giles Iron Project offers the potential for a long-term supply of Iron Ore and the ability for expansion. It is intended that operations will be expanded in the future to increase production beyond the initial Phase 1 mining operations. Any decision to expand the project will require additional capital investment at that time. Refer to section 2, of the Technical Assessment Report contained in Section 5 of this Prospectus ('Technical

Assessment Report') for more information.



Figure 5. Picture at Lake Giles Iron Project, 2016

Hematite Iron Ore is referred to as direct shipping ore (DSO) and involves a simple crushing and screening process before use in steel making. Magnetite Iron Ore requires additional onsite processing to upgrade the ore to a saleable grade, requiring additional capital costs. However, Magnetite concentrates have several advantages over DSO. Some of the advantages include:

- The iron grade of Magnetite concentrate is significantly higher than DSO. It typically ranges from 65% to 70% Fe and therefore attracts higher prices.
- Magnetite concentrates contain lower levels of impurities such as phosphorous, sulphur and alumina. Higher sulphur DSO can face challenges with environmental restrictions in some jurisdictions. Higher levels of impurities in DSO can also attract price penalties.
- Magnetite generally has lower external fuel requirements. It has exothermic properties and releases latent energy in the form of heat as it oxidises. This energy release can result in lower production costs, improved productivity and increased competitiveness when compared with DSO.
- Magnetite also leaves a smaller environmental footprint for steelmakers when compared with DSO. Apart from lower external fuel requirements for coking coal, Magnetite also has a lower Slag Volume Index. During the steel making process, Iron Ore based feedstock is reduced to molten iron and slag. Slag is the waste product generated from the reduction process and consists of a combination of silicates and oxides that

solidify upon cooling. The amount of slag produced during the steelmaking process directly relates to the iron content of the feedstock. The higher iron and lower silica content of Magnetite results in less slag.

By targeting an Iron Ore product with low levels of impurities and a low Slag Volume Index, the Company aims to offer a premium export product targeting a specialty steel market that demands a higher quality feedstock.

The Company's planned development pathway will therefore clearly differentiate it as a producer that does not compete in the -60% Fe market – a market which is already dominated by larger producers in Western Australia.

2.4 Summary of Macarthur's Iron Ore Projects

Macarthur owns the advanced Lake Giles Iron Project with defined Magnetite and Hematite Mineral Resources.

Macarthur also owns the Treppo Iron and Mt Jackson Iron Projects that include three tenements in close proximity to the Lake Giles Iron Project and a current Iron Ore producer, Mineral Resources Ltd. These exploration projects are considered prospective for Iron Ore.

The Lake Giles Iron Project is owned by Macarthur Iron Ore Pty Ltd, a wholly-owned subsidiary of Macarthur Australia Limited (which is, in turn, a wholly owned subsidiary of Macarthur). The Treppo Iron Project and the Mt Jackson Iron Project are owned by EIO, a wholly owned subsidiary of Macarthur.

2.4.1. Lake Giles Iron Project

The Lake Giles Iron Project is located on mining tenements covering approximately 62.5 square kilometres, and is situated approximately 175 kilometres Northwest of Kalgoorlie in the Yilgarn Region of South-western, Western Australia. Within the tenements, at least 33 kilometres strike extent of outcropping banded iron formation (BIF) occurs as low ridges, surrounded by intensely weathered and mostly unexposed granites, basalts and ultramafic rocks.

The Yilgarn Region is a host to many significant mineral deposits that have been or are being mined for Iron Ore. The tenements cover the Yerilgee greenstone belt

which is some 80 kilometres in length and lies within the Southern Cross Province of the Yilgarn.

The Lake Giles Iron Project is approximately 90 kilometres from the existing Perth - Kalgoorlie Railway that has a direct connection to the Port of Esperance in Western Australia, where it is intended that Iron Ore from the Lake Giles Iron Project will be shipped. Export is subject to capacity becoming available, which is not certain.

The Lake Giles Iron Project comprises two distinct mineral projects:

1. The Moonshine Magnetite Project: comprising Magnetite Iron Ore, to be marketed as a beneficiated Magnetite concentrate; and
2. The Ularring Hematite Project: comprising Hematite Iron Ore, to be marketed as potential direct shipping and / or beneficiated Iron Ore. (Fines from the Ularring Hematite Project can potentially be introduced into the Magnetite processing circuit for the Moonshine Magnetite Project to produce a blended, high quality Magnetite concentrate product at approximately 65% Fe).

Exploration for the Moonshine Magnetite Project and the Ularring Hematite Project has been sufficient to allow the estimation of Mineral Resources for both projects.

Table 14 below summarises the JORC Resources delineated for the Lake Giles Iron Project (comprising the Moonshine Magnetite Project and the Ularring Hematite Project).

The Mineral Resource estimates for both projects are reported in more detail in the Technical Assessment Report in accordance with the JORC Code (see Section 6 of this Prospectus).

2.0 Company Overview

Table 14: Indicated and Inferred Mineral Resources for the Ularring Hematite Project and Moonshine Magnetite Project

	Ularring Hematite Project	Moonshine Magnetite Project
Product	Hematite	Magnetite
Indicated Mineral Resource	54.5 million tonnes (Mt) at 47.2% Fe	Not delineated
Inferred Mineral Resource	26.0 Mt at 45.4% Fe	1,316 Mt at 30.1% Fe
Environmental and Mining Approvals	Major environmental approvals received	Not applied for

For further details, see Table 3 and Table 8 of the Technical Assessment Report contained in Section 5 of this Prospectus ('Technical Assessment Report').

2.4.2. Treppo Iron Project and Mt Jackson Iron Project

The Treppo Iron Project and the Mt Jackson Iron Project consist of three geographically disjunct Exploration Licences and in the Yilgarn region of Western Australia. The projects collectively cover an area of approximately 113 square kilometres.

The Treppo Iron Project consists of one Exploration Licence application and is located approximately 30 kilometres to the West of the Lake Giles Iron Project. This project been explored for Iron Ore by previous tenement holders including the drilling of two holes intersecting Hematite Iron Ore.

The two Exploration Licences comprising the Mt Jackson Iron Project are located approximately 35 km West-northwest and 38 kilometres Southwest of the Treppo Iron Project respectively. The Northern prospect sits adjacent to the Deception and Claw Iron Ore deposits and current mining activity of Mineral Resources Ltd (MRL). The Southern prospect sits adjacent to past mining activity of the J3 Iron Ore deposit of Cliffs Asia Pacific, now owned by MRL.

These projects cover substantial areas of outcropping BIF and Macarthur considers these projects prospective for Iron Ore.

2.5 Summary of Lithium Projects

Macarthur's Lithium Projects include the Pilbara Lithium Projects which are situated in the Pilbara region of Western Australia, and the Nevada Lithium Project (referred to locally as the Reynolds Springs Lithium Project) which is situated in the Railroad Valley in Nevada, USA.

The Pilbara Lithium Projects consist of 18 Exploration Licences covering a total area of approximately 1,281 square kilometres in the Pilbara region of Western Australia. The tenure is held by Macarthur's wholly owned subsidiary MLI.

Section 4.3 of this Prospectus details the tenements comprising the Pilbara Lithium Projects. These projects are subject to an earn-in agreement with ASX listed exploration company, Fe Limited (ASX: FEL). Under the FEL Option Agreement (summarised in Section 12.3 of this Prospectus), FEL has the right to earn up to 75% of the tenements through progressive exploration expenditure and cash payments to MLI. FEL has exercised the FEL Option Agreement and will manage exploration activities until it satisfies the initial earn-in terms of that agreement. FEL is currently undertaking reconnaissance and sampling across the Exploration Licences to identify high grade Lithium mineralisation targets.

Macarthur does not intend to direct funds raised by the Offer to the Pilbara Lithium Projects. Macarthur will review this position once FEL achieves its maximum earn-in of 75% under the FEL Option Agreement and may elect to sell its position or jointly develop a project.

The Nevada Lithium Project is held by Macarthur's wholly owned subsidiary MLN and consists of 210 Placer Mining Claims in the Railroad Valley in East-Central Nevada. The Placer Claims are detailed in the Solicitor's Tenement Report in Section 6 of this Prospectus. The Nevada Lithium Project targets Lithium brine in a large topographically closed playa basin. The project is at a very early stage of exploration with no specific drilling completed to date to test and sample the playa sediments, bedrock and groundwater for their Lithium bearing potential. Soil sampling completed by Macarthur however, confirms that anomalous Lithium exists at the project.

2.6 Summary of Gold Projects

Macarthur's Gold Projects include the Panorama Gold Project and Hillside Gold Project in the Pilbara region of Western Australia. These projects comprise seven tenements in common with the Pilbara Lithium Projects and held by Macarthur's wholly owned subsidiary MLI. Section 4.2 of this Prospectus details the tenements for the Gold Projects.

These projects are also subject to an earn-in agreement with FEL under the FEL Option Agreement. FEL is currently undertaking reconnaissance and sampling across the Exploration Licences to identify Gold and Copper targets.

The Hillside Gold Project includes four Exploration Licences covering a combined area of approximately 398 square kilometres. The Hillside Gold Project is highly prospective having been explored for gold by a number of earlier explorers. Macarthur has completed an airborne electromagnetic survey across some of the Hillside Gold Project and has defined 18 high priority bedrock conductors. A review of historical data has identified several targets with anomalous Gold and Copper geochemistry that are coincident with several of the recently defined airborne electromagnetic survey priority bedrock conductors. These untested anomalies are priority targets to be drill tested in forthcoming exploration by FEL.

The Panorama Gold Project includes three Exploration Licences covering a combined area of approximately 253 square kilometres. The Gold exploration target is conglomerate hosted Gold deposits along the Mt Roe Basalt / Hardey Formation contact as found at Artemis Resources Ltd's Purdy's Reward. Macarthur has conducted two programs of stream sediment sampling across drainage courses targeting the mapped Mt Roe Basalt and Hardey Formation. Multi-element assays have confirmed several anomalous sediment values up to 113 ppb Gold.

2.7 Summary of Lake Giles Nickel Project

The Lake Giles Nickel Project is located in the Yilgarn region of Western Australia on certain tenements of the Lake Giles Iron Project. Two main Nickel prospects, Snark and Moonshine, have been defined.

The Nickel exploration target is a komatiite ultramafic unit with similarities to the Lake Johnston komatiite system hosting the Nickel rich Maggie Hays mine operated by Western Areas Ltd.

2.8 Business Strategy and Company Objectives

The objectives of the Company are to:

- 1. Commercialise and develop the Lake Giles Iron Project:** conduct infill drilling across the mineralisation with the goal of converting Inferred and Indicated Mineral Resources into Measured Mineral Resources and Proven or Probable Ore Reserves. In addition, the Company will complete a Bankable Feasibility Study to refine operating and capital costs to underpin project financing. The Company will work towards financing the Lake Giles Iron Project and transitioning to construction and mining operations.
- 2. Undertake exploration of the Treppo Iron and Mt Jackson Iron Projects:** progress the grant of the Exploration Licence Applications, commence detailed mapping and geophysical surveys to define drill targets; conduct resource drilling and delineate a Mineral Resource for Hematite and / or Magnetite.
- 3. Provide management and exploration support to FEL:** provide management and exploration support to progress exploration activities for the Pilbara Lithium Projects and the Pilbara Gold Projects. The Company will then make a decision to divest these projects or contribute to a joint venture where it creates value for Shareholders.
- 4. Identify a joint venture partner for the Nevada Lithium Project:** identify a partner to assist in undertaking exploration activities on the Nevada Lithium Project in Nevada, USA.
- 5. Pursue new projects and opportunistic acquisitions:** pursue new projects and opportunistic acquisitions in the resource sector in various jurisdictions to create additional value for Shareholders. If and when a viable investment opportunity is identified, the Board may elect to acquire or exploit such opportunity by way of acquisition, joint venture, and/or earn-in arrangement which may involve

2.0 Company Overview

the payment of consideration in cash, equity or a combination of both. The Board will assess the suitability of investment opportunities by utilising its experience in evaluating projects. There are uncertainties in the process of identifying and acquiring new and suitable projects.

2.9 Proposed Exploration Budgets

The Company proposes to fund its intended activities as outlined in the tables below from the proceeds of the Offer. It should be noted that the budgets will be subject to modification on an ongoing basis. Exploration budgets for the Company's other projects may be adjusted depending on the results obtained from exploration undertaken however the majority of funds raised through the Offer are intended to be applied to

the Lake Giles Iron Project. This will involve an ongoing assessment of the Company's project interests and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the following budgets are proposed which take into account the anticipated expenses over the next two years to complete a Bankable Feasibility Study of the Lake Giles Iron Project, and commence initial exploration of the Mt Jackson Iron Project.

The high-level budgets showing total expenditure across each Project are shown in Table 15 and Table 16 for the Minimum Subscription and Maximum Subscription. Further detail on the work programs can be found in the Technical Assessment Report contained in Section 5 of this Prospectus ('Technical Assessment Report').

Table 15. Summary table of annual expenditure across the projects based on the Maximum Subscription of \$7,500,000

Project	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Iron Ore Projects			
Lake Giles	3,800,000	1,500,000	5,300,000
Mt Jackson	100,000	200,000	300,000
Lithium Project			
Reynold Springs	50,000	50,000	100,000
Total	3,950,000	1,750,000	5,700,000

Notes

1. The figures referred to in the above Table 15 represent the portion of the proceeds raised in the Offer based on a Maximum Subscription of \$7,500,000. They represent a portion of the total annual expenditure that will be applied across the Iron Ore projects listed, with the balance being funded from working capital currently on hand. A more detailed breakdown of expenditure by activity across each project listed in Table 15 is set out in Table 18 of the Technical Assessment Report in Section 5 of this Prospectus.

Table 16. Summary table of annual expenditure across the projects based on the Minimum Subscription of \$5,000,000

Project	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Iron Ore Projects			
Lake Giles	3,100,000	500,000	3,600,000
Mt Jackson	50,000	50,000	100,000
Lithium Project			
Reynold Springs	50,000	50,000	100,000
Total	3,200,000	600,000	3,800,000

Notes

1. The figures referred to in the above Table 16 represent the portion of the proceeds raised in the Offer based on a Minimum Subscription of \$5,000,000. They represent a portion of the total annual expenditure that will be applied across the Iron Ore projects listed, with the balance being funded from working capital currently on hand. A more detailed breakdown of expenditure by activity across each project listed in Table 16 is set out in Table 19 of the Technical Assessment Report in Section 5 of this Prospectus.



Pilbara





3.0

Iron Ore Projects

3.0 Iron Ore Projects

3.1. Summary Iron Ore Projects Generally

Macarthur holds an extensive package of Iron Ore tenements in Western Australia, however its immediate focus is on the development of its Lake Giles Iron Project to produce up to 4 Mtpa of Magnetite concentrate at approximately 68% Fe.

The Lake Giles Iron Project is comprised of two wholly owned Iron Ore projects, the Moonshine Magnetite Project and the Ularring Hematite Project. These projects are co-located on 15 mining leases north-west of Kalgoorlie in the Yilgarn region of Western Australia (See Figure 6 below). These are advanced projects, with the Company having expended approximately \$62 million to date on exploration, metallurgy, feasibility studies and environmental permitting.

Macarthur also has interests in Iron Ore exploration at its Treppo Iron Project and Mt Jackson Iron Project. These projects are at an early stage of exploration and are located in close proximity to the Lake Giles Iron Projects and current Iron Ore producer, Mineral Resources Ltd.

The Lake Giles Iron Project is owned by Macarthur Iron Ore Pty Ltd, a wholly-owned subsidiary of the Macarthur Australia Limited which is, in turn, a wholly owned subsidiary of Macarthur. The Treppo Iron Project and the Mt Jackson Iron Project are owned by Esperance Iron Ore Export Company Pty Ltd, a wholly owned subsidiary of Macarthur. The tenements comprising these Iron Ore projects are listed in Table 17 below.

Table 17: Tenements of the Iron Ore Projects

Tenement ID	Status	Project	Approximate Area (km2)	Registered Owner
Lake Giles Iron Projects				
M 30/213-I	Live	Ularring/Moonshine	2.57	Macarthur Iron Ore Pty Ltd
M 30/214-I	Live	Ularring/Moonshine	2.59	
M 30/215-I	Live	Moonshine	5.2	
M 30/216-I	Live	Ularring	0.54	
M 30/217-I	Live	Ularring	1.13	
M 30/248-I	Live	Moonshine	5.85	
M 30/250-I	Live	Moonshine	1.01	
M 30/206-I	Live	Moonshine	1.88	
M 30/207-I	Live	Moonshine	1.71	
M 30/227-I	Live	Ularring/Moonshine	5.03	
M 30/228-I	Live	Ularring/Moonshine	3.53	
M 30/229-I	Live	Ularring	2.04	
M 30/249-I	Live	Ularring/Moonshine	12.05	
M 30/251-I	Live	Ularring	12.45	
M 30/252-I	Live	Ularring	4.78	
Treppo Iron Project and Mt Jackson Iron Project				
E77/2521	Pending	Treppo	68.43	Esperance Iron Ore Export Company Pty Ltd
E77/2542	Pending	Mt Jackson	35.75	
E77/2543	Live	Mt Jackson	8.90	

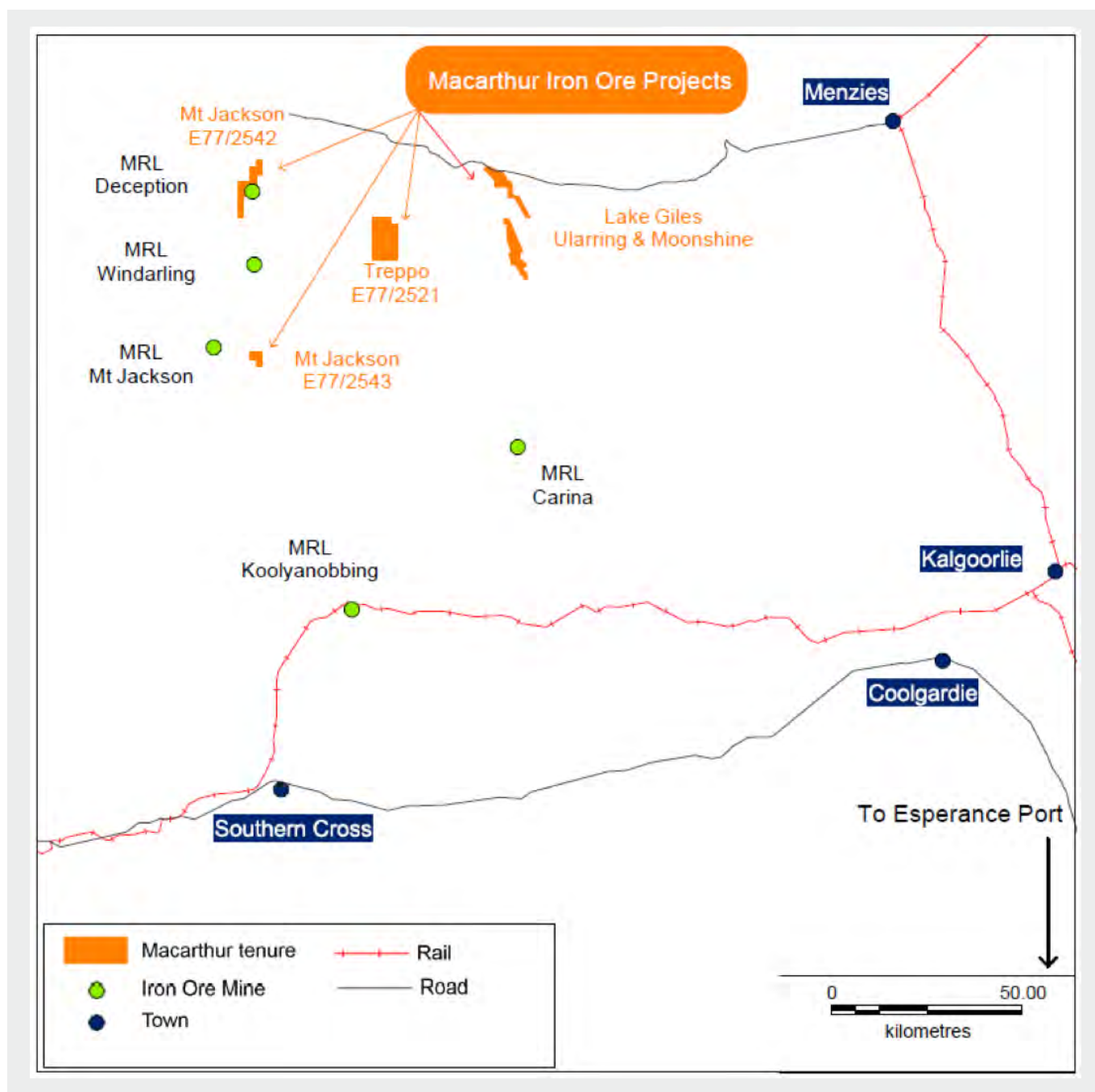


Figure 6 Regional location and tenement holdings of the Iron Ore Projects

3.0 Iron Ore Projects

3.2 Lake Giles Iron Project

The Lake Giles Iron Project (comprising the Moonshine Magnetite Project and the Ularring Hematite Project) is located approximately 450 kilometres East North-East of the coastal city of Perth, Western Australia, and approximately 115 kilometres West of the town of Menzies (refer to Figure 6 previous page).

The project is remote with minimal site-based infrastructure, such as unsealed roads and an exploration camp. The project can be accessed from the regional centre of Kalgoorlie via the sealed Menzies Highway North for approximately 130 kilometres, then West from the town of Menzies for approximately 115 kilometres along the unsealed graded Evanston-Menzies road.

The broader region is a well-established mining district with one existing Iron Ore producer and several projects in the exploration and development stages. The broader region surrounding the Lake Giles Iron Project is well serviced with infrastructure including open access rail and Iron Ore export facilities at the Port of Esperance.

The projects are located within approximately 90 kilometres of the open access Perth-Kalgoorlie railway (owned by Arc Infrastructure), which in turn runs directly to the Port of Esperance (owned by the Western Australian State Government (through Southern Ports Authority)). The Port of Esperance is capable of handling Cape Class vessels up to 200,000 dead weight tonnes (DWT), plus fully loaded Panamax class vessels up to 75,000 DWT. The port is presently licensed for 12 Mtpa of bulk Iron Ore loading. The projects are also accessible to Kwinana Bulk Terminal (owned by Fremantle Port).

Exploration of the Lake Giles Iron Project since 2005 has included geological mapping, geophysical surveying, reverse circulation percussion ("RCP") and diamond core drilling of Magnetite and Hematite ore targets. Since July 2006 Macarthur has drilled 1,841 RCP drill holes (totalling approximately 142,443 metres) and 49 diamond holes (totalling approximately 4,170 meters) targeting iron mineralisation associated with BIF units.

The Company's strategy is to initially develop the Moonshine Magnetite Project to produce a high-grade Iron Ore concentrate to be priced against the 65% Fe

index. The Company will then look towards development of the Ularring Hematite Project which will utilise the majority of infrastructure of the Moonshine Project. The Company may also explore options to campaign mine the Hematite Iron Ore for early cashflows, as prices dictate.

3.3 Moonshine Magnetite Project Mineral Resource

The Mineral Resource of the Moonshine Magnetite Project is based on the Moonshine, Moonshine North, Sandalwood, Clark Hill South, Clark Hill North and Snark deposits (refer to Table 18 below). These deposits extend from approximately 4.5 to 6 kilometres long and have deposit widths varying from 1 metre to 30 metres.

The Moonshine Magnetite Project has the following Inferred Mineral Resources set out in Table 18 below. The Mineral Resource estimates were reviewed by CSA Global and reported in accordance with the JORC Code.

Refer to Table 3 and Table 8 of the Technical Assessment Report contained in Section 5 ('Technical Assessment Report') of this Prospectus for more information.



Lake Giles

Table 18: Moonshine Magnetite Project Mineral Resource Estimates

Deposit	JORC Classification	Tonnes (Mt)	Fe (%)
Snark	Inferred	75	27.7
Clark Hill North	Inferred	130	25.8
Sandalwood	Inferred	335	31.1
Clark Hill South	Inferred	66	30.3
Moonshine	Inferred	710	30.6
Total	Inferred	1,316	30.1

Note Mineral Resources are reported above a cut-off grade of 30%

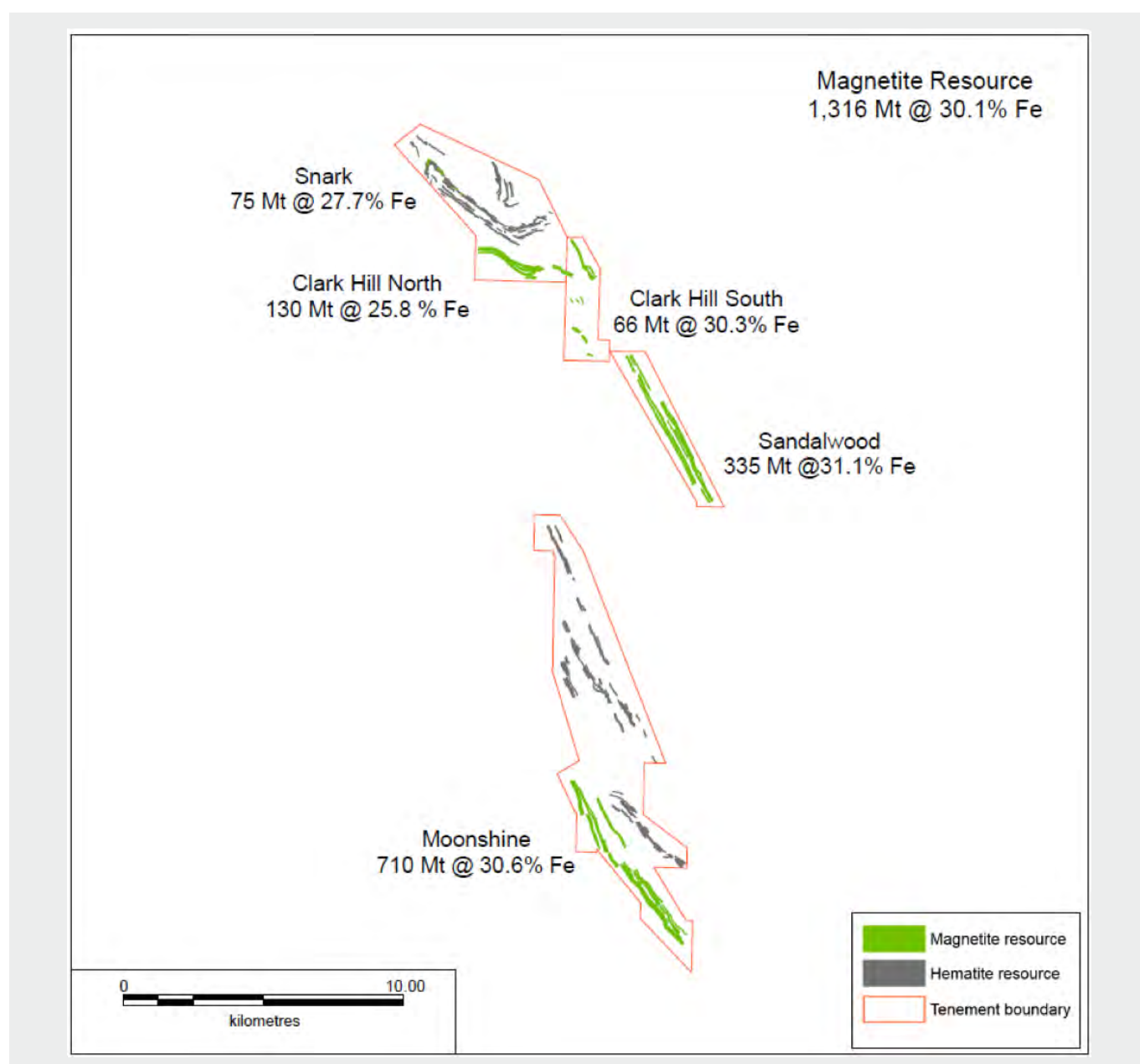


Figure 7: Moonshine Magnetite Project Mineral Resource

3.0 Iron Ore Projects

3.4 Ularring Hematite Project Mineral Resource

The Ularring Hematite Project has been the subject of a significant amount of drilling that includes 1,817 drill holes for approximately 107,446 metres with Mineral Resources delineated over five separate project areas: Snark, Drabble Downs, Central, Banjo and Moonshine (Refer to Figure 8 below).

The Ularring Hematite Project includes the following Mineral Resources set out in Table 19 below. The Mineral Resource estimates were prepared by CSA Global and reported in accordance with the JORC Code.

Refer to Table 3 and Table 8 of the Technical Assessment Report contained in Section 5 ('Technical Assessment Report') of this Prospectus for more information.



Table 19: Ularring Hematite Project Mineral Resource Estimates

Deposit	Reporting cut-off grade (% Fe)	JORC Classification	Tonnes (Mt)	Fe (%)	P (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	LOI (%)	S (%)
Snark	40	Indicated	21.8	47.2	0.07	17.5	6.1	7.7	0.15
	40	Inferred	11.0	45.2	0.07	21.8	5.1	6.8	0.09
Drabble Downs	40	Indicated	11.1	47.2	0.06	16.6	6.4	8.3	0.26
	40	Inferred	0.4	43.6	0.05	24.0	4.8	7.8	0.09
Central	40	Indicated	15.1	47.0	0.05	16.2	7.2	8.1	0.12
	40	Inferred	10.2	45.3	0.05	20.3	6.3	7.5	0.08
Banjo	40	Indicated	6.5	47.8	0.06	16.7	6.6	7.4	0.14
	40	Inferred	3.9	45.4	0.06	18.7	7.6	7.9	0.09
Moonshine	50	Inferred	0.6	53.0	0.06	13.4	6.7	6.1	0.15
Total Indicated	40	Indicated	54.5	47.2	0.06	16.9	6.5	7.9	0.16
Total Inferred	40, 50	Inferred	26.0	45.4	0.06	20.6	6.0	7.2	0.09

Note Tonnages and grades referred to in Table 19 above have been rounded to appropriate significant figures. Mineral Resources are reported above a cut-off grade of 40% Fe with the exception of Moonshine which is reported above 50% Fe

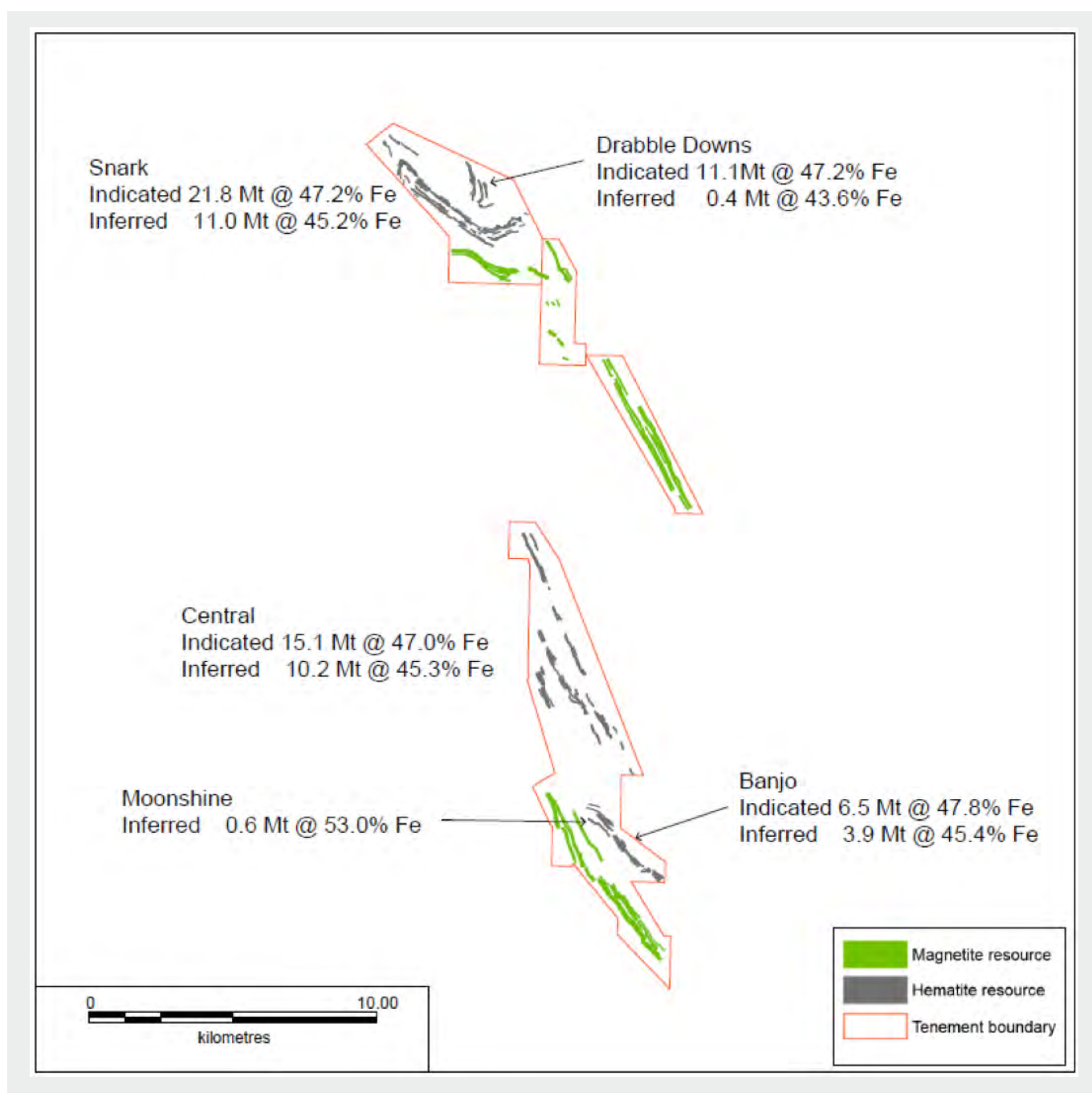


Figure 8: Ularring Hematite Project Mineral Resources

3.0 Iron Ore Projects

3.5 Project Logistics and Infrastructure

The region surrounding the Lake Giles Iron Project is well serviced with an established open access rail network located approximately 90 km south of the project through to the Port of Esperance. Macarthur is currently engaging with relevant service providers to explore rail haulage services to deliver Iron Ore from a rail loadout facility to the Port of Esperance.

The Port of Esperance is owned by the Western Australian Government and is managed by Southern Ports Authority (SPA). The Port of Esperance has large vessel size capacity, existing rail infrastructure and 12 Mtpa of Iron Ore export capacity (see Figure 9 below).

The Port of Esperance has Iron Ore unloading and bulk ship-loading facilities. The rail unloading facility includes a rotary car dumper (RCD) that is presently owned by another producer and operated by SPA. The facility is currently not at full capacity with available throughput open to other producers subject to an access agreement with the RCD owner.

The Company has commenced discussions with SPA to gain access to the RCD or alternatively enter into a development agreement to construct additional rail unloading and shed storage facilities.



Figure 9: Aerial photograph of Esperance Port showing Iron Ore storage sheds at the bottom right corner of the photo and vacant land for Port expansion. Source: Aurizon.

Note Assets shown in Figure 9 are owned by the Western Australian State Government and are not the property of the Company.



Figure 10: Rollingstock loaded with Iron Ore near Esperance, Western Australia. Source: Aurizon.

Note Assets shown in Figure 10 are owned by Aurizon and are not the property of the Company.

A key component of the development stage of the Company's Lake Giles Iron Project is contracting a route to market for Magnetite concentrate. The Company has identified options for export solutions at the Port of Esperance through SPA and is engaging with relevant service providers. It is also exploring options for export through Kwinana Bulk Terminal with Fremantle Ports.

3.6 Project Development

Macarthur has previously completed a scoping study and a pre-feasibility study for the Ularring Hematite Project and a preliminary economic assessment for the Moonshine Magnetite Project. These studies assumed standalone mining operations and infrastructure solutions. More recently the Company has re-evaluated both projects and revised its strategy to align the projects with current and forecast market conditions, capital markets and available capacity of regional infrastructure.

In 2019, the Company completed a Preliminary Economic Assessment for a combined Magnetite and Hematite operation in respect of the Lake Giles Iron Project that utilised common infrastructure. The results of the PEA are positive and support the Company's strategy of

progressing to a Bankable Feasibility Study for the Lake Giles Iron Project, with the objective of transitioning from an exploration company to a producer of high quality Magnetite Iron Ore concentrate for the export market. A copy of this report is publicly available in Canada on www.sedar.com.

The Company is continuing to optimise the operating strategy and may develop the Magnetite project ahead of the Hematite project. As part of the process of optimising its operating strategy, the Company may consider campaign mining Hematite Iron Ore to obtain early cashflows, as prices dictate.

Development of the Moonshine Magnetite Project remains the Company's core focus as it offers the ability to deliver revenues from the long-term supply of high-grade, low impurity Iron Ore concentrate.

3.7 Environmental Approvals

The Company has received approval to develop an Iron Ore mine for the Ularring Hematite Project and associated infrastructure under the Environmental Protection Act 1986 and the Environmental and Biodiversity Conservation Act 1999.

The current approvals do not include development of the Moonshine Magnetite Project. Additional impact assessment and approvals are required for this project. Many of the environmental surveys cover certain areas of the Moonshine Magnetite Project and can be utilised in the assessment process. Although securing necessary environmental approvals for the Moonshine Magnetite Project remains a project risk, the Company is not presently aware of any major environmental restrictions that would restrict or prevent the approval of the Moonshine Magnetite Project.

3.8 Next Steps

Macarthur intends to progress the development of the Lake Giles Iron Project by completing a Bankable Feasibility Study. In parallel the Company will focus on obtaining a partner to fund the development of the project as well as continuing negotiations with third parties to explore options for access to rail and port infrastructure that will provide Macarthur with optionality for designing its transport logistics and export pathway.

Macarthur will also commence the environmental approvals process to secure development consent for the Moonshine Magnetite Project.

The Company is currently undertaking an infill drilling program at the Moonshine and Moonshine North Magnetite deposits. A drilling program of 30 holes and approximately 5,000 metres will be drilled with the aim of converting approximately 100 Mt of Inferred Resource to a Measured Resource category. Further resource modelling will also be undertaken with the aim of converting Inferred Resource to Indicated and Measured Resources. The updated resource classification would provide the basis for Proven or Probable Ore Reserve to be defined as part of the Bankable Feasibility Study. It is uncertain at this stage if a Mineral Reserve will be defined.

3.9. Treppo Iron Project and Mt Jackson Iron Project

Macarthur holds one Exploration Licence and two Exploration Licence Applications prospective for Iron Ore which are in close proximity to the Lake Giles Iron Project. Should Macarthur be able to delineate Iron Ore resources at these projects, there is potential for them to be integrated with the Lake Giles Iron Project in the future. It is expected that this would be facilitated by utilising infrastructure of the Lake Giles Iron Project in order to provide the Company with a regional Iron Ore operation. Substantial exploration is required to achieve Mineral Resources at any of these projects.

The Treppo Iron Project (ELA 77/2521) is located approximately 30 kilometres West of the Lake Giles Project. The project area covers a prominent BIF ridge with a strike length of approximately 12 kilometres. Geological mapping by previous owners has identified iron mineralisation including martite – goethite, specular Hematite, indurated detritals and Magnetite BIF. Exploration drilling is limited with only two diamond drill holes completed to depths of 71.7 metres and 119 metres. The significant intersections from the diamond drill holes are set out in Table 20 below. Further details of the project geology and mineralisation are set out in the Technical Assessment Report contained in Section 5 ('Technical Assessment Report') of this Prospectus.

3.0 Iron Ore Projects

Table 20. Significant intersections from diamond drill holes at the Treppo Iron Project

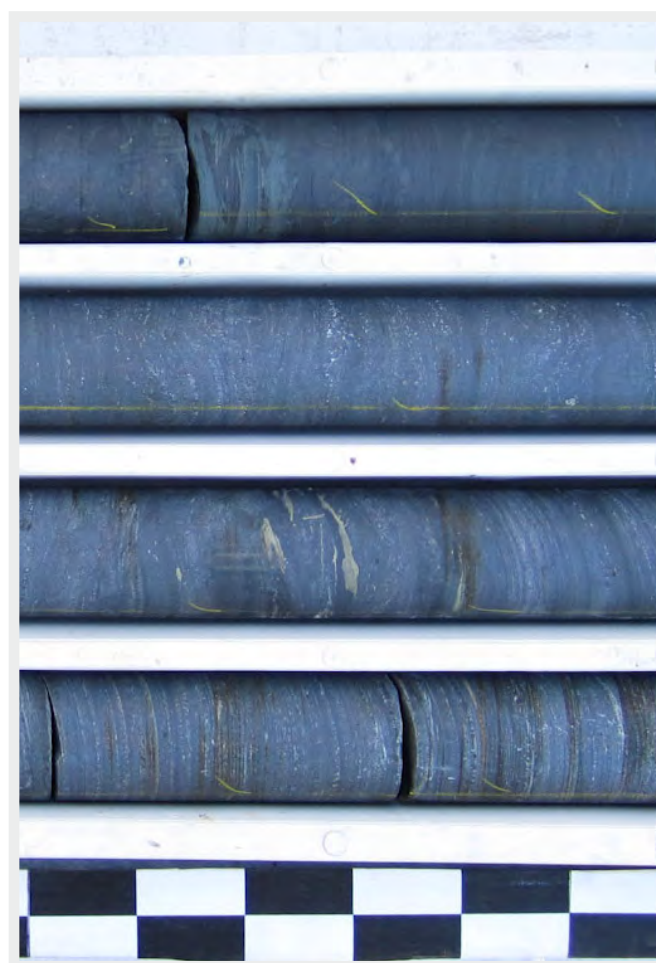
Hole	From (m)	To (m)	Apparent width (m)	Fe (%)	Al ₂ O ₃ (%)	P (%)	SiO ₂ (%)
MMS001	3.6	44	40.4	55.54	4.82	0.024	10.04
MMS001	45.9	50.6	4.7	50.04	1.19	0.04	24.01
MMS002	2.5	20	17.5	65.53	0.086	0.051	2.84
MMS002	24.15	33	8.85	42.73	0.14	0.17	37.7

The Mt Jackson Iron Project includes ELA 77/2542 and E77/2543 covering approximately 35 square kilometres and 9 square kilometres, respectively. ELA 77/2542 is located 35 kilometres West North West of the Treppo Iron Project and 65 kilometres West of the Lake Giles Iron Project. The tenement sits immediately to the West and North of the 'Deception' Iron Ore deposit currently being mined by MRL.

E77/2543 is located 40 kilometres South West of the Treppo Iron Project and 70 kilometres South West of the Lake Giles Iron Project. The tenement covers 12km of outcropping BIF ridges and is located adjacent to the historical 'J3' Iron Ore deposit mined by Cliffs Asia Pacific Iron Ore Pty Ltd.

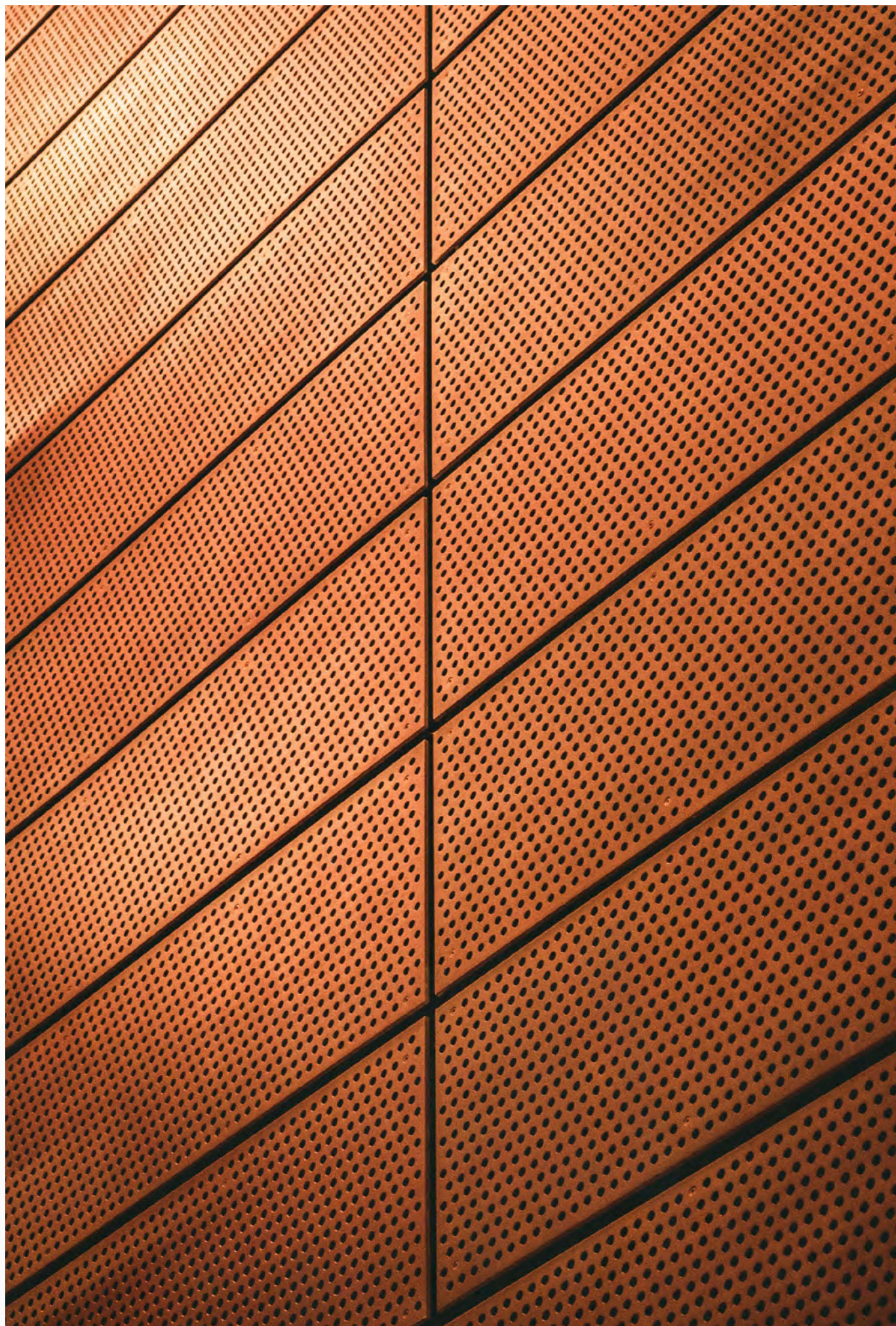
The Company has not commenced exploration at the Treppo Iron Project or the Mt Jackson Iron Project and intends to do so once the Exploration Licences are granted. The Company is experienced in Iron Ore exploration within the region, having delineated Mineral Resources for the Ularring Hematite Project and the Moonshine Magnetite Project at Lake Giles.

The Technical Assessment Report contained in Section 5 of this Prospectus contains greater detail on the exploration history of the Treppo Iron Project and the Mt Jackson Iron Project and prospectivity for Iron Ore.





Plugged drill hole at Treppo Iron Project





4.0

Non-Iron Ore Projects

4.0 Non-Iron Ore Projects

4.1 Non - Iron Ore Project Summary

Macarthur holds interests in exploration for Lithium, Gold and Nickel across several projects throughout the Pilbara and Yilgarn regions of Western Australia and Nevada, USA.

Macarthur's Lithium projects are located in the Pilbara region of Western Australia through its wholly-owned subsidiary MLi and in the Railroad Valley region of Nevada USA through its wholly owned subsidiary MLN. The Pilbara Lithium Projects target Lithium from hard rock minerals whereas the project in Nevada targets Lithium contained in groundwater brine.

Macarthur's Gold Projects include the Panorama Gold Project and the Hillside Gold Project in the Pilbara region of Western Australia. The projects are held through its wholly-owned subsidiary MLi and include some of the tenements in common with the Pilbara Lithium Projects.

Macarthur's Nickel Project is located in the Yilgarn region of Western Australia. The project shares some of the tenements of the Lake Giles Iron Projects held by Macarthur's wholly-owned subsidiary MLi.

These projects are currently considered non-core, with Macarthur's main focus being on the development of the Lake Giles Iron Project. To this end the Company has entered in to an earn-in agreement with FEL for the tenements that include the Pilbara Lithium and Gold Projects. FEL will manage exploration and expenditure with Macarthur free carried until FEL earns its maximum 75% holding in the tenements. Macarthur does not intend to direct funds raised by the Offer to the Pilbara Lithium and Gold Projects. The Company will review this position once FEL achieves its maximum earn-in and may elect to sell its position or jointly develop a project.

Applicants are encouraged to review the Technical Assessment Report contained in Section 5 ('Technical Assessment Report') of this Prospectus for a detailed description and assessment of the Company's Gold, Lithium and Nickel projects.

4.2 Pilbara Gold Projects

Macarthur's Gold projects in the Pilbara include the Panorama Gold Project and the Hillside Gold Project. The tenements of these projects are held through the Company's wholly-owned subsidiary MLi.

(Refer to Table 21 below).

Table 21: Tenements of the Pilbara Gold Projects

Tenement ID	Status	Approximate Area (km2)	Registered Owner
Hillside Gold Project			
E45/4685	Live	35	Macarthur Lithium Pty Ltd
E45/4708	Live	70	
E45/4709	Live	70	
E45/4824	Live	111	
Panorama Gold Project			
E45/4732	Live	11	
E45/4764	Live	103	
E45/4779	Live	3	

Note The tenements referred to in Table 21 above are included in the Pilbara Lithium Projects and subject to the earn-in agreement with FEL.

4.2.1 Hillside Gold Projects

The Hillside Gold Project in the Pilbara includes four contiguous tenements (refer to Table 21 above) covering an area of approximately 400 square kilometres of greenstone lithologies highly prospective for Gold and Copper mineralisation.

In 2018 Macarthur completed an Aerial Electromagnetic (AEM) survey using the heliborne SkyTEM system with over 846 line-kilometres flown at 150 metres line spacing covering a total area of 127 square kilometres. Data was captured across two disjunct areas; Area 1 in the North covering 76 square kilometres and Area 2 in the south covering 51 square kilometres.

Data was processed by geophysicists from Newexco with the objective of identifying anomalies that may be sourced by confined bedrock conductors such as massive sulphide accumulations. All observed anomalies were ranked against multiple criteria with a total of 18 anomalies considered to be high priority for follow-up in the field and consideration as a drill targets.

Area 1 of the AEM results showed a series of stratigraphic conductors running north-south along the eastern flank of the survey area. A total of seven anomalies are known from this area, depicted as A1_1 to A1_6 in Figure 11 below.

Area 2 shows a prominent stratigraphic conductor running along the western side of the survey area. Running along the eastern flank of the survey area there is another high conductive strike extensive feature (A2_1 to A2_5B and A2_7 in Figure 12 below). Area 2 also contains two discrete conductors central of the survey area depicted as A2_6 and A2_8. These conductors are interpreted as being “isolated” and may be sources by confined bedrock conductors which in some cases can be associated with massive sulphide accumulations such as Gold and Copper.

The two discrete conductors A2_6 and A2_8 are considered likely to be associated with volcanogenic massive sulphide (VMS) style Copper-Gold mineralization and hence are high priority targets. Previously recorded Gold and Copper anomalies and Gold workings lie directly to the north and south along strike of these discrete anomalies. It is speculated

conductors A2_6 and A2_8 could host similar VMS style deposits at depth.

Next Steps

The AEM survey has identified multiple outstanding anomalies that require follow-up exploration in the field. Macarthur’s joint-venture partner FEL has recently commenced field mapping and applied for a program of Works (PoW) to undertake drilling of select targets.

Macarthur considers this project highly prospective for Gold and Copper and will work alongside FEL to progress the exploration of the project.

4.0 Non-Iron Ore Projects

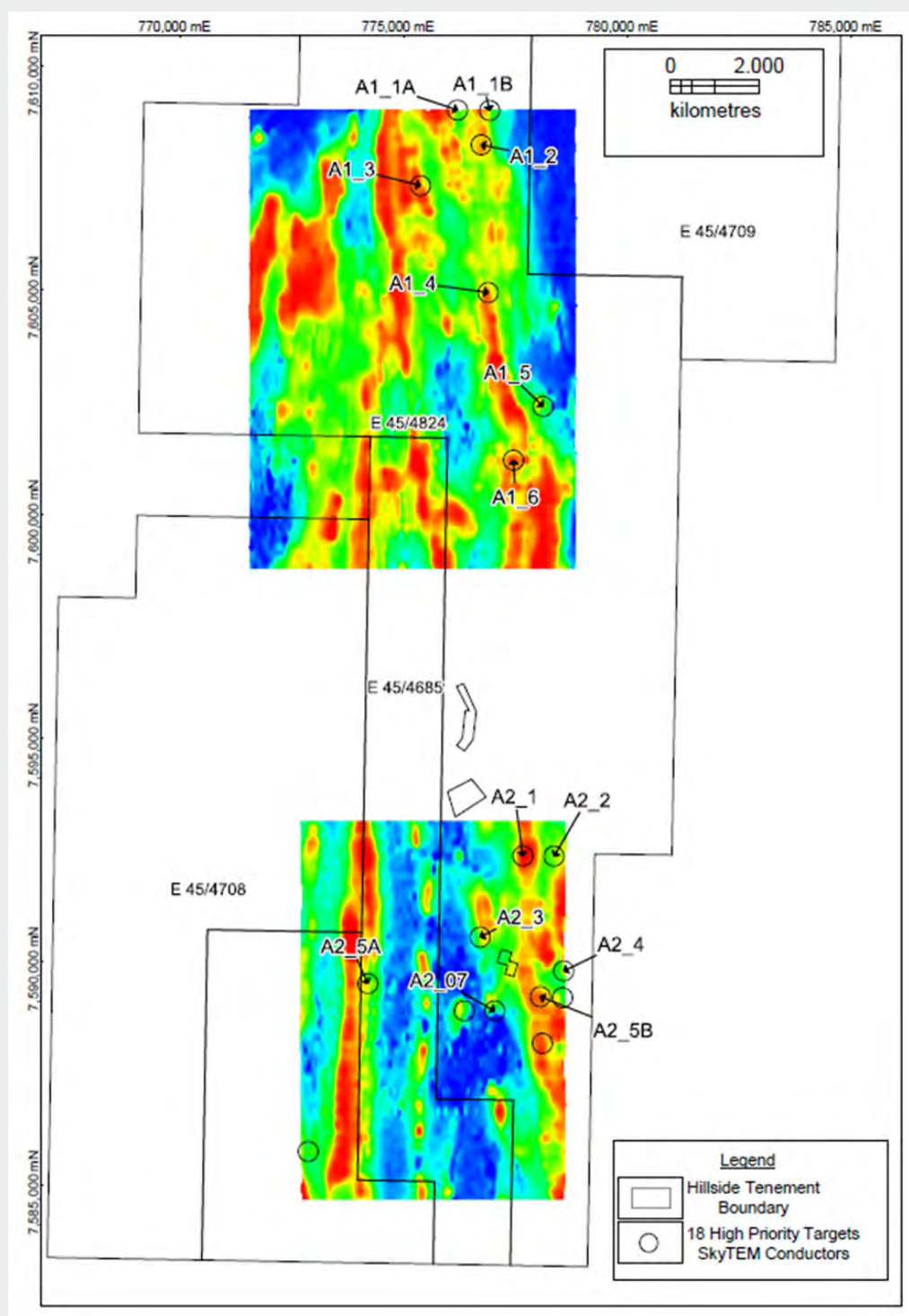


Figure 11. Hillside Gold Project showing historical Gold and Copper results with conductors identified by the 2018 AEM survey.

4.2.2 Panorama Gold Projects

The Panorama Project in the Pilbara includes three contiguous tenements covering an area of approximately 253 square kilometres. The tenements have been mapped by the Geological Survey of Western Australia (GSWA) and show extensive outcrops of Mt Roe Basalts and Hardey Formation (Refer to Figure 13 below). The Mt Roe Basalt is known to overlie the conglomerate Gold horizon as at 'Purdy's Reward' (which is held by Artemis Resources Limited (ASX: ARV)) where Gold associated with conglomerate has been recently identified. The greenstone lithologies are considered highly prospective for Gold.

Macarthur has undertaken a stream sediment sampling program across the contact zone of the Mt Roe Basalts

with encouraging results identifying an anomalous zone with gold assays returning up to 133 ppb (refer to Figure 12 below).

Next Steps

The stream sediment survey has identified several anomalies that require follow-up exploration in the field. Macarthur's joint-venture partner FEL has recently commenced field mapping to identify targets including conglomerate outcrops for further geochemical analysis.

Macarthur considers this project highly prospective for Gold and will work alongside FEL to progress the exploration of the project.

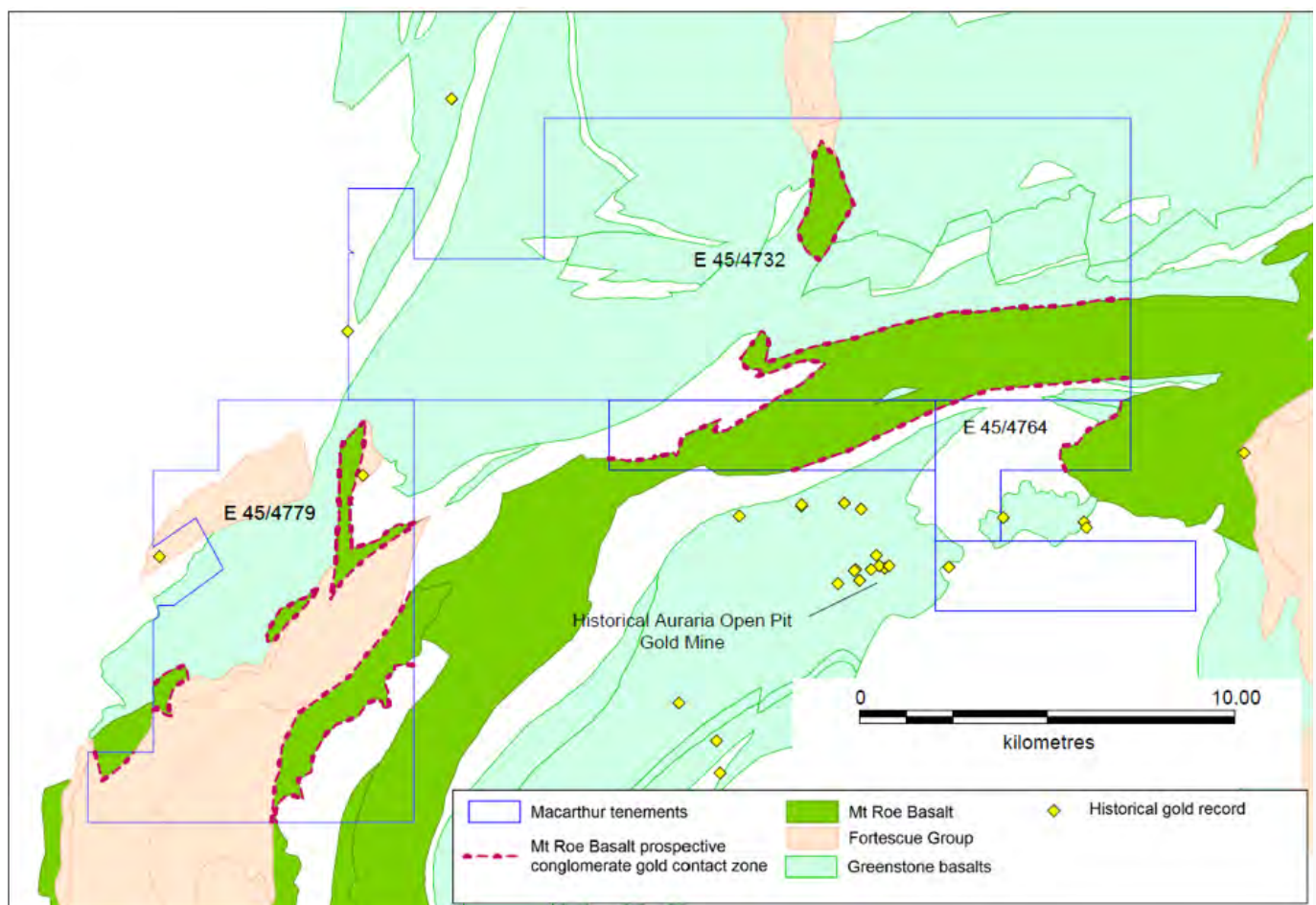


Figure 12. Panorama Gold Project showing Mt Roe Basalt and historical gold records

4.0 Non-Iron Ore Projects

4.3 Pilbara Lithium Projects

Macarthur holds 18 Exploration Licences covering a total approximate area of 1,281 square kilometres in the Pilbara region of Western Australia, prospective for hard rock Lithium (Refer to Table 22 below).

Table 22. Tenements for Lithium exploration

Tenement ID	Status	Project	Approximate Area (km2)	Registered Owner
E45/4685	Live	Pilbara	35	Macarthur Lithium Pty Ltd
E45/4693	Live	Pilbara	48	
E45/4702	Live	Pilbara	86	
E45/4708	Live	Pilbara	70	
E45/4709	Live	Pilbara	70	
E45/4710	Live	Pilbara	126	
E45/4711	Live	Pilbara	138	
E45/4732	Live	Pilbara	11	
E45/4735	Live	Pilbara	5	
E45/4747	Live	Pilbara	13	
E45/4764	Live	Pilbara	103	
E45/4779	Live	Pilbara	3	
E45/4824	Live	Pilbara	111	
E45/4848	Live	Pilbara	67	
E46/1114	Live	Pilbara	13	
E46/1115	Live	Pilbara	35	
E46/1210	Live	Pilbara	48	
E45/5324	Live	Pilbara	131	

Note The tenements referred to in Table 22 above are subject to the FEL Option Agreement

The Pilbara tenements are located within the eastern Archaean Pilbara Craton, which is recognised as a major LCT pegmatite province hosting Wodgina-Mount Cassiterite albite and albite-spodumene sub-type pegmatite tantalum deposits and the Pilgangoora albite-spodumene sub-type pegmatite Lithium-tantalum (Li-Ta) deposits.

The Pilbara tenements include similar geological settings to the Pilgangoora Li-Ta pegmatite deposits, which host the Lithium projects of ASX-listed companies, Pilbara

Minerals Limited (ASX: PLS) and Altura Mining Limited (ASX: AJM).

The tenements were acquired on the basis of geological attributes that are broadly consistent with the currently accepted exploration/mineral system model for Lithium-Caesium-Tantalum (LCT family or type) of the rare

element class of Lithium bearing pegmatites. Several of the tenements include areas of potential LCT type pegmatite host rocks such as greenstone belts (meta-volcanic sequences), earlier granitoids and gneisses. The tenements are located within 5-10 kilometres of ~2.89 to 2.83 Ga post-tectonic monzogranite (S-type) intrusions, which are considered to be the source of magmatic melts from which the LCT type pegmatites evolve. The fertile character of the highly fractionated younger monzogranites, and their potential link to Lithium mineralisation, is supported by numerous associated occurrences of Lithium (Li), tantalum (Ta), tin (Sn), and beryllium (Be) (refer to Figure 13 below).

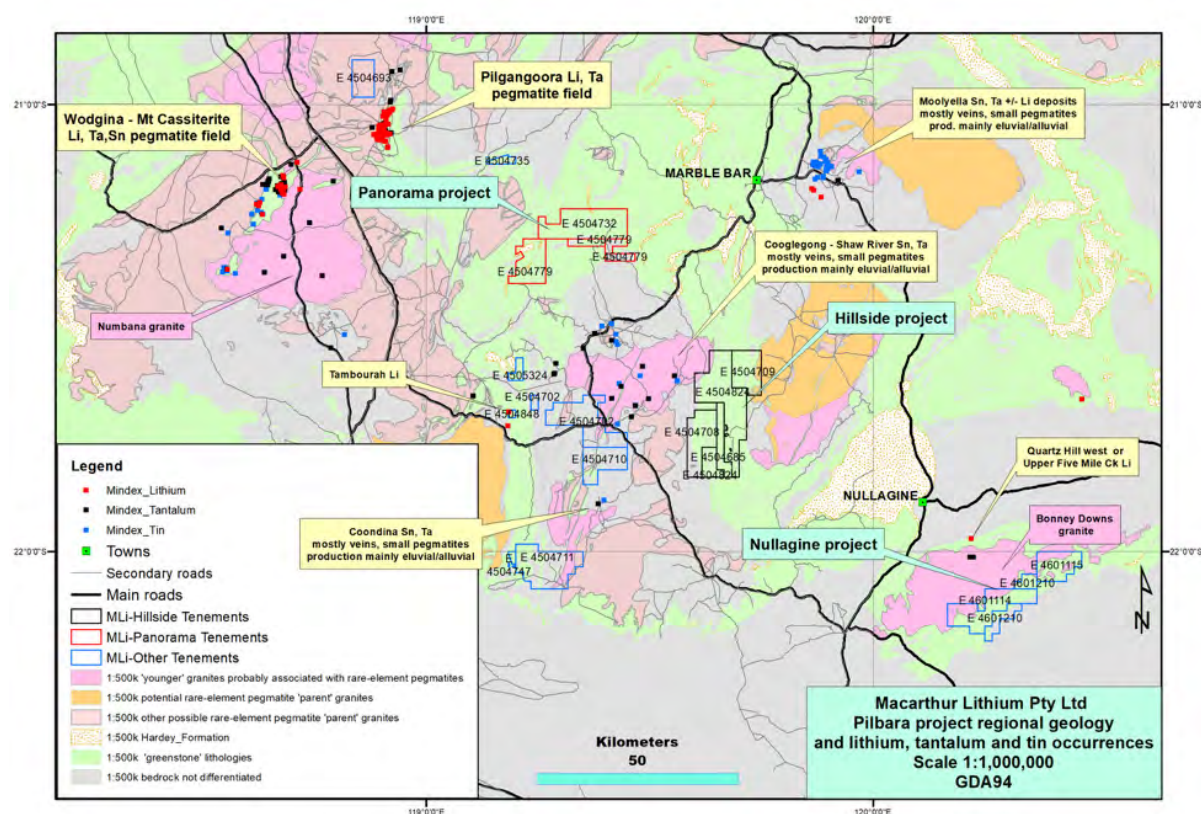


Figure 13. Pilbara Lithium Project tenement locations, regional geology and mineralisation.

Macarthur has conducted initial reconnaissance and located several pegmatites. The prospectivity is discussed in more detail in the Technical Assessment Report in Section 5 of this Prospectus.

As previously mentioned, Macarthur has entered into the FEL Option Agreement with FEL to earn up to 75% of the tenements listed in Table 22 below. FEL will manage and fund exploration activities until it earns its maximum 75% holding.

The Company is currently reviewing its tenement holdings for the Pilbara Lithium Projects and may elect not to renew certain tenements as they become due for renewal in November, 2019. The review will be undertaken on the basis of prospectivity based on recent exploration by FEL. The Company does not consider this will have a material impact on the value of the Pilbara Lithium Projects and will not impact the tenements of the Pilbara Gold Projects.

4.4 Nevada Lithium Project

Macarthur Lithium Nevada Limited (MLN) holds 210 Placer Claims in the Railroad Valley region of Nevada covering a total area of 17 square kilometres, prospective for Lithium brine. The Placer Claims are detailed in the Solicitor's Report on Tenements contained in Section 6 ('Solicitor's Report on Tenements') of this Prospectus.

The project targets Lithium brine in a large topographically closed playa basin. The project is at a very early stage of exploration with no specific drilling completed to date to test and sample the playa sediments, bedrock and groundwater for their Lithium bearing potential. Soil sampling completed by Macarthur however strongly confirms that anomalous Lithium exists at the project. Exploration activities are detailed in the Technical Assessment Report in Section 5 of this Prospectus.

Macarthur intends to attract a joint venture partner to progress the exploration and development of the Nevada Lithium Project.



Pilbara



5.0

Technical
Assessment
Report



CSA Global
Mining Industry Consultants



INDEPENDENT TECHNICAL ASSESSMENT REPORT

Macarthur Minerals Projects in Western Australia and Nevada

CSA Global Report N° R358.2019

9 October 2019

www.csaglobal.com

Report prepared for

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Project Name/Job Code	MMSTAR02
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Report information

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Last edited	9/10/2019
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Executive Summary

CSA Global Pty Ltd (CSA Global) was requested by Macarthur Minerals Ltd (Macarthur) to prepare an Independent Technical Assessment Report for use in a prospectus to support an initial public offering of shares for Macarthur to enable listing on the Australian Securities Exchange (ASX) at an issue price of 25c per share to raise \$5 million to \$7.5 million. The funds raised will be used for the purpose of exploration and evaluation of Macarthur's projects: Lake Giles Project, Treppo and Mount Jackson Iron Ore Projects, in Western Australia and the Reynolds Springs Lithium Project in Nevada.

Lake Giles Project

The Lake Giles Iron Project is located 450 km east-northeast of the coastal city of Perth, Western Australia, and approximately 115 km west of the town of Menzies. It consists of 10 sub-projects grouped into two larger projects. The Moonshine Magnetite Project (Moonshine) incorporates six separate project areas with defined Mineral Resources: Snark, Clark Hill North, Clark Hill South, Sandalwood, Moonshine and Moonshine North. The Ularring Hematite Project (Ularring) similarly incorporates five separate project areas that presently have defined Mineral Resources: Snark, Drabble Downs, Central, Banjo and Moonshine.

The total magnetite Mineral Resource is 1,316 Mt at 30.1% Fe and is categorised as Inferred.

The total Indicated hematite Mineral Resource is 54.5 Mt at 47.2% Fe, and the total Inferred hematite Mineral Resource is 26.0 Mt at 45.4% Fe.

A Preliminary Economic Assessment (PEA) of the Lake Giles Iron Project was completed in June 2019 by Macarthur. The project consists of the magnetite mineralisation at Moonshine, and hematite mineralisation at Ularring. The PEA is at a conceptual level of confidence, and there is no certainty that this study will be realised. The economic conclusions are preliminary in nature and includes Inferred Mineral Resource that is considered lower geological confidence. The PEA concluded that, based on information available and the assumptions used within the study at the time, further study of the Project was justified.

Treppo and Mount Jackson Iron Ore Projects

The Treppo and Mount Jackson iron ore projects are located in the Southern Cross Terrane of the Archaean aged Yilgarn Craton of Western Australia. Tenement E77/2521 comprises the Treppo Project in the Mount Manning range area. Tenements E77/2542 and E77/2543-I comprise the Mount Jackson Project in the Mount Jackson area. Two tenements are applications yet to be granted.

The indications from work to date are that the potential of the Treppo Project for hematite-goethite mineralisation is limited to the J-hook area, and the potential for magnetite mineralisation is high. The amount of work completed is small, making potential difficult to quantify. CSA Global has concluded that further work is justified, including a thorough mineralisation range analysis and target generation exercise utilising all existing data.

CSA Global has reviewed the Mount Jackson project data and concluded that further work to evaluate the potential of E77/2543-I and E77/2542 is justified. This could include geological mapping followed by broad-spaced, reconnaissance reverse circulation drilling based on any identified surficial iron enrichment.

Pilbara Lithium and Gold Projects

The Pilbara Project consists of 18 tenements covering 1,288 km² in the central and eastern portion of the Archaean Pilbara craton, 65–260 km inland from Port Hedland. The tenements are held 100% by Macarthur through a subsidiary and are subject to an earn-in agreement with Fe Ltd who has the right to

earn 75% through expenditure of \$2.3 million and payment of \$2.15 million. Fe Ltd is responsible for tenement maintenance.

CSA Global has concluded that the Pilbara Project tenements are prospective for gold and lithium and further exploration is appropriate.

Reynolds Springs Lithium Project

The Reynolds Springs Project is located approximately 300 km north of Las Vegas, Nevada, USA. The project comprises 210 mineral claims covering about 17 km² located within Railroad Valley, a large topographically closed playa basin. Numerous thermal springs emerge along the basin bounding fault systems which form the northwest and southeast flanks of the playa basin. Some of these spring waters contain moderately anomalous lithium. Near surface lithium-bearing clays identified in the Reynolds Spring Project is considered by Macarthur to indicate potential for lithium-bearing brines based on a deposit model for Clayton Valley type lithium brine deposits.

This potential is currently being assessed by evaluating historical downhole logs of eight abandoned oil well holes spanning east-west across the Reynolds Springs claims. The downhole logs comprise a combination of geological and geophysical data including lithologic logs and geophysical data from nuclear porosity and electrical resistivity logs. The presence of potential brine aquifers is indicated by highly conductive zones.

Macarthur has collected 206 soil samples which confirmed that the claims contain broad zones of anomalous lithium values.

CSA Global considers that the exploration evaluation work is at a very early stage and significant additional work needs to be undertaken to understand the project's potential.

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1 Introduction

1.1 Context, Scope and Terms of Reference

CSA Global Pty Ltd (CSA Global) was requested by Macarthur Minerals Ltd (“Macarthur” or “the Company”) to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus to support an initial public offering (IPO) of shares for Macarthur to enable listing on the Australian Securities Exchange (ASX) at an issue price of \$0.25 per share to raise \$5 million to 7.5 million. The funds raised will be used for the purpose of exploration and evaluation of the project areas.

The projects which will be included in the listing include:

- The Lake Giles Iron Project, comprising the Ularring and Moonshine iron ore deposits (Western Australia)
- The Treppo and Mount Jackson iron ore projects
- Pilbara lithium and gold tenements (Western Australia)
- Reynolds Springs Lithium Project (Nevada).

The ITAR is subject to the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2015 (“VALMIN¹ Code”). In preparing this ITAR, CSA Global:

- Adhered to the VALMIN Code.
- Relied on the accuracy and completeness of the data provided by Macarthur, and that Macarthur made CSA Global aware of all material information in relation to the projects.
- Relied on Macarthur’s representation that it will hold adequate security of tenure for exploration and assessment of the projects to proceed.
- Required that Macarthur provide an indemnity to the effect that Macarthur would compensate CSA Global in respect of preparing the report against any and all losses, claims, damages and liabilities to which CSA Global or its Associates may become subject under any applicable law or otherwise arising from the preparation of the Report to the extent that such loss, claim, damage or liability is a direct result of Macarthur or any of its directors or officers knowingly providing CSA Global with any false or misleading information, or Macarthur, or its directors or officers knowingly withholding material information.
- Required an indemnity that Macarthur would compensate CSA Global for any liability relating to any consequential extension of workload through queries, questions, or public hearings arising from the reports.

1.2 Compliance with the VALMIN and JORC Codes

This report has been prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC² Code and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Expert Reports.

¹ Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code), 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. <<http://www.valmin.org>>

² Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). < <http://www.jorc.org> >

1.3 Principal Sources of Information and Reliance on Other Experts

CSA Global has based its review of the projects which are the subject of this ITAR on information made available by Macarthur, along with technical reports prepared by consultants, government agencies and previous tenement holders, and other relevant published and unpublished data. CSA Global has also relied upon discussions with Macarthur's management for information contained within this assessment. This report has been based upon information available up to and including 2 August 2019.

CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this report is based. Unless otherwise stated, information and data contained in this technical report, or used in its preparation, has been provided by Macarthur in the form of documentation and digital data.

Macarthur was provided a final draft of this report and requested to identify any material errors or omissions prior to its lodgement.

Macarthur has warranted to CSA Global that the information provided for preparation of this report correctly represents all material information relevant to the projects. Full details on the tenements is provided in the Independent Solicitor's Report elsewhere in the prospectus.

CSA Global has not independently verified the legal status or ownership of the property or any of the underlying agreements; however, all the information appears to be of sound quality. This information should be contained within the Independent Solicitors Report and described therein under Summary of Material Agreements, elsewhere in the prospectus.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government sources or the ASX. The authors of these reports have not consented to their statements use in this ITAR, and these statements are included in accordance with ASIC Corporations (Consent and Statements) Instrument 2016/72.

1.4 Authors of the Report

CSA Global is a privately owned, mining industry consulting company headquartered in Perth, Western Australia (WA). CSA Global provides geological, resource, mining, management and corporate consulting services to the international mining sector and has done so for more than 30 years.

This ITAR has been prepared by a team of consultants sourced from CSA Global's Perth and Brisbane offices. The individuals who have provided input to the ITAR have extensive experience in the mining industry and, are members in good standing of appropriate professional institutions. The consultants preparing this ITAR are specialists in the field of geology and exploration, in particular, relating to iron ore and lithium.

The following individuals, by virtue of their education, experience and professional association, are considered Competent Persons, as defined in the JORC Code (2012), for this report. The Competent Persons' individual areas of responsibility are presented below:

- Coordinating author – Mr Trivindren Naidoo (Principal Consultant Geologist with CSA Global in Perth, WA) responsible for the entire report.
- Contributing author – Mr Aaron Meakin (Manager – Resources with CSA Global in Brisbane, Queensland) jointly responsible for Section 2 of this report
- Contributing author – Mr David Williams (Principal Resource Consultant with CSA Global in Brisbane, Queensland) jointly responsible for Section 2 of this report
- Contributing author – Mr Ilmar Tehnas (Principal Consultant Geologist with CSA Global in Perth, WA) responsible for Section 3 of this report

- Contributing author – Mr Ralph Porter (Principal Consultant Geologist with CSA Global in Perth, WA) responsible for Sections 4 and 5 of the report.

Peer reviewer – Mr Neal Leggo (Principal Geologist with CSA Global in Perth, WA) responsible for the entire report.

Trivindren Naidoo, CSA Global Principal Geologist, coordinated compilation of the report. Trivindren is an exploration geologist with over 20 years' experience in the minerals industry, including 14 years as a consultant, specialising in project evaluations and technical reviews as well as code-compliant reporting (JORC, VALMIN, NI 43-101 and CIMVAL) and valuation. His knowledge is broad-based, and he has wide-ranging experience in the field of mineral exploration, having managed or consulted on various projects ranging first-pass grassroots exploration to brownfields exploration and evaluation, including the assessment of operating mines.

Aaron Meakin, CSA Global Manager – Resources, completed the assessment of Macarthur's Lake Giles Project with David Williams. Aaron is a geologist with 25 years' experience in mining, resource estimation and exploration; including 14 years in operational roles and 11 years as a consultant. His operational experience was primarily at underground and open pit gold mines in Australia. Aaron has extensive experience in porphyry, iron ore, iron oxide copper gold, epithermal and orogenic lode gold systems.

David Williams, CSA Global Principal Resource Geologist, completed the assessment of Macarthur's Lake Giles Project with Aaron Meakin. David is a resource geologist with 25 years' experience in resource estimation and mine geology. He has worked on a variety of commodities including gold, iron ore, uranium, nickel laterite, graphite and base metals in Australia, Indonesia and Namibia. David is a Competent Person for JORC reporting of Mineral Resources and is also a qualified person for Canadian NI 43-101 reporting for gold and iron ore. David is able to provide advice on due diligence studies, JORC and NI 43-101 reporting and Independent Geologist Reports.

Ilmar Tehnas, CSA Global Principal Geologist, completed the assessment of Macarthur's Treppo and Mount Jackson Iron Projects. Ilmar is a highly experienced iron ore specialist, widely acknowledged as an authority on the iron ores of the Pilbara with over 35 years' experience. In his career with BHP Billiton Iron Ore and its predecessor companies, Ilmar's focus was on the acquisition and evaluation of a world-class iron ore tenement portfolio in the Pilbara of WA. In that time, he acquired expert level knowledge of Australian, and global, iron ore geology, with roles in exploration, evaluation, resource estimation, mine geology, business development, technical services, as well as auditing and training. Ilmar is a Competent Person in terms of iron ore exploration and evaluation.

Ralph Porter, CSA Global Principal Geologist, completed the assessment of Macarthur's lithium assets. Ralph has over 35 years' mineral exploration experience. He is highly experienced in target generation, project evaluation and exploration program implementation for gold, lithium, base metals, nickel and platinum group minerals (PGM). Ralph has a strong understanding of many deposit styles with strength in lithium, orogenic gold, epithermal gold and porphyry copper-gold systems. He is credited with the discovery of the Pajingo epithermal gold deposits, North Queensland, Australia and was involved in the early exploration and discovery phases of Thunder Bay North PGM-nickel-copper deposit, Ontario, Canada. Ralph is a Competent Person in terms of lithium exploration and evaluation.

Peer review was completed by Neal Leggo, a geologist with over 30 years' experience including five years in exploration management, 10 years consulting, four years in resource geology, three years in underground operations, one year in open pit mining and 10 years in mineral exploration. He has worked in a variety of Australian geological terrains and specialises in copper, gold, silver-lead-zinc and iron ore for which he has the experience required for code-compliant reporting. Neal also has experience with uranium, vanadium, manganese, tin, tungsten, nickel, lithium, niobium, gemstones, mineral sands and industrial minerals. He provides a range of consulting services including independent expert reporting, technical studies, reviews, audits and management of exploration projects. Neal offers extensive

knowledge of available geological, geophysical, geochemical and exploration techniques and methodologies, combined with strong experience in resource estimation, feasibility study, development and mining of mineral deposits.

1.5 Independence

Neither CSA Global, nor the authors of this report, has or has had previously, any material interest in Macarthur or the mineral properties in which Macarthur has an interest. CSA Global's relationship with Macarthur is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. Fees are being charged to Macarthur at a commercial rate for the preparation of this report, the payment of which is not contingent upon the conclusions of the report. The fee for the preparation of this report is approximately \$30,000.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of Macarthur. No member or employee of CSA Global has, or has had, any shareholding in Macarthur.

There is no formal agreement between CSA Global and Macarthur as to Macarthur providing further work for CSA Global.

1.6 Declarations

1.6.1 Purpose of this Document

This report has been prepared by CSA Global at the request of, and for the sole benefit of Macarthur. Its purpose is to provide an Independent Technical Assessment of Macarthur's Lake Giles Project, Treppo and Mount Jackson iron ore projects, Pilbara lithium and gold tenements and Reynolds Springs Lithium Project.

The report is to be included in its entirety or in summary form within a prospectus to be prepared by Macarthur, in connection with an IPO. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The statements and opinions contained in this report are given in good faith and in the belief, that they are not false or misleading. The conclusions are based on the reference date of 2 August 2019 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

1.6.2 Practitioner/Competent Person's Statement

The information in the independent technical assessment report (Section 2) that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results and Mineral Resources is based on, and fairly reflects, information compiled and conclusions derived by Mr Aaron Meakin (a Member of the AusIMM) and Mr David Williams (a Member of the AIG and a Member of the AusIMM). Both are Competent Persons.

Mr Aaron Meakin and Mr David Williams are employed by CSA Global, independent mining industry consultants, who were engaged to prepare the ITAR.

Mr Meakin and Mr Williams have sufficient experience that is relevant to the Technical Assessment of the Mineral Assets, style of mineralisation and types of deposit under consideration (iron ore) and to the activity being undertaken to qualify as Practitioners as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr Meakin and Mr Williams consent to the inclusion in Section 2 of the report of the matters based on their information in the form and context in which it appears.

The information in the independent technical assessment report (Section 3) that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Mr Ilmar Tehnas, a Competent Person who is a Member of the AusIMM. Ilmar is employed by CSA Global, independent mining industry consultants, who was engaged to prepare the ITAR. He has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets, style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the “Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets”, and as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Ilmar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in the independent technical assessment report (Sections 4 and 5) that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Mr Ralph Porter, a Competent Person who is a Member of the AIG. Ralph is an Associate of CSA Global. He has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets, style of mineralisation and types of deposit under consideration (lithium) and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the “Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets”, and as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Porter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1.6.3 Site Inspection

A site visit was made to the Lake Giles Iron Project area by David Williams in 2012. Ralph Porter accompanied Macarthur personnel on two helicopter supported site visits to several Macarthur tenements in the Pilbara during May and July 2016.

1.7 About this Report

This report describes the prospectivity of Macarthur’s Lake Giles Project, Treppo and Mount Jackson Iron Projects, Pilbara lithium tenements and Reynolds Springs Lithium Project.

The geology and mineralisation for the project areas are discussed, as well as the exploration work done, and the results obtained there from. A great wealth of data pertains to the work done on the projects and an effort was made to summarise this so as to contain the size and readability of the report. Maps of the areas are presented and statistics on the drilling are provided.

Where Mineral Resources are reported, an assessment is made of the quality of the input data, geology and resource estimation approach.

2 Lake Giles Project

2.1 Location, Access and Infrastructure

The Moonshine Magnetite Project (“Moonshine”) and the Ularring Hematite Project (“Ularring”) are located 450 km east-northeast of the coastal city of Perth, WA, and approximately 115 km west of the town of Menzies (Figure 1).

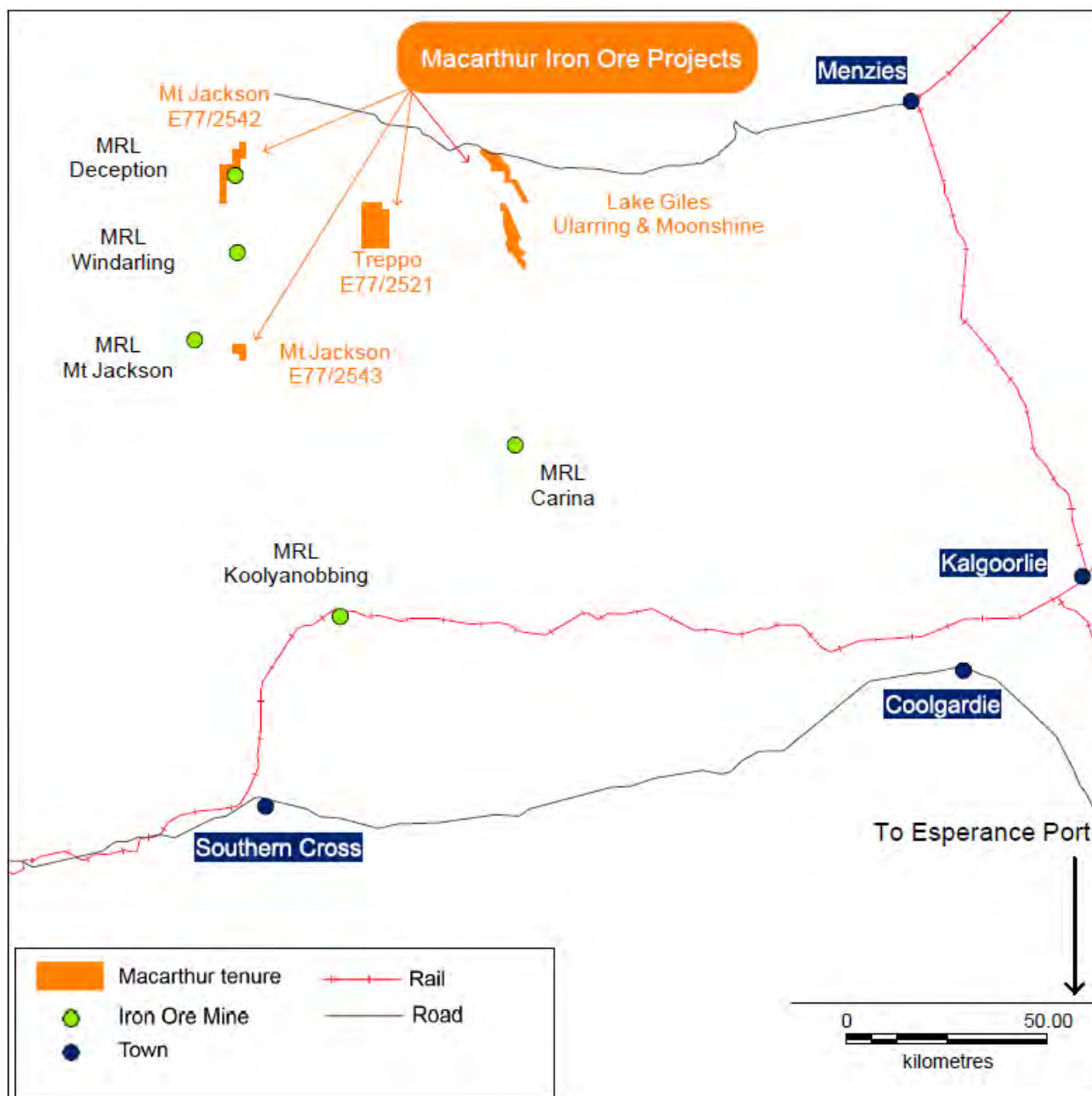


Figure 1: Location of the Ularring and Moonshine Projects

The projects are remote with no existing infrastructure other than unsealed roads and an exploration camp. The projects can be accessed from the regional centre of Kalgoorlie via the sealed Menzies Highway north for 130 km, then west from the town of Menzies for 115 km along the unsealed graded Evanston-Menzies Road. Alternatively, the projects can be accessed from Perth, via sealed roads to Southern Cross and Bullfinch, then north and east for 200 km along the Diemals Road. Unless otherwise stated, all coordinates referenced in this report are in Geocentric Datum of Australia (GDA94, Zone 50) and the project tenements are centred on approximately 788,000 m E, 6,687,000 m N.

Kalgoorlie is serviced by daily commercial flights from Perth. Access within the project area is by several tracks cleared by previous explorers, and more recently by Macarthur. These tracks may become impassable after heavy rain. Some limited facilities are available in Menzies including fuel, accommodation and meals. A railway line passes through Menzies, and road freight lines deliver to the town.

All the Macarthur tenements occur on Vacant Crown Land, which is defined as Crown Land not currently being used or reserved for any future purpose. As the registered tenement manager, Macarthur has the right to access the land for the purpose of mineral exploration and mining, subject to the conditions of tenure and approvals.

2.2 Climate, Topography and Landforms

The climate at the project areas is characterised as semi-arid.

The climate allows an operating season covering the full length of the year. In the Kalgoorlie region, mining and exploration activities are conducted throughout the year, with infrequent generally short disruptions during and after periods of heavy rain.

The topography is comprised of low ridges associated with the banded iron formation (BIF) units, striking in a general south-easterly direction, that rise from the surrounding sandy plains. The range in elevation is approximately 120 m with the highest point at approximately 520 m RL. A photo of a typical BIF ridge is presented in Figure 2.



*Figure 2: Typical landscape at the projects, facing south
A typical BIF ridge 20 m high is shown, with lower lying relief in the background.*

The vegetation of the project area is dominated by mulga scrub with local patches of low to medium eucalyptus woodland and areas of salt tolerant shrub and spinifex.

2.3 Tenure

At present Macarthur manages 15 contiguous mining leases covering a total area of approximately 62.5 km². All tenements are 100% held by Macarthur Iron Ore Pty Ltd, a wholly owned subsidiary of Macarthur Australia Ltd. For a comprehensive discussion of tenements please see the Independent Solicitor's Report in the prospectus. Tenements are designated mining leases as itemised in Table 1 and shown in Figure 3.

Table 1: Lake Giles Project tenements

Tenement ID	Live/ Pending	Project	Area (ha)	Area (km ²)	Registered owner	Expiry	Annual rent (2019)	Annual minimum expenditure (2019)
M 30/206-I	Live	Ularring/ Moonshine	188.4	1.88	Macarthur Iron Ore Pty Ltd	01/07/2028	\$3,742.00	\$18,900
M 30/207-I	Live	Ularring/ Moonshine	170.53	1.71	Macarthur Iron Ore Pty Ltd	01/07/2028	\$3,385.80	\$17,100
M 30/213-I	Live	Moonshine	257.05	2.57	Macarthur Iron Ore Pty Ltd	12/06/2032	\$5,108.40	\$25,800
M 30/214-I	Live	Moonshine	259.47	2.59	Macarthur Iron Ore Pty Ltd	12/06/2032	\$5,148.00	\$26,000
M 30/215-I	Live	Moonshine	520.42	5.2	Macarthur Iron Ore Pty Ltd	12/06/2032	\$10,315.80	\$52,100
M 30/216-I	Live	Moonshine	54.94	0.54	Macarthur Iron Ore Pty Ltd	12/06/2032	\$1,089.00	\$10,000
M 30/217-I	Live	Moonshine	113.9	1.13	Macarthur Iron Ore Pty Ltd	12/06/2032	\$2,257.20	\$11,400
M 30/227-I	Live	Ularring/ Moonshine	503.3	5.03	Macarthur Iron Ore Pty Ltd	12/06/2032	\$9,979.20	\$50,400
M 30/228-I	Live	Ularring/ Moonshine	353.6	3.53	Macarthur Iron Ore Pty Ltd	01/07/2028	\$7,167.60	\$36,200
M 30/229-I	Live	Ularring/ Moonshine	204.37	2.04	Macarthur Iron Ore Pty Ltd	01/07/2028	\$4,059.00	\$22,500
M 30/248-I	Live	Moonshine	584.82	5.85	Macarthur Iron Ore Pty Ltd	21/02/2033	\$11,583.00	\$58,500
M 30/249-I	Live	Ularring/ Moonshine	1,205.18	12.05	Macarthur Iron Ore Pty Ltd	21/02/2033	\$23,878.80	\$120,600.00
M 30/250-I	Live	Moonshine	101.73	1.01	Macarthur Iron Ore Pty Ltd	04/03/2034	\$2,019.60	\$10,200
M 30/251-I	Live	Ularring/ Moonshine	1,245.48	12.45	Macarthur Iron Ore Pty Ltd	26/11/2033	\$24,670.80	\$124,600
M 30/252-I	Live	Ularring/ Moonshine	477.96	4.78	Macarthur Iron Ore Pty Ltd	26/05/2034	\$9,464.40	\$47,800

Source: Updated from tenement schedule provided by McMahon Mining Title Management.

The magnetite prospects include Snark, Clark Hill North, Clark Hill South, Sandalwood and Moonshine. The Snark prospect lies within mining lease M30/0249. Clark Hill North lies within mining leases M30/0213, M30/214 and M30/215. Clark Hill South prospect lies within mining lease M30/0215. The Sandalwood prospect lies within mining lease M30/248. The Moonshine prospect lies within mining leases M30/227, M30/250, M30/228, M30/206 and M30/207.

The hematite prospects include Snark, Drabble Downs, Central, Banjo and Moonshine. The Snark prospect lies within the mining leases M30/0249, M30/0213 and M30/0214. Drabble Downs lies completely within mining lease M30/0249. The Banjo prospect lies within mining leases M30/0227, M30/0228 and M30/0229; the Moonshine prospect lies within mining lease M30/0228; and the Central prospect lies within mining leases M30/0251, M30/0252, M30/0216, M30/0217.

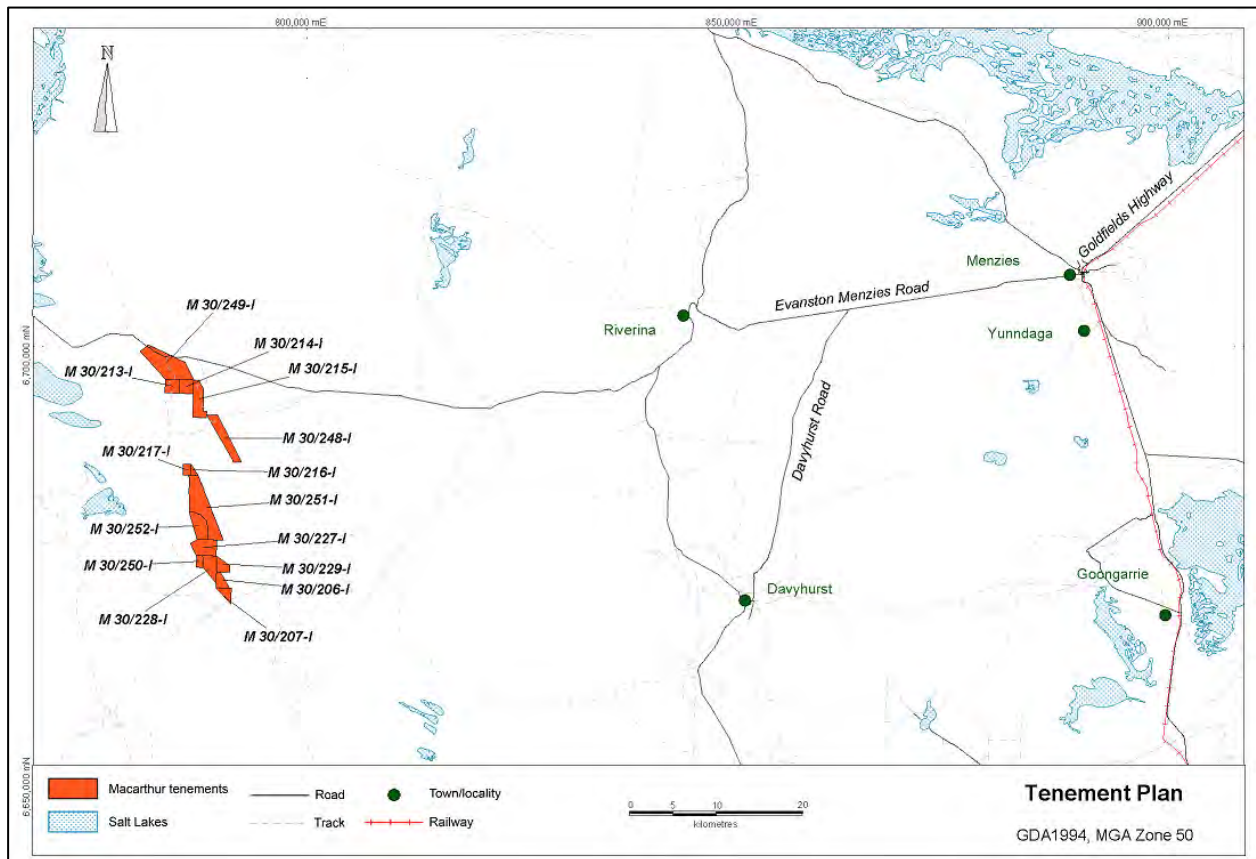


Figure 3: Ularring and Moonshine projects tenement holdings at 21 February 2017

A number of other existing tenements are likely to be impacted by mine site infrastructure for the Ularring and Moonshine projects. These include M30/0206, M30/0207, M30/0213, M30/0215, M30/0227, M30/0228, M30/0229, M30/0248, M30/0249, M30/0250, M30/0251 and M30/0252.

The boundaries of exploration licences in WA are defined by graticular sections representing blocks equivalent to one minute of latitude and one minute of longitude with an approximate area of 297 hectares. The locations of exploration licence boundaries are specified in lease applications, but lease boundaries are not physically marked on the ground. Mining lease boundaries are defined by the location of corner claim pegs with approximate coordinates based on global positioning system (GPS) readings recorded in claim documentation. They must be accurately surveyed by an Approved Surveyor after the lease is granted.

The legal status associated with the tenure of the Macarthur tenements has not been independently verified by CSA Global. The present status of tenements listed in this report is based on information provided Macarthur, and the report has been prepared on the assumption that the tenements are, or will prove to be, lawfully accessible for evaluation.

2.4 Regional Geology

The Moonshine Magnetite Project and the Ularring Hematite Project lie within the Southern Cross Province of the Yilgarn Craton. The Yilgarn Craton consists of multiple greenstone belts surrounded by variably foliated gneissic granitoids. The greenstone belts consist of metamorphosed ultramafic, mafic and sediments, including BIF which are Archaean in age and are commonly intruded by mafic, intermediate and granitic rocks (Figure 4).

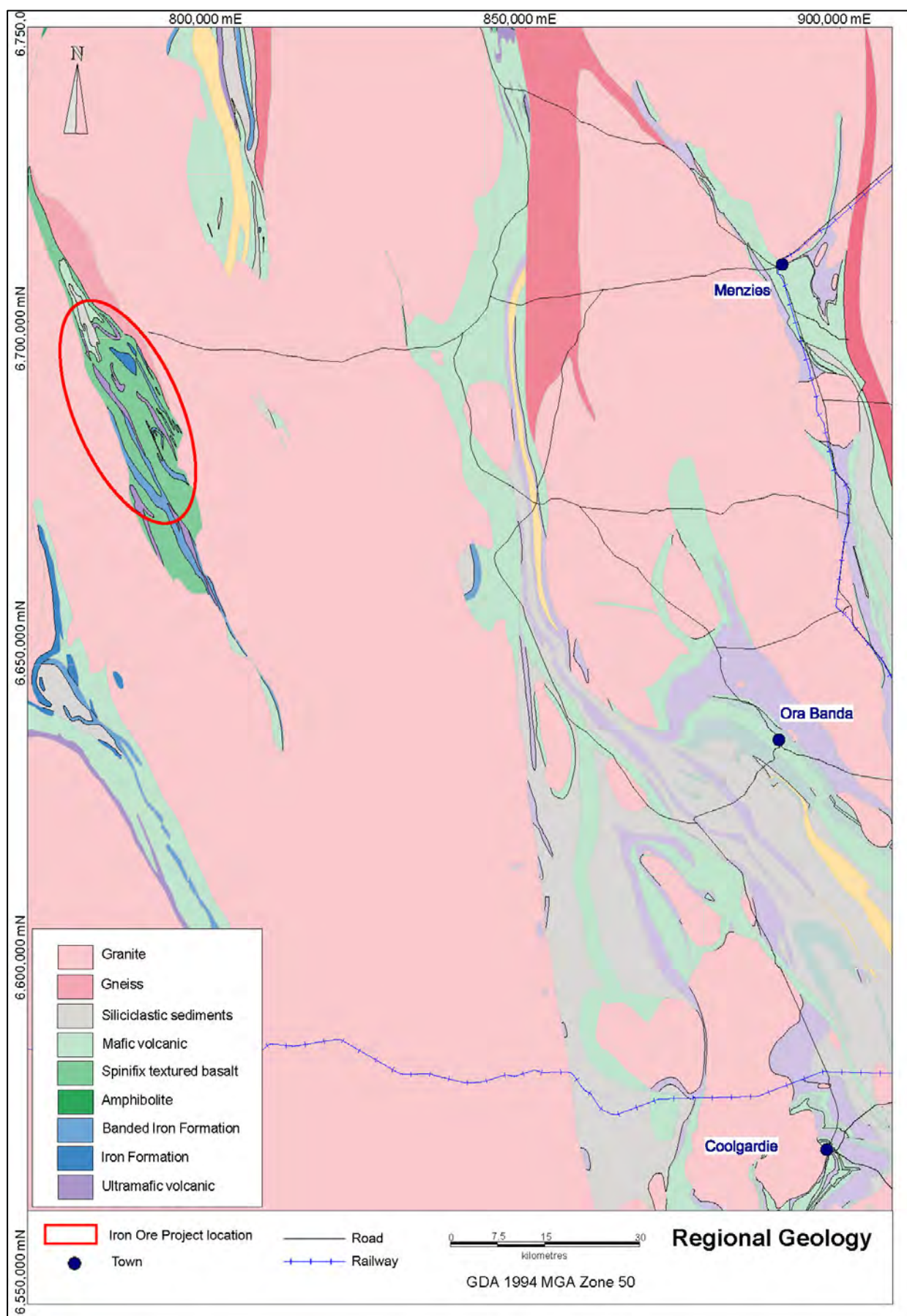


Figure 4: Regional geological setting of the Ularring and Moonshine projects

The greenstone belts are generally metamorphosed to mid greenschist facies towards the central parts of the belt and lower amphibolite facies on the edges of the belt where they are in contact with the granitoids. The greenstone belts are highly deformed, faulted and folded. Figure 5 shows the regional geology of the Macarthur area and its surrounding, derived from the Geological Survey of Western Australia (GSWA) (2011).

The north-northwest trending Yerilgee greenstone belt covers a 60 km part of a layered succession of Archaean aged rocks, consisting of a sequence of high-Mg basalt, which is at least 1 km thick that is intruded by gabbro sills (possibly comagmatic with the upper high-Mg basalts), and overlain by komatiitic ultramafic volcanic rocks, BIF and in some cases other sedimentary rocks (Figure 5). The elongated shaped Yerilgee belt is bounded by major north-northwest trending fault/shear zones.

The Archaean sequence has been intensely folded. At least five possibly sinistral fault zones of similar but slightly more north-westerly trend are interpreted within the widest part of the belt. These are believed to successively repeat the layered succession. Two northerly trending sinistral faults also obliquely crosscut the belt in this area.

2.5 Local Geology

The Moonshine Magnetite Project incorporates six separate project areas with defined Mineral Resources: Snark, Clark Hill North, Clark Hill South, Sandalwood, Moonshine and Moonshine North (Section 2.7.2). The Ularring Hematite Project similarly incorporates five separate project areas that presently have defined Mineral Resources: Snark, Drabble Downs, Central, Banjo and Moonshine (Section 2.8.2 and Figure 5 and Figure 6).

Both projects overlap spatially, with instances of BIF ridges with magnetite mineralisation, (therefore part of the Moonshine Magnetite Project), located strike parallel to hematite/goethite mineralised ridges (Ularring Hematite Project). However, no ridge contains both styles of mineralisation. Therefore, there are some instances where no geographic limits separate the two projects, as demonstrated in Figure 6.

The outcropping geology of the Ularring Hematite Project is comprised of both unaltered silica-rich BIFs and altered, enriched hematite/goethite BIFs. The hematite/goethite units are the source of Macarthur's current hematite Mineral Resources and exist largely as a supergene product. Weathering has resulted in the leaching of the majority of the silica from the BIFs, thus producing a rock rich in iron and low in silica. The BIF bands are geologically open at depth at all deposits, although the depth of oxidation controls the extent to which the siliceous minerals in the BIF have been leached out leaving behind the hematite/goethite mineralisation.

The enriched bands vary from 1 m to 30 m in true thickness and are steeply dipping (70° to 90°). Hematite/goethite mineralisation crops out in abundance at Snark, Drabble Downs, Central and Banjo, and in lesser amounts elsewhere on the tenements. A geological cross-section through Snark is presented in Figure 7 and can be considered representative for all the deposits within the Ularring Hematite Project.

Ularring is comprised of multiple parallel bands of BIF, many of which are enriched. The strike of these bands is largely northwest and a number of folds with a northwest plunge have been identified. The strike extent of the main ridge line at Snark is 5.9 km and the package consisting of the multiple BIF bands along with the interbedded ultramafics has a thickness of approximately 500 m. The drill tested area at Drabble Downs consists of three main BIF ridges with a combined strike length of approximately 3.4 km.

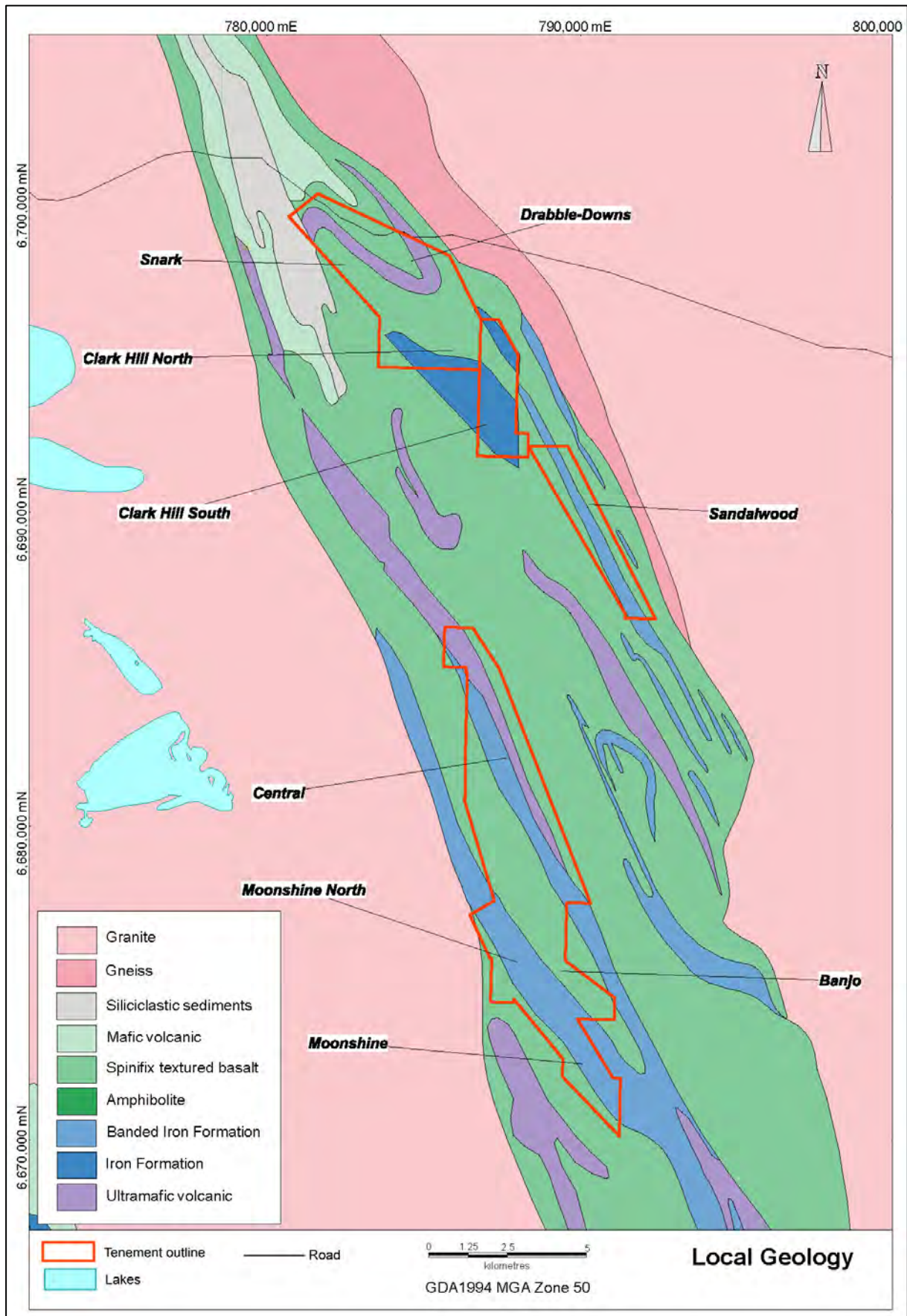


Figure 5: Simplified geology of the Ularring and Moonshine projects, with deposits highlighted

At Central, drill tested BIF ridges cover a combined strike extent of approximately 10.5 km. As at Snark the package consists of two main BIF ridges, each consisting of multiple parallel bands of BIF ranging from 1 m to 30 m thickness. The total package thickness including inter-bedded mafics and ultramafics is over 1 km.

The same geological package is repeated at both Banjo and at the Moonshine hematite deposit. At Banjo the total strike length is approximately 4.0 km and at Moonshine the total strike length is 0.8 km.

The mapped outcrops range from locally dark, rich and dense mineralised BIF (as shown in Figure 8); to porous and lateritic weathered BIF with locally enriched layers (as shown in Figure 9). In reverse circulation percussion (RCP) chips, the mineralised material is dusty and brown and generally very fine grained.

The drill sample assays confirm that the grade is averaging around 55% Fe. Hand specimens collected on surface tend to average higher, over 60% Fe, probably as a result of visual grade biasing when the samples were collected. These were not used for Mineral Resource estimation.

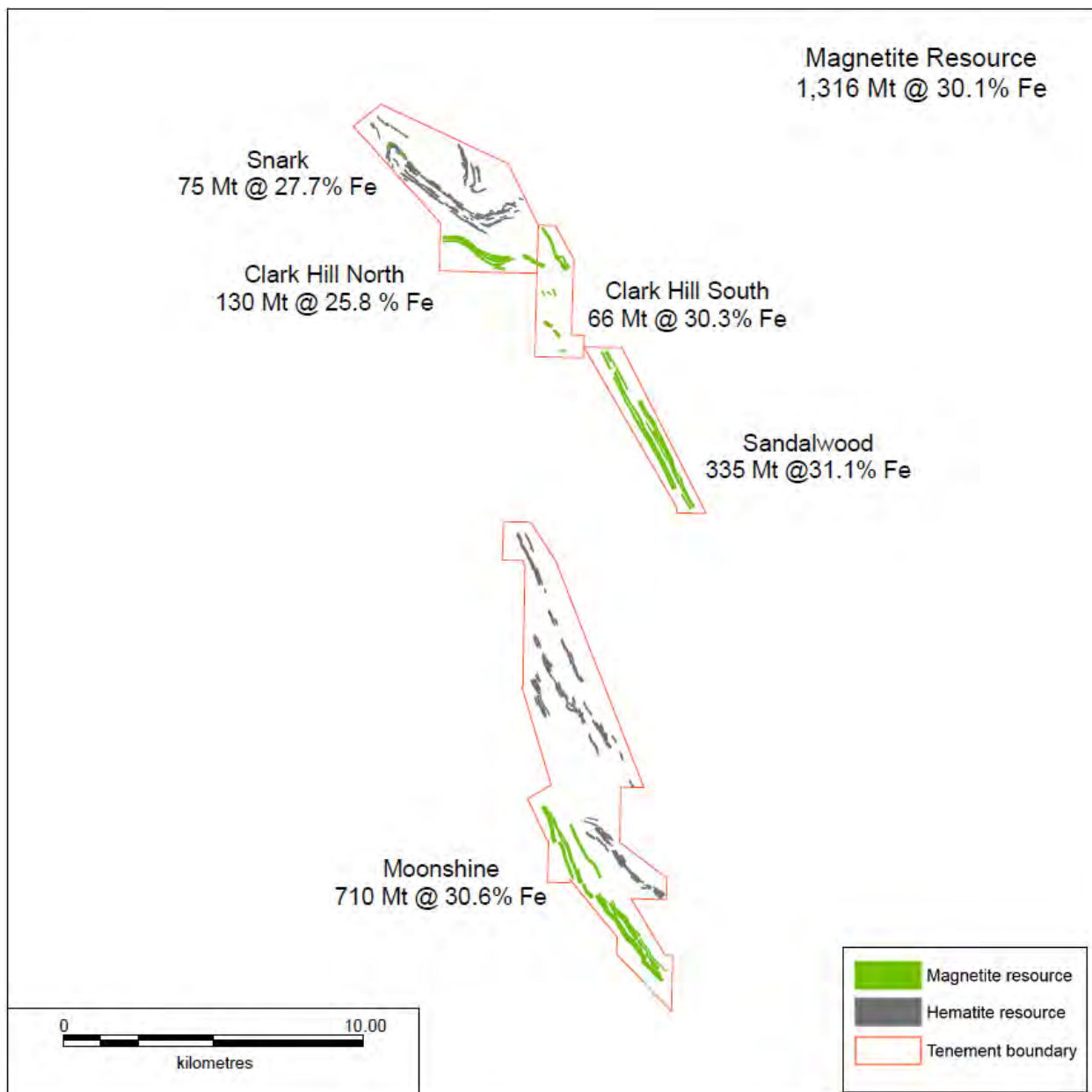


Figure 6: Map of the Moonshine Magnetite Project Mineral Resource also indicating relative location of hematite resources

Moonshine is comprised of primary magnetite mineralisation hosted by BIFs. The project area is comprised of multiple parallel bands of BIF with the strike of these bands predominantly northwest. The strike extent of the main ridge line at Moonshine is 5.9 km and the package consisting of the multiple BIF bands along with the interbedded ultramafics has a thickness of approximately 500 m. The drill tested area at Moonshine North consists of three main BIF ridges with a combined strike length of approximately 3.4 km. The multiple BIF units dip steeply 75° to 85° to the west. The individual BIF strata have an average thickness of 15 m, over a cumulative strike length of 17 km.

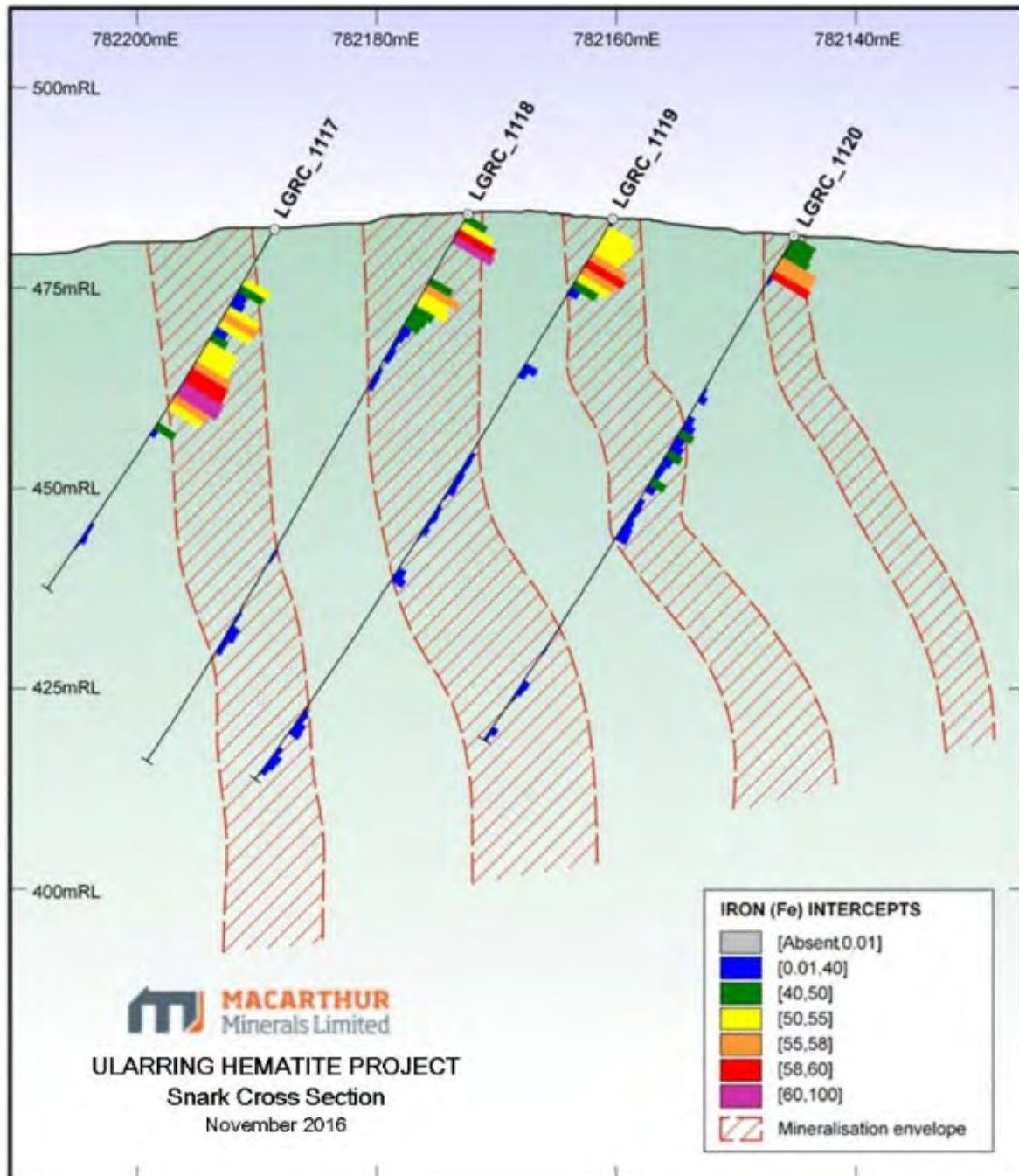


Figure 7: Geological cross section through Snark; BIF outlines for Fe >40% and drillhole traces with Fe (%)



Figure 8: Float of exceptionally rich hematite/goethite mineralisation near LGRC_407, Snark



Figure 9: Outcrop of typical porous and lateritic hematite/goethite mineralisation, near LGRC_407, Snark

2.6 Exploration History and Potential – Non-Iron Ore

2.6.1 Introduction

Historical exploration activities around the Ularring and Moonshine areas were focused predominantly on gold, nickel and iron ore. No known historical Mineral Resource or Ore Reserve estimates prior to 2007 exist for any commodity within the area now covered by Macarthur's tenements. No mining is known to have been undertaken in the project area to date.

2.6.2 Nickel and Gold Exploration

Between 1970 and 2000, the area was explored primarily for nickel sulphide mineralisation by Kia Ora Gold Corp. NL (Kia Ora) and Aztec Mining Limited (Aztec).

In the 1970s, Kia Ora focused their work on nickel exploration of the poorly exposed Archaean ultramafic units adjacent to the BIF units. Traces of sulphides were intersected by drilling and were recorded in early reports which warranted further exploration.

In the 1990s, Aztec continued on from Kia Ora's work and carrying out an extensive exploration program which included drilling 1,275 vacuum holes and limited percussion drilling. This work returned disappointing results which resulted in Aztec surrendering their tenure.

Internickel Australia Pty Ltd (Internickel) became the next explorer of the Ularring and Moonshine area between 2000 and 2005. Internickel's main focus between 2000 and 2003 was exploration for nickel sulphide and gold mineralisation. Percussion and rotary drilling resulted in the intersection of anomalous copper and nickel mineralisation and further work was recommended at the time.

In 2003, Internickel conducted an extensive desktop review which resulted in selection of priority exploration targets. From 29 grab rock samples, seven contained more than 50% Fe with two samples containing more than 60% Fe, and exploration activities then resulted in a primary focus on iron ore.

In 2018, a ground moving loop electromagnetic survey was completed across three prospects. Two conductors at Moonshine (MC01 and MC02) and two conductors at Snark (SC01 and SC02) were identified. Two reverse circulation (RC) holes (18MNRC001 and 18MNRC002) were then completed to test the MC01 conductor. 18MNRC001 identified anomalous nickel, with an average grade of 0.2% over 31 m from 26 m depth. The remaining conductors have not been drill tested.

Although exploration at the Lake Giles Iron Project has primarily focused on iron ore, Macarthur's tenement package is still considered prospective for nickel and gold mineralisation.

2.7 Moonshine Magnetite Project

2.7.1 Exploration History

Exploration of the Moonshine Magnetite Project commissioned by Macarthur since 2005 has included geological mapping, geophysical surveying, auger sampling of pisolite targets and RCP drilling of magnetite targets. Since 2007, Macarthur geologists have conducted ground traverses and geologically mapped the Moonshine prospects, using the same procedures as at Ularring, as discussed in Section 3.4.1. The outcropping rock was classified as either BIF or hematite/goethite enriched BIF.

The exploration carried out by Macarthur at Moonshine is generally at an early stage, yet sufficient to support Inferred Mineral Resources for five of the deposits.

Early geological mapping and rock chip sampling led to the first RCP drill program in 2006. Exploration for iron ore (magnetite) mineralisation commenced in 2006. A number of extensive BIF units have been mapped in the Moonshine area. The BIF units can be clearly traced from aeromagnetic surveys, and commonly form prominent ridges. The depth of oxidation controls the extent to which the siliceous minerals in the BIF have been leached out, and the magnetite replaced by hematite, leaving behind a caprock of low-grade siliceous iron mineralisation. A typical depth to the base of the oxidised surface is 50 m, which defines the top of the magnetite mineralisation in the BIF.

Macarthur's drilling to date at Moonshine totals 247 RCP drillholes and 11 diamond drillholes. Three of these holes were drilled from November 2012 to January 2013 in the Moonshine North prospect. They were part of a co-funded drill program by Exploration Incentive Scheme, GSWA, Department of Mines, Industry Regulation and Safety (DMIRS) targeting high-grade magnetite mineralisation. No holes were

completed subsequent to January 2013 before this report was prepared. A drillhole database supporting the 2010 Mineral Resource estimates for Moonshine includes all information collected up until 2010.

Drillhole statistics for all drilling to date at Moonshine are presented in Table 2.

Table 2: Drilling completed at Moonshine Magnetite Project

Deposit	RCP holes drilled	Metres	Core holes drilled	Metres
Moonshine/Moonshine North	161	34,435.4	6	1,439
Snark	17	3,183	-	-
Clark Hill North and South	69	10,637	5	1,002
Sandalwood	38	6,933	-	-
Total	247	44,551	11	2,441

The Moonshine and Moonshine North deposits extend over 6,000 m of strike, defined by geological mapping of outcrop and drillhole intercepts. True widths for the deposits average 15 m and are largely steeply dipping at 75° to 85° to the west, striking between 320° and 335°.

The Sandalwood deposit extends for 6,000 m of strike, defined by geological mapping of outcrop and drillhole intercepts. A true width for the deposits varies between 1 m and 30 m and are largely steeply dipping at 70° to 90°, with dip directions generally varying between east and west.

The Snark and Clark Hill (North and South) deposits extend over 4,500 m of strike (Snark), and 3,500 m (Clark Hill) defined by geological mapping of outcrop and drillhole intercepts. True widths for the deposits average 15–20 m and are largely steeply dipping at 75° to 85° to the west, striking between 320° and 335°. The dip and strike of the BIF strata are similar to that of Snark in the Ularring Hematite Project (Figure 7).

2.7.2 Mineral Resources

Mineral Resource Summary

The Mineral Resources for the Moonshine Magnetite Project are presented in Table 3. Mineral Resources have been classified and reported in accordance with the JORC Code in this report. JORC Table 1 is included in Appendix B.

Table 3: Moonshine Magnetite Project, Inferred Mineral Resource

Deposit	JORC classification	Tonnes (Mt)	Fe (%)
Snark	Inferred	75	27.7
Clark Hill North	Inferred	130	25.8
Sandalwood	Inferred	335	31.1
Clark Hill South	Inferred	66	30.3
Moonshine	Inferred	710	30.6
Total	Inferred	1,316	30.1

Notes:

- Tonnages and grades have been rounded to appropriate significant figures.
- Snark, Clark Hill North, Clark Hill South and Sandalwood all reported from blocks where DTR (%)>15% and where model blocks are above 250 m RL.
- Moonshine reported from blocks where DTR (%)>30%
- Moonshine Mineral Resource includes Moonshine North

The Mineral Resource estimates as stated in Table 3 are consistent with what was publicly released by Macarthur on the TSX on 15 December 2010.

The information in this report that relates to Mineral Resource estimates at Snark, Clark Hill (North and South), and Sandalwood is based on information compiled by Mr Chris Allen, MAIG. Mr Allen 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”. Mr Allen consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resource estimates for Moonshine and Moonshine North is based on information compiled by Mr Shane Fieldgate, MAIG (RPGGeo). Mr Fieldgate 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”. Mr Fieldgate consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Sampling Techniques and Data

The deposit was sampled using diamond core and RCP drillholes between 2008 (commencement of the assessment of the Moonshine Magnetite Project) and 2012. RCP drilling was the dominant sampling technique used at Moonshine. Diamond core samples were reserved for metallurgical and geotechnical studies.

RCP drilling collected 1 m samples, which were passed through a cyclone and then passed through a three-tier riffle splitter. Samples were dry. A total of 75% of the sample passed through the splitter to be captured in a residue bucket whilst the remaining 25% of the sample was evenly distributed through the primary sample chute and the field duplicate chute. The sample in the residue bucket was made available to Macarthur’s geological team who logged the sample for rock type, weathering and other key geological information.

The primary samples were securely delivered to the analytical laboratory where they were crushed to 3 mm fraction, then pulverised to 105 µm (p95). The pulp samples were analysed for a standard suite of iron ore elements (including P, SiO₂, Al₂O₃, LOI and S) by x-ray fluorescence (XRF), which is considered industry standard practise for iron ore. Selected samples were ground to p95 45 µm and subjected to Davis Tube Recovery (DTR) testing with XRF analysis performed on head and concentrate material. A mass recovery via DTR was also calculated.

Drilling and sampling procedures utilised by Macarthur are documented in Allen (2009) and Fieldgate (2011) and the procedures are considered to be of high quality. Drillhole collars and downhole traces were accurately surveyed to ensure spatial accuracy. Quality assurance/quality control (QAQC) protocols employed by Macarthur included the use of certified reference materials (CRMs), field duplicates and pulp duplicates. Results were deemed to be satisfactory and support the inclusion of the drillhole sample assays in the Mineral Resource estimate.

A drillhole database supporting the Mineral Resource estimate for Moonshine includes all information collected up until the present. Drillhole statistics are presented in Table 2.

Estimation and Reporting of Mineral Resources

CSA Global completed Mineral Resource estimates for the Snark, Clark Hill North, Clark Hill South and Sandalwood deposits based on drillholes and geological mapping completed by Macarthur up to 2009. Snowden Mining Industry Consultants Pty Ltd (Snowden) completed Mineral Resource estimates for Moonshine and Moonshine in 2010, with a Technical Report published in March 2011 (Fieldgate and Andrew, 2011).

The drilling that defines the extent of the mineralisation is generally spaced along strike at 50 m intervals. Drillhole spacing within the cross-section plane is typically 20–50 m. Drill spacing along strike occasionally increases to 300 m with the classification of the Mineral Resource reflecting this spacing.

CSA Global used Datamine software to estimate the Snark, Clark Hill North and South, and Sandalwood Mineral Resource models. Snowden used Surpac software to estimate the Moonshine and Moonshine North Mineral Resource models. All Mineral Resource models used ordinary kriging to interpolate grades, with the magnetite domains constrained by solid wireframe models. The domain wireframes were modelled encapsulating BIF lithologies, based upon a geological interpretation approved by Macarthur. The wireframes were used to code drillhole intercepts and the block models.

The oxide (weathering) boundary was interpreted as a likely constraint on depth to the top of the magnetite mineralisation. Based on logging of weathering, magnetism of drill chips, the DTR % recovery and the calculated % Fe recovered, the base of oxidation was interpreted for magnetite areas and built into the Mineral Resource estimates.

Separate block models were built for each of the Mineral Resources reported in Table 3. Block model parent cell sizes are considered appropriate for the sample spacing and geometry of mineralisation domains for each model.

Grade estimation was carried out for head and concentrate grades for DTR (%), Fe (%), P (%), SiO₂ (%), Al₂O₃ (%), LOI (%) and S (%) for Snark, Sandalwood and Clark Hill (North and South). Head assay grades were interpolated into Moonshine and Moonshine North. Appropriate nugget and sill values based on geostatistical analysis of mineralised zones (variograms) were applied to the kriging algorithms. Variogram ranges of up to 400 m were modelled for Fe at Moonshine. Search ellipses used were orientated to reflect the orientation of the mineralisation zones. All blocks within the mineralisation domains were interpolated with grade, with the first pass interpolation ellipse radius set to the variogram range. Blocks within the deeper volumes with limited sample support were interpolated by extrapolating grade up to twice the variogram range. The proportion of the Mineral Resource interpolated by extrapolating sample grades beyond the variogram ranges is low. Geological and grade continuity is implied at these depths, but is a reasonable opinion formed on the geological understanding of BIF lithologies by the Competent Persons.

A density value was set at 3.3 t/m³ for Snark, Sandalwood and Clark Hill Mineral Resources, based upon regression analyses of Fe (%) versus measured density values from pycnometer testwork. A regression formula of $DENSITY = (0.0287 \times FE) + 2.7008$ was used to calculate the density for all blocks in the Moonshine and Moonshine North Mineral Resources (Fieldgate *et al.*, 2011).

Classification of the Mineral Resource estimates was carried out considering the geological understanding of the deposit, QAQC of the samples, density data and drillhole spacing. The Inferred classification reflects a lower level of confidence than Indicated Resources, whereby geological and grade continuity are implied, but not assumed. A representative long section for the Moonshine magnetite BIF host with drill traces is presented in Figure 10, highlighting the drill density relative to the geological model, and volumes where the Mineral Resource is extrapolated into where limited drill sampling exists.

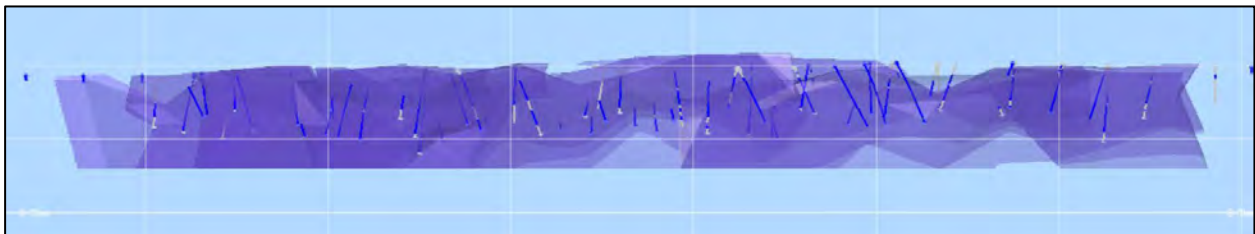


Figure 10: Long section Moonshine magnetite deposit
Magnetite domain (purple) with drill traces (blue <40% Fe); view to northeast; grid spacing (along strike) 500 m, depth grid 250 m.

CSA Global Opinion

Drilling and sampling activities at Moonshine were carried out to industry standard, with drillhole collars accurately surveyed, and drill sampling submitted to a QAQC program which provided confidence to Macarthur and to the Competent Persons (Mineral Resources) that the drill samples and subsequent assays were of sufficient quality to support the Mineral Resource estimates.

The Moonshine Magnetite Project Mineral Resource estimates are reported in accordance with the JORC Code (2012) and are considered by the Competent Person to reasonably represent the tonnages and grade of iron ore (magnetite) mineralisation. The Inferred classification levels assigned to the Mineral Resource estimates reflect the relative confidence in the geological understanding of the deposits, the drilling, sampling and analyses, and the geological and grade continuity as observed in the field and captured in the Mineral Resource models.

The Competent Persons are of the opinion that there are reasonable prospects for eventual economic extraction of the Moonshine Project Mineral Resource. The project is located close to the city of Kalgoorlie-Boulder, which hosts a considerable number of businesses servicing the mining industry. Electrical power requirements for the processing of magnetite iron ore are considerable, but with electricity transmission lines running north from Kalgoorlie-Boulder through Menzies, an electrical feeder line can be installed to run to the Moonshine Project. A rail line extends north from Kalgoorlie Boulder through the town of Menzies, 115 km east of Ularring. It is anticipated that trucks will haul iron ore to a rail siding at Menzies for transport to the Port of Esperance. From a mining operation viewpoint, the BIF-hosted magnetite mineralisation is located from near surface making it amenable to open cut mining.

It is recommended that further drilling should be undertaken to reduce the drill spacing to allow the estimation and classification of an Indicated Mineral Resource, which could then be used as the basis to estimate Ore Reserves. A selection of drill samples should be submitted for DTR testwork to build up the database on concentrate grades.

2.8 Ularring Hematite Project

2.8.1 Exploration History

Exploration for hematite mineralisation commenced in 1997 with limited activity until 2005, when Macarthur (then named Internickel Pty Ltd) acquired the project. Early geological mapping and rock chip sampling lead to the first RCP drill program in 2006.

Exploration at Ularring was commissioned by Macarthur in 2005 and included geological mapping, geophysical surveying, auger sampling of pisolite targets and RCP drilling of magnetite targets. Since 2007, Macarthur geologists have conducted ground traverses and geologically mapped the Macarthur prospects. The outcropping rock was classified as either BIF or hematite/goethite enriched BIF. The extent of outcrops was surveyed by handheld Garmin GPS devices, with an accuracy of ± 3 m on the GDA94 grid system. These boundaries were subsequently digitised in the MapInfo GIS software package.

Detailed mapping from 2009 through 2012 defined outcropping lenses of hematite-goethite mineralisation which were targeted in the subsequent drilling programs. These mapping programs assisted in defining the continuity and thickness of individual mineralised domain, supporting the Mineral Resources reported in Section 2.8.2.

A drillhole database supporting the Mineral Resource estimate for Ularring includes all information collected up until 31 August 2011 (Moonshine), and 9 May 2012 (Snark, Drabble Downs, Central and Banjo). Drillhole statistics are presented in Table 4. As of this date, there were 1,626 drillholes (1,588 RCP, 38 DDH) loaded in the database for 92,259 m. Of this total, 85,557 samples from 1,588 holes were assayed and verified for use in the Mineral Resource estimate.

Table 4: Drilling completed at Ularring Hematite Project to 9 May 2012

Deposit	RCP holes drilled	Metres	Diamond holes drilled	Metres
Banjo	141	8,808	5	245
Central	640	36,637	7	289
Moonshine	20	1,570	-	-
Snark	703	42,773	29	1,334
Drabble Downs	130	6,710	-	-
Total	1,634	96,498	41	1,868

Since May 2012, additional drilling has been completed at these projects. These holes have not been incorporated into an updated Mineral Resource estimate. Drillhole statistics are presented in Table 5.

Table 5: Drilling complete at Ularring Hematite Project since 10 May 2012

Deposit	RCP holes drilled	Metres	Diamond holes drilled	Metres
Banjo	39	1,686	-	-
Central	72	4,646	8	331
Moonshine	-	-	-	-
Snark	20	2,316	-	-
Drabble Downs	3	101	-	-
Total	134	8,749	8	331

A summary of work targeting hematite and magnetite mineralisation is presented in Table 6.

The exploration carried out by Macarthur at Ularring is generally at an advanced stage, from advanced (Snark, Drabble Downs and Central) to the more sparsely tested southern portion of Moonshine and Banjo, located adjacent and within the Moonshine Magnetite Project.

The RCP drilling targeted hematite/goethite mineralisation where the Fe_2O_3 ("Fe", %) assayed value was greater than 40%. This cut-off grade for Fe (%) was determined after metallurgical testwork showed that lower-grade hematite/goethite mineralisation (40–50% Fe) could be beneficiated during ore processing. The RCP drilling carried out at the Moonshine deposit prior to 2010 targeted mineralisation greater than 50% Fe. This deposit was evaluated at an early stage of the project's life, with no further work since carried out.

Geological outlines representing the BIF strata were modelled using drillhole geological logging and XRF analyses for Fe% (Fe>40%), forming the basis for the Mineral Resource estimates. Surface fact mapping was used to guide the interpretation for strike, dip and local structural complexities such as fold hinges. An example of the surface mapping is presented in Figure 11, showing the juxtaposition of hematite and magnetite BIF units within the same project area.

Macarthur announced the results of the maiden Inferred Mineral Resource estimate for Ularring (Snark, Banjo and Moonshine) in November 2010 (Independent NI 43-101 Technical Report dated 9 January 2011) titled "Lake Giles Iron Ore Project Potential DSO Deposits Western Australia", based upon a geological interpretation of the hematite/goethite mineralisation above a cut-off grade of 50% Fe. Subsequent Mineral Resource estimates were reported as detailed in Table 7.

Table 6: Work completed by Macarthur at Ularring and Moonshine – hematite and magnetite

Period	Activity
1997	Aeromagnetic surveys commissioned by Titan Resources NL, while exploring for gold.
2000 to 2004	Compilation and review of historic exploration data and limited field work including geological mapping and rock chip sampling. Primary focus of this work was exploration for nickel sulphide targets.
2004	Helicopter “HOISTEM” electromagnetic survey, at 200 m line spacing, totalling 950 km ² .
2005 to 2006	Geological mapping and reconnaissance rock chip and auger sampling of exploration targets including pisolite and BIF iron targets.
Jun 2006	Auger sampling of pisolite iron targets, with approximately 229 holes drilled to around 4 m depth on a 100 m east-west by 500 m north-south pattern.
Jul 2006	Phase 1 RCP drill program comprising seven holes (LGRC01 to LGRC07) for a total of 937 m.
Aug to Sep 2006	Phase 2 RCP drill program comprising 20 holes (LGRC08 to LGRC026) for a total of 3,007 m.
Jan to Feb 2007	Phase 3 RCP drill program comprising 16 holes (LGRC27 to LGRC42) for a total of 3,502 m.
Sep 2007 to Jan 2008	Phase 4 RCP drill program comprising 21 holes (LGRC57 to LGRC78) for a total of 3,703 m.
Mar to Apr 2008	Phase 5 diamond drill program comprising five holes (LGDH63, LGDH65, LGDH68, LGDH69 and LGDH77) for a total of 1,003 m.
Feb to Jun 2008	Phase 6 RCP drill program comprising 26 holes (LGRC79 to LGRC104) for a total of 5,608 m.
Jun 2008 to Dec 2009	Phase 7 and Phase 8 RCP drilling to define Inferred magnetite Mineral Resources. LGRC105 to LGRC220, 116 holes for 23,834.5 m.
Feb to Dec 2010	Phase 9 RCP drilling on near-surface hematite mineralisation at five priority deposits and increase Moonshine Mineral Resource. LGRC221 to LGRC513 (293 RCP holes for 21,745 m) and LGDD001 to LGDD006 (six diamond holes for 796.6 m). Included 27-hole (441 m) for channel iron deposit (CID) targets.
Feb to Dec 2011	RCP drilling on near-surface hematite mineralisation at Snark, Drabble Downs and Central, and deep infill RCP drilling at Moonshine to increase resource confidence. LGRC514 to LGRC1629 (1,117 holes for 61,206.4 m) and MMRC001 to MMRC029 (30 holes for 7,627.9 m). Short diamond drilling on near-surface hematite mineralisation for metallurgical and geotechnical tests, and one deep diamond hole at Moonshine for metallurgy (LGDD007 to LGDD035, 29 holes for 1,580.4 m).
Feb to Apr 2012	Resource infill RCP drilling on near surface hematite mineralisation at Banjo, Drabble Downs and Central. LGRC1630 to LGRC1874, 245 holes for 13,812.5 m. Short diamond drilling on near surface hematite mineralisation at Banjo, Snark and Central for metallurgical tests (LGDD042 to LGDD051, 10 holes for 335.0 m).
May 2012 to 2015	RCP drilling in near surface hematite mineralisation at Snark, Drabble Downs, Central, Yabu, Banjo, Bent Snake and Lost World. 280 total RCP holes (LGRC_1875 – LGRC_2143, LGWB_012, LGWB_013, LGWE_050-LGWE_058). Short diamond drilling targeting near surface hematite mineralisation for metallurgical testwork – eight diamond holes for 331 m (LGDD_055 to LGDD_061, LGDD_063, LGDD_065).

Table 7: Chronology of Mineral Resource estimates, Ularring

Date (as reported to Toronto Stock Exchange)	Description
9 Nov 2010	Maiden Inferred Mineral Resource for Snark, Banjo and Moonshine. 1
25 Nov 2010	Addition of Inferred Mineral Resource, Central. 1
27 Jun 2011	Increased Inferred Mineral Resource, Snark. 2
21 Sep 2011	Addition of Drabble Downs, increase to Snark, maiden reporting of Indicated Mineral Resources. 3
24 Jan 2012	Addition of Central, increases to Snark and Drabble Downs. 4 and 5
14 Jun 2012	Increases in Indicated and Inferred Mineral Resources for Snark, Drabble Downs and Central. Mineral Resources based upon updated geological interpretations and lower cut-off of 40% Fe (except Moonshine, 50% Fe). 6 and 7.

Notes:

- 1 Independent NI 43-101 Technical Report dated 9 January 2011 titled “Lake Giles Iron Ore Project Potential DSO Deposits Western Australia”.
- 2 Considered by Macarthur not to be a material change.

- 3 Independent NI 43-101 Technical Report dated 4 November 2011 titled “Haematite Mineral Resource Macarthur Haematite Project Western Australia”.
- 4 Independent NI 43-101 Technical Report dated 4 January 2011 titled “Technical Report Ularring Haematite Project Western Australia Macarthur Minerals Limited” did not include an increase to the Mineral Resource.
- 5 Independent NI 43-101 Technical Report dated 7 March 2012 titled “Haematite Mineral Resource Ularring Haematite Project Western Australia” lodged 9 March 2012.
- 6 Independent NI 43-101 Technical Report dated and lodged 29 June 2012 titled “Haematite Mineral Resource Ularring Haematite Project Western Australia”.
- 7 Independent NI 43-101 Technical Report dated 27 September 2012 titled “Pre-Feasibility Study Ularring Haematite Project Western Australia” lodged 1 October 2012.

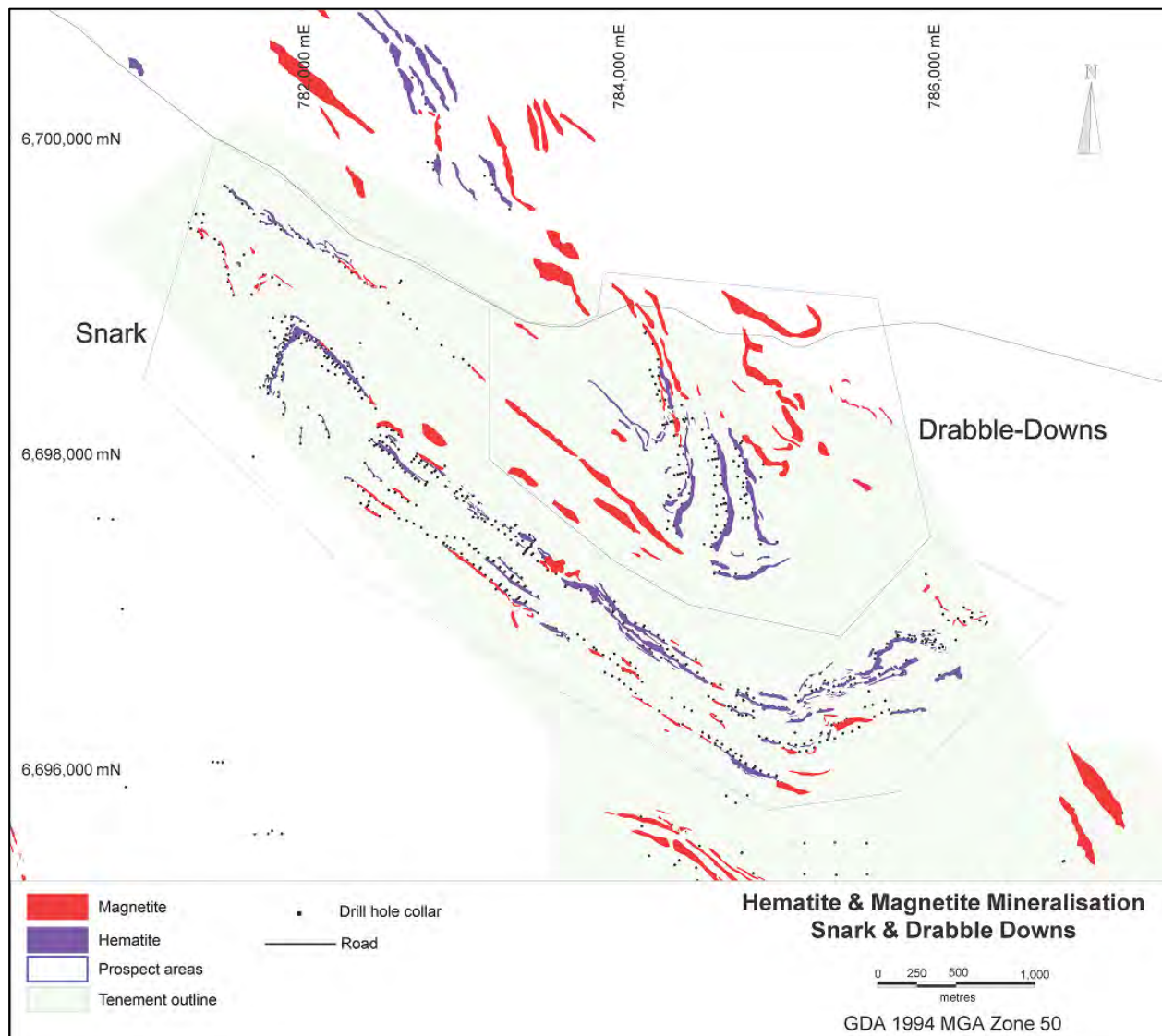


Figure 11: Outcrop map for Snark and Drabble Downs deposits showing drillhole collars and style of mineralisation

Note: The Mineral Resource falls entirely within the tenement boundary (soft green shading).

2.8.2 Mineral Resources

Mineral Resource Summary

Mineral Resources for the Ularring Hematite Project are presented in Table 8. Mineral Resources have been classified and reported in accordance with the JORC Code in this report. JORC Table 1 is included in Appendix A.

Table 8: Ularring Hematite Mineral Resource estimates

Deposit	Reporting cut-off grade (% Fe)	JORC classification	Tonnes (Mt)	Fe (%)	P (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	LOI (%)	S (%)
Snark	40	Indicated	21.8	47.2	0.07	17.5	6.1	7.7	0.15
	40	Inferred	11.0	45.2	0.07	21.8	5.1	6.8	0.09
Drabble Downs	40	Indicated	11.1	47.2	0.06	16.6	6.4	8.3	0.26
	40	Inferred	0.4	43.6	0.05	24.0	4.8	7.8	0.09
Central	40	Indicated	15.1	47.0	0.05	16.2	7.2	8.1	0.12
	40	Inferred	10.2	45.3	0.05	20.3	6.3	7.5	0.08
Banjo	40	Indicated	6.5	47.8	0.06	16.7	6.6	7.4	0.14
	40	Inferred	3.9	45.4	0.06	18.7	7.6	7.9	0.09
Moonshine	50	Inferred	0.6	53.0	0.06	13.4	6.7	6.1	0.15
Total Indicated	40	Indicated	54.5	47.2	0.06	16.9	6.5	7.9	0.16
Total Inferred	40, 50	Inferred	26.0	45.4	0.06	20.6	6.0	7.2	0.09
GRAND TOTAL	40,50	Indicated + Inferred	80.5	46.6	0.06	18.1	6.3	7.7	0.14

Note: Tonnages and grades have been rounded to appropriate significant figures.

The information in this report that relates to Mineral Resource estimates at Ularring Hematite Project is based on information compiled by Mr David Williams (MAIG), who is a full-time employee and Principal Consultant of CSA Global Pty Ltd. Mr Williams 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”. Mr Williams consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Mineral Resource estimates were prepared between 2009 and 2012, with updates completed when additional drilling presented material increases to the modelled volumes, or changes to the classification of the Mineral Resources (Williams *et al.*, 2012). Macarthur’s focus between 2010 and 2012 was on the Snark and Drabble Downs deposits.

Sampling Techniques and Data

The deposit was sampled using diamond core and RCP drillholes between 2009 (commencement of the assessment of the Ularring Hematite Project) and 2012. RCP drilling was the dominant sampling technique used at Ularring. Diamond core samples were reserved for metallurgical and geotechnical studies.

RCP drilling collected 1 m samples, which were passed through a cyclone and then passed through a three-tier riffle splitter. Samples were dry. A total of 75% of the sample passed through the splitter to be captured in a residue bucket whilst the remaining 25% of the sample was evenly distributed through the primary sample chute and the field duplicate chute. The sample in the residue bucket was made available to Macarthur’s geological team who logged the sample for rock type, weathering and other key geological information.

The primary samples were securely delivered to the analytical laboratory where they were crushed to 3 mm fraction, then pulverised to 105 µm (p95). The pulp samples were analysed for a standard suite of

iron ore elements (including P, SiO₂, Al₂O₃, LOI and S) by XRF, which is considered industry standard practise for iron ore.

Drilling and sampling procedures utilised by Macarthur are documented in Williams *et al.* (2012) and the procedures are considered to be of high quality. Drillhole collars and downhole traces were accurately surveyed to ensure spatial accuracy. QAQC protocols employed by Macarthur included the use of CRMs, field duplicates and pulp duplicates. Results were deemed to be satisfactory and support the inclusion of the drillhole sample assays in the Mineral Resource estimate.

A drillhole database supporting the Mineral Resource estimate for Ularring includes all information collected up until 31 August 2011 (Moonshine) and 9 May 2012 (Snark, Drabble Downs, Central and Banjo). Drillhole statistics are presented in Table 5. As of May 2012, there were 1,626 drillholes (1,588 RCP, 38 DDH) loaded in the database for 92,259 m. Of this total, 85,557 samples from 1,588 holes were assayed, and verified for use in the Mineral Resource estimate.

Estimation and Reporting of Mineral Resources

Macarthur commissioned CSA Global to carry out Mineral Resource estimates for the Snark, Drabble Downs, Central, Banjo and Moonshine deposits (Williams *et al.*, 2012) based on drillholes and geological mapping completed by Macarthur since 2009. Table 8 summarises the Mineral Resource estimates as at June 2012.

The drilling that defines the extent of the mineralisation is generally spaced along strike at 50 m intervals. Drillhole spacing within the cross-section plane is typically 20–50 m. Drill spacing along strike occasionally increases to 100 m, with the classification of the Mineral Resource reflecting this spacing.

CSA Global used Datamine software to estimate the Mineral Resource models using ordinary kriging, with the hematite domains constrained by solid wireframe models. The mineralisation wireframes were modelled encapsulating Fe (%) grades of >40%, based upon a geological interpretation prepared by Macarthur. The wireframes were used to code drillhole intercepts and the block model.

Separate block models were built for each of the Mineral Resources reported in Table 8, except for Snark and Drabble Downs, which were combined into one model. Block model parent cell sizes are considered appropriate for the sample spacing and geometry of mineralisation domains for each model.

Grade estimation was carried out for Fe, P, SiO₂, Al₂O₃, LOI and S, using ordinary kriging interpolation with appropriate nugget and sill values based on geostatistical analysis of mineralised zones (variograms). Elevated levels of sulphur were reported in the Drabble Downs Mineral Resource. Search ellipses used were orientated to reflect the orientation of the mineralisation zones.

Density was measured by a downhole geophysical tool that tested 752 holes over Snark, Drabble Downs and Central. An algorithm was developed based upon the relationship between density values and Fe (%) values at any depth downhole. Adjustments were made according to cavities recorded downhole. Algorithms were developed to calculate the density for each block in the block model, for Snark and Central. The Central density algorithm was used to calculate density for the Banjo Mineral Resource model.

Classification of the Mineral Resource estimates considered the geological understanding of the deposit, QAQC of the samples, density data and drillhole spacing. The Indicated Mineral Resources were based upon a higher level of confidence than the Inferred Resources.

CSA Global Opinion

Drilling and sampling activities at Ularring were carried out to industry standard, with drillhole collars accurately surveyed, and drill sampling submitted to a QAQC program which provided confidence to

Macarthur and to the Competent Persons (Mineral Resources) that the drill samples and subsequent assays were of sufficient quality to support the Mineral Resource estimates.

The Ularring Mineral Resource estimates are reported in accordance with the JORC Code (2012) and are considered by the Competent Person to reasonably represent the tonnages and grade of iron ore mineralisation. The Indicated and Inferred classification levels assigned to the Mineral Resource estimates reflect the relative confidence in the geological understanding of the deposits, the drilling, sampling and analyses, and the geological and grade continuity as observed in the field and captured in the Mineral Resource models.

The Competent Person is of the opinion that there are reasonable prospects for eventual economic extraction of the Ularring Mineral Resource. The project is located close to the city of Kalgoorlie Boulder, which hosts a considerable number of businesses servicing the mining industry. A rail line extends north from Kalgoorlie Boulder through the town of Menzies, 115 km east of Ularring. It is anticipated that trucks will haul iron ore to a rail siding at Menzies for transport to the Port of Esperance. From a mining operation viewpoint, the hematite/goethite mineralisation is located from surface to a shallow depth making it amenable to open cut mining.

Relative confidences in the geological interpretation and local block estimates can be increased by further drilling within the Inferred and non-classified Mineral Resource areas. This will require budgeting of money and resources by Macarthur.

2.8.3 Previous Mining Studies (including Moonshine)

Macarthur published a Preliminary Economic Assessment (PEA) for the Moonshine Magnetite Project (Independent NI 43-101 Technical Report titled “Moonshine and Moonshine North Prospects Lake Giles Iron Project”) filed March 2011. The PEA showed the Moonshine Project is very dependent upon the liberation size of the magnetite mineralisation, water and power supplies, and port access. The major impediment to development of the project was the substantial capital cost and access to export capacity at the Port of Esperance. No Ore Reserves were reported. Cost assumptions at the time of their study are no longer considered valid and the uncertainty is such that no inference can be made regarding economic viability from this PEA and there is no certainty that any forecasts will be realised.

Macarthur published a Prefeasibility Study (PFS) for the Ularring Hematite Project in September 2012, reporting Ore Reserves supported by the Mineral Resources presented in Table 8. The PFS used costs, mineral processing strategies and other assumptions, which were relevant at the time of the report.

Significant metallurgical testwork was undertaken to support the Ularring PFS, which showed potential for simplification of the process flowsheet for selected ore types. The testwork undertaken to support the PFS has been superseded by testwork to support an alternative processing route, although the latter testwork was not completed or reported by Macarthur prior to placing the project under care and maintenance in 2014.

Given the change in economic conditions since the earlier mining studies were completed (2012), a revised project strategy was developed. A PEA based on the revised project strategy was completed in June 2019 focusing on combined development of the Ularring Hematite Project and the Moonshine Magnetite Project.

2.9 Exploration Potential

There is some potential to increase the Mineral Resource inventory at Ularring and Moonshine, through both extensional drilling and the identification of new targets. Further assessment of this potential is required.

2.10 Lake Giles Mining Studies

A PEA of the Lake Giles Iron Project was completed on 13 June 2019, authored by Dowson, Williams and Fieldgate (2019). The report, which is a public document available on www.sedar.com, is the primary source for the information discussed in the following portion of this ITAR.

Lake Giles Iron Project consists of the magnetite mineralisation within the Moonshine and Moonshine North prospects, as well as the hematite mineralisation of the Ularring prospect.

The PEA for the Lake Giles Iron Project is preliminary in nature and includes Inferred Mineral Resources which cannot have modifying factors applied to them to convert to an Ore Reserve estimate. There is no certainty that the preliminary assessment will be realised.

The Lake Giles Iron Project study is currently at a conceptual level of confidence.

2.10.1 Previous Studies

Previous studies addressed the Ularring Hematite Project and the Moonshine Magnetite Projects independent of each other (Dowson, Williams and Fieldgate 2019, p. 13). Ularring Hematite Project had a PFS completed in 2012 by CSA Global. A PEA was completed for the Moonshine Magnetite Project by Snowden in 2011. Macarthur considers the operational philosophy of these previous studies to be outdated due to changes in the iron ore market.

2.10.2 Preliminary Economic Assessment Summary

Study Parameters

The study assumed a concentrate blend consisting of hematite and magnetite at a blending ratio of 1:3 respectively (Dowson, Williams and Fieldgate 2019, p. 160). With limited testwork data available, the study was completed using an assumption of a mass recovery of 38% from magnetite material (Dowson, Williams and Fieldgate 2019, p. 160).

The mining study considered a conventional open pit mining methodology of drill, blast, load and haul mining. The run of mine (ROM) material being hauled to the ROM pad for crushing, with crushed material conveyed to a concentrate plant. A concentrate product is then to be transported to port by rail for export sale.

The study assumes a waste to ROM ratio of 3:1 for the magnetite deposit, which is based on a cross section of the Moonshine deposit. The study assumed a waste to ROM ratio of 3.7:1 for hematite which has been estimated based on preliminary pit designs of the Snark deposit. The waste quantities have been estimated using a methodology that is conceptual in nature and therefore subsequent cost estimates and study results are regarded as having a low level of accuracy.

The study incorporates the Snark, Drabble Downs, Central and Banjo hematite deposits. A pit optimisation was undertaken using a regularised block model to a 10 m x 10 m x 5 m cell size. The regularisation was used to represent the mining loss and mining dilution of this style of deposit and proposed mining methodology. A cut-off grade of 54% was utilised for the hematite deposits. Overall wall angles were assumed to be 40° in the absence of a detailed geotechnical assessment.

Metallurgical Testwork

The magnetite metallurgical testwork has been performed on chips taken from two RC drillholes from Moonshine North and Moonshine. A DTR mass pull of above 40% was observed for the two drillholes (Dowson, Williams and Fieldgate 2019, p. 23). A short low-intensity magnetic separation (LIMS) program produced poorer results than the DTR results. Further testwork is required to reach a representative assessment to be included in future studies.

The beneficiation of hematite material was not considered within the PEA as the current operating philosophy is to crush and grind hematite material to be blended with the magnetite concentrate.

Processing

The preliminary process proposed includes (Dowson, Williams and Fieldgate 2019, p. 24):

- Primary crushing
- Secondary crushing (if required)
- Primary milling by semi-autogenous grinding
- First stage of wet LIMS
- Second stage, double drum wet LIMS
- Tertiary milling by Vertimills
- Finishing stage of magnetic separation by triple drum wet LIMS
- Dewatering of the various final streams.

Further testwork is required to develop a more robust process flow design for the Lake Giles Iron Project.

Non-Process Infrastructure

The Lake Giles Iron Project will comprise of a fully serviced remote area mining and processing operation supported predominantly by a fly-in/fly-out workforce. Power is proposed to be generated on site by combined diesel and renewable power supply. Process water options are from surrounding abandoned open pit mines, access to the Kalgoorlie pipeline, and/or borefield development.

The Project is located approximately 500 km by rail from the Port of Esperance.

Cost Estimate

The study estimates capital and operating costs using the following assumptions:

- Contracted mining operations
- Owner run processing operations
- Contracted power generation
- Contracted loading and haulage operations
- Contracted rail logistics
- Contracted port handling and ship loading.

The capital and operating cost estimate was compiled by the Engenium Project team (Dowson, Williams and Fieldgate 2019, p. 195). The cost estimate has been derived predominantly from Engenium's in-house cost database and cost factors from comparable projects. Some costs have also been estimated using first principles or from contractor quotations. The cost estimate is at a conceptual level of accuracy.

Economic Analysis

Economic analysis has been conducted using a long-term iron ore price of US\$87 per tonne (real and FOB) based on the benchmark 65% Platts Fe Index adjusted to the estimated final product grade. A discount rate of 10% was used within the discounted cash flow analysis.

Approvals

The Ularring Hematite Project PFS was referred to the Department of Environment and Energy (DEE) and it was determined on July 2012 that the Ularring Project is not considered a controlled action and therefore does not require assessment under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) (Dowson, Williams and Fieldgate 2019, p. 27). An updated approval will be required that covers the additional area of the Lake Giles Iron Project. Secondary approvals such as Works

Approvals and Operating Licences will be required for Prescribed activities and facilities that result in discharges to the environment, under Part V of the *Environmental Protection Act 1986*. Approval under the *Mining Act 1978* is also required for mining projects and is administered by the DMIRS. Approval to disturb Aboriginal heritage sites may be required under the *Aboriginal Heritage Act 1972*.

Native Title

The Lake Giles Iron Project sits within the Marlinyu Ghoorlie native title claim which was registered on 28 March 2019 and is currently not determined (Dowson, Williams and Fieldgate 2019, p. 28). Four potential archaeological sites have been identified within the project area from heritage surveys that have been conducted (Dowson, Williams and Fieldgate 2019, p. 28).

Key Risks

The key risks identified within the PEA are (Dowson, Williams and Fieldgate 2019, p. 210):

- Crushing and grinding testwork is limited in its representation. An upcoming drilling program proposes to address this issue
- Siliceous gangue minerals must be removed at as coarse a grind size as possible to reduce the comminution energy required at each stage
- Securing water approvals and licensing is a priority for the Project
- Port infrastructure commercial constraints and port development timelines need to be addressed.

Study Conclusions

The technical and financial evaluation concluded that, based on information available and the assumptions used within the study at the time, further development of the Lake Giles Iron Project was justified. The economic conclusions of the study are preliminary in nature and includes Inferred Mineral Resource that is considered lower geological confidence. There is no certainty that this study will be realised.

2.11 Exploration and Development Strategy

2.11.1 Short-Term Exploration and Development Strategy

CSA Global understands that the Company's short-term development program and exploration strategy for the Lake Giles Iron Project is as summarised below.

Development program:

- Infill drilling of the Moonshine and Moonshine North deposits (in progress)
- Update of the magnetite resource model
- Metallurgical testwork and process design for the Moonshine Magnetite Project
- Feasibility study of the Moonshine Magnetite Project
- Contract negotiations to access regional infrastructure, rail haulage and port facilities.

Exploration strategy:

- Downhole geophysics of nickel holes drilled in 2018
- Drilling of DMIRS co-funded deep drillhole to test a nickel target.

2.11.2 Longer-Term Development Strategy

CSA Global understands that the Company's longer-term development program and exploration strategy for the Lake Giles Iron Project is as summarised below.

Development strategy:

- The Company has entered into a 10-year offtake agreement with Glencore for up to 4 million tonnes per annum of iron ore product
- Pending favourable results from a Feasibility Study on the Moonshine Magnetite Project, the Company will commence detailed engineering and mine planning
- The Company will work towards project financing to commercialise the Moonshine Magnetite Project.

CSA Global has not assessed the exploration and development strategy proposed for the Lake Giles Iron Project.

3 Treppo and Mount Jackson Iron Projects

3.1 Location, Access and Infrastructure

The Treppo and Mount Jackson Iron Project tenements are located immediately west of the Lake Giles Iron Project centred approximately 220 km northwest of Kalgoorlie in the eastern Goldfields region of WA (Figure 12). Tenement E77/2521 comprises the Treppo Project in the Mount Manning range area. Tenements E77/2542 and E77/2543-I comprise the Mount Jackson Project in the Mount Jackson area.

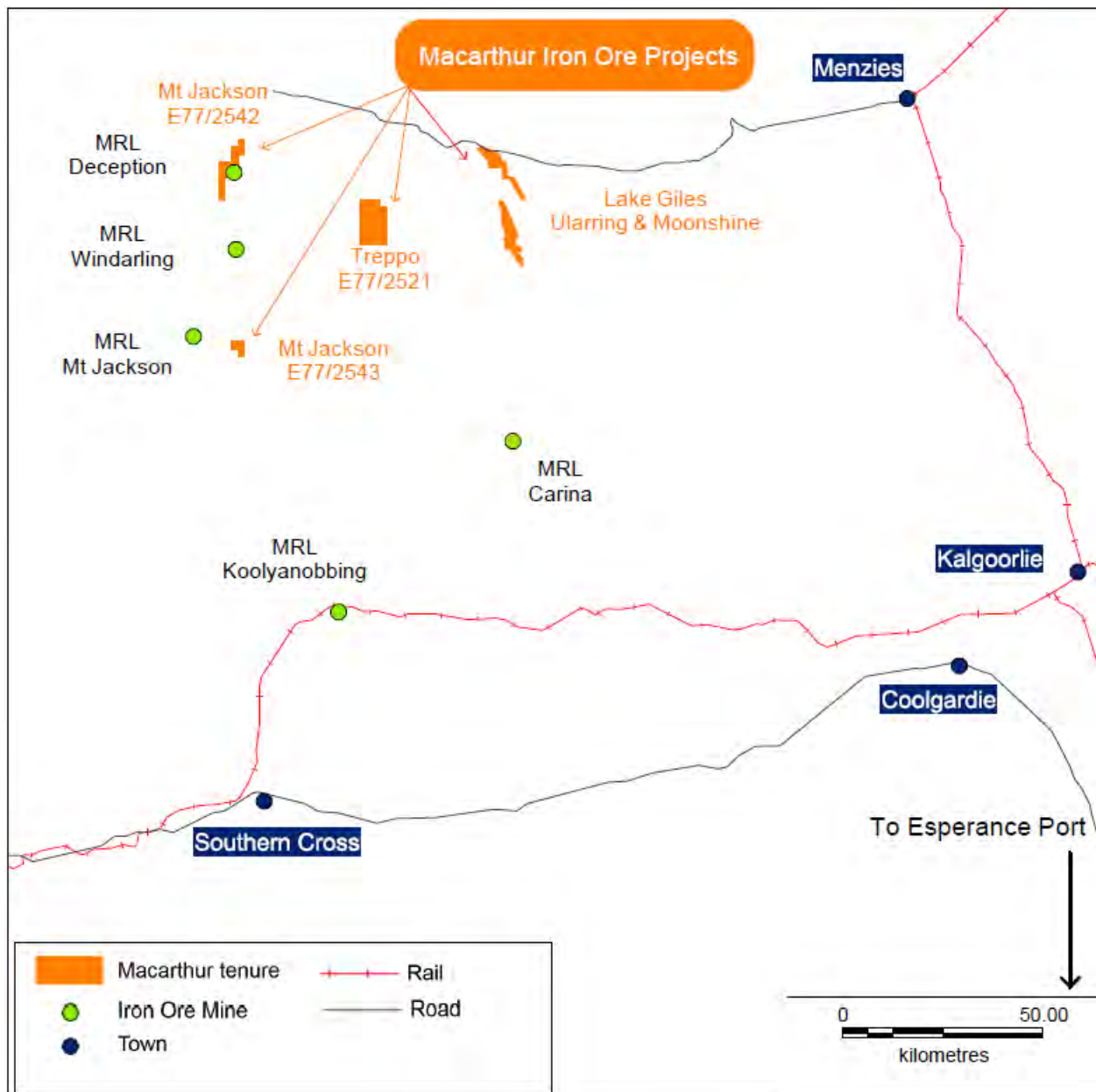


Figure 12: Location of the Treppo, Mount Jackson and Lake Giles projects

The Treppo Project is located approximately 210 km northwest of Kalgoorlie and some 500 km west of Perth (Figure 12). It can be accessed from either Southern Cross or from Menzies. Southern Cross to Mount Elvire is via the sealed Southern Cross–Bullfinch Road, then north along the unsealed Bullfinch–Evaston Road. There is an unsealed road from Evaston to Menzies with access to the tenement via a series of unsealed tracks (4WD required). Rail infrastructure exists close to the Treppo at Carina, some 70 km away

and Windarling, approximately 50 km away. Road infrastructure links Treppo to Windarling, Mount Jackson and Carina.

Mount Jackson Project tenement, E77/2542, is located some 25 m west-northwest of the Windarling mining operations and can be accessed from Windarling via the Pigeon Rock Road or via station tracks from the Bullfinch–Evanston Road. The other tenement, E77/2543-I, is located approximately 100 km north-northwest of Koolyanobbing, some 3 km south and east of Mount Jackson and approximately 40 km southwest of the Windarling mining centre. Access is via the Bullfinch–Evanston Road, and via mining tracks associated with the J3 deposit which is located directly to the southwest of the tenement.

3.2 Tenure

The projects comprise two exploration licence applications and one granted exploration licence as detailed in Table 9. Only one tenement (E77/2543-I) which comprises three blocks in the Mount Jackson area has been granted.

Table 9: Treppo and Mount Jackson Iron Project tenements

Tenement ID	Project	Status	Holder name	Application date	Grant date	End date	Area unit	Area	Rent
E77/2521	Treppo	Pending	EXIO	15/2/2018			SB	23	3,174
E77/2542	Mount Jackson	Pending	EXIO	24/4/2018			SB	12	1,656
E77/2543-I	Mount Jackson	Live	EXIO	26/4/2018	14/11/2018	13/11/2023	SB	3	414

Source: Mineral Titles Online, August 2019

3.3 Regional Geology

The projects are located in the Southern Cross terrane of the Archaean aged Yilgarn Craton of WA. The greenstones of this terrane or province form narrow, elongate to arcuate belts (Figure 13) which were structurally deformed by granitoid emplacement and movement on north to northwest striking tectonic lineaments (Salier, 2004).

The stratigraphy of the Southern Cross Domain is comprised of a lower sequence that consists of tholeiitic basalt, magnesian basalt, komatiite and BIF, sometimes underlain by quartz-rich sandstone, while an upper sequence consists of sedimentary and volcanic sequence with overlying terrigenous sedimentary rocks (Walker and Blight, 1983).

Granitoids intrude the greenstones with mafic east-west trending Proterozoic aged dolerite dykes as the final stage of intrusion activity. Metamorphism reaches upper-amphibolite facies with thermal aureoles around granitoid domes. Tight isoclinal folding result in contacts dipping at between 70° and 90° (Maynard, 2010).

The projects are within the Barlee (SH50-08) and Jackson (SH50-12) 1: 250,000 geological map sheets and associated geological mapping completed by the GSWA (Smalley, 2016).

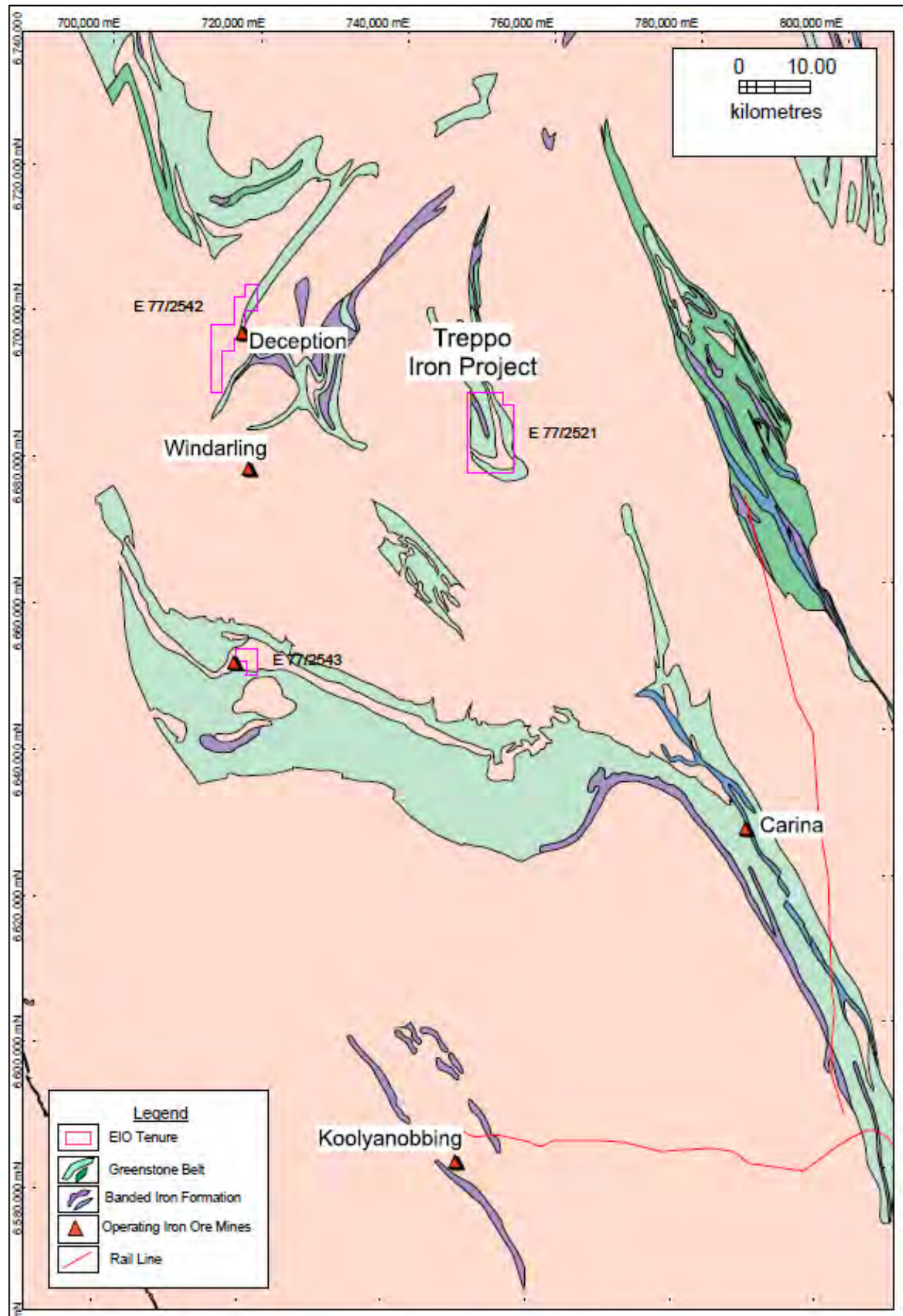


Figure 13: Regional geology map

Source: Macarthur Minerals

3.4 Geology – Treppo Iron Project

3.4.1 Local Geology

A prominent north-south trending ridge of BIF known as the Mount Manning Range is the most prominent feature on E77/2521. In the south, a synclinal closure has caused local thickening and is known as the J-Hook (Figure 14). The BIF is underlain by intercalated mafic amphibolites and cherts (Figure 15) and overlain by cherts, mafics and ultramafics (Mapleson & Smalley, 2017 after Cooper, 2011).

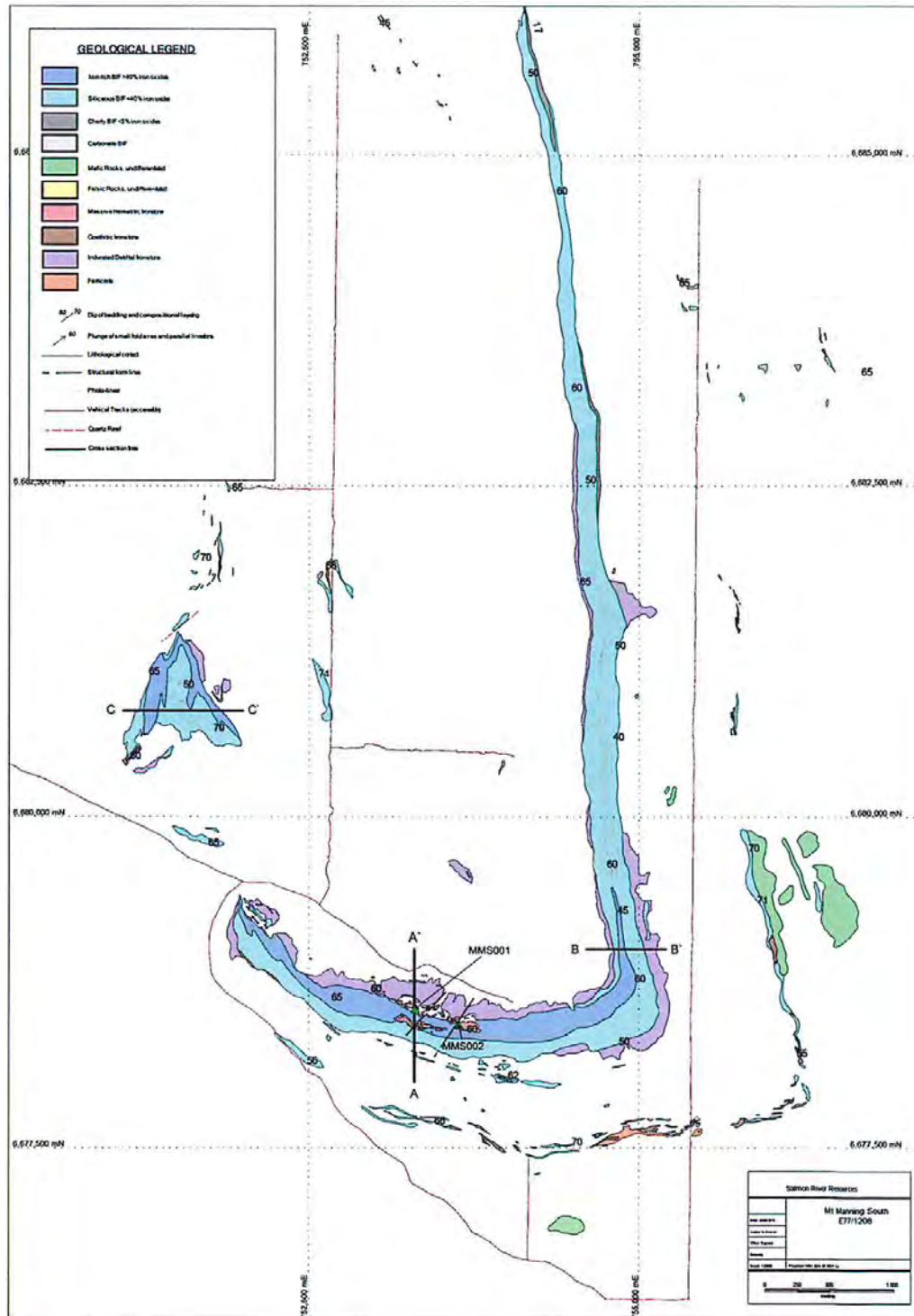


Figure 14: 1:25,000 map of Mount Manning South
Source: Herrmann & Sinclair (2012)

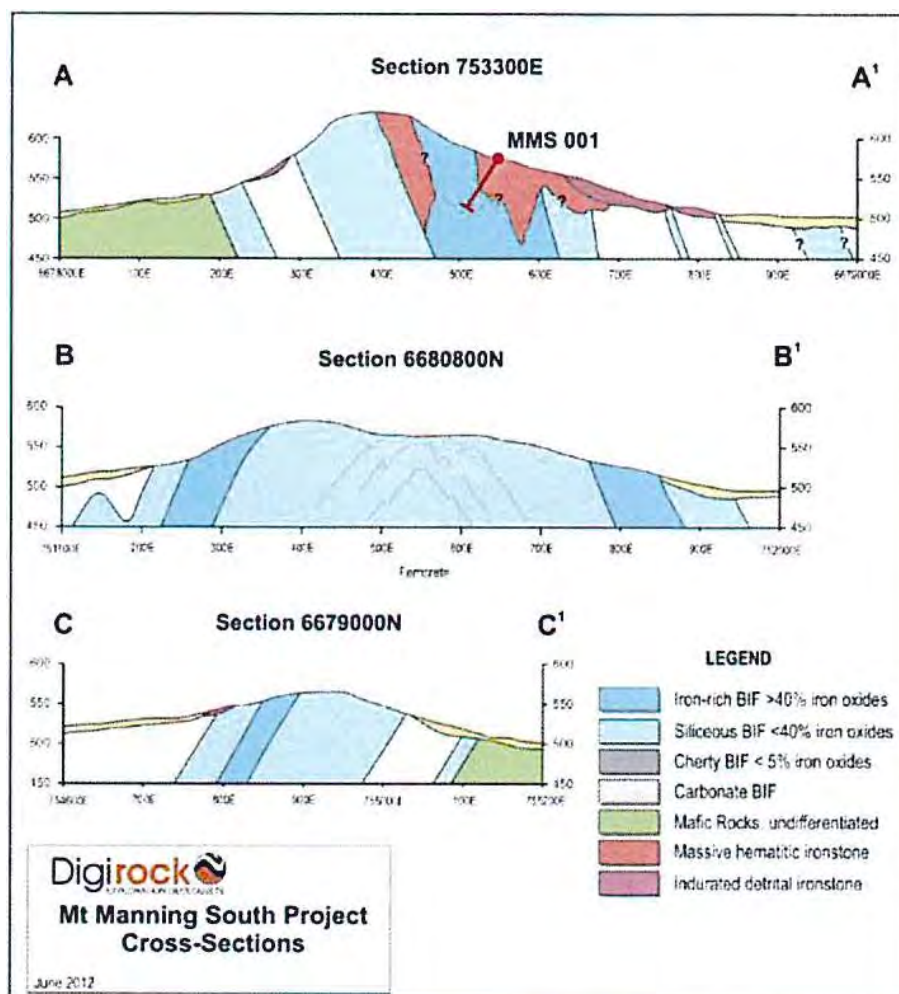


Figure 15: Cross sections through Mount Manning South as marked on Figure 14
Source: Herrmann & Sinclair (2012)



Figure 16: Hand specimen of M-G type enrichment from the J-Hook area
Source: Herrmann & Sinclair (2012)

The mineralisation styles found on E77/2521 has been recorded (Mapleson & Smalley, 2017) as:

- Martite–goethite (Figure 16)
- Specular hematite
- Indurated detrital iron deposit (DID)
- Magnetite BIF.

3.4.2 Exploration History

Minimal exploration for iron ore has been conducted. Between 1969 and 2003 exploration for gold, base metals and nickel was conducted by various companies with no success, but tenure during this time was not continuous (Table 10).

Table 10: Exploration history for iron ore of E77/2521

Company	Year(s)	Project	Work completed
Western Mining Corporation	1964 to 1969	TR70/1971	2 rock chip samples
Teppo Grande Iron Pty Ltd/Salmon River Resources	2011 to 2018	E77/1208	Assessment of exploration potential

Western Mining Corporation

1964 to 1969:

- Two rock chip samples were taken as part of a broader reconnaissance exploration program. Both chips returned assays of over 60% Fe, indicating some potential in this area.

Teppo Grande Iron Pty Ltd

2010:

- Prior to E77/1208 being granted to Teppo Grande Iron Pty Ltd and Salmon River Resources, the area was visited and reconnaissance mapped by R Russell for Salmon River Ltd in 2010. The mapping identified both DID and CID as well as patchy hematite-goethite enrichment within BIF units. CID units were identified within a deposit area known as J-Hook, which is the keel of a major syncline. The magnetite potential was described as being large (Russell, 2010).

2011 to 2012:

- A desktop review of all previous work was completed.
- A helimagnetometer/radiometric survey was completed by Aerosystems Pty Ltd and the results processed (Figure 17).
- A reconnaissance diamond drilling program was conducted in the J-Hook area (two holes, 190.8 m) (Table 11).
- Significant intersections were present in both holes (Table 12).
- MMS002 was not sampled from 37.6 m to end of hole at 119.1 m due to lack of obvious enrichment.
- Preliminary beneficiation of a DID sample from J-Hook. This a 50 kg sample taken from a surface outcrop of which a 2 kg sample was sent to FeCons Solutions in Balcatta for “orientation-type beneficiation testing”. A resultant product grading 64.3% Fe with 75% lump recovery was obtained. However, there is some doubt about how representative the sample was. Results are shown in Table 13.
- Exploration targeting of direct shipping ore (DSO) and magnetite based on the geophysical survey (seven magnetite targets and 24 DSO targets identified).
- An estimate of magnetite potential (a range of 1,206 million tonnes to 2,011 million tonnes beneath a 45 m oxidised cap, no grade estimated) made based on 3D and 2.5D modelling of the helimagnetic data.

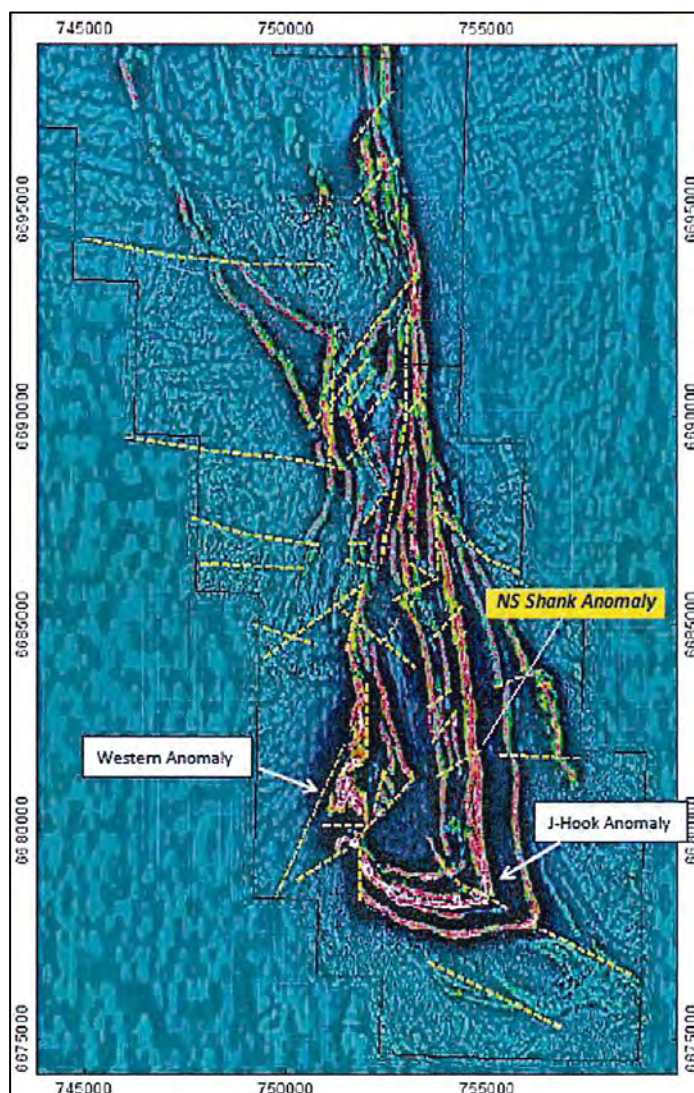


Figure 17: 1VD magnetic image showing interpreted BIF (pink) and structures (yellow)
Source: Galam (2012)

Table 11: Details of diamond holes completed at J-Hook

Hole	Easting	Northing	RL	Incl	Azimuth	Planned depth (m)	HQ (m)	NQ (m)	Depth
MMS001	753331	6678547	576.5	-60°	160	300	0 to 47.8	47.8 to 71.7	71.7
MMS002	753643	6678429	587.8	-55°	160	300	0 to 119.1		119.1
Total									190.8

Table 12: Significant intersections from diamond drillholes

Hole	From (m)	To (m)	Apparent width (m)	Fe (%)	Al ₂ O ₃ (%)	P (%)	SiO ₂ (%)
MMS001	3.6	44	40.4	55.54	4.82	0.024	10.04
MMS001	45.9	50.6	4.7	50.04	1.19	0.04	24.01
MMS002	2.5	20	17.5	65.53	0.086	0.051	2.84
MMS002	24.15	33	8.85	42.73	0.14	0.17	37.7

Table 13: Results of beneficiated sample of detritals from J-Hook

Sample	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	Weight (g)
DET001	64.23	1.23	2.52	0.025	0.09	3.57	2448.9

This work has been reported in Galam (2012):

- Geological mapping of E77/1208 at 1: 5000 by Digirock Pty Ltd.

Several points were noted:

“Massive, potentially high grade haematite-goethite ironstones crop out in three, 200metre to 700metre long, stratiform lenses that lie within or adjacent to the iron rich BIF facies, along the southwest limb of the synform known as the J-Hook zone, approximately in the medial third of the full lateral extent of the iron rich BIF facies”.

“Our reconnaissance of thirteen de-magnetisation anomalies, which had been selected on geophysical grounds by CORE Geophysics as having potential for “direct shipping ore” type haematite-goethite ironstone deposits, failed to locate any indications of that style of deposit, and in several cases failed to find any outcrops in the target areas”.

“There seems to be little point in pursuing nebulous de-magnetisation anomalies elsewhere on the Mt Manning Range, or other narrow BIF units, where the mapping to date has shown only background siliceous BIF facies that probably have much lower potential for iron enrichment”.

The mapping indicated that the only potential in the area was in the J-Hook area.

This work has been reported in Herrmann & Sinclair (2012).

2013 to 2015:

- Reconnaissance field mapping (BM Geological Services).
- Rock chip sampling (37 samples) of which six returned +60% Fe grades and seven samples returned Fe grades between 55% and 60%.
- Geophysical interpretation of J-Hook area, with high deformation areas identified that may be associated with hematite mineralisation. This work has been reported in Smalley (2016).

2017:

A trial ground gravity survey was conducted over the J-Hook area with 648 stations (50– 100 m spacing) covering mapped hematite, BIF and detritals. The trial was successful in delineating enrichment versus non-enriched BIF but was not successful in determining the depth extent of the detritals (Mapleson & Smalley, 2017).

3.4.3 Exploration Potential

CSA Global Assessment of Historical Exploration

The geological mapping by Digirock is excellent and gives a good overview of the potential of E77/1208. The mapping identified the J-Hook area as having the best (or only) potential for martite-goethite type enrichment. Multiple continuous BIFs occur throughout the area but are usually thin with enrichment occurring in small lenses.

The airborne geophysical surveys identified numerous targets, based on which some attempts were made to estimate the resource potential of both the magnetite and the DSO. However, the later geological mapping showed that many of the DSO targets were not real, so there is some doubt as to whether any of the others exist. This puts considerable doubt on the magnetite potential outlined in Galam (2012).

Two diamond holes drilled in J-Hook showed that although some +60% Fe enrichment does exist, the overall grades are poor, and a potential hard-cap of around 45 m occurs across the area. This was also identified in the geophysical modelling.

The results of the beneficiation testwork should be disregarded as there is no indication as to whether the sample was representative of the detritals at J-Hook (Galam, 2012).

CSA Global Conclusions

The indications from work to date are that the potential of E77/2521 for hematite-goethite mineralisation is limited to the J-Hook area, and the potential for magnetite remains high. The amount of work completed is small, making actual potential difficult to quantify. A thorough mineralisation range analysis and target generation exercise utilising all existing data should be conducted on the area of J-Hook and a broad RC program based on new targets planned and completed.

3.5 Geology – Mount Jackson Iron Project (E77/2542)

3.5.1 Local Geology

E77/2542 lies within the Marda–Diemals greenstone belt which comprises mainly dolerite, basaltic greenstones, BIF, which occurs as low to moderate topographic ridges. Mafic basalts occur on both sides of the BIF ridges. The greenstones are heavily weathered and are generally covered by transported alluvial material (Vermudez & Manalastas, 2012). The BIF can be locally enriched to martite-goethite.

The Marda BIF occurs in the northernmost part of E77/2542, with the majority of the tenement covered by the Diemals Formation sediments in the west, and mafics in the south (Figure 18). The Evanston Shear is located to the south and east of the tenement and is prospective for gold. The north-south trending Horse Well Anticline runs through the centre of the tenement area.

The only regional non-GSWA geological map available (Kuehnappel & Simmons, 2009) is included as Figure 19. E77/2542 lies to the west of the Evanston Shear and abuts the western edge of the marked tenements. The origin of this map was not recorded in the report.

The GSWA 1:100,000 map of the Johnston Range is included as Figure 18 (from Kettlewell, 2010). Figure 19 illustrates the regional geology of the area.

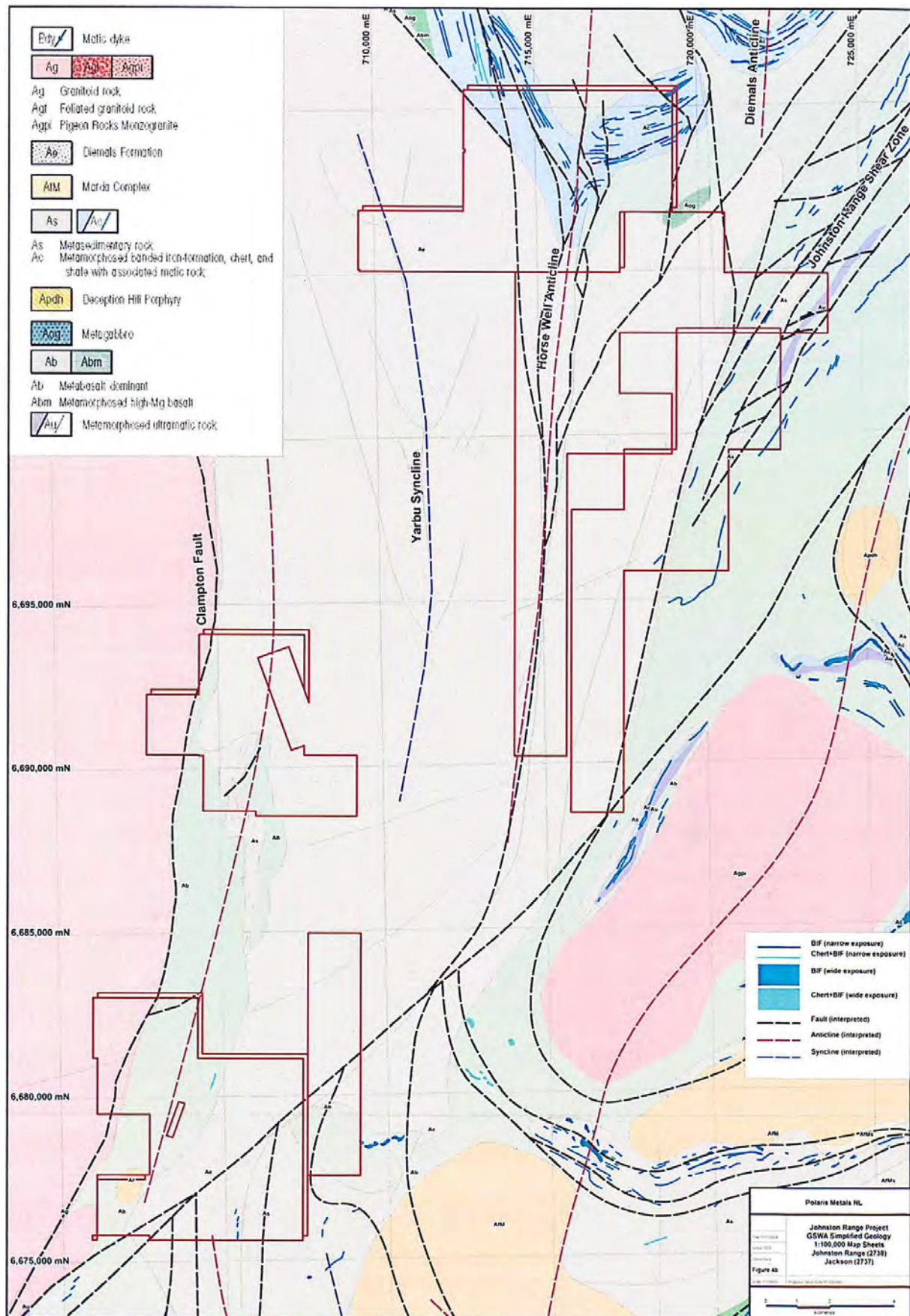


Figure 18: Johnston Range 1:100,000 geology, Jackson (2737 sheet)

Source: Kettlewell (2010)

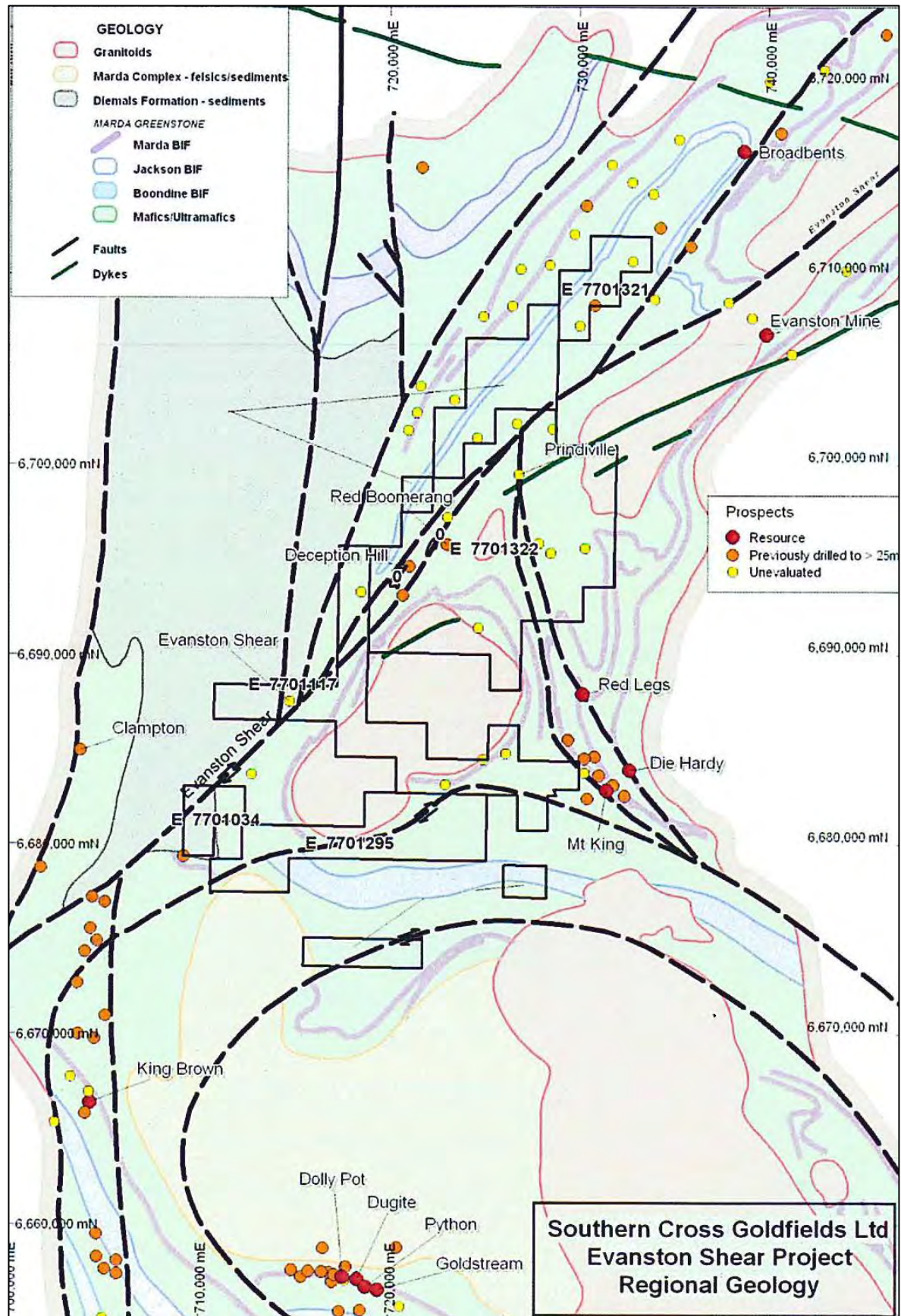


Figure 19: Regional geology of the Johnston Range area

Source: Kuehnafel & Simmons (2009)

3.5.2 Exploration History

Open file reports relevant to the area under application were downloaded from the WAMEX website. Historically exploration has focussed on gold and base metals with minimal work done for iron ore. The area under application is partly covered by E77/1155 which was held as part of the Johnston Range project by (initially) Golden State Resources with Polaris Metals, then Cliffs Asia Pacific Iron Ore Pty Ltd (Table 14).

Table 14: Exploration history of E77/2542

Company	Years	Project	Work completed
Polaris Metals/Cliffs Asia Pacific Iron Ore Pty Ltd	2006 to 2015	E77/1155	Rock chip sampling, field traversing to verify geophysical anomalies, geophysical surveys

2006 to 2009

- Geological reconnaissance mapping
- Gravity survey (2006)
- Rock chip sampling
- Aeromagnetic survey

The gravity survey was completed over the northern part of E77/1155 by Haines Surveys Pty Ltd. Line spacing varied from 400 m to 800 m with station intervals between 100 m and 200 m. Some detrital targets were identified close to the Horse Well anticline, but no follow-up work is recorded.

The work showed that the only potential within E47/1155 was for magnetite, with no “oxide” areas identified on the BIF within the tenement area. No details of the aeromagnetic survey were included in the report. The bulk of the work was done on other tenements in the project area.

2012

Three rock chip samples were collected. All returned assays above 60% Fe as shown in Table 15.

Table 15: Rock chip sample results from E77/1155

Sample	Easting	Northing	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI950
D26957	722673	6704305	61.46	1.99	0.96	0.034	8.26
D26958	722695	6704387	61.31	2.05	0.68	0.066	8.94
D26959	722680	670324	61.92	2.45	1.13	0.132	6.91

The results indicate that there is some potential for iron enrichment in the Johnston Range which would justify further work.

Airborne Geophysics

An aeromagnetic survey has been completed over E77/1155, together with other tenements held by Cliffs Asia Pacific Iron ore Pty Ltd. There are no details of the survey available including when it was flown or whether it has been combined with other surveys, or how it has been processed. An image (TMI) from the Combined Annual Report (Winhall, 2013) is included as Figure 20. E77/1155 covers much of the ground now under application as E77/2542. A major anomaly, probably due to a BIF, can be seen trending north-south in the middle of the tenement.

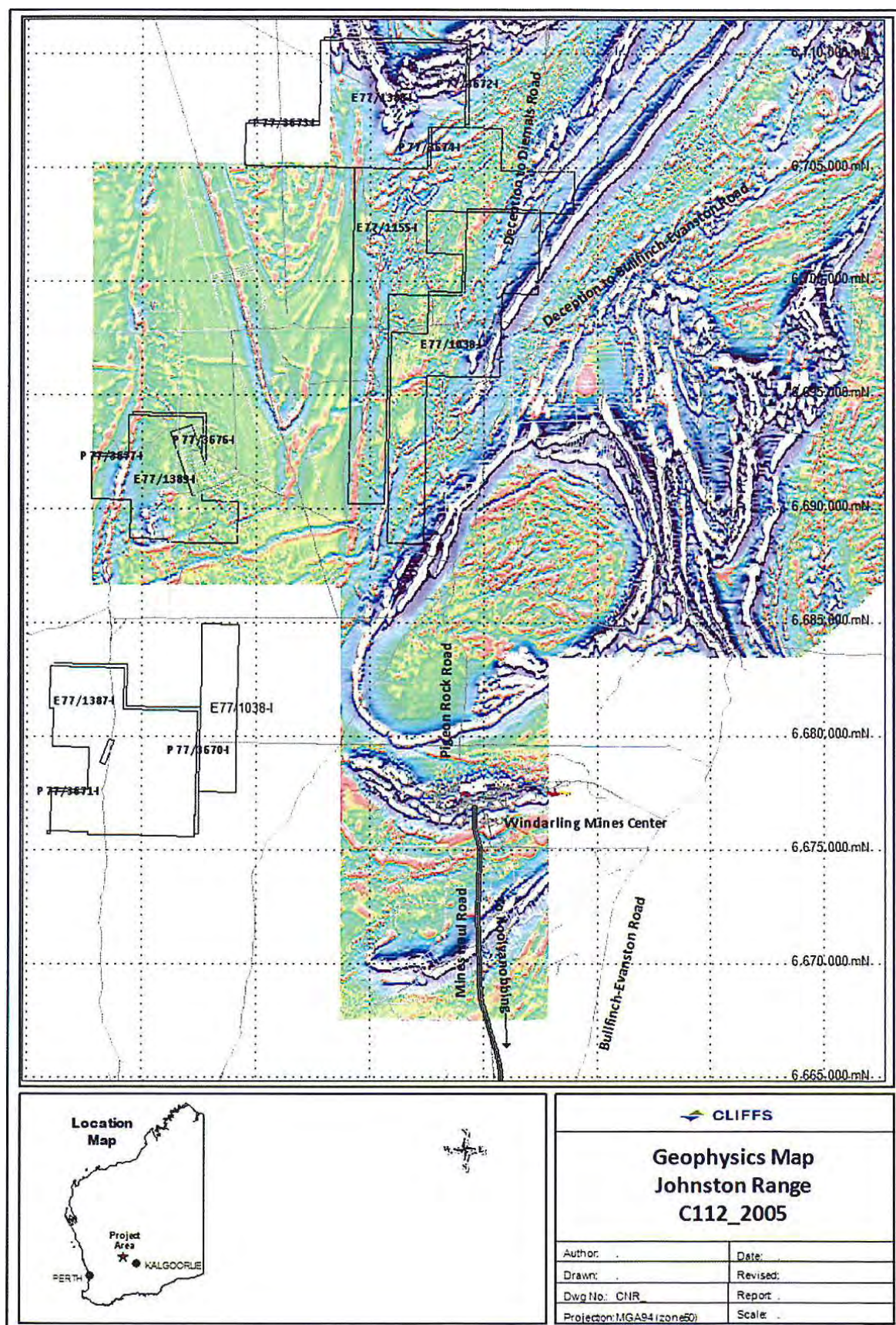


Figure 20: Aeromagnetic image of the Johnston Range
Source: Winhall (2013)

3.5.3 Exploration Potential

CSA Global Assessment of Historical Exploration

Minimal work has been done on this tenement for iron ore, despite indications that the northern part at least may contain M-g type enrichment in the Marda BIF.

The results of the gravity survey should be ignored as the station spacing is too wide to give meaningful results.

CSA Global Conclusions

Further work to evaluate the potential of E77/2542 is required, once the tenement has been granted. This should include:

- Geological mapping (1:5000 scale)
- Broad spaced (reconnaissance) RC drilling based on any identified surficial enrichment.

Once this is done, a decision on whether to retain the tenement should be made.

3.6 Geology – Mount Jackson Iron Project (E77/2543-I)

3.6.1 Local Geology

Mount Jackson Iron Project tenement E77/2543-I is located within the Jackson Range, which comprises Archaean BIF, mafic rocks and metasediments in a west-northwest trending sequence, the southern edge of the Marda complex. The BIF typically consists of intercalated jaspilite and hematite rich chert which can become pyritic and highly magnetic at depths of >100 m below the surface. The BIFs are flanked by basalt. Porphyry intrudes the BIF/mafic sequence in several locations (Kubale, 2009). The area is covered by the Jackson 1: 250,000 geological map sheet (GSWA).

Portman Iron Ore's J3 deposit (M77/998) operations lie directly to the southwest of E77/2543-I. The geology of the J3 deposit is described in detail in Guarin & Penna (2007) and as it directly adjoins E77/2543-I, it is included here. The location of the tenement in relation to the mining operation is shown in Figure 21.

The following description of the geology of the project area is taken from Guarin & Penna (2007).

"The J3 deposit is located within a steeply south-southwest dipping sequence of predominantly jaspilite BIF which is over 300 m thick. The base of the mineralisation occurs some 65 m above the eastern contact of the BIF with a felsic feldspar porphyry unit which appears to be concordant to the BIF and which itself contains thin (<20 m) horizons of cherty BIF.

The lower section of jaspilite, east of the mineralisation, is more siliceous than the main jaspilitic BIF and displays common horizons of laminated grey cherty BIF. The contact between jaspilite and feldspar porphyry is characterised by abundant quartz veining and silica flooding of the jaspilite. A 10 m wide quartz-porphyry body is present along the southern slope of the BIF ridge, approximately 35 m in the hangingwall of the mineralisation. Outcrop of this unit is poor, but it most likely represents a felsic dyke as it appears to be discordant to layering in the surrounding BIF.

Bedding in unaltered BIF is noticeably constant in orientation, dipping moderately to steeply towards south-southwest (mean orientation 67°/203°). The BIF locally contains steeply plunging small scale kink-folds with sub-vertical axial planes but overall the BIF shows relatively little evidence of brittle-ductile deformation when compared with the Koolyanobbing Range.

In contrast, small scale folds are very common within the J3 orebody. Folding of bedded ore is typically irregular with both gently and steeply dipping fold axial planes present. Mapping has identified a number of brittle faults. A significant east-west striking fault has been interpreted in the northern part of the area.

The orientation and relative timing of this fault is not known but it is possible that the structure is a late (late- to post D3) oblique-normal fault.

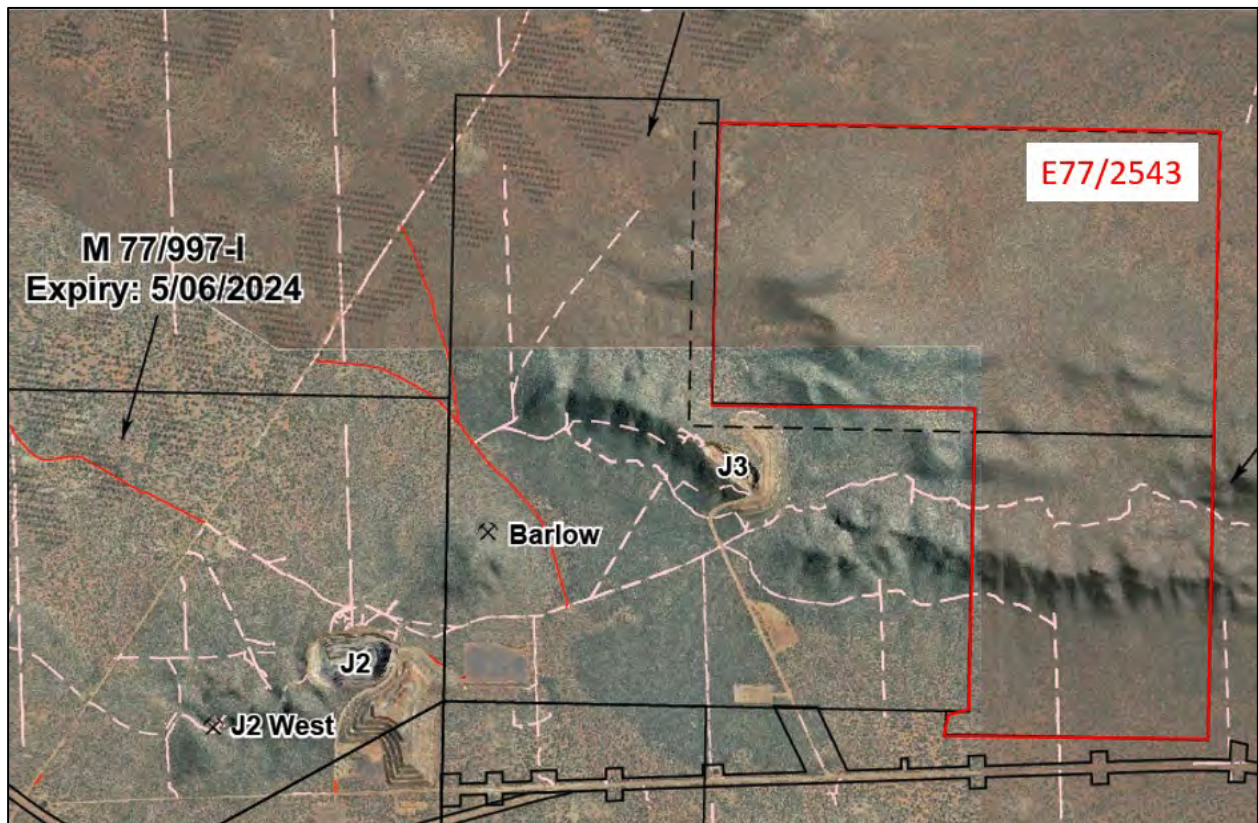


Figure 21: Google Earth image showing E77/2543-I in relation to the J3 mining operation

Source: Macarthur Minerals

A north-northwest trending fault zone defines the western margin of the J3 deposit. The fault zone can be traced southwards into jaspilite where it is defined by an up to 2 m wide quartz breccia.

Two styles of surface mineralisation can be recognised. Spatially the most extensive is ‘bedded’ hematite mineralisation. This style of mineralisation shows a strongly layered texture after bedding in the original jaspilite. The transition from jaspilite to bedded hematite mineralisation is well exposed along the eastern margin of the J3 deposit. The contact between jaspilite and bedded hematite mineralisation is very sharp. Textural similarities between ‘bedded’ mineralisation and jaspilite indicate that the removal of silica, from the jaspilite, was one of the principal mineralisation processes. Removal of silica results in a significant volume loss which, as has been reported from other iron ore deposits, is compensated by internal folding and faulting of the ore.

A second style of ‘amorphous’, non-bedded, goethite-hematite mineralisation is present in low outcrops along the northern and western margins of the J3 deposit. In places this style of mineralisation may represent a modification of bedded mineralisation in the near-surface weathering environment. Correlation of surface mapping with drillhole data indicates that most of goethite-hematite mineralisation mapped along the northern footwall margin of the J3 deposit correlates with a, up to 20 m wide, transitional zone between bedded ore and silicified footwall BIF. The latter rock type is characterised by a strong brick red alteration and common quartz veining with brecciation together with open-space quartz textures. The silicified footwall BIF was logged as ‘volcanics’ in diamond drillholes and can be identified in the geochemistry data of the RC holes by a very high silica content (>85 % SiO₂).

A broadly triangular shape for the mineralisation is inferred, with a strong bedding control on the location of individual high-grade zones. The thickest zone of mineralisation is interpreted in the central section of

the deposit and the mineralisation is considered to be most continuous directly above the transition zone along the footwall of the deposit.

It is interesting to note that the surface mapping indicates that the footwall contact of the mineralisation is broadly parallel to the strike of the host jaspilite but the currently available drillhole data indicates that the footwall contact dips more gently towards the south-southwest than the adjacent jaspilite mapped at surface (40–50° compared with 60–70° for the jaspilite). This may indicate the presence of a moderately dipping footwall fault” (Guarin & Penna, 2007).

3.6.2 Exploration History

Substantial work has been completed for iron ore in the Jackson Range area, but very little of this is on the area now held as E77/2543-I (Table 16). Relevant open file reports were downloaded from the WAMEX website.

Table 16: Exploration history of E77/2543-I

Company	Year(s)	Project	Work completed
Polaris Metals NL	2000 to 2008	E77/896	Helicopter assisted geological mapping, purchase of multi-client airborne geophysical data
Cliffs Asia Pacific Iron Ore Pty Ltd (Cliffs)	2008 to 2018	E77/1419	Hymap spectral survey over a small part of E77/1419, airborne geophysical survey, rock chip sampling

2000 to 2008

Helicopter assisted geological mapping by Polaris Metals over part of E77/896 failed to locate enrichment on any of the BIF ridges visited. Traverses were set at 200 m intervals and rock types and structural information was recorded. The BIF was recorded as “locally extremely brecciated and intensely quartz veined, although no evidence of sulphides or other alteration was noted”. The geological map that was produced is shown in Figure 22.

Multi-client airborne geophysical data was purchased and reprocessed. The reprocessed image is shown as Figure 23 (from Guarin & Penna, 2007) which shows a potentially folded BIF unit extending continuously from the southern part of E77/896 west and south to M77/998, encompassing the J3 mining operations.

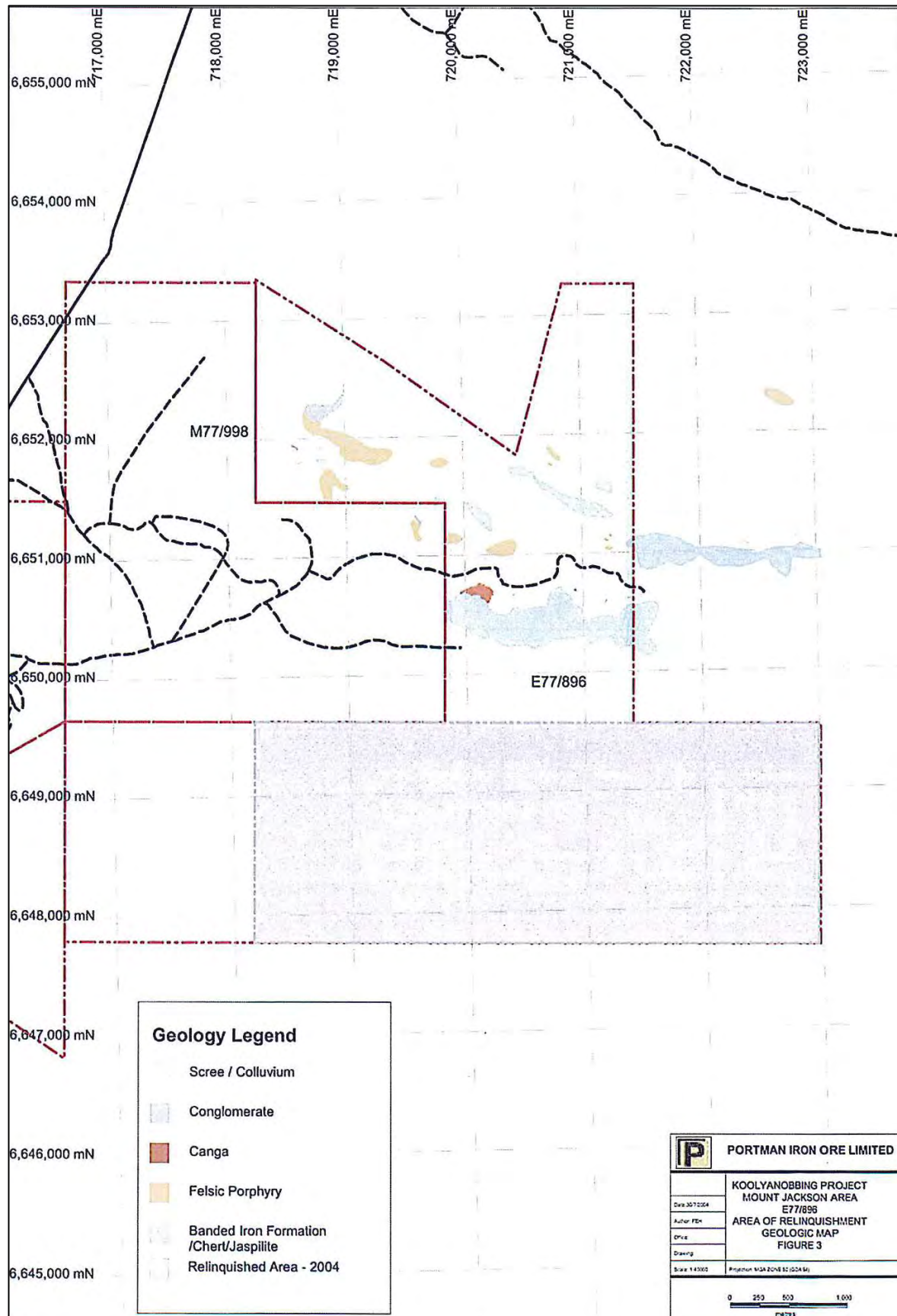


Figure 22: Geological map of E77/896

Source: Hoppe (2004)

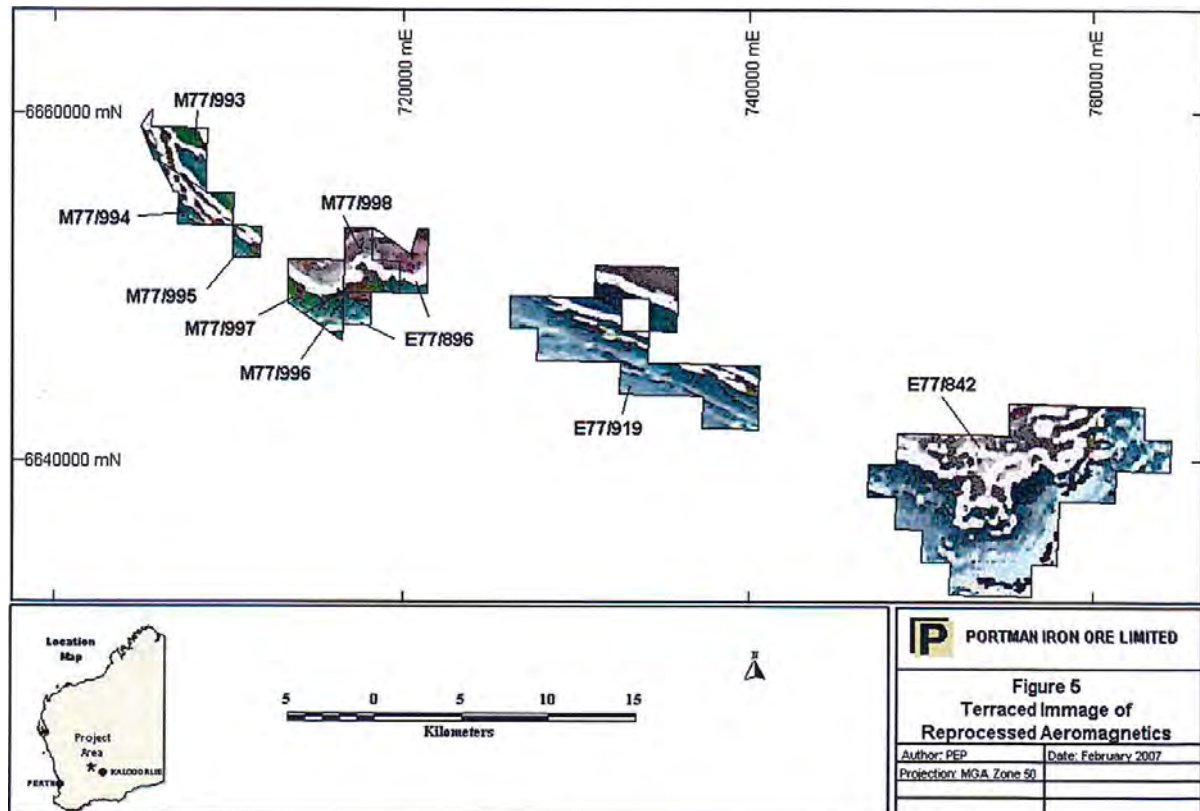


Figure 23: Reprocessed aeromagnetic image covering E77/896 and M77/998

Source: Guarin & Penna (2007)

2008 to 2018

Cliffs contracted UTS Geophysics to conduct a low level airborne geophysical survey in 2008 using a Fletcher FU 24 aircraft. In 2011, HyVista Corporation was conducted to conduct an airborne hyperspectral scanner survey, a small part of which covered the northern part of E77/1419. Cliffs collected 10 rock chip samples, but no mineralisation was found.

3.6.3 Exploration Potential

CSA Global Assessment of Historical Exploration

Minimal exploration for iron ore has been conducted on the area now held as E77/2543-I. What work has been conducted has been low level and does not remove the possibility of enrichment being present. Few details of work done have been provided, with the exploration effort being expended on the major deposits outside the tenement area. In particular, the location of Portman's J3 mining operation adjacent to the tenement means that the possibility of deep enrichment within the BIF units cannot be excluded. Current geological mapping is insufficient to determine the relationship between the J3 BIF and the BIF units outcropping on E77/2543-I. This is particularly pertinent to the southernmost part of the tenement where aeromagnetics shows potential continuation of the BIF from the J3 area on M77/998 (Figure 23).

CSA Global Conclusions

CSA Global conclude that a detailed geological mapping program (1:5000 scale) is required to develop an understanding of the relationship of the outcropping BIF units to the enrichment on the J3 deposit. Should a relationship between the BIF units be established (i.e. are they the same unit, faulted or folded) then an RC drilling program would be required to establish whether mineralisation occurs at depth.

3.7 Exploration Strategy

3.7.1 Short-Term Exploration Strategy

CSA Global understands that the Company's short-term exploration strategy for the Treppo and Mount Jackson Iron Project is as summarised below:

- Rock chip sampling program at the Mount Jackson Project E77/2543.

3.7.2 Longer-Term Exploration Strategy

CSA Global understands that the Company's longer-term exploration strategy for the Treppo and Mount Jackson Iron Project is as summarised below:

- Drill testing of targets at the Treppo Project
- Rock chip and ground mapping of iron targets at the Mount Jackson Project followed by drill testing of appropriate targets.

CSA Global consider that limited exploration is appropriate given the early stage of development of the projects, with our conclusions provided in Sections 3.4.3, 3.5.3 and 3.6.3.

4 Pilbara Lithium and Gold Projects

4.1 Location, Access and Infrastructure

The Pilbara Project tenements are located in the central and eastern portion of the Archaean Pilbara craton. The tenements cover a broad region extending in a general south-easterly direction and located some 65 km to 260 km from the coastal town and port of Port Hedland. Vehicular access via public roads to and within the tenements varies across the tenement group from reasonable to poor. Tenements located near current or old mining areas generally have better access via exploration and mine service tracks (Figure 24). Port Hedland is serviced by a domestic and international airport and provides services to the mining industry.

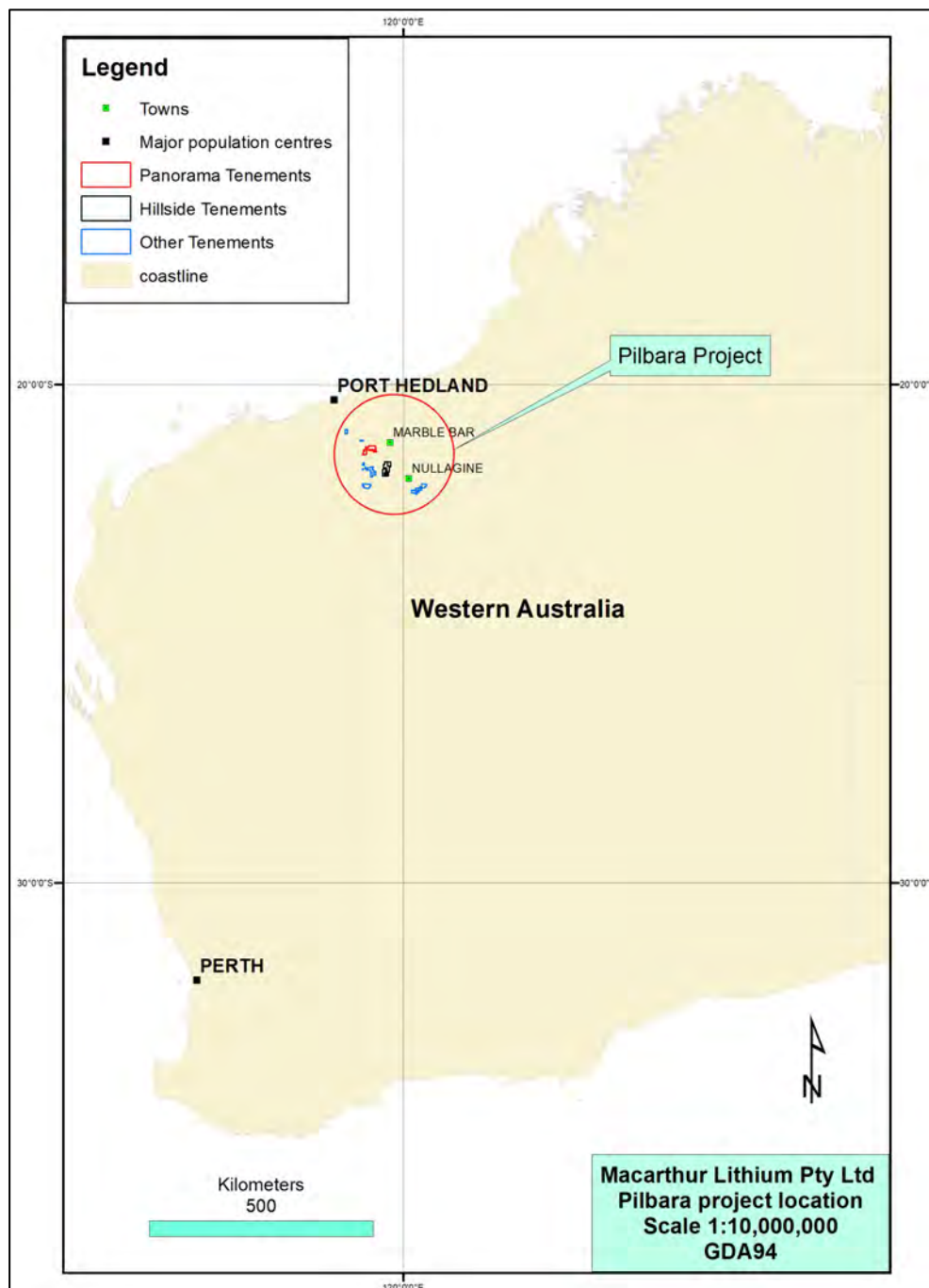


Figure 24: Location of the Pilbara Project

4.2 Climate, Topography and Landforms

The Pilbara Project is located within northern WA. The summer months are hot to very hot and generally dry; however, during the summer months, cyclones may bring local heavy rain and flash flooding which can restrict vehicular access for several days. The winter months are generally dry. The physiography varies from low rolling to flat over granite rocks to locally rugged over greenstone rock sequences.

4.3 Tenure

The Pilbara project tenements comprise 18 granted exploration licences (ELs) located in the central and eastern Pilbara (Figure 25). The tenements comprise 405 blocks with an approximate total area of 1,288 km².

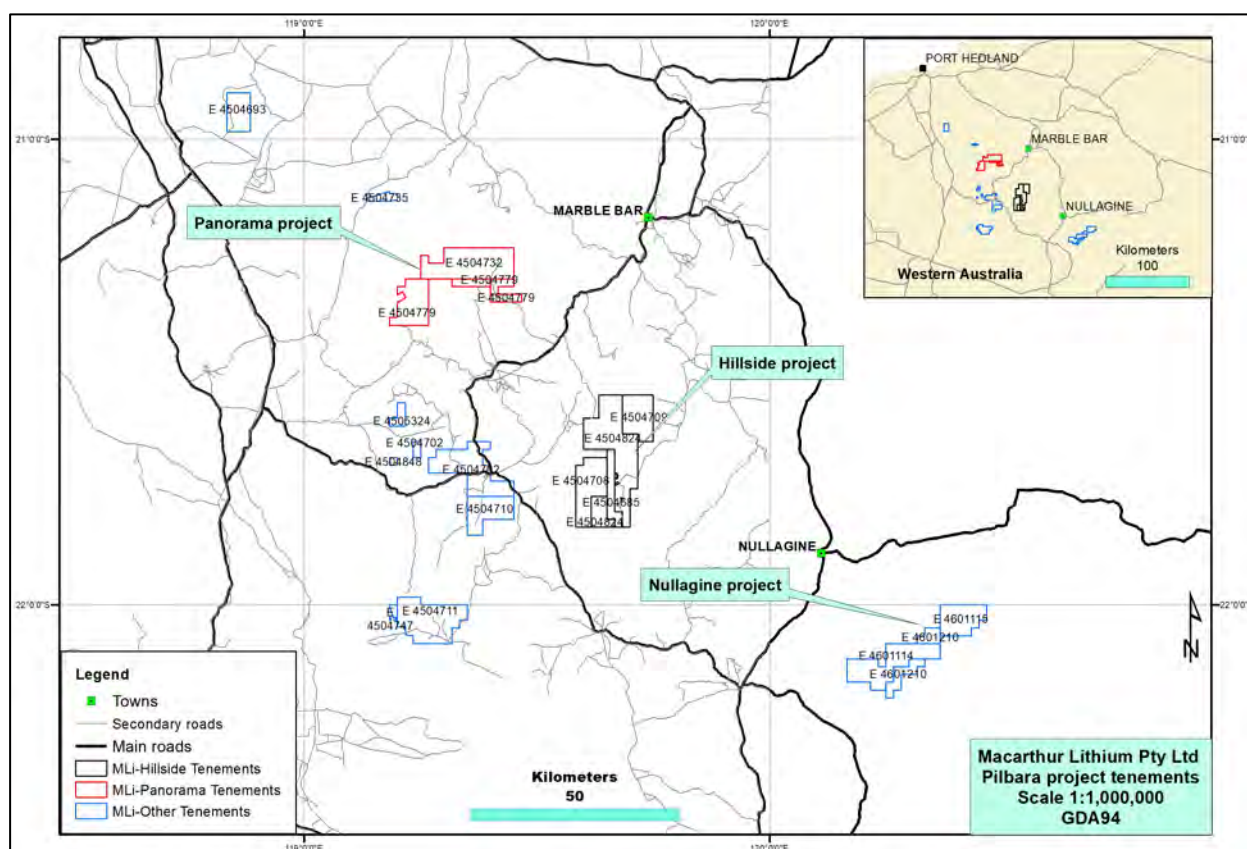


Figure 25: Pilbara Project tenements

All tenements are held 100% by Macarthur Lithium Pty Ltd (MLi) a wholly owned subsidiary of Macarthur. MLi's tenements are subject to an earn-in agreement with Fe Ltd who has the right to earn 75% through expenditure of \$2.3 million and payment of \$2.15 million. Fe Ltd is responsible for tenement maintenance.

Table 17 provides the ID number for each tenement and its key details. Full details on the tenements (agreements, royalties, Native Title, Crown Reserves etc.) are provided in the Independent Solicitor's Report elsewhere in the prospectus.

Table 17: Pilbara Project tenements

Tenement ID	Type	Status	Holder Name	Grant date	End date	Blocks	Area (km ²)
E 45/4685	EL	Live	Macarthur Lithium Pty Ltd	12/01/2017	11/01/2022	11	35
E 45/4693	EL	Live	Macarthur Lithium Pty Ltd	21/11/2017	20/11/2022	15	48
E 45/4702	EL	Live	Macarthur Lithium Pty Ltd	20/11/2017	19/11/2022	41	130
E 45/4708	EL	Live	Macarthur Lithium Pty Ltd	21/11/2017	20/11/2022	27	86
E 45/4709	EL	Live	Macarthur Lithium Pty Ltd	21/11/2017	20/11/2022	22	70
E 45/4710	EL	Live	Macarthur Lithium Pty Ltd	20/11/2017	19/11/2022	22	70
E 45/4711	EL	Live	Macarthur Lithium Pty Ltd	20/11/2017	19/11/2022	40	127
E 45/4732	EL	Live	Macarthur Lithium Pty Ltd	21/11/2017	20/11/2022	43	137
E 45/4735	EL	Live	Macarthur Lithium Pty Ltd	21/11/2017	20/11/2022	5	16
E 45/4747	EL	Live	Macarthur Lithium Pty Ltd	21/11/2017	20/11/2022	2	6
E 45/4764	EL	Live	Macarthur Lithium Pty Ltd	10/08/2017	9/08/2022	4	13
E 45/4779	EL	Live	Macarthur Lithium Pty Ltd	16/01/2018	15/01/2023	33	105
E 45/4824	EL	Live	Macarthur Lithium Pty Ltd	05/12/2017	4/12/2022	65	207
E 45/4848	EL	Live	Macarthur Lithium Pty Ltd	14/12/2017	13/12/2022	1	3
E 45/5324	EL	Live	Macarthur Lithium Pty Ltd	05/04/2019	4/04/2024	4	13
E 46/1114	EL	Live	Macarthur Lithium Pty Ltd	10/11/2017	9/11/2022	35	111
E 46/1115	EL	Live	Macarthur Lithium Pty Ltd	10/11/2017	9/11/2022	21	67
E 46/1210	EL	Live	Macarthur Lithium Pty Ltd	02/07/2018	1/07/2023	14	44
Total						405	1,288

Source: Macarthur Lithium Pty Ltd and DMIRS

4.4 Regional Geology

The Pilbara Project is located within the east Pilbara granite-greenstone terrane (EPGGT) of the Archaean Pilbara Craton. The EPGGT has the longest and most diverse history of the north Pilbara granite-greenstones. The greenstone sequences comprise mafic volcanic and volcanoclastics, felsic volcanics and ultramafic volcanics and sediments. The oldest preserved greenstone sequences are c. 3515 Ma and the youngest some c. 2950 Ma.

The EPGGT contains large (up to 100 km diameter) polyphase granitoid domes, with the supracrustal greenstones rocks forming synclines between the domes (Figure 26). Emplacement of these plutonic bodies commonly extended over several hundred million years, with most intrusive phases corresponding to active volcanism in the supracrustal rocks.

The EPGGT is recognised as a major rare-element LCT-type pegmatite province hosting the Wodgina-Mount Cassiterite albite and albite-spodumene sub-type pegmatite lithium-tantalum deposits and the Pilgangoora group of albite-spodumene sub-type pegmatite lithium-tantalum deposits.

The rare-element lithium-tantalum ± tin pegmatite deposits are considered to be formed from late stage fractionated melts derived from one or more of the several late-stage “young” granites ranging in age from 2890 Ma to 2830 Ma emplaced into the older granite-gneiss-greenstone sequences. The rare-element pegmatites are typically hosted within the adjacent older granites, gneiss and “greenstone” sequences and focused by major structural corridors (Figure 27). The pegmatites are typically located within 5 km (at surface) of their interpreted source or parent granite and all are within 10 km where the parent granite has been identified (Sweetapple *et al.*, 2002).

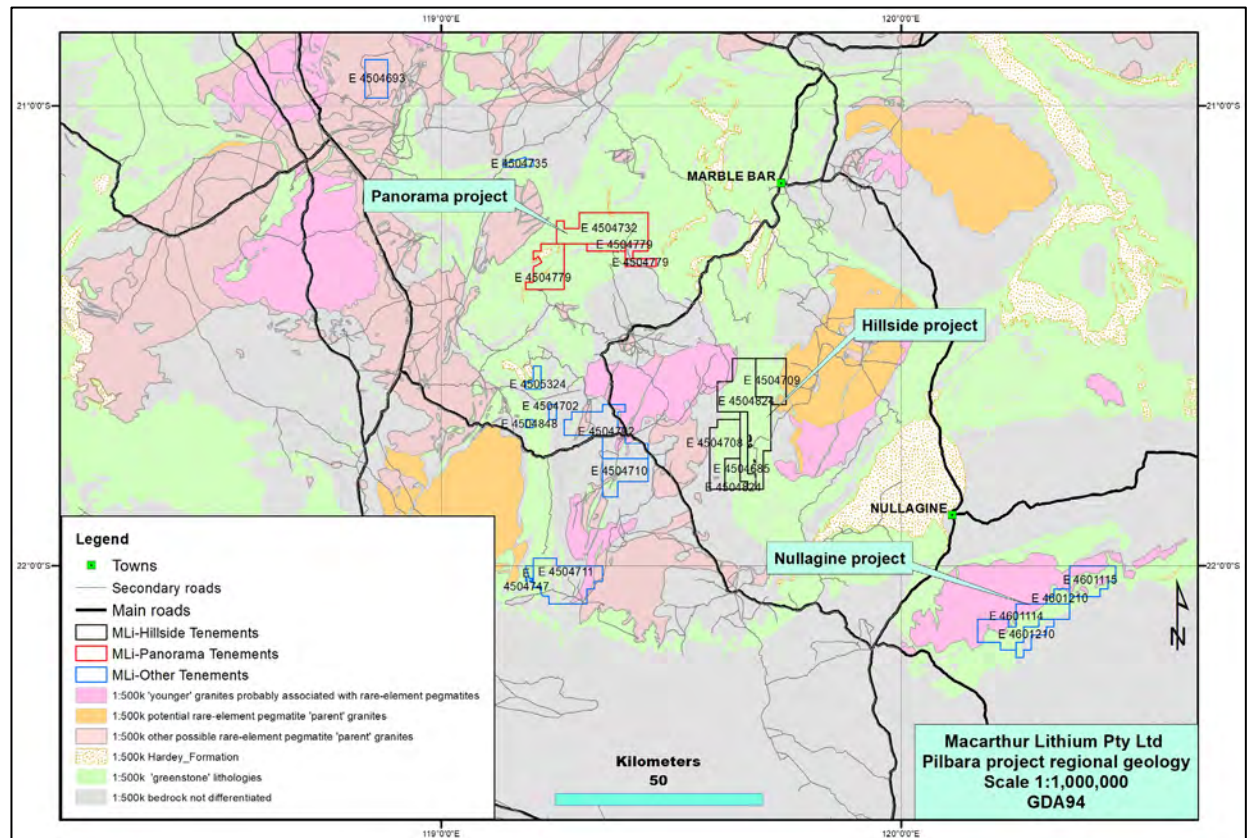


Figure 26: Regional geology map

Source: After the GSWA 500,000 scale geology

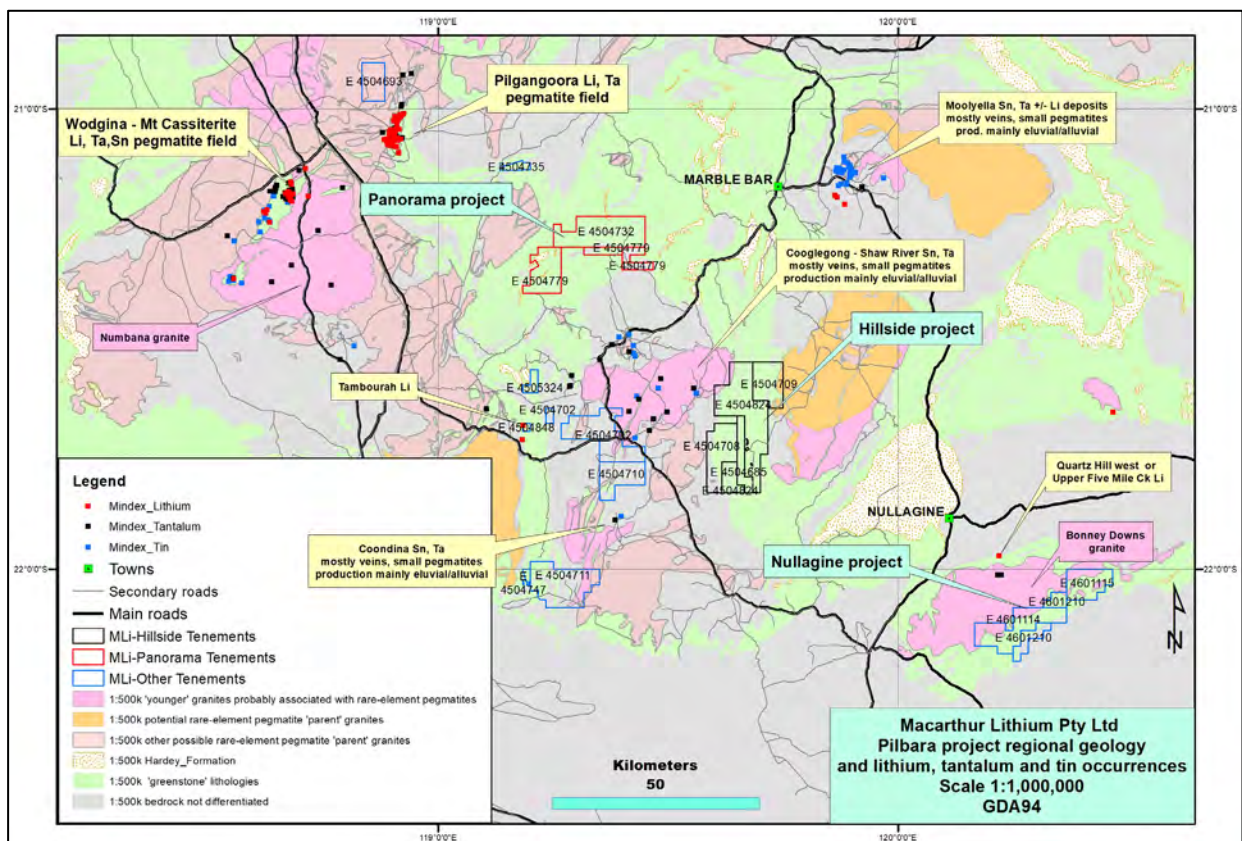


Figure 27: Regional rare-element (lithium, tantalum and tin) mineralisation occurrences

Source: After the GSWA 500,000 scale geology and MINDEX

Other significant mineralisation includes volcanogenic and stratiform massive sulphide and lode gold. Nickel mineralisation is also associated with komatiitic volcanic sequences. Iron ore is associated with secondary CIDs and BIFs (Figure 28).

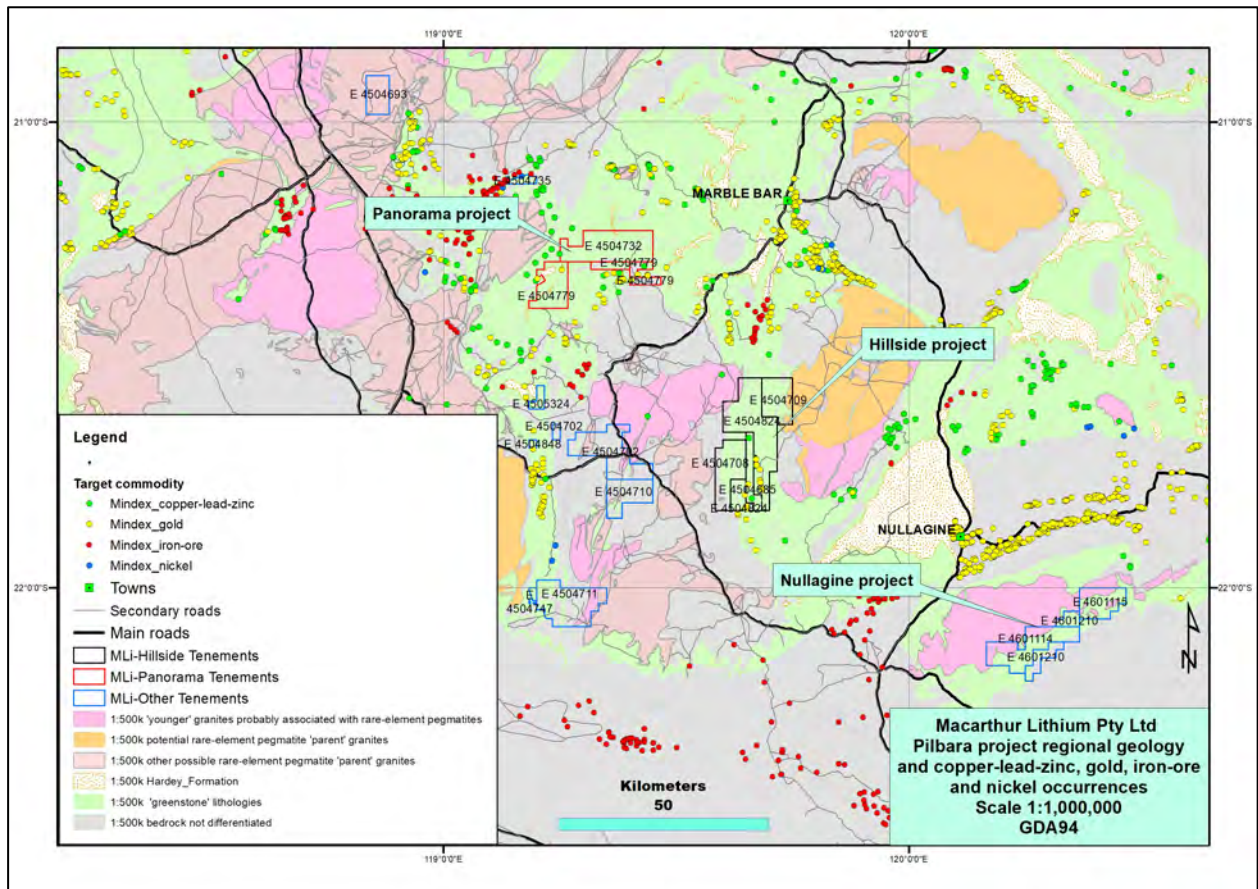


Figure 28: Regional copper-lead-zinc, gold, iron ore and nickel occurrences

Source: After the GSWA 500,000 scale geology and MINDEX

4.5 Local Geology and Exploration Potential

The MLI tenement package is spread across the central and eastern Pilbara Craton. Brief descriptions of the tenement geology and exploration potential are provided below.

The Hillside sub-project comprises four tenements (E45/4708, E45/4709, E45/4824 and E45/4685) which largely cover a 12 km wide north-south trending greenstone belt comprising basalts, ultramafic, felsic volcanics and sediments. The greenstone belt is bounded to the west by the North Shaw Tonalite and the Cooglegong Monzogranite and to the east by the Triberton Granodiorite and the Carbana Monzogranite. The Cooglegong Monzogranite is regarded as the “parent” granite to the numerous small rare-element pegmatites which are the source of the eluvial and alluvial tin and tantalum. This indicates that the portion of the greenstone belt adjacent to the Cooglegong Monzogranite may have potential for rare-element pegmatites hosting lithium, tin and tantalum.

In addition, the Hillside sub-project contains several small structurally controlled orogenic style gold occurrences and structurally and stratigraphically controlled copper occurrences, indicating some potential for these styles of mineralisation.

E45/4702 and E45/4710 are located on the southwest margin of the Cooglegong Monzogranite and largely cover the Callina Supersuite comprising diorite and syenogranite and the Tambina Supersuite comprising tonalite and granodiorite. The Mulgandinnah Monzogranite is a small intrusion within E45/4702. Minor

greenstone amphibolites occur within E45/4702 and in the southern portion of E45/4710 and there may be some potential for rare-element pegmatites to be hosted in these rocks.

E45/4747 largely covers greenstone sequences comprising basalt, ultramafic and minor mafic schists. The Tambourah Monzogranite occurs a few kilometres to west and is the possible source of the Tambourah lepidolite occurrences located some 34 km to north and this indicates some possibility for the occurrence of rare-element pegmatites to occur within E47/4747.

E45/4711 covers the Callina and Tambina Supersuites and a portion of the Coondina Monzogranite which is regarded as the “parent” granite to the numerous small rare-element pegmatites; the source of the eluvial and alluvial tin and tantalum. There is little potential for significant rare-element lithium bearing pegmatites in this geological setting.

E45/4848 covers a greenstone sequence containing, basalt, komatiitic basalt and serpentinised peridotite (Euro Basalt). The Tambourah lepidolite occurrence is located in the northwest corner of the tenement. A gold occurrence lies just south of the tenement. The tenement has some potential for lithium and possibly some potential for gold and nickel mineralisation.

E45/5324 largely covers basalt, komatiitic basalt and serpentinised peridotite. An outlier of the Hardey Formation occurs along the western boundary of the tenement indicating some potential for “conglomerate” hosted gold. The tenement may also have potential for gold and nickel mineralisation.

The Panorama project comprises E45/4732, 4764 and 4779 and largely covers greenstone sequences containing basalt, komatiitic basalt, serpentinised peridotite (Euro Basalt), BIF and siliclastic sediments. Small outliers of the Hardey Formation occur in the western area of the project indicating some potential for “conglomerate” hosted gold. Minor gold and copper occurrences are recorded within the project and several small gold and copper occurrences are located adjacent to the project.

E45/4735 largely covers greenstones comprising the Euro Basalt (basalt, komatiitic basalt, and serpentinised peridotite). The Cleaverville Formation comprising BIF occurs within the northwest margin of the tenement indicating some potential for iron ore. A nickel occurrence is located immediately to the north of the tenement.

E45/4693 covers a portion of the Sisters Supersuite monzogranite and has little potential for any significant mineralisation.

The Nullagine project comprises tenements E46/1114, E46/1116 and E46/1210. The tenements largely cover portions of the Golden Eagle orthogneiss and the Kylene Formation, comprising amygdaloidal and vesicular basalts. The tenements are located along the southern margin of the Bonney Downs Monzogranite which is the likely parent granite to rare-element pegmatites located near its northern margin. There is little potential for any significant rare-element pegmatites within MLI tenure.

4.6 Exploration History and Assessment of Historical Data

At the time of this report, MLI has not fully compiled the historical exploration data. No detailed assessment of historical exploration data has been undertaken by CSA Global.

4.7 Recent Exploration and Results

Prior to farming-out the Pilbara Project tenements to Fe Ltd, MLI completed the following exploration activities:

- Helicopter supported reconnaissance of several tenements looking for outcropping pegmatites and grab rock chip sampling of a number of the pegmatites located. Apart from the Tambourah lepidolite samples, none of the other pegmatites samples returned any significant lithium results.

- An airborne transient electromagnetic survey (SkyTEM) survey. and collected several grab rock chip samples within the Hillside sub-project (tenements E45/4685, E45/4708, E45/4709 and E45/4824). The rock chip sampling returned one anomalous copper result; but this sample collected from a small gossanous vein is not considered significant. The SkyTEM survey detected 18 conductive anomalies, some of which are coincident with historical anomalous copper rock chip results and these anomalies warrant follow up with ground electromagnetic surveying.
- Within the Panorama sub-project (tenements E45/4732, E45/4764 and E45/4779) MLI undertook two phases of stream sediment sampling. The peak result of 118 ppb Au may be warrants follow up. The project also contains occurrences of the Hardey Formation, the main host rock for “conglomerate” gold in the Pilbara region.

4.8 Exploration Potential

MLi consider their Pilbara Project area to be under-explored and prospective for gold and lithium.

CSA Global has concluded that the exploration evaluation work on Pilbara Project tenements to be at an early stage and that significant additional work needs to be undertaken to understand the project’s potential.

4.9 Exploration Strategy

4.9.1 Short-Term Exploration Strategy

MLi has advised CSA Global that their farm-in partners short-term exploration strategy is to re-assess all the MLI Pilbara project tenements for their mineralisation potential and to focus on discovering gold and/or copper mineralisation within the Hillside sub-project focusing on known prospects and by following up the SkyTEM anomalies.

4.9.2 Longer-Term Exploration Strategy

MLi has advised CSA Global that their farm-in partners longer-term exploration strategy is to target gold and lithium mineralisation utilising their re-interpretation of the regional controls on known mineralisation.

CSA Global consider that the proposed exploration is appropriate to the stage of development of the projects.

5 Reynolds Springs Lithium Project

5.1 Location, Access and Infrastructure

The Reynolds Springs Project is located approximately 300 km north of Las Vegas, Nevada, USA (Figure 29), and 531 km southeast of Tesla's new Gigafactory. Access to the Project is via Highway 6 and local station tracks.



Figure 29: Reynolds Springs Project location

5.2 Climate, Topography and Landforms

The project is located in a region of Nevada characterised by hot dry summers. Mean summer maximum temperature is 33.6°C with temperatures above 40°C common, mean winter maximum temperature is 16.7°C and mean low is 4.8°C. The regional climate favours natural and inexpensive evaporation for brine concentration and allows year-round work. The topography of the project area, being located within a lake, is flat.

5.3 Tenure

The Reynolds Springs project comprises 210, 20-acre mineral claims with a total area of 4,200 acres or ~17 km².

The table in Appendix C provides the ID number for each claim and its key details. The location of each claim is shown in Figure 30. All tenements are held 100% by Macarthur Lithium Nevada Limited, a subsidiary of Macarthur Minerals. Full details on the tenements (agreements, royalties, Native Title, Crown Reserves etc.) are provided in the Independent Solicitor's Report elsewhere in the prospectus.

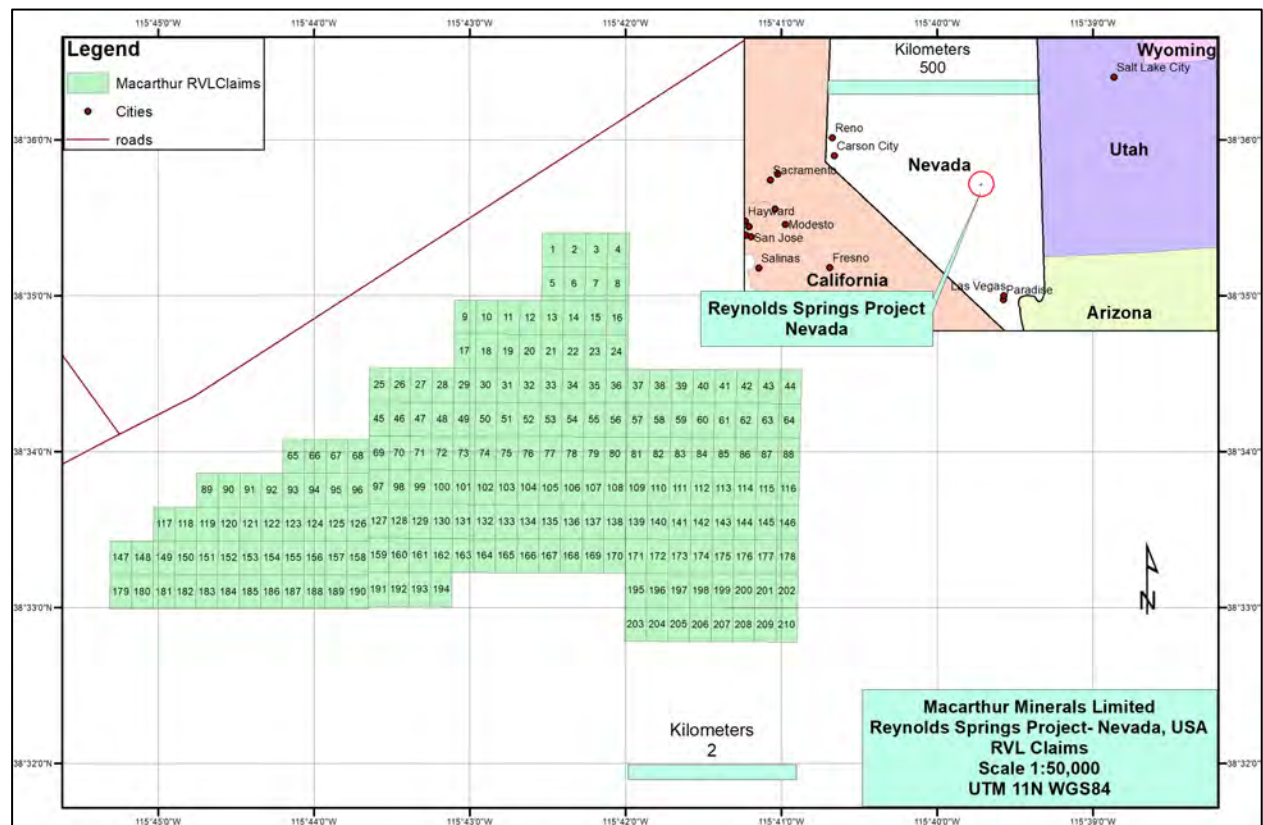


Figure 30: Reynolds Springs Project map showing tenements (RVL claims)

5.4 Regional Geology

The Reynolds Springs Project is located within Railroad Valley; a large topographically closed playa (dry salt lake bed) basin, located in east-central Nevada. The faults that bound the playa basin form an elongate rectangular shaped basin of about 830 km² in size. Numerous thermal springs emerge along the basin bounding fault systems which form the northwest and southeast flanks of the playa basin. Some of these spring waters contain moderately anomalous lithium.

The mountains that abut the western boundary of the claims contain outcropping rhyolitic volcanic rock units which are anomalous in lithium. Rhyolitic volcanic rocks underlie the Reynolds Springs Project. This geological setting closely matches the geologic criteria for the United States Geological Survey (USGS) deposit model for Clayton Valley type lithium brine deposits.

5.5 Exploration History

Prior to staking the claims, Macarthur completed an analysis of USGS historical soil, rock and groundwater data collected across California, Nevada and Utah. Sediment samples collected in the 1980s, during the United States Department of Energy's National Uranium Resource Evaluation Program (NURE) were of particular interest. Spatial analysis of the historical data shows Railroad Valley to be the largest lithium soil anomaly in the State of Nevada. A total of 19,165 soils samples were collected by NURE across Nevada and analysed for uranium, lithium and other elements. A sum of 87 samples returned lithium values in excess of 100 ppm. A cluster of 20 samples with values greater than 100 ppm lithium were collected from Railroad Valley.

The other area identified from the NURE dataset that had similar elevated lithium levels was the Clayton Valley which hosts North America's only producing lithium mine, Albemarle's Silver Peak Lithium Mine. In comparison, approximately 108 samples were collected from the Clayton Valley and surrounding the Silver

Peak mine. A total of nine samples reported assays greater than 100 ppm lithium with samples ranging from 102 ppm to 431 ppm lithium.

Railroad Valley has been explored for many years by several oil and gas companies. Multiple abandoned and operational oil wells exist across the playa including 17 wells located on or in close proximity to, MacArthur's Reynolds Springs Project.

5.6 Recent Exploration

To confirm the historical USGS sampling results, MacArthur's consulting geologists undertook reconnaissance soil sampling in the Railroad Valley and this sampling narrowed the area of interest to the Reynolds Springs area on the northwest flank of the playa basin. A total of five widely spaced reconnaissance soil samples were collected from the Reynolds Springs area. Analysis of these five samples by ALS Chemex Laboratory, using the ME-ICP41 and ICP61 methods, returned values ranging from 80 ppm to 350 ppm lithium (average of 256 ppm) and a range of 20–720 ppm boron (average 342 ppm).

Based on these results a total of 210 new 20-acre unpatented placer mining claims were staked.

The company recently collected an additional 206 soil samples across the full extent of the claims located on the Railroad Valley playa basin. Soil samples were collected from a depth of approximately 45.7 cm every 201 m from 12 lines spaced at 402 m (Figure 31).

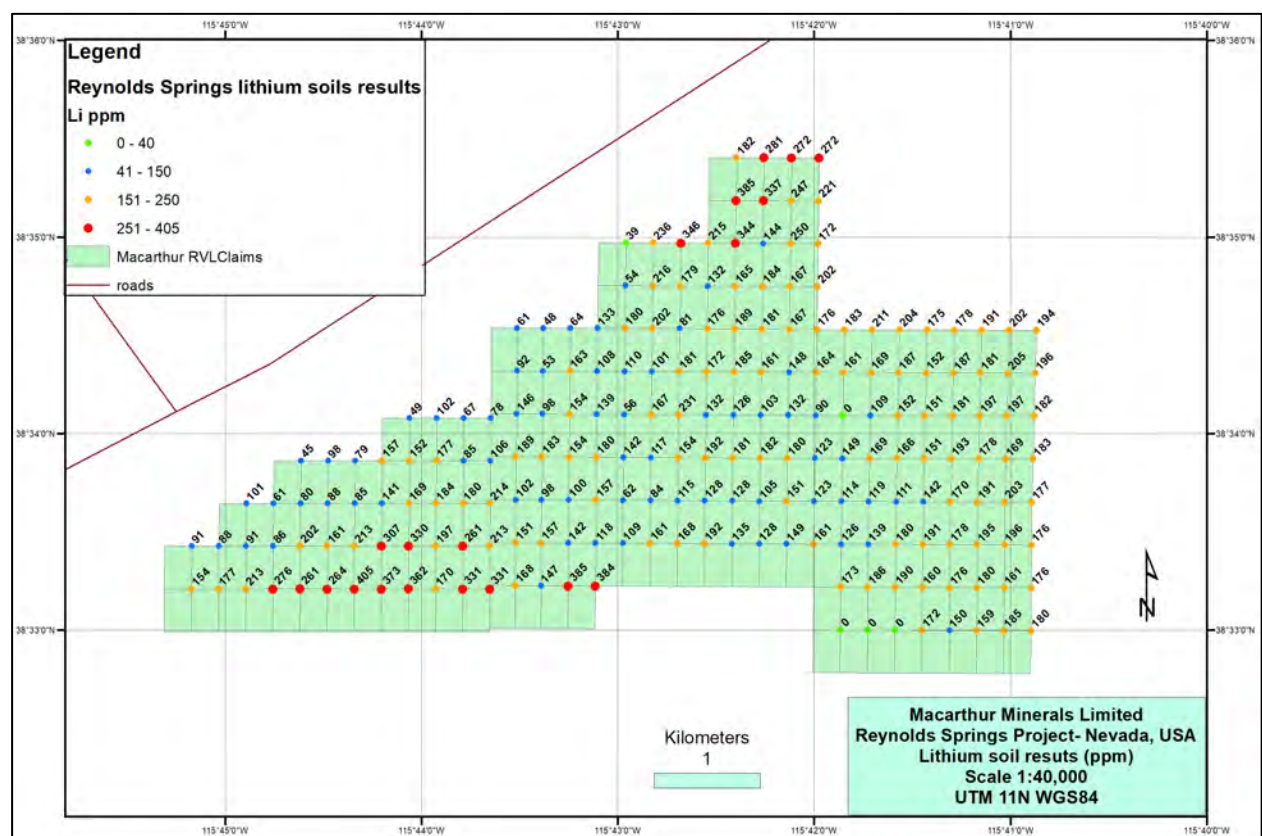


Figure 31: Reynolds Springs soil sample locations and lithium results (ppm)

After collection in the field, the samples were submitted to the ALS Minerals laboratory in Reno, Nevada for analysis by four-acid digestion and inductively coupled plasma-atomic emission spectrometry (ICP-AES) and inductively coupled plasma-mass spectrometry (ICP-MS) multi-element analysis. ALS Minerals laboratory of Reno, Nevada maintains ISO/IEC 17025:2005 accreditation and operates under a mature Quality Management System. Internal laboratory quality control includes both control standards and replicate sample analysis.

19% of the soil samples returned values above 200 ppm lithium and 66.5% of samples returned values between 100 ppm and 200 ppm lithium, confirming that the claims contain anomalous lithium values (Figure 31).

In addition to the near surface lithium-bearing clays, the Reynolds Springs Project is considered by MLI to have potential for lithium-bearing brines. This potential is currently being assessed by evaluating historical downhole logs of eight abandoned oil well holes spanning east-west across the Reynolds Springs claims. The downhole logs comprise a combination of geological and geophysical data including lithologic logs and geophysical data from nuclear porosity and electrical resistivity logs. The presence of potential brine aquifers is indicated by highly conductive zones.

5.7 Exploration Potential

MLi consider their Reynolds Spring Project area to be under-explored and highly prospective for the discovery of substantial deposits of lithium in the form of lake clay deposits and also lithium-bearing saline brines from subsurface aquifers.

The potential for the presence of saline brines is indicated by the preliminary evaluation of historical oil-well logs by MLI geologists.

CSA Global consider the exploration evaluation work to be at a very early stage and that significant additional work needs to be undertaken to understand the project's potential.

5.8 Exploration Strategy

5.8.1 Short-Term Exploration Strategy

MLi has advised CSA Global their short-term exploration strategy for Reynolds Springs is to:

- Complete a phase of drilling to test the lake sediments for their lithium content, thickness and extent.
- Continue the interpretation of the downhole geophysical logs from abandoned oil and gas wells, that are located within and in the near vicinity of the project, to locate anomalous conductive zones in these wells, which may indicate the presence of brine aquifers which may contain lithium.

The Company then plans to pursue permits to either re-enter one or more of the old wells and to drill new wells to test for the presence of lithium-bearing brines.

5.8.2 Longer-Term Exploration Strategy

MLi has advised CSA Global that their longer-term exploration strategy is to continue with the evaluation of the Reynolds Springs Project for lithium-bearing clays and lithium-bearing brines.

CSA Global consider that the proposed exploration is appropriate to the stage of development of the projects.

6 Technical Risks and Opportunities

6.1 Iron Ore Assets

Both portions of the Lake Giles Project are relatively close to the city of Kalgoorlie-Boulder, with associated rail access to Esperance with its port and logistical support which all add value to the project. The geography of the area is conducive to further Mineral Resource definition drilling, and other exploration activities, along with potential mine development.

BIF lithologies, surrounded by intensely weathered and mostly unexposed granites, basalts and ultramafic rocks, have been geologically mapped throughout Macarthur's tenure. Drilling has tested many of the outcropping BIF units, and along strike where the BIF no longer outcrops, with Mineral Resources (Indicated or Inferred) reported where supported by sufficient drilling. Not all BIF units contain sufficient Fe mineralisation to support a Mineral Resource, which presents a technical risk for future drilling activities where BIF units may not report as Mineral Resources. Conversely, the presence of BIF lithologies presents a clear opportunity to increase the current Mineral Resource inventory by drill testing previously un-examined BIFS, or infill drilling BIF units currently classified as Inferred.

Mineral exploration and evaluation involve a high degree of risk and few properties which are explored, or with Mineral Resources, are ultimately developed into producing mines. The Mineral Resource estimates for Ularring are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realised, or that a Mineral Resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited.

6.2 Lithium Assets

The lithium assets held by MLI in the Pilbara region are considered to have a moderate to very high exploration risk in terms of their potential to host lithium-bearing pegmatites of commercial significance. MLI has farmed out these tenements and therefore they have little residual value for MLI.

The Reynolds Springs Project in Nevada is considered to have a moderate to very high exploration risk for lithium clay mineralisation. The tenure footprint is quite small and the type and grade and extent of the lithium bearing clay is largely unknown. In addition, the results of soil sampling to date indicate the better results are located on the edges of the existing tenure which is considered a limiting factor.

The lithium brine potential of the Reynolds Springs Project is also largely an unknown at this stage and is considered to have a very high exploration risk. The tenure footprint is also a limiting factor in terms of the potential size of any brine aquifers.

6.3 Gold Assets

The gold assets are located in the Pilbara region and overlap to some extent the lithium assets. The primary focus for gold mineralisation is the Hillside and Panorama sub-projects.

The Hillside sub-project has a long history of prospecting and contains several small gold and copper occurrences. The recent SkyTEM survey results provide the main exploration opportunity to locate larger unexposed sulphide copper and gold mineralisation.

The Panorama sub-project contains portions of the Hardey Formation; the main host to "conglomerate" gold in the Pilbara Craton. The Hardey Formation is similar in age to the conglomerates hosting the Witswatersrand gold deposits, South Africa. However, at this stage there is no evidence to indicate the Hardey Formation within MLI tenure is gold bearing.

The exploration risk is high given the early stage of exploration.

7 Proposed Exploration Budget and Use of Funds

Macarthur provided CSA Global with a copy of its exploration strategy, proposed work programs and planned expenditure for its projects for an initial two-year period following listing on the ASX. The exploration strategy is discussed in more detail in Sections 2.9, 3.7 and 5.8. Table 18 provides a summary of expenditure by activity per project for a \$7.5 million capital raising. Table 19 provides a summary of expenditure by activity per project for a \$5 million capital raising. The drilling budgets are an all-inclusive cost, which includes the cost of drilling, sampling, assaying, personnel and all other on costs. All costs included are in Australian dollars (A\$).

Table 18: Proposed exploration expenditure summary by activity (\$7.5 million capital raising)

Project	Program	Year 1 (\$)	Year 2 (\$)	Total Budget (\$)
Lake Giles Iron	Infill RC drilling	445,000		445,000
	Infill DD drilling	750,000		750,000
	Resource Modelling	90,000		90,000
	Feasibility Study	2,600,000	1,285,000	3,885,000
	Tenement costs	215,000	215,000	430,000
	<i>Subtotal</i>	<i>4,100,000</i>	<i>1,500,000</i>	<i>5,600,000</i>
Mt Jackson Iron	Prospectivity mapping	30,000		30,000
	Exploration RC drilling	100,000	160,000	260,000
	Tenement costs	5,000	5,000	10,000
	<i>Subtotal</i>	<i>135,000</i>	<i>165,000</i>	<i>300,000</i>
Reynolds Springs Lithium	Downhole well review	30,000		30,000
	Tenement costs	35,000	35,000	70,000
	<i>Subtotal</i>	<i>65,000</i>	<i>35,000</i>	<i>100,000</i>
TOTAL		4,300,000	1,700,000	6,000,000

Table 19: Proposed exploration expenditure summary by activity (\$5 million capital raising)

Project	Program	Year 1 (\$)	Year 2 (\$)	Total Budget (\$)
Lake Giles Iron	Infill RC drilling	250,000		250,000
	Infill DD drilling	445,000		445,000
	Resource Modelling	90,000		90,000
	Feasibility Study	2,300,000	285,000	2,585,000
	Tenement costs	215,000	215,000	430,000
	<i>Subtotal</i>	<i>3,300,000</i>	<i>500,000</i>	<i>3,800,000</i>
Mt Jackson Iron	Prospectivity mapping	15,000		15,000
	Exploration RC drilling	40,000	35,000	75,000
	Tenement costs	5,000	5,000	10,000
	<i>Subtotal</i>	<i>60,000</i>	<i>40,000</i>	<i>100,000</i>
Reynolds Springs Lithium	Downhole well review	30,000		30,000
	Tenement costs	35,000	35,000	70,000
	<i>Subtotal</i>	<i>65,000</i>	<i>35,000</i>	<i>100,000</i>
TOTAL		3,425,000	575,000	4,000,000

The proposed budget for the Reynolds Springs Project is considered a minimal spend and is in alignment with the perceived high exploration risk.

The proposed budgets are considered consistent with the exploration potential of Macarthur's projects and considered adequate to cover the costs of the proposed programs. The budgeted expenditure is also sufficient to meet the minimum statutory expenditure on the tenements.

The mineral properties held by the Company are considered to be "exploration projects" that are intrinsically speculative in nature. CSA Global considers, however, that the projects identification and acquisition has been based on sound technical merit. The projects are also considered to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of their economic potential, consistent with the proposed programs.

At least half of the liquid assets held, or funds proposed to be raised by Macarthur, are understood to be committed to the exploration, development and administration of the mineral properties, satisfying the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b). CSA Global also understands that the Company has sufficient working capital; to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

The Company has prepared staged exploration and evaluation programs, specific to the potential of the projects, which are consistent with the budget allocations, and warranted by the exploration potential of the projects. CSA Global considers that the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure, satisfying the requirements of ASX Listing 1.3.3(a).

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9 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia (www.wikipedia.org).

Al₂O₃	Alumina.
Amphibolite	A metamorphic crystalline rock consisting mainly of amphiboles and some plagioclase.
Amphibolite facies	The set of metamorphic mineral assemblages (facies) which is typical of regional metamorphism between 450°C and 700°C.
Archaean	Widely used term for the earliest era of geological time spanning the interval from the formation of Earth to about 2,500 million years ago.
Batholith	A large, generally discordant plutonic mass that has more than 100 km ² of surface exposure and no known floor
Batters and berms	Technical terms for the components of a final pit wall. The slope batters are typically 10 m–20 m high vertically and have slopes between 40° and 70°. The horizontal berms between the batters are typically 5–10 m wide
Be	Beryllium; an element.
Cs	Caesium; an element.
Fe	Iron; an element.
Granite	A crystalline rock consisting mainly of feldspar, plagioclase and quartz.
Greenschist	The set of metamorphic mineral assemblages (facies) which is typical of regional metamorphism between 300°C and 450°C.
Greenstone belt	A term used to describe a suite of rocks typically comprising mafic and ultramafic volcanic rocks and sediments that occur within Archaean and Proterozoic cratons between granite and gneiss bodies.
Holocrystalline	Holocrystalline is a textural term describing a crystalline igneous rock consisting of 100% crystals.
JORC	Joint Ore Reserves Committee.
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.
Lepidolite	A lithium-bearing mineral (mica) with the formula K(Li,Al) ₃ (Si,Al) ₄ O ₁₀ (OH,F) ₂ .
Li	Lithium; an element.
Lithium muscovite	A muscovite (mica) containing lithium where substitution of Al by Li is less than that required to form lepidolite.
Mica	A sheet silicate mineral.
Pegmatite	A rock with pegmatitic texture, a term describing the crystal structure of a rock, generally applied to coarsely crystalline rocks. A pegmatite is a holocrystalline, intrusive igneous rock composed of interlocking phaneritic crystals usually, but not always, larger than 2.5 cm in size.
Peraluminous	A term describing the chemical composition of a rock where the molecular proportion of Al ₂ O ₃ is greater than the combined K ₂ O + CaO + Na ₂ O
Pycnometer	A device used to determine the density of a liquid with an insoluble material in it.
Rb	Rubidium; an element.
Rare Element	One of the elements defining rare element pegmatites such as Be, Rb, Cs, Ta, Nb, Li, etc.
S	Sulphur; an element.
SiO₂	Silica.
Sn	Tin; an element.
Spodumene	An lithium-bearing mineral (pyroxene) with the formula LiAl(Si ₂ O ₆).
S-type Granite	Granite type formed by melting crustal rocks such as sediments.
Ta	Tantalum; an element.
Zinnwaldite	A lithium-bearing mineral (mica) with the formula K(Al,Fe,Li) ₃ (Si,Al) ₄ O ₁₀ (OH)F.

10 Abbreviations and Units of Measurement

°	degrees
°C	degrees Celsius
%	percent
AIG	Australian Institute of Geoscientists
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
Aztec	Aztec Mining Limited
BIF	banded iron formation
Ca Fe	calcined iron (with water of crystallisation removed)
CID	channel iron deposit
cm	centimetre(s)
CRM	certified reference materials
CSA Global	CSA Global Pty Ltd
DEE	Department of Environment and Energy
DID	detrital iron deposit
DMIRS	Department of Mines, Industry Regulation and Safety
DSO	direct shipping ore
DTR	Davis Tube Recovery
EL	exploration licence
EPBC Act	Environment Protection and Biodiversity Conservation Act 1999
EPGGT	East Pilbara granite-greenstone terrane
Fe	iron
g	gram(s)
GDA94	Geocentric Datum of Australia 1994
GIS	geographical information system
GPS	global positioning system
GSWA	Geological Survey of Western Australia
H/G	hematite/goethite
ICP-AES	inductively coupled plasma – atomic emission spectrometry
ICP-MS	inductively coupled plasma – mass spectrometry
Internickel	Internickel Australia Pty Ltd
IOCG	iron oxide copper gold
IPO	initial public offering
ITAR	independent technical assessment report
JORC	Joint Ore Reserves Committee
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
kg	kilogram(s)
Kia Ora	Kia Ora Gold Corp. NL
km	kilometre(s)
km ²	square kilometres
LiDAR	light detection and ranging (survey method)
LIMS	low-intensity magnetic separation

LOI-1000	loss on ignition at 1000°C
m	metre(s)
Macarthur	Macarthur Minerals Ltd
MLi	Macarthur Lithium Pty Ltd
mm	millimetre(s)
MOU	memorandum of understanding
MTO	Mineral Titles Online
NI 43-101	National Instrument 43-101 (Canadian Reporting Code)
NURE	National Uranium Resource Evaluation (program)
PEA	preliminary economic assessment
PFS	preliminary feasibility study
ppm	parts per million
QAQC	quality assurance and quality control
RAB	rotary air blast (drilling method)
RC	reverse circulation (drilling method)
RCP	reverse circulation percussion (drilling method)
ROM	run of mine (generally referring to stockpiles ahead of crusher)
RTK GPS	real-time kinematic global positioning system
SG	specific gravity (also referred to as bulk density)
Snowden	Snowden Mining Industry Consultants Pty Ltd
t/m ³	tonnes per cubic metre
USGS	United States Geological Survey
WA	Western Australia
WAMEX	Western Australia Mineral Exploration reports
XRF	x-ray fluorescence (analytical method)

Appendix A: JORC Table 1 – Ularring Hematite Project

Section 1 – Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<p>The deposit was sampled using diamond core and reverse circulation percussion (RCP) drillholes between 2009 (commencement of the assessment of the Ularring Hematite Project) and 2012. RCP drilling was the dominant sampling technique used at Ularring. Diamond core samples were reserved for metallurgical and geotechnical studies.</p> <p>Diamond core recoveries were recorded by measuring the length of drill core retrieved per metre of drill penetration. RCP samples were weighed and a recovery (%) was estimated per metre of drill penetration. RCP chip recovery information recorded in digital logs.</p> <p>RCP drilling was used to obtain 1 m samples, with a 3 kg sample split submitted to the assay laboratory and pulverised to produce a 30 g pulp charge for x-ray fluorescence (XRF) analysis.</p>
Drilling techniques	<p>RCP drillholes were drilled by either a Schramm T660 (Volvo 8x4 wheel rig) or a track mounted Schramm T450WS rig. Choice of drill rig was dependent upon the terrain hosting the drill pads. Drilling diameter for RCP holes was generally 140 mm. Diamond drilling for metallurgical purposes used mostly HQ diameter core with occasional PQ core depending on the mass of core required. Core orientation was performed using Reflex apparatus but proved impossible for the overwhelming majority of weathered core.</p>
Drill sample recovery	<p>Diamond core recoveries were recorded by measuring the length of drill core retrieved per metre of drill penetration. RCP samples were weighed and a recovery (%) was estimated per metre of drill penetration.</p> <p>If sample recoveries were observed becoming suboptimal by the project geologist, the information was relayed to the driller who adjusted the drilling penetration rate, or other sample recovery drill rig characteristics such as air compression, in order to improve sample recovery. A geologist was present at the drill rigs at all times whilst drilling procedures were under way, and who logged all drill samples.</p> <p>No relationship was observed between sample recovery and Fe (%) grade. No loss of hematite or goethitic fines was observed during drilling.</p>
Logging	<p>Diamond drill core and RCP chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <p>Geological logging of drill samples was qualitative in nature for all RCP drilling and diamond core samples. An acoustic televiewer was used to quantitatively log the orientation of geological strata for 16 diamond drillholes, and 10 RCP holes.</p> <p>All (100%) drillholes were geologically logged, for 90,833 m of RCP drilling and 1,729 m of diamond core drilling.</p>
Subsampling techniques and sample preparation	<p>Diamond cores were analysed for metallurgical and geotechnical purposes and therefore were not used to support the Mineral Resources or Ore Reserves, apart from the geological logging.</p> <p>RCP samples passed through a cyclone then passed through a three-tier riffle splitter. Samples were dry. A total of 75% of the sample passed through the splitter to be captured in a residue bucket whilst the remaining 25% of the sample was evenly distributed through the primary sample chute and the field duplicate chute.</p> <p>RCP samples were securely delivered to the analytical laboratory where they were crushed to 3 mm fraction, then pulverized to 105 um (p95). The labs are accredited to industry standards, and the sample preparation stages likewise to industry standard. The sample preparation is considered appropriate for the mineralisation investigated.</p> <p>The lab took splits of the subsamples at the crushing and pulverising stages, with the splits stored. The pulp splits were sourced for lab duplicate XRF analyses.</p> <p>Field duplicate samples were taken at the drill rig via the three-tier riffle splitter.</p> <p>Sample sizes are appropriate to the grain size of the material being sampled.</p>

Criteria	Commentary
Quality of assay data and laboratory tests	<p>All samples were dispatched to one of two assay laboratories, samples prior to September 2011 sent to Amdel-UltraTrace, and from September 2011 dispatched to an ALS. The decision to swap labs was based on sample turnaround times and not due to poor analytical techniques in the former lab. Pulp samples were analysed for the standard suite of Fe ore elements by XRF, considered industry standard practice for iron ore.</p> <p>Geophysical measurements were used to assist with the geological interpretation.</p> <p>Standards were used throughout the drilling programs to test analytical accuracy, at a rate of 1:50 and at least one standard inserted per drillhole. Field duplicates were captured at a rate of 1:25. Pulp duplicates were also analysed to test for analytical accuracy. The assay labs conducted their own QAQC analyses and results were provided to Macarthur. The QAQC procedures and results showed that acceptable levels of accuracy and precision were established.</p>
Verification of sampling and assaying	<p>Significant intercepts were independently verified by alternate company personnel including senior geological management.</p> <p>Selected RCP holes were twinned by diamond core holes.</p> <p>Drillhole data was logged by hand at the drill rig, then data was manually entered into spreadsheets. These were imported into a SQL database independently maintained by CSA Global Pty Ltd (CSA Global). The data model has various criteria, relationships and triggers to ensure the data entered into the database is valid. Strict security and daily backups are managed by SQL server software. Data was verified by the Competent Person (Resources) by randomly cross-checking collar and survey data in the database with independently recorded geospatial data from the drill sites.</p> <p>No data adjustments were made to assay data in the database.</p>
Location of data points	<p>After drilling all drillholes included in the Mineral Resource estimates were surveyed by high accuracy Real Time Kinematic GPS (RTK GPS). RTK GPS surveys, which were undertaken by licensed surveyors are accurate to within 50 mm in three dimensions.</p> <p>All coordinates are in Geocentric Datum of Australia (GDA94, Zone 50).</p> <p>A light detection and ranging (LiDAR) topographic survey was flown in June 2011. The data was resampled from 1 m to 2 m and exported as a wireframe surface in dxf format. Banjo was re-sampled to 5 m contours due to restrictions on file size for Datamine. The choice of a coarser contour interval has not resulted in any noticeable difference to resource volumes at the “outcropping” surface of the banded iron formation (BIF) strata. Drill collars were validated against the digital terrain model (DTM) elevation. The topographic survey is considered adequate to support the Mineral Resources and Ore Reserves.</p>
Data spacing and distribution	<p>Drillholes were sited on the many outcropping ridges of hematite/goethite mineralisation, although not all ridges had been drill tested prior to late 2012. Drillhole section lines along the ridges were typically spaced 50 m and stepped 25 m across strike. Across strike drilling only necessary to define depth of mineralisation. Structurally complex areas often spaced at 25 m along strike.</p> <p>Drillhole spacing is deemed sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</p> <p>Samples were not composited at the drill rig.</p>
Orientation of data in relation to geological structure	<p>Holes were generally angled at 60° across the strike of mineralisation, targeting strata typically dipping at 70° to 90° towards the angle of drilling. Some bias of sampling was anticipated based upon the angle of drillhole interception against the dip of hematite bearing strata; however, this bias is not considered detrimental to the Mineral Resource estimate.</p>
Sample security	<p>On completion of each hole, the calico sample bags were placed in polyweave bags, then transferred to the Ullaring exploration compound where they were securely stored. The polyweave bags were placed in large bulka bags and transported to the assay laboratory depot in Kalgoorlie and then Perth using a contracted freight company. At all times, the samples were under the security of either MIO or the transport company personnel, and then under the security of the assay laboratory.</p>
Audits or reviews	<p>The Competent Person (Mineral Resources) reviewed sampling procedures on more than three separate site visits. Any problems observed were discussed with the geological staff on roster, and the problems were quickly corrected, with no detrimental impact upon the Mineral Resources noted. Senior geological staff from Macarthur regularly vetted sampling procedures.</p>

Section 2 – Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	<p>Refer to the body of this report.</p> <p>At present, Macarthur Minerals Ltd (Macarthur) manages 15 contiguous mining leases and one pending miscellaneous lease, covering a total area of approximately 62.5 km². All tenements are 100% held by Macarthur Iron Ore Pty Ltd or Macarthur Midway Pty Ltd, which are both wholly owned subsidiaries of Macarthur.</p> <p>The tenements are in good standing with no non-compliances registered. Rent and rates are fully paid and where expenditure commitments have not been met for the past year, exemptions from expenditure commitments have been approved by the Department of Mines, Industry Regulation and Safety (DMIRS).</p>
Exploration done by other parties	<p>The property was previously explored for nickel (1968 to 1972) and gold (Aztec, Battle Mountain, 1993 to 1998) with limited success. Internickel Australia Pty Ltd undertook a detailed evaluation of previous exploration from 2001 to 2005. Macarthur took over the tenements in 2005 and actively explored until 2014 when the project was put under care and maintenance.</p>
Geology	<p>The outcropping geology of the project area is comprised of a combination of un-altered silica-rich BIFs and altered, enriched hematite/goethite BIFs. Weathering has resulted in the leaching of the majority of the silica from the BIFs, thus producing a rock rich in iron and low in silica, near surface. These enriched bands vary from 1 m to 30 m in true thickness and are largely steeply dipping at 70° to 90°.</p>
Drillhole information	<p>Ularring Hematite Project consists of 1,588 drillholes, discussed in the body of this report. All these holes were used to support the Mineral Resource estimate, and 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 Mineral Resource estimate conveys the tenor of grade from the drillholes.</p>
Data aggregation methods	<p>No top cut was applied to grades as it was deemed unnecessary by CSA Global, cut-off grade for resource reporting purposes was set at 40% for Snark, Drabble Downs, Central and Banjo-Lost-World prospects; and 50% for Moonshine prospects.</p> <p>All hematite RCP drilling and sampling were conducted at 1 m intervals; therefore no compositing or aggregation was required.</p> <p>No metal equivalents were used.</p>
Relationship between mineralisation widths and intercept lengths	<p>True width of mineralisation is derived from detailed 3D geological rock models.</p> <p>Various orebodies are intercepted at varying degrees of obliqueness, therefore a simple conversion to true thickness from downhole intercepts is not possible.</p> <p>General geometry of orebodies is reported as sub-vertical tabular bodies generally dipping between 60° and 90°.</p>
Diagrams	<p>Maps and sections are included in the body of this report.</p>
Balanced reporting	<p>Drillhole information is incorporated into the Mineral Resource estimate.</p>
Other substantive exploration data	<p>Additional exploration data such as ground/air magnetic surveys, gravity and geochemical soil sampling are mentioned in technical reports. Metallurgical testing is reported in full detail in all technical reports and updated as required. Bulk density data is reported in full detail with explanations of final assumptions and modelling parameters included in technical reports. All relevant geotechnical and rock characteristic data is fully described in reports.</p>
Further work	<p>Recommendations for further development of the project are discussed in the body of this report. Detailed plans for exploration and drilling activities are done on a short-term basis depending on budgeting constraints, exploration targets and availability of equipment and contractors and if normally not detailed in technical reports.</p> <p>Diagrams and maps of potential areas for resource expansion are included in the body of this report and/or the Technical Reports.</p>

Section 3 – Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	<p>Data used in the Mineral Resource estimate is sourced from a data base dump, provided in the form of an MS Access database, from the DataShed relational database hosted by CSA Global. Relevant tables from the data base are exported to Microsoft Excel format and converted to csv format for import into CAE Studio 3 software for use in the Mineral Resource estimate.</p> <p>Validation protocols for the data entered into the database are described in Section 1.</p>
Site visits	<p>The CP (Mineral Resources) inspected the property on three occasions in 2011, and once in 2012. During each site visit, drilling operations and sampling procedures were inspected, proposed drillhole locations reviewed, geological outcrops were inspected, and geological and project discussions held with Macarthur staff.</p>
Geological interpretation	<p>There is a reasonable level of confidence in the geological interpretation of the Ularring Hematite Project, as reflected in the classification levels of the Mineral Resource. The confidence level is higher for the geometry of the mineralisation, and the true width, than for the depth of weathering.</p> <p>Geological interpretations were based upon geologically logged and chemically analyses drillhole samples and mapping of outcrop. A lower cut-off grade of 40% Fe was used to constrain the mineralisation domains.</p> <p>Earlier Mineral Resource estimates were based upon a 50% Fe grade; however, metallurgical testwork indicated lower-grade ore could be recovered, therefore necessitating a lower cut-off grade.</p> <p>Geological factors such as strike and dip of the individual BIF lenses controlled the geometry of the mineralisation domains.</p> <p>Mineralisation domains along strike and down dip were curtailed when the grade consistently fell below 40%. Fe domains were modelled to a depth of 120 m below surface, being the limit of depth of drilling, although mineralisation was often interpreted to continue at depth.</p>
Dimensions	<p>The mineralisation extends along a strike extent of 6,800 m (Snark and Drabble Downs), 3,300 m (Banjo/Lost World), 7,100 m (Central) and 2,200 m (Moonshine).</p> <p>Ore body true width varies from around 2 m to occasional orebodies of 30–35 m true thickness. Most are between 5 m and 10 m wide.</p> <p>Depth of mineralisation varies from as little as 2 m to 65 m below surface. The majority of orebodies are mineralised down to between 25 m and 35 m.</p>
Estimation and modelling techniques	<p>CAE Studio 3 (Datamine) software was used for all geological modelling, block modelling, grade interpolation, resource classification and reporting. GeoAccess Professional and Snowden Supervisor were used for geostatistical analyses of data. Mineral Resource estimates for hematite were reported for Snark and Drabble Downs (75 Fe% domains), Central (59 domains), Banjo and Lost World (21 domains), and Moonshine (one domain). All mineralisation domains were based upon a lower cut-off of 40% Fe, except for Moonshine which was based upon a 50% Fe lower cut-off. Mineralisation domains were encapsulated by means of 3D wireframed envelopes. Domains were extrapolated along strike or down dip to half a section spacing or if a barren hole cut the down dip extension before this limit. Drillhole samples were composited to 1m, and statistical analyses for Fe (%), P (%), SiO₂ (%), Al₂O₃ (%), LOI (%) and S (%) were carried out. No grade cutting was employed. All RCP drillhole data constrained within the mineralisation envelopes were utilised in the grade interpolation. Grade estimation was by ordinary kriging with inverse distance squared estimation concurrently run as a check estimate. A minimum of eight and maximum of 24 samples were used in any one block estimate. A maximum of five composited samples per drillhole were used in any one block estimate. Cell discretisation of 3 x 3 x 3 was used. Grade interpolation was run within the individual mineralisation domains, acting as hard boundaries. Search ellipsoid radii varied between the deposits, typically a primary search ellipse of 100 m along strike by 15 m down dip by 100 m across strike. A major consideration during grade estimation was to limit the spreading of higher-grade assays from the hematite/goethite zone into the deeper siliceous BIF zones, and vice versa.</p> <p>Grade interpolation results were compared with previous Mineral Resource estimates and any anomalous differences were investigated.</p> <p>Fe (%), P (%), SiO₂ (%), Al₂O₃ (%), LOI (%) and S (%) were interpolated into the block model.</p> <p>Block sizes of 10 m x 25 m x 10 m were employed for all deposits except for Moonshine (10 m x 10 m x 5 m).</p>

Criteria	Commentary
	<p>No SMU assumptions were made.</p> <p>The strike and dip controlled the orientation of the search ellipse for the grade interpolation runs.</p> <p>No grade cutting was employed because no assayed grades were recorded with extremely high or low grades. Any assay values of high or low grade in nature were diluted by other surrounding grades and did not adversely impact upon local block estimates.</p> <p>The grade model was validated by: 1) creating slices of the model and comparing to drillholes on the same slice; 2) swath plots comparing average block grades with average sample grades on nominated easting, northing and RL slices; and 3) mean grades per domain for estimated blocks and flagged drillhole samples. No mining has taken place therefore no reconciliation data was available.</p>
Moisture	Tonnages are estimated on a dry basis.
Cut-off parameters	The Mineral Resources are quoted from blocks above 40% Fe. This cut-off grade is also the domain cut-off grade and was selected based upon metallurgical testwork that indicated lower grade (40–50% Fe material) could be beneficiated.
Mining factors or assumptions	Mineralisation outcrops at surface and was modelled to a depth to which small scale open pit mining would operate. No assumptions have been made to date regarding minimum mining widths or dilution controlling the Mineral Resource estimates.
Metallurgical factors or assumptions	<p>Metallurgical testwork was previously carried out to support a PFS as reported in 2012. The PFS is no longer reported by Macarthur.</p> <p>The Mineral Resource estimates have modelled Fe, SiO₂, P, Al₂O₃, S, and LOI, which are the major elements in the specification of iron Ore Reserves. Minor trace impurities have also been assayed and are considered to be within acceptable limits.</p>
Environmental factors or assumptions	Environmental studies of varying levels have been conducted across the Macarthur tenement area since 2009 and used to support the PFS as reported in 2012. These are summarised in the body of this report. The PFS is no longer reported by Macarthur.
Bulk density	<p>Density was measured by a downhole geophysical tool that tested 752 holes over Snark, Drabble Downs and Central. An algorithm was developed based upon the relationship between density values and Fe (%) values at any depth downhole. Adjustments were made according to cavities recorded downhole. Algorithms were developed to calculate the density for each block in the block model, for Snark and Central. The Central density algorithm was used to calculate density at Banjo.</p> <p>The average density per deposit is 2.6 t/m³ which is low for hematite deposits. Geological assessment of diamond drill core has demonstrated the intense weathering and vugginess (many cavities) of the subsurface rock material within the zones of mineralisation, and these observations support the low density values applied.</p>
Classification	<p>Classification of the Mineral Resource estimates was carried out taking into account the geological understanding of the deposit, QAQC of the samples, density data and drillhole spacing. The Indicated Mineral Resources were based upon a higher level of confidence than the Inferred resources, whereby geological and grade continuity are assumed, but not confirmed.</p> <p>All available data was assessed and the Competent Person's relative confidence in the data was used to assist in the classification of the Mineral Resource.</p> <p>The current classification assignment appropriately reflects the Competent Person's view of the deposit.</p>
Audits or reviews	No independent audit of the Mineral Resources has been conducted. Senior geological personnel from Macarthur reviewed the Mineral Resource estimates at the time of original publication and found no fatal flaws.
Discussion of relative accuracy/confidence	<p>An inverse distance estimation algorithm was used in parallel with the ordinary kriged interpolation, with results very similar to the kriged results.</p> <p>No other estimation method or geostatistical analysis has been performed.</p> <p>The Mineral Resource is a local estimate, whereby the drillhole data was geologically domained above a nominated Fe (%) cut-off grade, resulting in fewer drillhole samples to interpolate the block model than the complete drillhole dataset, which would comprise a global estimate.</p> <p>Relevant tonnages and grade above a nominated cut-off grade are provided in the body of this report. Tonnages were calculated by filtering all blocks above the cut-off grade and subsetting the resultant data into bins by domain and classification. The volumes of all the collated blocks were</p>

Criteria	Commentary
	<p>multiplied by the dry density value to derive the tonnages. The Fe (%) metal value (g) for each block was calculated by multiplying the Fe grade (%) by the block tonnage. The total sum of all metal (g) for the deposit for the filtered blocks was divided by the total tonnage to derive the reportable Fe grade (%). The other elemental species mentioned in this table were similarly reported, based upon the Fe (%) reporting cut-off grade.</p> <p>The Mineral Resource is not a precise calculation of volumes and metal, rather it is an estimate based upon wide spaced sampling locations and implied (for Inferred Mineral Resources) geological and grade continuity. The Inferred Mineral Resource tonnages and grades reported here are an approximation and further geological testwork, by way of drilling, sampling and mapping, is required to increase the confidence levels of the Inferred Mineral Resources.</p>

Appendix B: JORC Table 1 – Moonshine Magnetite Project

Section 1 – Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<p>The deposit was sampled using diamond core and RCP drillholes between 2008 (commencement of the assessment of the Moonshine Magnetite Project) and 2010. RCP drilling was the dominant sampling technique used at Ularring. Diamond core samples were reserved for metallurgical and geotechnical studies. No further exploration activities have occurred since early 2013.</p> <p>Diamond core recoveries were recorded by measuring the length of drill core retrieved per metre of drill penetration. RCP samples were weighed and a recovery (%) was estimated per metre of drill penetration. RCP chip recovery information was recorded in digital logs.</p> <p>RCP drilling was used to obtain 1 m samples, with a 3 kg sample split submitted to the assay laboratory and pulverised to produce a 30 g pulp charge for XRF analysis.</p> <p>Some compositing of samples is used to reduce costs of DTR analysis, whereby composites of between 1 m and 7 m are used, depending on the continuity and metre scale head grade decided by a geologist.</p>
Drilling techniques	<p>RCP drillholes were drilled by either a Schramm T660 (Volvo 8x4 wheel rig) or a track mounted Schramm T450WS rig. Choice of drill rig was dependent upon the terrain hosting the drill pads. Drilling diameter for RCP holes was generally 140 mm. Diamond drilling for metallurgical purposes used mostly HQ diameter core with occasional PQ core depending on the mass of core required. Core orientation was performed using Reflex apparatus but proved impossible for the overwhelming majority of weathered core.</p>
Drill sample recovery	<p>Diamond core recoveries were recorded by measuring the length of drill core retrieved per metre of drill penetration. RCP samples were weighed and a recovery (%) was estimated per metre of drill penetration.</p> <p>If sample recoveries were observed becoming sub-optimal by the project geologist, the information was relayed to the driller who adjusted the drilling penetration rate, or other sample recovery drill rig characteristics such as air compression, in order to improve sample recovery. A geologist was present at the drill rigs at all times whilst drilling procedures were under way, and who logged all drill samples.</p> <p>No relationship was observed between sample recovery and Fe (%) grade. No loss of hematite or goethitic fines was observed during drilling.</p> <p>In heavily fractured zones with strong groundwater flow, recovery can suffer with appropriate measures being taken.</p>
Logging	<p>Diamond drill core and RCP chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <p>Geological logging of drill samples was qualitative in nature for all RCP drilling and diamond core samples.</p> <p>All (100%) drillholes were geologically logged, for 51,609 m of RCP drilling and 2,441 m of diamond core drilling.</p>
Subsampling techniques and sample preparation	<p>Diamond core were analysed for metallurgical and geotechnical purposes and therefore were not used to support the Mineral Resources or Ore Reserves, apart from the geological logging.</p> <p>RCP samples passed through a cyclone then passed through a three-tier riffle splitter. Samples were predominantly dry. Occasional single wet samples were obtained at the start of drill rods when groundwater flow was particularly strong. A total of 75% of the sample passed through the splitter to be captured in a residue bucket whilst the remaining 25% of the sample was evenly distributed through the primary sample chute and the field duplicate chute.</p> <p>RCP samples were securely delivered to the analytical laboratory where they were crushed to 3 mm fraction, then pulverised to 105 um (p95). The labs are accredited to industry standards, and the sample preparation stages likewise to industry standard. The sample preparation is considered appropriate for the mineralisation investigated.</p> <p>Samples were ground to p95 45 um and subjected to DTR testing with XRF analysis performed on head and concentrate material. A mass recovery via DTR was also calculated.</p>

Criteria	Commentary
	<p>The lab took splits of the subsamples at the crushing and pulverising stages, with the splits stored. The pulp splits were sourced for lab duplicate XRF analyses.</p> <p>Field duplicate samples were taken at the drill rig via the three-tier riffle splitter.</p> <p>Sample sizes are appropriate to the grain size of the material being sampled.</p>
Quality of assay data and laboratory tests	<p>All samples were dispatched to one of two assay laboratories, samples prior to mid-2007 sent to Genalysis, and from mid-2007 dispatched to an Amdel/UltraTrace. Pulp samples were analysed for the standard suite of Fe ore elements by XRF, considered industry standard practice for iron ore.</p> <p>All DTR work was performed by Amdel/UltraTrace.</p> <p>Geophysical analyses etc., were not used to support the Mineral Resources or Ore Reserves but were used to assist with the geological interpretation.</p> <p>Standards were used throughout the drilling programs to test analytical accuracy, at a rate of 1:50 and at least one standard inserted per drillhole. Field duplicates were captured at a rate of 1:25. Pulp duplicates were also analysed to test for analytical accuracy. The assay labs conducted their own QAQC analyses and results were provided to Macarthur. The QAQC procedures and results showed that acceptable levels of accuracy and precision were established.</p>
Verification of sampling and assaying	<p>Significant intercepts were independently verified by alternate company personnel including senior geological management.</p> <p>Selected RCP holes were twinned by diamond core holes.</p> <p>Drillhole data was logged by hand at the drill rig, then data was manually entered into spreadsheets. These were imported into an SQL database independently maintained by CSA Global. The data model has various criteria, relationships and triggers to ensure the data entered into the database is valid. Strict security and daily backups are managed by SQL server software. Data was verified by the Competent Person (Resources) by randomly cross-checking collar and survey data in the database with independently recorded geospatial data from the drill sites.</p> <p>No data adjustments were made to assay data in the database.</p>
Location of data points	<p>After drilling, all drillholes included in the Mineral Resource estimates were surveyed by high accuracy RTK GPS. RTK GPS surveys, which were undertaken by licensed surveyors are accurate to within 50 mm in three dimensions.</p> <p>All coordinates are in Geocentric Datum of Australia (GDA94, Zone 50).</p> <p>A LiDAR topographic survey was flown in June 2011. The data was resampled from 1 m to 2 m and exported as a wireframe surface in dxf format. Banjo was re-sampled to 5 m contours due to restrictions on file size for Datamine. The choice of a coarser contour interval has not resulted in any noticeable difference to resource volumes at the “outcropping” surface of the BIF strata. Drill collars were validated against the DTM elevation. The topographic survey is considered adequate to support the Mineral Resources and Ore Reserves.</p>
Data spacing and distribution	<p>Drillholes were sited on the many outcropping ridges of hematite/goethite mineralisation, although not all ridges had been drill tested prior to late 2012. Drillhole section lines along the ridges were typically spaced 100 m. Across strike drilling occasionally used to define depth to base of complete oxidation and verify ore grades.</p> <p>Drillhole spacing is deemed sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation procedure(s) and classifications applied.</p> <p>Samples were not composited at the drill rig.</p>
Orientation of data in relation to geological structure	<p>Holes were generally angled at 60° across the strike of mineralisation, targeting strata typically dipping at 70° to 90° towards the angle of drilling. Some bias of sampling was anticipated based upon the angle of drillhole interception against the dip of hematite bearing strata; however, this bias is not considered detrimental to the Mineral Resource estimate.</p>
Sample security	<p>On completion of each hole, the calico sample bags were placed in polyweave bags, then transferred to the Ularring exploration compound where they were securely stored. The polyweave bags were placed in large bulka bags and transported to the assay laboratory depot in Kalgoorlie and then Perth using a contracted freight company. At all times the samples were under the security of either Macarthur or the transport company personnel, and then under the security of the assay laboratory.</p>

Criteria	Commentary
Audits or reviews	The Competent Person (Mineral Resources) reviewed sampling procedures on more than three separate site visits. Any problems observed were discussed with the geological staff on roster, and the problems were quickly corrected, with no detrimental impact upon the Mineral Resources noted. Senior geological staff from Macarthur regularly vetted sampling procedures.

Section 2 – Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	At present Macarthur manages 15 contiguous and mining leases covering a total area of approximately 62.4 km ² . Macarthur, through its wholly owned subsidiary Macarthur Iron Ore Pty Ltd, is the registered holder of or registered applicant for the tenements. See body of report for more information.
Exploration done by other parties	The property was previously explored for nickel (1968 to 1972) and gold (Aztec, Battle Mountain, 1993 to 1998) with limited success. Internickel Australia Pty Ltd undertook a detailed evaluation of previous exploration from 2001 to 2005. Macarthur took over the tenements in 2005 and actively explored until 2014.
Geology	The outcropping geology of the project area is comprised of a combination of unaltered silica-rich BIFs and altered, enriched hematite/goethite BIFs. Weathering has resulted in the leaching of the majority of the silica from the BIFs, thus producing a rock rich in iron and low in silica, near surface. These enriched bands vary from 1 m to 30 m in true thickness and are largely steeply dipping at 70–90°.
Drillhole information	The Moonshine Magnetite Project consists of 264 drillholes, discussed in the body of this report. All of these holes were used to support the Mineral Resource estimate, and 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 Mineral Resource estimate conveys the tenor of grade from the drillholes.
Data aggregation methods	No top cut was applied to grades as it was deemed unnecessary by the Competent Person. The cut-off grade for resource reporting purposes was set at 15% mass DTR for the Snark, Clark Hill North, Clark Hill South and Sandalwood prospects and at 30% Fe head grade for Moonshine and Moonshine North prospects. All RCP drilling and sampling conducted at 1 m intervals; therefore, no compositing or aggregation was required. All compositing was done post drilling based on grade continuity and lithology in composites between 1 m and 7 m.
Relationship between mineralisation widths and intercept lengths	True width of mineralisation is derived from detailed 3D geological rock models. Various orebodies are intercepted at varying degrees of obliqueness, therefore a simple conversion to true thickness from downhole intercepts is not possible. General geometry of orebodies is reported as sub vertical tabular bodies generally dipping between 60° and 90° with true thickness of mineralisation between several metres to 140 m.
Diagrams	Several maps showing drillhole collar locations and prospects are presented in the body of this report.
Balanced reporting	Drillhole information is incorporated into the Mineral Resource estimates.
Other substantive exploration data	Additional exploration data such as ground/air magnetic surveys, gravity and geochemical soil sampling are mentioned in technical reports available from the company website. Metallurgical testing is reported in full detail in all technical reports and updated as required. Bulk density data is reported in full detail with explanations of final assumptions and modelling parameters included in technical reports. All relevant geotechnical and rock characteristic data is fully described in reports.
Further work	Recommendations for further development of the project are shown in reports. Detailed plans for exploration and drilling activities are done on a short-term basis depending on budgeting constraints, exploration targets and availability of equipment and contractors and if normally not detailed in technical reports. Diagrams and maps of potential areas for resource expansion, extension and upgrading (in category) are produced in-house for review and approval by management before drilling/exploration programs are finalised and executed.

Section 3 – Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	<p>Data used in the Mineral Resource estimate is sourced from a data base dump, provided in the form of a Microsoft Access database, from the DataShed relational database hosted by CSA Global at the time of preparation of the Mineral Resource estimates. Relevant tables from the database are exported to Microsoft Excel format and converted to csv format for import into CAE Studio 3 software for use in the Mineral Resource estimate.</p> <p>Validation protocols for the data entered into the database are described in Section 1.</p>
Site visits	<p>The Competent Persons (Mineral Resources) inspected the property on several occasions between 2008 and 2010. During each site visit, drilling operations and sampling procedures were inspected, proposed drillhole locations reviewed, geological outcrops were inspected, and geological and project discussions held with Macarthur staff.</p>
Geological interpretation	<p>There is a reasonable level of confidence in the geological interpretation of the Moonshine Magnetite Project, as reflected in the classification levels of the Mineral Resource. The confidence level is higher for the geometry of the mineralisation, and the true width, than for the depth of mineralisation.</p> <p>Geological interpretations were based upon geologically logged and chemically analyses drillhole samples and mapping of outcrop. A lower cut-off grade of 15% mass DTR or 30% head Fe was used to constrain the mineralisation domains.</p> <p>Geological factors such as strike and dip of the individual BIF lenses controlled the geometry of the mineralisation domains.</p> <p>Mineralisation domains along strike and down dip were curtailed when the grade consistently fell below 30% Fe. The mineralised interpretation used for the estimates extends from the base of oxidation at an average of approximately 65 m below surface to the depth of the mineralised drill intersections ranging from approximately 200 m to 350 m below surface.</p>
Dimensions	<p>The mineralisation extends along a strike extent of 4,500 m (Snark), 3,500 m (Clark Hill North and South), 6,000 m (Sandalwood) and 6,000 m (Moonshine and Moonshine North).</p> <p>Orebody true widths vary from 10 m to 140 m. Depth of mineralisation commences below the base of oxidation which occurs from 65 m to 90 m below surface. The mineralisation is open at depth with the current drilling. For resource estimation, the mineralisation has been constrained by geological knowledge, the available drilling and where appropriate, expected pit depths.</p>
Estimation and modelling techniques	<p>CAE Studio 3 (Datamine) and Surpac software were used for geological modelling, block modelling, grade interpolation, resource classification and reporting. GeoAccess Professional and Snowden Supervisor were used for geostatistical analyses of data. Mineralisation domains were based upon a lower cut-off of 30% head Fe or 15% mass DTR. Mineralisation domains were encapsulated by means of 3D wireframed envelopes. Domains were extrapolated along strike or down dip to half a section spacing or if a barren hole cut the down dip extension before this limit. Drillhole samples were composited to 1 m, and statistical analyses for Fe (%), P (%), SiO₂ (%), Al₂O₃ (%), LOI (%) and S (%) were carried out. No grade cutting was employed. All RCP drillhole data constrained within the mineralisation envelopes were utilised in the grade interpolation. Grade estimation was by ordinary kriging with inverse distance squared estimation concurrently run as a check estimate. A minimum of 12 and maximum of 30 samples were used in any one block estimate. A maximum of six composited samples per drillhole were used in any one block estimate. Cell discretisation of 3 x 3 x 3 was used. Grade interpolation was run within the individual mineralisation domains, acting as hard boundaries. Search ellipsoid radii varied between the deposits, typically a primary search ellipse of 300 m along strike by 100 m down dip by 100 m across strike.</p> <p>Grade interpolation results were compared with previous Mineral Resource estimates and any anomalous differences were investigated.</p> <p>Head grades were estimated for Fe, SiO₂, Al₂O₃, LOI, S and DTR. Davis Tube concentrate grades were estimated (when assays were available) for Fe, P, SiO₂, Al₂O₃, LOI and S.</p> <p>Block sizes for resources varied from 25 m x 25 m x 10 m (Moonshine) to 50 m x 50 m x 10 m (Sandalwood).</p> <p>No selected mining unit (SMU) assumptions were made.</p> <p>The strike and dip controlled the orientation of the search ellipse for the grade interpolation runs.</p> <p>No grade cutting was employed because no assayed grades were recorded with extremely high or low grades. Any assay values of high or low grade in nature were diluted by other surrounding grades and did not adversely impact upon local block estimates.</p>

Criteria	Commentary
	The grade model was validated by: 1) creating slices of the model and comparing to drillholes on the same slice; 2) swath plots comparing average block grades with average sample grades on nominated easting, northing and RL slices; and 3) mean grades per domain for estimated blocks and flagged drillhole samples. No mining has taken place therefore no reconciliation data was available.
Moisture	Tonnages are estimated on a dry basis.
Cut-off parameters	The Mineral Resources are quoted from blocks above 30% Fe or 15% mass DTR. This cut-off grade is also the domain cut-off grade. The DTR cut-off grade is required to ensure a higher volume of magnetite bearing mineralisation is selected, removing the rock volumes with low magnetite content.
Mining factors or assumptions	Mineralisation outcrops at surface and was modelled to a depth to which small scale open pit mining would operate. No assumptions have been made to date regarding minimum mining widths or dilution controlling the Mineral Resource estimates.
Metallurgical factors or assumptions	<p>Metallurgical testwork was considered sufficient to support a Preliminary Economic Assessment (PEA) for the Moonshine deposit. The PEA is no longer reported by Macarthur due to depressed iron ore prices.</p> <p>The Fe of the metallurgical test sample intervals, based on two RCP holes, and the Davis Tube mass recovery (DTR) of the metallurgical samples were higher than the bulk of the intervals used for the resource estimation of 27.5% Fe for both drillholes. This shows higher mass recoveries of the concentrate.</p> <p>The Low Intensity Magnetic Separators (LIMS) test results yielded a poorer quality concentrate than was determined from the DTR preliminary analysis. The reason for this is unknown but it could be attributed to different mineralogy.</p>
Environmental factors or assumptions	Environmental factors and assumptions were later examined as part of the Prefeasibility Study for the Ularring Hematite Project, overlapping or immediately adjacent to the Moonshine Magnetite Project. The Prefeasibility Study for Ularring is no longer reported by Macarthur due to lower Iron Ore prices and market conditions.
Bulk density	<p>For Snark, Clark Hill and Sandalwood, a density value of 3.3 t/m³ was applied to the Mineral Resource estimate, based upon regression formulae derived from pycnometer testwork.</p> <p>For Moonshine and Moonshine North, a regression formula for Fe (%) and density, measured from drill core, was applied to the block model.</p>
Classification	<p>Classification of the Mineral Resource estimates was carried out taking into account the geological understanding of the deposit, QAQC of the samples, density data and drillhole spacing. The Indicated Mineral Resources were based upon a higher level of confidence than the Inferred resources, whereby geological and grade continuity are assumed, but not confirmed.</p> <p>All available data was assessed and the Competent Persons relative confidence in the data was used to assist in the classification of the Mineral Resource.</p> <p>The current classification assignment appropriately reflects the Competent Person's view of the deposit.</p>
Audits or reviews	No independent audit of the Mineral Resources has been conducted. Senior geological personnel from Macarthur reviewed the Mineral Resource estimates at the time of original publication and found no fatal flaws.
Discussion of relative accuracy/confidence	<p>An inverse distance estimation algorithm was used in parallel with the ordinary kriged interpolation, with results very similar to the kriged results.</p> <p>No other estimation method or geostatistical analysis has been performed.</p> <p>The Mineral Resource is a local estimate, whereby the drillhole data was geologically domained above a nominated Fe (%) cut-off grade, resulting in fewer drillhole samples to interpolate the block model than the complete drillhole dataset, which would comprise a global estimate.</p> <p>Relevant tonnages and grade above a nominated cut-off grade are provided in the body of this report. Tonnages were calculated by filtering all blocks above the cut-off grade and sub-setting the resultant data into bins by domain and classification. The volumes of all the collated blocks were multiplied by the dry density value to derive the tonnages. The Fe (%) metal value (g) for each block was calculated by multiplying the Fe grade (%) by the block tonnage. The total sum of all metal (g) for the deposit for the filtered blocks was divided by the total tonnage to derive the reportable Fe grade (%). The other elemental species mentioned in this table were similarly reported, based upon the Fe (%) reporting cut-off grade.</p>

Criteria	Commentary
	The Mineral Resource is not a precise calculation of volumes and metal, rather it is an estimate based upon wide spaced sampling locations and implied (for Inferred Mineral Resources) geological and grade continuity. The Inferred Mineral Resource tonnages and grades reported here are an approximation and further geological testwork, by way of drilling, sampling and mapping, is required to increase the confidence levels of the Inferred Mineral Resources.

Appendix C: Nevada Tenure

Reynolds Springs Project tenements (RVL Claims)

Name	Claim no.	TWP-N	RNGE-E	SEC	1/4 - 1/4	1/4 - 1/4	SEC	ENT	NMC	Number	No. of acres
RVL	1	8	56	5	W1/2 of Lot 4	NW	NW	884641	NMC	1158334	20
RVL	2	8	56	5	E1/2 of Lot 4	NW	NW	884642	NMC	1158335	20
RVL	3	8	56	5	W1/2 of Lot 3	NE	NW	884643	NMC	1158336	20
RVL	4	8	56	5	E1/2 of Lot 3	NE	NW	884644	NMC	1158337	20
RVL	5	8	56	5	W	SW	NW	884645	NMC	1158338	20
RVL	6	8	56	5	E	SW	NW	884646	NMC	1158339	20
RVL	7	8	56	5	W	SE	NW	884647	NMC	1158340	20
RVL	8	8	56	5	E	SE	NW	884648	NMC	1158341	20
RVL	9	8	56	6	W	NW	SE	884649	NMC	1158342	20
RVL	10	8	56	6	E	NW	SE	884650	NMC	1158343	20
RVL	11	8	56	6	W	NE	SE	884651	NMC	1158344	20
RVL	12	8	56	6	E	NE	SE	884652	NMC	1158345	20
RVL	13	8	56	5	W	NW	SW	884653	NMC	1158346	20
RVL	14	8	56	5	E	NW	SW	884654	NMC	1158347	20
RVL	15	8	56	5	W	NE	SW	884655	NMC	1158348	20
RVL	16	8	56	5	E	NE	SW	884656	NMC	1158349	20
RVL	17	8	56	6	W	SW	SE	884657	NMC	1158350	20
RVL	18	8	56	6	E	SW	SE	884658	NMC	1158351	20
RVL	19	8	56	6	W	SE	SE	884659	NMC	1158352	20
RVL	20	8	56	6	E	SE	SE	884660	NMC	1158353	20
RVL	21	8	56	5	W	SW	SW	884661	NMC	1158354	20
RVL	22	8	56	5	E	SW	SW	884662	NMC	1158355	20
RVL	23	8	56	5	W	SE	SW	884663	NMC	1158356	20
RVL	24	8	56	5	E	SE	SW	884664	NMC	1158357	20
RVL	25	8	56	7	W1/2 of Lot 1	NW	NW	884665	NMC	1158358	20
RVL	26	8	56	7	E1/2 of Lot 1	NW	NW	884666	NMC	1158359	20
RVL	27	8	56	7	W	NE	NW	884667	NMC	1158360	20
RVL	28	8	56	7	E	NE	NW	884668	NMC	1158361	20
RVL	29	8	56	7	W	NW	NE	884669	NMC	1158362	20
RVL	30	8	56	7	E	NW	NE	884670	NMC	1158363	20
RVL	31	8	56	7	W	NE	NE	884671	NMC	1158364	20
RVL	32	8	56	7	E	NE	NE	884672	NMC	1158365	20
RVL	33	8	56	8	W	NW	NW	884673	NMC	1158366	20
RVL	34	8	56	8	E	NW	NW	884674	NMC	1158367	20
RVL	35	8	56	8	W	NE	NW	884675	NMC	1158368	20
RVL	36	8	56	8	E	NE	NW	884676	NMC	1158369	20
RVL	37	8	56	8	W	NW	NE	884677	NMC	1158370	20
RVL	38	8	56	8	E	NW	NE	884678	NMC	1158371	20
RVL	39	8	56	8	W	NE	NE	884679	NMC	1158372	20
RVL	40	8	56	8	E	NE	NE	884680	NMC	1158373	20
RVL	41	8	56	9	W	NW	NW	884681	NMC	1158374	20

Name	Claim no.	TWP-N	RNGE-E	SEC	1/4 - 1/4	1/4 - 1/4	SEC	ENT	NMC	Number	No. of acres
RVL	42	8	56	9	E	NW	NW	884682	NMC	1158375	20
RVL	43	8	56	9	W	NE	NW	884683	NMC	1158376	20
RVL	44	8	56	9	E	NE	NW	884684	NMC	1158377	20
RVL	45	8	56	7	W1/2 of Lot 2	SW	NW	884685	NMC	1158378	20
RVL	46	8	56	7	E1/2 of Lot 2	SW	NW	884686	NMC	1158379	20
RVL	47	8	56	7	W	SE	NW	884687	NMC	1158380	20
RVL	48	8	56	7	E	SE	NW	884688	NMC	1158381	20
RVL	49	8	56	7	W	SW	NE	884689	NMC	1158382	20
RVL	50	8	56	7	E	SW	NE	884690	NMC	1158383	20
RVL	51	8	56	7	W	SE	NE	884691	NMC	1158384	20
RVL	52	8	56	7	E	SE	NE	884692	NMC	1158385	20
RVL	53	8	56	8	W	SW	NW	884693	NMC	1158386	20
RVL	54	8	56	8	E	SW	NW	884694	NMC	1158387	20
RVL	55	8	56	8	W	SE	NW	884695	NMC	1158388	20
RVL	56	8	56	8	E	SE	NW	884696	NMC	1158389	20
RVL	57	8	56	8	W	SW	NE	884697	NMC	1158390	20
RVL	58	8	56	8	E	SW	NE	884698	NMC	1158391	20
RVL	59	8	56	8	W	SE	NE	884699	NMC	1158392	20
RVL	60	8	56	8	E	SE	NE	884700	NMC	1158393	20
RVL	61	8	56	9	W	SW	NW	884701	NMC	1158394	20
RVL	62	8	56	9	E	SW	NW	884702	NMC	1158395	20
RVL	63	8	56	9	W	SE	NW	884703	NMC	1158396	20
RVL	64	8	56	9	E	SE	NW	884704	NMC	1158397	20
RVL	65	8	55	12	W	NW	SE	884705	NMC	1158398	20
RVL	66	8	55	12	E	NW	SE	884706	NMC	1158399	20
RVL	67	8	55	12	W	NE	SE	884707	NMC	1158400	20
RVL	68	8	55	12	E	NE	SE	884708	NMC	1158401	20
RVL	69	8	56	7	W1/2 of Lot 3	NW	SW	884709	NMC	1158402	20
RVL	70	8	56	7	E1/2 of Lot 3	NW	SW	884710	NMC	1158403	20
RVL	71	8	56	7	W	NE	SW	884711	NMC	1158404	20
RVL	72	8	56	7	E	NE	SW	884712	NMC	1158405	20
RVL	73	8	56	7	W	NW	SE	884713	NMC	1158406	20
RVL	74	8	56	7	E	NW	SE	884714	NMC	1158407	20
RVL	75	8	56	7	W	NE	SE	884715	NMC	1158408	20
RVL	76	8	56	7	E	NE	SE	884716	NMC	1158409	20
RVL	77	8	56	8	W	NW	SW	884717	NMC	1158410	20
RVL	78	8	56	8	E	NW	SW	884718	NMC	1158411	20
RVL	79	8	56	8	W	NE	SW	884719	NMC	1158412	20
RVL	80	8	56	8	E	NE	SW	884720	NMC	1158413	20
RVL	81	8	56	8	W	NW	SE	884721	NMC	1158414	20
RVL	82	8	56	8	E	NW	SE	884722	NMC	1158415	20
RVL	83	8	56	8	W	NE	SE	884723	NMC	1158416	20
RVL	84	8	56	8	E	NE	SE	884724	NMC	1158417	20
RVL	85	8	56	9	W	NW	SW	884725	NMC	1158418	20
RVL	86	8	56	9	E	NW	SW	884726	NMC	1158419	20
RVL	87	8	56	9	W	NE	SW	884727	NMC	1158420	20

Name	Claim no.	TWP-N	RNGE-E	SEC	1/4 - 1/4	1/4 - 1/4	SEC	ENT	NMC	Number	No. of acres
RVL	88	8	56	9	E	NE	SW	884728	NMC	1158421	20
RVL	89	8	55	12	W	SW	SW	884729	NMC	1158422	20
RVL	90	8	55	12	E	SW	SW	884730	NMC	1158423	20
RVL	91	8	55	12	W	SE	SW	884731	NMC	1158424	20
RVL	92	8	55	12	E	SE	SW	884732	NMC	1158425	20
RVL	93	8	55	12	W	SW	SE	884733	NMC	1158426	20
RVL	94	8	55	12	E	SW	SE	884734	NMC	1158427	20
RVL	95	8	55	12	W	SE	SE	884735	NMC	1158428	20
RVL	96	8	55	12	E	SE	SE	884736	NMC	1158429	20
RVL	97	8	56	7	W1/2 of Lot 4	SW	SW	884737	NMC	1158430	20
RVL	98	8	56	7	E1/2 of Lot 4	SW	SW	884738	NMC	1158431	20
RVL	99	8	56	7	W	SE	SW	884739	NMC	1158432	20
RVL	100	8	56	7	E	SE	SW	884740	NMC	1158433	20
RVL	101	8	56	7	W	SW	SE	884741	NMC	1158434	20
RVL	102	8	56	7	E	SW	SE	884742	NMC	1158435	20
RVL	103	8	56	7	W	SE	SE	884743	NMC	1158436	20
RVL	104	8	56	7	E	SE	SE	884744	NMC	1158437	20
RVL	105	8	56	8	W	SW	SW	884745	NMC	1158438	20
RVL	106	8	56	8	E	SW	SW	884746	NMC	1158439	20
RVL	107	8	56	8	W	SE	SW	884747	NMC	1158440	20
RVL	108	8	56	8	E	SE	SW	884748	NMC	1158441	20
RVL	109	8	56	8	W	SW	SE	884749	NMC	1158442	20
RVL	110	8	56	8	E	SW	SE	884750	NMC	1158443	20
RVL	111	8	56	8	W	SE	SE	884751	NMC	1158444	20
RVL	112	8	56	8	E	SE	SE	884752	NMC	1158445	20
RVL	113	8	56	9	W	SW	SW	884753	NMC	1158446	20
RVL	114	8	56	9	E	SW	SW	884754	NMC	1158447	20
RVL	115	8	56	9	W	SE	SW	884755	NMC	1158448	20
RVL	116	8	56	9	E	SE	SW	884756	NMC	1158449	20
RVL	117	8	55	14	W	NE	NE	884757	NMC	1158450	20
RVL	118	8	55	14	E	NE	NE	884758	NMC	1158451	20
RVL	119	8	55	13	W	NW	NW	884759	NMC	1158452	20
RVL	120	8	55	13	E	NW	NW	884760	NMC	1158453	20
RVL	121	8	55	13	W	NE	NW	884761	NMC	1158454	20
RVL	122	8	55	13	E	NE	NW	884762	NMC	1158455	20
RVL	123	8	55	13	W	NW	NE	884763	NMC	1158456	20
RVL	124	8	55	13	E	NW	NE	884764	NMC	1158457	20
RVL	125	8	55	13	W	NE	NE	884765	NMC	1158458	20
RVL	126	8	55	13	E	NE	NE	884766	NMC	1158459	20
RVL	127	8	56	18	W1/2 of Lot 1	NW	NW	884767	NMC	1158460	20
RVL	128	8	56	18	E1/2 of Lot 1	NW	NW	884768	NMC	1158461	20
RVL	129	8	56	18	W	NE	NW	884769	NMC	1158462	20
RVL	130	8	56	18	E	NE	NW	884770	NMC	1158463	20
RVL	131	8	56	18	W	NW	NE	884771	NMC	1158464	20
RVL	132	8	56	18	E	NW	NE	884772	NMC	1158465	20
RVL	133	8	56	18	W	NE	NE	884773	NMC	1158466	20

Name	Claim no.	TWP-N	RNGE-E	SEC	1/4 - 1/4	1/4 - 1/4	SEC	ENT	NMC	Number	No. of acres
RVL	134	8	56	18	E	NE	NE	884774	NMC	1158467	20
RVL	135	8	56	17	W	NW	NW	884775	NMC	1158468	20
RVL	136	8	56	17	E	NW	NW	884776	NMC	1158469	20
RVL	137	8	56	17	W	NE	NW	884777	NMC	1158470	20
RVL	138	8	56	17	E	NE	NW	884778	NMC	1158471	20
RVL	139	8	56	17	W	NW	NE	884779	NMC	1158472	20
RVL	140	8	56	17	E	NW	NE	884780	NMC	1158473	20
RVL	141	8	56	17	W	NE	NE	884781	NMC	1158474	20
RVL	142	8	56	17	E	NE	NE	884782	NMC	1158475	20
RVL	143	8	56	16	W	NW	NW	884783	NMC	1158476	20
RVL	144	8	56	16	E	NW	NW	884784	NMC	1158477	20
RVL	145	8	56	16	W	NE	NW	884785	NMC	1158478	20
RVL	146	8	56	16	E	NE	NW	884786	NMC	1158479	20
RVL	147	8	55	14	W	SW	NE	884787	NMC	1158480	20
RVL	148	8	55	14	E	SW	NE	884788	NMC	1158481	20
RVL	149	8	55	14	W	SE	NE	884789	NMC	1158482	20
RVL	150	8	55	14	E	SE	NE	884790	NMC	1158483	20
RVL	151	8	55	13	W	SW	NW	884791	NMC	1158484	20
RVL	152	8	55	13	E	SW	NW	884792	NMC	1158485	20
RVL	153	8	55	13	W	SE	NW	884793	NMC	1158486	20
RVL	154	8	55	13	E	SE	NW	884794	NMC	1158487	20
RVL	155	8	55	13	W	SW	NE	884795	NMC	1158488	20
RVL	156	8	55	13	E	SW	NE	884796	NMC	1158489	20
RVL	157	8	55	13	W	SE	NE	884797	NMC	1158490	20
RVL	158	8	55	13	E	SE	NE	884798	NMC	1158491	20
RVL	159	8	56	18	W1/2 of Lot 2	SW	NW	884799	NMC	1158492	20
RVL	160	8	56	18	E1/2 of Lot 2	SW	NW	884800	NMC	1158493	20
RVL	161	8	56	18	W	SE	NW	884801	NMC	1158494	20
RVL	162	8	56	18	E	SE	NW	884802	NMC	1158495	20
RVL	163	8	56	18	W	SW	NE	884803	NMC	1158496	20
RVL	164	8	56	18	E	SW	NE	884804	NMC	1158497	20
RVL	165	8	56	18	W	SE	NE	884805	NMC	1158498	20
RVL	166	8	56	18	E	SE	NE	884806	NMC	1158499	20
RVL	167	8	56	17	W	SW	NW	884807	NMC	1158500	20
RVL	168	8	56	17	E	SW	NW	884808	NMC	1158501	20
RVL	169	8	56	17	W	SE	NW	884809	NMC	1158502	20
RVL	170	8	56	17	E	SE	NW	884810	NMC	1158503	20
RVL	171	8	56	17	W	SW	NE	884811	NMC	1158504	20
RVL	172	8	56	17	E	SW	NE	884812	NMC	1158505	20
RVL	173	8	56	17	W	SE	NE	884813	NMC	1158506	20
RVL	174	8	56	17	E	SE	NE	884814	NMC	1158507	20
RVL	175	8	56	16	W	SW	NW	884815	NMC	1158508	20
RVL	176	8	56	16	E	SW	NW	884816	NMC	1158509	20
RVL	177	8	56	16	W	SE	NW	884817	NMC	1158510	20
RVL	178	8	56	16	E	SE	NW	884818	NMC	1158511	20
RVL	179	8	55	14	W	NW	SE	884819	NMC	1158512	20
RVL	180	8	55	14	E	NW	SE	884820	NMC	1158513	20
RVL	181	8	55	14	W	NE	SE	884821	NMC	1158514	20

Name	Claim no.	TWP-N	RNGE-E	SEC	1/4 - 1/4	1/4 - 1/4	SEC	ENT	NMC	Number	No. of acres
RVL	182	8	55	14	E	NE	SE	884822	NMC	1158515	20
RVL	183	8	55	13	W	NW	SW	884823	NMC	1158516	20
RVL	184	8	55	13	E	NW	SW	884824	NMC	1158517	20
RVL	185	8	55	13	W	NE	SW	884825	NMC	1158518	20
RVL	186	8	55	13	E	NE	SW	884826	NMC	1158519	20
RVL	187	8	55	13	W	NW	SE	884827	NMC	1158520	20
RVL	188	8	55	13	E	NW	SE	884828	NMC	1158521	20
RVL	189	8	55	13	W	NE	SE	884829	NMC	1158522	20
RVL	190	8	55	13	E	NE	SE	884830	NMC	1158523	20
RVL	191	8	56	18	W1/2 of Lot 3	NW	SW	884831	NMC	1158524	20
RVL	192	8	56	18	E1/2 of Lot 3	NW	SW	884832	NMC	1158525	20
RVL	193	8	56	18	W	NE	SW	884833	NMC	1158526	20
RVL	194	8	56	18	E	NE	SW	884834	NMC	1158527	20
RVL	195	8	56	17	W	NW	SE	884835	NMC	1158528	20
RVL	196	8	56	17	E	NW	SE	884836	NMC	1158529	20
RVL	197	8	56	17	W	NE	SE	884837	NMC	1158530	20
RVL	198	8	56	17	E	NE	SE	884838	NMC	1158531	20
RVL	199	8	56	16	W	NW	SW	884839	NMC	1158532	20
RVL	200	8	56	16	E	NW	SW	884840	NMC	1158533	20
RVL	201	8	56	16	W	NE	SW	884841	NMC	1158534	20
RVL	202	8	56	16	E	NE	SW	884842	NMC	1158535	20
RVL	203	8	56	17	W	SW	SE	884843	NMC	1158536	20
RVL	204	8	56	17	E	SW	SE	884844	NMC	1158537	20
RVL	205	8	56	17	W	SE	SE	884845	NMC	1158538	20
RVL	206	8	56	17	E	SE	SE	884846	NMC	1158539	20
RVL	207	8	56	16	W	SW	SW	884847	NMC	1158540	20
RVL	208	8	56	16	E	SW	SW	884848	NMC	1158541	20
RVL	209	8	56	16	W	SE	SW	884849	NMC	1158542	20
RVL	210	8	56	16	E	SE	SW	884850	NMC	1158543	20

Source: Macarthur Lithium Nevada Limited



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Lake Giles Hematite Outcrop



6.0

Solicitor's Report
on Tenements



10 October 2019

The Directors
Macarthur Minerals Limited
554 Coronation Drive
Toowong QLD 4066

Our ref: 1955244 - James Hunt

Dear Directors

Solicitor's Report - Western Australian tenure
Agent's Report - Nevada tenure

This Solicitor's Report is prepared for inclusion in a prospectus for issue by Macarthur Minerals Limited ACN 103 011 436 (**Company**) for the initial public offer of 20,000,000 shares in the Company at an offer price of \$0.25 per share in order to raise a minimum of \$5,000,000 with the ability to accept oversubscriptions of up to a further 10,000,000 shares to raise a maximum of \$7,500,000 (before costs).

This report relates to the following mining tenements granted (or applied for) under the *Mining Act 1978* (WA) (**Mining Act**), which are located in Western Australia:

- (a) Lake Giles Iron Ore Projects consisting of M30/206, M30/207, M30/213, M30/214, M30/215, M30/216, M30/217, M30/227, M30/228, M30/229, M30/248, M30/249, M30/250, M30/251 and M30/252 held by Macarthur Iron Ore Pty Ltd ACN 081 705 651 (**MIO**);
- (b) Pilbara Gold and Lithium Projects consisting of E45/4685, E45/4693, E45/4702, E45/4708, E45/4709, E45/4710, E45/4711, E45/4732, E45/4735, E45/4747, E45/4764, E45/4779, E45/4824, E45/4848, E45/5324, E46/1114, E46/1115 and E46/1210 held by Macarthur Lithium Pty Ltd ACN 609 482 180 (**MLi**); and
- (c) Treppo and Mt Jackson Iron Ore Projects consisting of E77/2543 and applications for E77/2521 and E77/2542 applied for under the Mining Act by Esperance Iron Ore Export Company Pty Ltd ACN 135 253 075 (**EIO**),

(together, the **Tenements**).

MIO, MLi and EIO are wholly owned subsidiaries (together, the **Subsidiaries**) of the Company.

In addition to the Western Australian Tenements, we are advised that Macarthur Lithium Nevada Limited (a subsidiary of the Company) holds unpatented mining claims RVL1 to RVL210 (**Claims**) in Nevada in the United States of America. The Company appointed Erwin Thompson Faillers, a law firm in Reno, Nevada to provide a solicitor's report to the Company dated 23 August 2019 (**Nevada Tenement Report**). We have set out the conclusions drawn by Erwin Thompson Faillers in paragraph 10 below. The balance of this Solicitor's Report relates to the Company's Western Australian tenure.

1. Searches - WA tenure

- 1.1 The legal due diligence enquiries undertaken by HopgoodGanim Lawyers in relation to the Tenements located in Western Australia involved reviewing:



- (a) searches of the register of mining tenements maintained by the Department of Mines, Industry Regulation and Safety (including its previous names such as Department of Mines and Petroleum) (**DMIRS**), conducted on 13 August 2019 and on 8 October 2019 (**Tenement Searches**);
 - (b) quick appraisal searches of the TENGRAPH system maintained by DMIRS (**Quick Appraisals**) showing the key tenure overlapped by the Tenements, conducted on 12 August 2019 and on 7 October 2019;
 - (c) searches of the Aboriginal Heritage Inquiry System (**AHIS**) maintained by the Department of Planning, Lands and Heritage (**DPLH**) conducted on 12 August 2019 and on 7 and 8 October 2019; and
 - (d) searches of the Native Title Determination Application register, Register of Native Title Claims, National Native Title Determinations, Register of Indigenous Land Use Agreements, Notified Indigenous Land Use Agreements maintained by the National Native Title Tribunal conducted on 12 August 2019 and on 8 October 2019,
- (together the **Searches**).

- 1.2 We have also been provided with the material contracts listed in paragraph 8 which create third party interests in relation to the Tenements.

2. Opinions - WA tenure

As a result of the Searches, subject to our assumptions, qualifications and exceptions set out in this Solicitor's Report (including in paragraph 9), we are satisfied that at the date of the relevant Searches the Solicitor's Report provides an accurate statement as to the:

- (a) status of the Tenements and the Company and its Subsidiaries' interest in the Tenements;
- (b) validity and good standing of the Tenements;
- (c) conditions which apply to the granted Tenements; and
- (d) third party interests, including encumbrances, in relation to the Tenements.

3. Summary of the Solicitor's Report - WA tenure

Subject to the comments and qualifications set out in this Solicitor's Report, as at the date of this Solicitor's Report, we make the comments set out below.

For further detail, the legislation governing the Tenements is set out in general terms in paragraph 4 below.

Ownership

- 3.1 As set out in the Tenement Schedule in Attachment 1 (**Tenement Schedule**), the respective Subsidiaries of the Company hold 100% of the registered right, title and interest in the Tenements (except for the applications which are currently pending), as follows:
- (a) MIO - M30/206, M30/207, M30/213, M30/214, M30/215, M30/216, M30/217, M30/227, M30/228, M30/229, M30/248, M30/249, M30/250, M30/251 and M30/252;



- (b) MLI - E45/4685, E45/4693, E45/4702, E45/4708, E45/4709, E45/4710, E45/4711, E45/4732, E45/4735, E45/4747, E45/4764, E45/4779, E45/4824, E45/4848, E45/5324, E46/1114, E46/1115 and E46/1210; and
- (c) EIO - E77/2543 (granted) and applications for E77/2521 and E77/2542 (EIO has applied for 100%).

Third party interests in Tenements

3.2 In addition to the third party interests arising out of the contracts set out in paragraph 8:

- (a) FE Limited (ACN 112 731 638) (**FEL**) may earn up to a 75% registered interest in the tenements held by MLI (E45/4685, E45/4693, E45/4702, E45/4708, E45/4709, E45/4710, E45/4711, E45/4732, E45/4735, E45/4747, E45/4764, E45/4779, E45/4824, E45/4848, E45/5324, E46/1114, E46/1115 and E46/1210) (**FEL Earnin Tenements**) pursuant to an Earnin Agreement, as set out in paragraphs 8.4 to 8.9.
- (b) Ray Masini and John Potts have the right to explore for, extract and sell Alluvial Gold (being gold contained from the surface to 3 metres below ground level, with the exclusion of gold hosted within a conglomerate) from E45/4685 pursuant to an Alluvial Gold Rights Agreement as set out in paragraphs 8.10 to 8.12.

Status of Applications

3.3 As noted above, exploration licence application (**ELA**) 77/2521 is currently in application phase. The Tenement Search for ELA77/2521 shows:

- (a) no objections have been lodged by third parties or native title parties;
- (b) native title was cleared on 19 October 2018;
- (c) ELA77/2521 been referred to the Department of Biodiversity, Conservation and Attractions (**DBCA**) as a result of ELA77/2521 overlapping a Crown reserve and the outcome of the referral is pending - we are instructed that EIO has received a letter from DBCA, DMIRS, DPLH and the Department of Primary Industries and Regional Development jointly, containing information regarding the State Government's "Plan for Our Parks" initiative, because ELA77/2521 overlaps a proposed national park area; and
- (d) following the outcome of the DBCA referral, the final step in order for ELA77/2521 to be granted is an assessment by the Mining Registrar for determination under the Mining Act by the Minister.

3.4 ELA77/2542 is also currently in application phase. The Tenement Search for ELA77/2542 shows:

- (a) a third party objection was lodged by Polaris Metals Pty Ltd (ACN 085 223 570) (**Polaris**) but was resolved by entry into an access agreement as set out in paragraphs 8.24 to 8.26 and the objection withdrawn;
- (b) ELA77/2542 has been referred for notification in accordance with the *Native Title Act 1993* (Cth) (**NT Act**) but as at the date of the Searches, there are no objections. As set out in paragraphs 8.27 to 8.29 (assuming that the Marlinyu Ghoorlie Heritage Agreement was duly executed on behalf of the Marlinyu Ghoorlie Claim Group), the Marlinyu Ghoorlie Claim Group agreed not to object to ELA77/2542. However, we note that we have not sighted a fully executed version of the Marlinyu Ghoorlie Heritage Agreement; and



- (c) following the native title referral process (and resolution of any native title objections), the final step in order for ELA77/2542 to be granted is an assessment by the Mining Registrar for determination under the Mining Act by the Minister.

Rent

- 3.5 All of the rental payments which are due for the current tenement year for each Tenement have been paid in full. Please refer to the Tenement Schedule for the dates rent is due for each Tenement.
- 3.6 MLI is free carried in relation to the FEL Earnin Tenements in accordance with the Earnin Agreement with FEL and accordingly, FEL will be responsible for payment of rent for the FEL Earnin Tenements. Although we understand that a formal earnin and joint venture agreement has not yet been agreed, once the free carry has ended, MLI will likely be responsible for contributing to rent and joint venture expenditure in proportion to its percentage share in the joint venture. For further details, refer to paragraphs 8.4 to 8.9.

Expenditure

- 3.7 As set out in the Tenement Schedule, the expenditure condition has been met or an exemption granted for all the Tenements.
- 3.8 MLI is free carried in relation to the FEL Earnin Tenements in accordance with the Earnin Agreement and accordingly, FEL is responsible for meeting the minimum expenditure commitment for the FEL Earnin Tenements. Although we understand that a formal earnin and joint venture agreement has not yet been agreed, once the free carry has ended, MLI will likely be responsible for contributing to joint venture expenditure in proportion to its percentage share in the joint venture. For further details, refer to paragraphs 8.4 to 8.9.

Registered Dealings and Encumbrances

- 3.9 The Tenement Searches disclosed that National Australia Bank Limited (**NAB**) has a registered mortgage 558313 against the following tenements held by MIO (comprising the Lake Giles Project): M30/206, M30/207, M30/213, M30/214, M30/215, M30/216, M30/217, M30/227, M30/228, M30/229, M30/248, M30/249, M30/250, M30/251 and M30/252. The registered mortgage will affect MIO's ability to deal with or transact in (i.e. sell) these Tenements and any dealings must be in accordance with the Mining Mortgage and other security documents.
- 3.10 The Mining Mortgage secures money owed from time to time by MIO and the Company to certain noteholders under the Finance Documents (as that term is defined in section 12 of the Prospectus) and the various documents comprising the convertible note arrangements. Further details of the Mining Mortgage are set out below in paragraph 8.2 to 8.3..
- 3.11 There are no other dealings or encumbrances registered or recorded against the Tenements.

Extension of Term of Tenements

- 3.12 The Tenement Schedule sets out the expiry dates of the Tenements and we note that there are no Tenements that are due to expire in 2019, 2020 or 2021.

Relinquishment

- 3.13 There are 13 exploration licences held by MLI over an area of at least 10 blocks and hence will be required to be reduced by 40% on the day that is 6 years after the date of grant. The exploration licences which will be required to be relinquished by 40% in 2022/2023 are E45/4685, E45/4693, E45/4702, E45/4708, E45/4709, E45/4710, E45/4711, E45/4732, E45/4779, E45/4824, E46/1114, E46/1115 and E46/1210.



Mining leases granted on or after 10 February 2006 - Forrest Decision

- 3.14 The effect of the Forrest Decision (defined below) is set out at paragraphs 4.36 - 4.38. Effectively the Forrest Decision could potentially render mining leases granted in Western Australia after 10 February 2006 invalid if a mineralisation report or a mining proposal was not lodged simultaneously with the relevant mining lease application. Without amending legislation being passed to resolve the implications of the Forrest Decision there is a potential risk that a significant number of mining leases held by tenement holders in Western Australia, including the Company will be affected.
- 3.15 Based on our review, all of the mining leases included in the Tenements were granted after 10 February 2006 and could potentially be invalid for non-compliance with section 74(1)(ca)(ii) of the Mining Act as a result of the Forrest Decision.
- 3.16 We have been advised that the Company's tenement manager undertook an audit of the mining leases held by the Company and its Subsidiaries and on 22 August 2017 informed the Company that only M30/252 may not be compliant. The Company has advised that:
- (a) M30/252 is not a key tenement in its magnetite project portfolio and only contains a resource of approximately 770kt of the Company's 80Mt hematite resource; and
 - (b) despite the fact that the resource contained within M30/252 is not material to the Company's iron ore project development strategies, and whilst the current delays surrounding the legislative solution for the Forrest Decision continue, the Company is considering lodging a fresh application for the area of the current M30/252 with the DMIRS to resolve the issue.
- 3.17 If M30/252 is invalid for non-compliance with the Mining Act, we expect it will be subject to the legislative fix to validate mining leases which were invalidly granted following the Forrest Decision. The draft bill was tabled before the Legislative Assembly on 26 June 2018 but it has not yet been enacted.
- 3.18 If a new third party application was made over the area of M30/252 (for the purpose of challenging the validity of the mining lease), the Company/MIO could seek that the Minister terminate the competing application in reliance on section 111A of the Mining Act on the basis that the government is in the process of enacting a legislative fix.

Conditions and Programmes of Work

- 3.19 The conditions applicable to each Tenement are set out in the Tenement Schedule and in the 'Notes' section below the Tenement Schedule.
- 3.20 There was no indication from the Tenement Searches that any of the standard or specific conditions of the Tenements have been breached by the holders of the Tenements, to the extent that the Searches reveal such information.
- 3.21 There are conditions on some of the Tenements which require an approved program of work before any ground disturbing activities can be carried out, which is standard.
- 3.22 Various Tenements which overlap pastoral leases are subject to standard conditions that require the notification of the pastoral lessee prior to undertaking any airborne surveys or ground disturbing activities. It is also a condition that the tenement holder must notify the pastoral lessee of any transfer of these Tenements. The specific pastoral leases overlapping the Tenements are further discussed at paragraph 3.31.
- 3.23 We have also noted any other potentially onerous conditions such as limitations on the ability to conduct activities in specific Crown reserves in the Tenement Schedule and have summarised some of the limitations at paragraph 3.26 of this Solicitor's Report.



Overlapping Tenements and Tenure

3.24 The Quick Appraisals show that there are various third party tenements which overlap the Tenements, as set out below and in the Tenement Schedule:

- (a) E45/4735 overlaps L45/189 held by Venturex Sulphur Springs Pty Ltd (4.55%);
- (b) E45/4824 overlaps G45/36 held by Elazac Mining Pty Ltd (0.02%) - these are tenements which are unable to overlap under the Mining Act but the overlaps may simply be mapping errors. We note that G45/36 was first in time and hence will have priority under the Mining Act;
- (c) E46/1115 overlaps L46/67 held by Auvex Resources Pty Ltd (0.61%) - the overlapping area is governed by an access agreement as set out in paragraphs 8.21 to 8.23 below;
- (d) E45/4732 and E45/4779 overlap L45/60 held by Haoma Mining NL (0.04% and 0.03% respectively) - we have not been provided with an access agreement for the overlapping area;
- (e) ELA77/2542 overlaps pending application for L77/249 applied for by Polaris Metals Pty Ltd (0.35%) - the overlapping area is governed by the access agreement as set out in paragraphs 8.24 to 8.26 below;
- (f) E45/4693 is overlapped by pending application for L45/424 applied for by Metalicity Energy Pty Ltd (24.14%) - we have not been provided with an access agreement for the overlapping area; and
- (g) ELA77/2542 overlaps the following tenements held by Cliffs Asia Pacific Iron Ore Pty Ltd: L77/235 (0.45%), M77/1257 (1.21%), M77/1258 (13.3%) and M77/1259 (7.65%) - mining leases and exploration licence are unable to overlap. If ELA77/2542 is granted, it will only be granted over the areas which do not overlap M77/1257, M77/1258 and M77/1259 (that is, the overlapping areas will be excised on grant).

Land Access

3.25 Details of the key overlapping mining tenure and other interests in land are listed in the Tenement Schedule.

Crown Land

- 3.26 The Tenement Schedule outlines specific conditions on Tenements preventing access to, or the commencement of activities on, certain areas without the consent of the Minister, such as restrictions on activities in relation to reserves including water reserves, timber reserves, conservation of flora and fauna reserves and mining reserves, amongst others.
- 3.27 We also note that there is a condition in relation to E45/4685 and E45/4824 (which both overlap with a proposed QR rail corridor and a proposed Atlas Iron rail corridor) held by MLI which requires that there are no activities carried out on the proposed Atlas Iron rail corridor that interfere with or restrict any rail route investigation activities being undertaken by the rail line proponent.
- 3.28 Paragraphs 5.6 to 5.8 sets out the limitations on exploration and mining activities on Crown Reserves.
- 3.29 Section 24(1)(c) of the Mining Act provides that land reserved under Part 4 of the LAA (which includes reserves such as the C Class Reserves) requires written consent from the Minister to mine, unless it is reserved for certain specified purposes. In particular, we note the following



Crown reserves/proposed reserves will likely require written consent from the Minister for any exploration and mining activities by the Company and its Subsidiaries:

- (a) as indicated in the Tenement Schedule, various Tenements overlap C Class Reserves (now classified as "other" reserves under the *Land Administration Act 1997* (WA) (LAA)) and hence will require ministerial consent, however Reserve 24122 and Reserve 50929 for mining (overlapping some of the Lake Giles Project Tenements held by MIO) will not require ministerial consent for exploration and mining activities (as it is for mining, it is one of the specified exceptions in the Mining Act); and
 - (b) there is a Proposed 5(1)(H) Reserve currently overlapping ELA77/2542 (55.5%) and E77/2543 (100%), which, once the reserve is created, will become land reserved under Part 4 of the LAA pursuant to the *Conservation and Land Management Act 1984* (WA). The Quick Appraisals provide the prescribed purpose of the proposed reserves is the Mount Jackson Pastoral Lease and the Diemals Pastoral Lease.
- 3.30 Section 19 of the Mining Act provides that the Minister can exempt land from mining activities. There is a section 19 which overlaps <0.01% of ELA77/2521. The Minister has a discretion to grant ELA77/2521 over the section 19 or more likely ELA77/2521 won't be granted over the <0.01% which overlaps the section 19.

Pastoral Leases

- 3.31 The Tenements overlap the various pastoral leases as set out in the Tenement Schedule.
- 3.32 Paragraphs 5.1 to 5.5 set out the limitations on exploration and mining on pastoral leases.
- 3.33 We have not been provided with any pastoral access agreements relating to the Tenements.
- 3.34 We note that there are Pastoral Lease Exclusion Areas which overlap ELA77/2542 (approximately 55.5%) and E77/2543 (100%). The land is currently categorised as unallocated Crown land. On 30 June 2015 all pastoral leases in Western Australia, which were originally issued under the *Land Act 1933* (WA), expired and were required to be renewed. The pastoral leases that were not renewed became unallocated Crown land. As this area is currently categorised as unallocated Crown land, consent from the Minister to mine is not currently required. However, we note that if the Pastoral Lease Exclusion Area is granted as a type of reserve in future under the LAA, ministerial consent may be required.

Native Title

Native Title Overlaps

- 3.35 The Quick Appraisals and NNTT searches indicate that there are registered native title claims and determinations overlapping various Tenements, as shown in the Tenement Schedule.

Native Title Status

- 3.36 We have set out the native title status of the Tenements below as recorded in the Tenement Schedule:

Currently in Process - Expedited Procedure

- (a) Section 29 notification issued: ELA77/2542 (11 September 2019, objection close date is 11 January 2020).



Native Title Cleared

- (b) Expedited Procedure applies: E77/2543, E45/4685, E45/4693, E45/4702, E45/4708, E45/4709, E45/4710, E45/4711, E45/4732, E45/4735, E45/4747, E45/4764, E45/4779, E45/4824, E45/4848, E45/5324, E46/1114, E46/1115, E46/1210 and ELA77/2521.
- (c) Native Title cleared (reason unspecified): M30/213, M30/214, M30/215, M30/216, M30/217, M30/227, M30/248, M30/249 and M30/252.
- (d) Grant: M30/250 and M30/251.

Granted Tenements recorded "In Progress" or "Information Not Available"

- (e) M30/206, M30/207, M30/228 and M30/229.
- 3.37 We note that the Searches are not determinative of whether there was registered native title claim in existence at the time the Tenements were granted, or whether there was compliance with the NT Act at that time. This is not an unusual occurrence for mining tenements granted in Western Australia.
- 3.38 For completeness, we note that there may have been a registered native title claim over the area of some of these Tenements at the time of grant.
- 3.39 We assume that where the Tenements have been granted, the relevant processes under the NT Act have been complied with, and that the grants of the Tenements were validly made. Detailed information about native title processes and the NT Act is provided at paragraph 6.
- 3.40 The Company is also aware of unregistered but notified claims existing over certain Tenements, as recorded in the Tenement Schedule.

Native Title Agreements

- 3.41 We have not been provided with any native title agreements for the Tenements.
- 3.42 There are no ILUAs which relate to the Tenements.

Aboriginal Cultural Heritage

Aboriginal Heritage

- 3.43 Searches of the DPLH AHIS indicated that, as set out in the Tenement Schedule there are registered Aboriginal cultural heritage 'sites', identified over the following tenements.

Tenement	Registered Site ID	Description	Project
E77/2543	20329 - KY11	Artefacts / Scatter, Rockshelter, Arch Deposit	Mt Jackson
E77/2543	22944 - Mt Jackson Ranges	Mythological (Initiated Male Access Only)	Mt Jackson
E45/4702	11140 - Canning Well	Engraving, Grinding Patches / Grooves, Camp	Hillside Gold Project
E45/4702	11151 - Woolshed Track	Artefacts / Scatter, Engraving	Hillside Gold Project
E45/4702	11155 - Hillside	Engraving	Hillside Gold Project
E45/4702	11167 - Canning Well	Engraving	Hillside Gold Project



Tenement	Registered Site ID	Description	Project
E45/4710	7762 - Hillside 9	Engraving	Hillside Gold Project
E45/4711	8782 - Wallaby Bar	Engraving, Grinding Patches / Grooves, Water Source	Hillside Gold Project
E45/4779	11161 - Paddy Market Creek	Grinding Patches / Grooves, Camp	Panorama Gold Project
ELA77/2542	27028 - Deception 2	Artefacts / Scatter	Mt Jackson

- 3.44 None of the information reviewed or received indicate that consents under section 18 of the *Aboriginal Heritage Act 1972* (WA) (**AH Act**) have been granted in respect of the areas the subject of Registered Heritage Sites detailed in this Solicitor's Report.
- 3.45 It is important to note that the inclusion or non-inclusion of an area or place on the DPLH Heritage register is not in any way indicative of the existence of Aboriginal cultural heritage.
- 3.46 The following Heritage Agreements apply to the Tenements (described in more detail in paragraph 8):
- (a) the Aboriginal Heritage Agreement dated 14 March 2018 between Palyku Native Title Claim Group and MLI is in relation to E46/1114, E45/4702, E45/4710, E45/4711, E45/4747, E46/1115, E45/4848 and E46/1210 which are currently held by MLI; and
 - (b) the Aboriginal Heritage Agreement dated 23 November 2017 between the Registered Applicants for the Njamal Claimant Group and the Company is in relation to E45/4693, E45/4702, E45/4708, E45/4709, E45/4732, E45/4735, E45/4779, E45/4824 and E46/1115.
- 3.47 Detailed information of the laws concerning Aboriginal cultural heritage is provided at paragraph 7.

4. Governing Legislation for the Tenements

Overview

- 4.1 The Mining Act governs the exploration for and production of minerals in Western Australia. The Mining Act is supported by the *Mining Regulations 1981* (WA) (**Mining Regulations**) and is administered by the Minister for Mines and Petroleum (**Minister**). Subject to the provisions of the Mining Act, the Crown owns all gold, silver and any other precious minerals existing in their natural condition on or below the surface of any land whether or not the land has been alienated from the Crown (section 9(1) of the Mining Act).

Exploration Licences

Grant of exploration licences

- 4.2 Section 57 of the Mining Act provides that the Minister may, upon application by any person, grant to that person an 'exploration licence' on such terms and conditions as the Minister may determine. The applicant must provide a statement specifying the proposed method of exploration, details of a proposed work programme, the estimated amount of expenditure on exploration if the exploration licence is granted and the technical and financial resources of the applicant (section 58(1) of the Mining Act). An applicant must provide such further information or evidence in support of the application as the mining warden or mining registrar may require (excluding any prior test results or samples) (section 58(3) of the Mining Act). The applicant



must serve the application on owners and occupiers of land subject to the application (section 58(4) of the Mining Act).

- 4.3 Before granting the exploration licence, the Minister will receive and consider a tenement report from the mining registrar (where there are no objections to the application) or the mining warden (where objections are lodged and heard by the warden) about whether to grant or refuse the application, however the Minister is not beholden to such tenement reports in making its decision (section 59(1)-(6) of the Mining Act). The mining registrar or the warden shall not recommend the grant of an exploration licence unless he or she is satisfied that the applicant is effectively able to explore the land in respect of which the application has been made (section 57(3) of the Mining Act).
- 4.4 An applicant must also adequately address native title prior to the grant of the tenure (refer to paragraph 6).

Rights under exploration licences

- 4.5 While in force and subject to restrictions in respect of protected Crown land, an exploration licence authorises the holder to explore for minerals and carry out such ancillary works and operations (for example, digging pits, trenches and holes) as are necessary for that purpose (section 66(b) of the Mining Act). Furthermore, the holder may enter and re-enter land the subject of the licence with such agents, employees, vehicles, machinery and equipment as may be necessary or expedient to undertake the relevant exploration activities (section 66(a) of the Mining Act). The terms 'explore', 'exploration' or 'exploring' are not defined by the Mining Act and therefore assume their ordinary and natural meanings.
- 4.6 Despite these rights, certain Crown land is protected from mining. For example, the holder of an exploration licence will not be entitled to explore on any Crown land that is (amongst other things) situated within 100m of any land that is in actual occupation and on which a house or other substantial building is erected, without the written consent of the occupier (section 20(5)(c) of the Mining Act). However, other Crown land, such as land within 100m of (amongst other things) a stockyard, orchard, vineyard, airstrip or airfield, or on a pastoral lease and within (amongst other things) 400m of any dam, well or bore, will not require the written consent of the occupier to explore if the mining warden grants permission (section 20(5)(ea) of the Mining Act). The mining warden will not give permission unless he or she is satisfied that the holder has met its compensation obligations to owners or occupiers of land impacted by mining activities (section 20(5) of the Mining Act). The Minister also has the power to exempt from time to time certain land from mining that is not private land or land the subject of a mining tenement or application for a mining tenement (section 19(1) of the Mining Act).

Term of an exploration licence

- 4.7 Section 61 of the Mining Act provides for the term of exploration licences and their periods for extension. Under the relevant version of the Mining Act, an exploration licence which was granted or applied for *before 10 February 2006* remains in force for a period of five (5) years and may, in proscribed circumstances and at the Minister's discretion, be extended over the whole or a part of the exploration licence by a further period or periods of one (1) or two (2) years. Under the relevant version of the Mining Act, an exploration licence which was granted or applied for *on or after 10 February 2006* has the same term, but the extension period is for five (5) years. In either case, the relevant proscribed circumstances for an extension include where the Minister is satisfied that planned exploration could not be carried out due to delay in obtaining necessary approvals or due to the land being unworkable for at least a considerable part of one year of the term, or where the Minister is satisfied that work carried out justifies further exploration (regulation 23AB of the Mining Regulations).



Conditions of exploration licences

- 4.8 Exploration licences are granted subject to various standard conditions prescribed by the Mining Act including payment of annual rent, minimum expenditure requirements, reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement (such as restrictions on accessing certain Crown lands or waters or Government sites).
- 4.9 The Mining Act also deems certain conditions to be mandatory for an exploration licence. These deemed conditions include (amongst other things) requirements for the holder to Solicitor's Report mineral discoveries of 'economic interest' and not to use 'ground disturbing equipment' until a work programme is lodged and approved by the Minister (sections 62 and 63 of the Mining Act).

Transfer of exploration licences

- 4.10 No legal or equitable interest in or affecting 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 (section 64 of the Mining Act). Compliance with an approved work programme during this initial period is likely to be a factor influencing the grant of consent. If consent is provided, the transfer of the legal interest in an exploration licence must be registered under the Mining Act to be legally effectual (section 103C(8) of the Mining Act).

Application for a mining lease

- 4.11 The holder of an exploration licence which is in force has the right to apply for and, subject to the grant requirements of the Mining Act, have granted, one or more mining leases over any part or parts of the land the subject of the licence (section 67(1) of the Mining Act). Where an application for a mining lease is lodged before the expiry date of the exploration licence but the application is not determined by that date, the Mining Act extends the term of the exploration licence until the application for the lease is determined (section 67(2) of the Mining Act).

Mining Leases

Grant of mining lease

- 4.12 An application for a mining lease must be made by a 'person', by reference to a written description of the area of land over which the lease is sought and be accompanied by a mining proposal or a 'statement' outlining mining intentions accompanied by either a mineralisation report or a resource report (section 74(1)(ca) of the Mining Act). Where more than one application for a tenement is made over the same land, priority will be given to the application who first complied with the 'initial requirement'.

Term of mining lease

- 4.13 A mining lease has a term of 21 years and at the expiration of the first term, the holder has an option to renew the lease for an additional 21 years (section 78(1)(a) and (b) of the Mining Act). At the end of the second term, the Minister has a discretionary power to renew the lease for successive periods of not more than 21 years; this is not a power of the lease holder. An application to renew should be made within the last year of the term, together with one year's rent. The Minister may accept a late application for renewal where they are satisfied the holder of the lease has observed the requirements of the Mining Act during the term of the lease (section 111A(1)(d) of the Mining Act). The Minister may summarily refuse any third party application for a tenement of the land after the term has expired when granting a late application (section 111A(1)(b) of the Mining Act).



Rights under a mining lease

- 4.14 A mining lease permits the holder to mine for and dispose of any minerals on the land in respect of which the lease is granted (section 85(1)(a), (b) of the Mining Act). The holder is entitled to do all acts and things necessary to carry out mining operations on the land (section 85(1)(d) of the Mining Act). This right is an exclusive right in relation to the land the subject of the mining lease and no other mining tenement, except a miscellaneous licence, can be granted over that land. Section 85(1)(c) also grants rights to water which may be used for any purpose in connection with mining for minerals on the land and for domestic purposes. The rights to water are not exclusive; a miscellaneous licence for water can be granted over the same ground.
- 4.15 There are two exceptions to the title to minerals conferred by a mining lease. The first is that specific Ministerial authorisation is required for the mining of iron ore, which if provided, will be endorsed on the lease. Secondly, pursuant to section 110 of the Mining Act, the Minister may grant a mining lease authorising the mining only for one or more specific minerals.

Conditions of mining lease

- 4.16 Mining leases are granted subject to various standard conditions prescribed by the Mining Act including payment of annual rent, minimum expenditure requirements, tenement reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement (such as restrictions on accessing certain Crown lands or waters or Government sites).
- 4.17 Where an application for a mining lease was accompanied by a statement and a mineralisation report, it will be a condition on the lease to then lodge and obtain approval of a mining proposal prior to carrying out mining operations (section 82A(2) of the Mining Act).

Extension of Term of Tenements

- 4.18 The Mining Act and Mining Regulations provide that the Minister may grant extensions to the terms for the Tenements upon application by the holders in the last year of the relevant term.
- 4.19 See paragraph 4.7 in relation to extensions of the term of an exploration licence.
- 4.20 See paragraph 4.13 in relation to extensions of the term of a mining lease.

Mining Tenement Conditions and Forfeiture

- 4.21 Mining tenements in Western Australia are granted subject to various standard conditions prescribed by the Mining Act including payment of annual rent, minimum expenditure requirements, tenement reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement (such as restrictions on mining or access to certain reserves).
- 4.22 If the holder of an exploration licence fails to comply with the terms and conditions of a tenement, the mining warden or the Minister, as applicable, may impose a fine or order that the tenement be forfeited (sections 63A, 96 and 96A of the Mining Act). In most cases an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement.
- 4.23 In the case of failure to comply with the annual minimum expenditure requirement the tenement holder can apply to the DMIRS for an exemption from that expenditure requirement (section 102 of the Mining Act). Exemption may be granted for a variety of reasons, including that time is required to purchase and erect machinery and that the ground the subject of the tenement is unworkable (section 102(2) of the Mining Act). However, if an exemption



application is refused then it is open to the mining warden or Minister (as applicable) to impose a fine or make an order for forfeiture where minimum expenditure remains outstanding.

- 4.24 It is noteworthy that the expiry, surrender or forfeiture of a mining tenement does not affect any existing liability to pay rent or penalties, comply with obligations attached to the tenement or for defaults made or done under the tenement (section 114B of the Mining Act).

Offences and Penalties

- 4.25 Anyone acting in contravention of, or failing to comply with the Mining Act is deemed to commit an offence (section 154(1) of the Mining Act).
- 4.26 Where a person has carried on mining (which is defined under section 8(1) to include fossicking, prospecting, and exploring for minerals and mineral operations) on any land without being duly authorised under the Mining Act or any other Act, the penalty is \$300,000.00 and if the offence is a continuing one, a further fine of \$30,000.00 for every day or part of a day during which the offence has continued (section 155 of the Mining Act).
- 4.27 It is important to note that where a body corporate is convicted of an offence, every director and every other officer concerned in the management of the body corporate is guilty of the offence if it is proved that the act or omission that constituted the offence took place with his or her authority, permission or consent (section 154(3) of the Mining Act).
- 4.28 A mining tenement may also be liable for forfeiture if the holder of the licence is convicted of an offence against the Mining Act (section 63A of the Mining Act), and DMIRS is less likely to allow further extensions of the term where this occurs.

Rent

- 4.29 The Mining Act and Mining Regulations provide that rent must be paid by the holders to hold the Tenements. The rate of rent depends upon the type of mining tenement. Rent is payable yearly in advance and is due on the anniversary date after the commencement of the term of the Tenement and must be paid not later than one month after that date.
- 4.30 Rent is payable for each of the Tenements pursuant to section 108 of the Mining Act and regulation 109 of the Mining Regulations (as prescribed by Schedule 2 of the Mining Regulations).
- 4.31 The rent paid and payable for the Tenements in the current and previous year is detailed in the Tenement Table.
- 4.32 If the holder of an exploration licence has failed to pay the rent owing by the due date, the tenement is liable for forfeiture under section 63A of the Mining Act upon declaration by the Minister in the government gazette that the exploration licence is forfeited. Alternative options available to the Minister, however, include imposing a fine of up to \$150,000.00 (for a company) or imposing no penalty at all (section 96A of the Mining Act).
- 4.33 If the holder of a mining lease has failed to pay the rent owing by the due date, the tenement is liable for forfeiture under section 97 of the Mining Act upon declaration by the Minister in the government gazette that the mining lease is forfeited. Alternative options available to the Minister, however, include imposing a fine of up to \$150,000.00 or imposing no penalty at all (section 97 of the Mining Act).

Expenditure Requirements

- 4.34 The Mining Act provides that the holders of mining leases and exploration licences must meet minimum expenditure conditions of the Tenements. The holder must either meet the minimum expenditure conditions or be granted an exemption. The result of non-compliance with the



minimum expenditure commitments is that fines may be imposed or the Tenement forfeited due to an application by a third party or the Minister.

Combined Reporting Groups

- 4.35 Combined reporting groups allow the holder to apply for a “project exemption” from expenditure requirements under section 102(2)(h) of the Mining Act, if it can be established that the aggregate expenditure for the combined reporting tenements would satisfy the requirements for a particular tenement, had the aggregate expenditure been apportioned between each tenement in the respective Combined Reporting Group.

Forrest Decision

- 4.36 In the recent High Court decision in *Forrest & Forrest Pty Ltd v Wilson & Others* [2017] HCA 30 (**Forrest Decision**), the High Court held that where a mineralisation report has been submitted after (and not at) the time of an application for a mining lease, the Warden has no jurisdiction to recommend grant and the Minister has no jurisdiction to subsequently grant a mining lease.
- 4.37 An application for a mining lease must be accompanied by either a mining proposal or a mineralisation report (section 74(1)(ca)(ii) of the Mining Act). This provision was inserted through the *Mining Amendment Act 2004* which commenced on 10 February 2006. Accordingly, the Forrest Decision only impacts the validity of mining leases granted on or after 10 February 2006 which did not comply with section 74(1)(ca)(ii) of the Mining Act.
- 4.38 The Minister announced in a media statement on 5 September 2017 that the Government is examining legislative solutions to provide assurance to the State's mining industry following the High Court decision. The Western Australian State Government introduced a draft *Mining Amendment (Procedures and Validation) Bill 2018* to provide a legislative fix to validate mining leases which were invalidly granted following the Forrest Decision. The draft bill was tabled before the Legislative Assembly on 26 June 2018 but it has not been enacted.

Conditions and Programmes of Work

Standard Conditions

- 4.39 The Mining Act provides that the exploration licences and mining leases are held subject to standard conditions and any specific conditions that may be imposed by the Minister. Standard conditions concern issues such as tenement reporting, reporting economic discoveries, not using ground disturbing equipment without an approved work programme, rehabilitating the land and removing waste and rubbish. The specific conditions are mainly concerned with the holders not accessing certain Crown reserves or sites without the permission of the responsible Minister.
- 4.40 Sections 46 and 63 of the Mining Act provide that all exploration licences are granted with certain deemed or standard conditions. These standard conditions include that the holder will explore for minerals and:
- (a) will promptly submit a tenement report in writing to the Minister on all minerals of economic interest discovered in, on or under the land the subject of the exploration licence; and
 - (b) will not use ground disturbing equipment when exploring for minerals on the land the subject of the exploration licence unless —
 - (1) the holder has lodged in the prescribed manner a programme of work in respect of that use; and



- (2) the holder has paid the prescribed assessment fee in respect of the programme of work; and
 - (3) the programme of work has been approved in writing by the Minister or a prescribed official; and
 - (c) will fill in or otherwise make safe to the satisfaction of a prescribed official all holes, pits, trenches and other disturbances to the surface of the land the subject of the exploration licence which are —
 - (1) made while exploring for minerals; and
 - (2) in the opinion of the prescribed official, likely to endanger the safety of any person or animal; and
 - (d) will take all necessary steps to prevent fire, damage to trees or other property and to prevent damage to any property or damage to livestock by the presence of dogs, the discharge of firearms, the use of vehicles or otherwise.
- 4.41 Sections 63AA and 46A of the Mining Act also provide that 'reasonable conditions' may also be attached to an exploration licence in respect of preventing, reducing or making good injury to the land for which the licence is sought or was granted, or injury to anything on the surface or below the land or consequential damage to any other land.
- 4.42 Further standard conditions are outlined in the Tenement Schedule.

Programme of Works

- 4.43 An applicant for an exploration licence (or any extension thereof) must submit a work programme for the tenement (sections 55A and 58 of the Mining Act and regulation 23A of the Mining Regulations). Furthermore, as mentioned above, it is a deemed standard condition of an exploration licence that the tenement holder does not use ground disturbing equipment until a programme of work has been lodged and approved in writing by the Minister.

Overlapping Tenements and Tenure

- 4.44 The Mining Act provides that the granted area of an exploration licence will not include any land the subject of a current mining tenement (other than a miscellaneous licence). However a miscellaneous licence may be granted over another miscellaneous licence or another tenement and vice versa.
- 4.45 Section 117(2) of the Mining Act provides that each grant of a mining tenement shall be deemed to contain an express reservation of the rights to which the holder of the existing mining tenement is entitled. This establishes a priority of first in time so where there is an overlap between the Company's Tenements and a third party tenement, the Company should be aware that its right on its Tenements may be limited by the rights of the third party especially if that third party has first in time priority.

5. Land Access and Compensation

Pastoral Leases

- 5.1 The areas of various Tenements overlap with pastoral leases in Western Australia. The Mining Act provides that, unless overruled by the mining warden, the written consent of these lease holders will be required for the holders to gain access within 'buffer zones' around certain restricted sites (e.g. water bores, dams etc.) on these leases.



- 5.2 The holder of a Tenement cannot explore or mine on Crown land that is the subject of a pastoral Lease 'which is the site of, or is situated within 400m of the outer edge of, any water works, race, dam, well or bore, not being an excavation previously made and used for mining purposes by a person other than a lessee of that pastoral lease' without the written consent of the occupier under the lease, unless permission is granted by the mining warden or mining is being carried out at least 30m underground (section 20(5) of the Mining Act).
- 5.3 However, the holder of the Tenements may pass within these areas for the purpose of *gaining access* to other land to conduct exploration activities (section 20(5a) of the Mining Act).
- 5.4 Before passing through the buffer zones the holder must (section 20(5a)(c),(d)(i) of the Mining Act):
- (a) take all reasonable and practicable steps to notify the occupier of his intention to access the areas; and
 - (b) take all necessary steps to prevent fire and damage to property, livestock or trees.
- 5.5 The holder must also keep inconvenience to the occupier and use of the area to a minimum, comply with any reasonable requests of the occupier, and make good any damage to improvements or livestock (section 20(5)(d)(ii),(iii),(e) and (f) of the Mining Act). Compensation will be due from the holder where any damage is not repaired by the holder (section 20(5a) of the Mining Act).

Crown Reserves

- 5.6 The Mining Act restricts access to certain Crown lands, such as timber and forest reserves or Crown leasehold (amongst others) without approval.
- 5.7 The Mining Act permits mining tenements to be applied for and granted in respect of land that is subject to a Crown reserve (such as a national or marine park, nature or timber reserve or water management area), usually subject to the provision of written consent by the Minister and compliance with any specific procedures peculiar to the type of underlying reserves (sections 23, 24, 24A and 25 of the Mining Act).
- 5.8 Section 24(1)(e) of the Mining Act provides that areas covered by water reserves or other related reserves may be mined with the written consent of the Minister who will consult with the Minister responsible for the administration of that reserve (section 24(3A),(3B) of the Mining Act).

6. Native title

Commonwealth native title law

- 6.1 The NT Act prescribes a regime by which persons claiming to hold native title may lodge a claim to that effect for determination; by which any future act affecting native title (such as the grant of mining tenements) may be validly undertaken; and by which registered claimants may be afforded certain procedural rights including the 'right to negotiate'.
- 6.2 Under the NT Act, native title can be confirmed to have been either totally or partially extinguished by certain grants. These grants are called Previous Exclusive Possession Acts or Previous Non-Exclusive Possession Acts, respectively.
- 6.3 Previous Exclusive Possession Acts are considered to be so inconsistent with the continued enjoyment of native title rights that they completely extinguish native title, and once extinguished, native title cannot revive. Relevantly, a grant will be a Previous Exclusive Possession Act and therefore will have extinguished native title where it:



- (a) is valid; and
 - (b) took place on or before 23 December 1996; and
 - (c) consists of the grant or vesting of any of the following:
 - (1) a Scheduled Interest;
 - (2) a freehold estate;
 - (3) a commercial lease that is neither an agricultural lease nor a pastoral lease;
 - (4) an exclusive agricultural lease or an exclusive pastoral lease;
 - (5) a residential lease;
 - (6) a community purposes lease;
 - (7) what is taken by s 245(3) of the NT Act (which deals with the dissection of Mining Leases into certain other leases) to be a separate lease in respect of land or waters mentioned in paragraph (a) of that subsection; or
 - (8) any lease (other than a Mining Lease) that confers a right of exclusive possession over particular land or waters.
- 6.4 Tenures which may co-exist with native title are generally non-exclusive leases such as pastoral leases, pastoral development holdings, some special leases and term leases for grazing or pastoral purposes, occupation licences, permits to occupy, etc. Such grants and interests are known as Previous Non-Exclusive Possession Acts and will be confirmed to have extinguished native title only to the extent of any inconsistency.
- 6.5 The existence of a native title claim over an area of land is not evidence for the existence or otherwise of native title. The existence of native title is a question of fact to be determined by an assessment of the extent to which native title has been adversely affected or extinguished by adverse Government action. A claim is an expression of interest by a native title group, which is subject to a detailed assessment by the Government and ultimately the Federal Court. A native title group receives a procedural right to negotiate in relation to land the subject of their native title claim where the grant of a mining tenement is proposed by the State.
- 6.6 Where native title is found not to have been extinguished over an area of land, any act that will affect that native title will be subject to the future act procedures under the NT Act. For mining activities, this procedure could be one of 3 options:
- (a) the 'Expedited Procedure';
 - (b) the 'Infrastructure Procedure';
 - (c) right to negotiate (**RTN**) resulting in a section 31 Agreement and Ancillary Agreement; or
 - (d) Negotiation of an indigenous land use agreement (**ILUA**).
- 6.7 The application of the expedited procedure is a 'fast-tracking' of mining grants under section 32 of the NT Act where such grants do not affect or are unlikely to involve major disturbance to land or waters, or to Aboriginal sites and Aboriginal objects, or are not likely to interfere directly with the carrying on of community or social activities of the relevant native title holders. If a registered native title group does not object to the application of the expedited procedure



within 4 months from the 'notification date', the tenement may be granted at the conclusion of the 4 month notification period.

- 6.8 If a registered native title group objects to the application of the expedited procedure, the applicant for the mining tenement and the registered native title group may either:
- (a) seek a determination from the National Native Title Tribunal (**NNTT**) as to whether the grant of the tenement is an act attracting the 'Expedited Procedure';
 - (b) enter into an agreement which provides for the withdrawal of the objection and a protocol for the protection of Aboriginal cultural heritage (a 'Heritage Protection Agreement'); or
 - (c) enter the RTN procedure and create a full section 31 Agreement under the NT Act.
- 6.9 Where the State does not indicate the expedited procedure is applicable, the parties must enter into the RTN procedure under the NT Act. There are RTN guidelines which should be followed in the process however ultimately the NNTT administers the future act processes that attract the RTN. The NNTT's role includes mediating between parties, conducting inquiries and making decisions ('future act determinations') where parties cannot reach an agreement. The outcome of the RTN process is known as a 'Section 31 Agreement' which is an agreement between the parties to the doing of the future act. A 'Section 31 Agreement' must be registered with the State. An Ancillary Agreement may also be made between the parties (to which the State is not a party) which will deal with matters relating to compensation and usually ACH.
- 6.10 The time frame for the RTN negotiations will generally vary between 6 and 12 months. The process begins with the State issuing a Section 29 Notice indicating that it proposes to grant the tenement. A notification period follows during which native title parties have 3 months to lodge claims and an additional month to register their claims with the NNTT. If at the end of the 4 month period there is a registered claim, the parties must negotiate in good faith for a minimum of two (2) months from the end of the 4 month notification period in an effort to reach agreement on the terms of a Section 31 Agreement. If agreement cannot be reached in this time, the established tenure holder may apply for arbitration (provided that a total of 6 months has passed since the notification period began). Usually, however, parties will continue to negotiate for a longer period where there is likelihood that agreement will be reached. If a party elects to go to arbitration, the arbitration period will run for a period of 6 months. At the end of the arbitration period, the NNTT determines whether and on what conditions the tenure may be granted.
- 6.11 An ILUA is a voluntary agreement between a native title party and others about the use and management of land and waters. ILUAs may deal with topics such as access to an area, how native title rights coexist with the rights of others, native title holders agreeing to a future development and matters of compensation. An ILUA must be registered on the Register of Indigenous Land Use Agreements. As a general rule, an ILUA can take 12 to 18 months to complete.
- 6.12 The RTN process does not apply to the creation of a right to mine (by grant of a mining lease or otherwise) for the sole purpose of the construction of an infrastructure facility. These applications are dealt with pursuant to the procedure set out in section 24MD(6B) of the NT Act. In these circumstances, native title holders and registered claimants have the same procedural rights that they would have if they held ordinary freehold title. These applications must be notified to registered claimants, registered native title body corporates, and representative Aboriginal/Torres Strait Islander bodies. Registered claimants and body corporates have 2 months to lodge an objection. Where a party objects, the tenement holder must consult with the native title objectors about minimising the impact of the future act on any registered native title interests in the affected land or waters. On request of the native title objector, the State must ensure that the objection is heard by the NNTT, who may make a



determination either upholding the objection, or determining that the act may be done, or may be done with conditions.

Native Title Claim over the Tenements

Implications of Native Title for Projects

- 6.13 The effect of a registered native title claim or determination is that the grant of a mining tenement (where the grant constitutes a future act under the NT Act) attracts procedural processes under the NT Act. Failure to adhere to future act processes will result in a future act being invalid if it is later determined that a native title claim exists in the relevant area. The consequence of invalidity would be that any third party could apply for tenure over the area of the invalid tenement. To protect its right the Company would need to apply for the grant of new tenure over the area.
- 6.14 Where exploration tenements have been applied for or granted over land where the extinguishment of native title has not been confirmed, the Company will need to comply with the future act provisions of the NT Act on future conversion of the licence to a mining lease.

Risk of liability for compensation payments to native title holders

- 6.15 Section 125A of the Mining Act provides that if compensation is payable to native title holders for or in respect of the grant, extension or renewal of a mining tenement, the person liable to pay the compensation is (a) if an amount is to be paid and held in trust, the applicant for the grant of, or the holder of, the mining tenement at the time the amount is required to be paid; or (b) otherwise, the applicant for the grant of, or the holder of, the mining tenement at the time a determination of compensation is made. Further, the section provides that if, at the relevant time, there is no holder of the mining tenement because the mining tenement has been surrendered or forfeited or has expired, a reference in the previous subsection to the holder of the mining tenement is a reference to the holder of the mining tenement immediately before its surrender, forfeiture or expiry. In addition, certain tenements in Western Australia contain an express condition with a similar effect to the above.
- 6.16 Accordingly, the absence of a negotiated native title compensation agreement between the holder of a tenement and the holders of any native title rights over the area of that tenement does not mean that the holder is not liable to pay compensation for interference with native title rights and interests. In the event that a native title determination is recorded over the area of a tenement and a successful compensation determination is made against the State for interference with native title rights and interests arising as a result of mining operations on a mining tenement, it is possible that the State may, pursuant to section 125A of the Mining Act or a relevant tenement condition, pass such liability onto the current or most recent holder of that tenement (including expired tenement). To our knowledge, no such passing on of liability has attempted by the State of Western Australia, however, the risk of liability for future compensation payments to native title holders should be considered in the Transaction.

7. Aboriginal Cultural Heritage

Aboriginal Heritage Act

- 7.1 The AH Act seeks to protect areas and objects of cultural significance to aboriginal persons irrespective of the underlying tenure of the land (**Aboriginal cultural heritage**).
- 7.2 The AH Act makes it an offence to, among other things, alter or damage an Aboriginal site, or object on or under an Aboriginal site (section 17 of the AH Act). A corporation breaching section 17 may be liable for fines up to \$100,000.00 per offence and a daily penalty of \$1,000.00 (section 57(1) of the AH Act).



- 7.3 An Aboriginal site is defined to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent (section 5 of the AH Act). The registrar under the Act must keep a register listing areas or objects of Aboriginal cultural heritage (section 38 of the AH Act). However, the register is not determinative of whether Aboriginal cultural heritage exists and as such, proponents should conduct heritage due diligence when undertaking operations. Where proponents intend to carry on activities where a site has been registered, it is prudent to take extra care to ensure that all sites are properly identified and any disturbance is pursuant to consent being given under section 18 of the AH Act.
- 7.4 It is a defence under section 62 of the AH Act if the person disturbing the place or object did not know and could not reasonably be expected to have known, that the place or object to which the offence relates was a place or object protected under the AH Act.
- 7.5 The Minister for Indigenous Affairs may consent, pursuant to section 18 of the AH Act, to a person using land in a way that is likely to disturb sites or objects in breach of section 17 of the AH Act on recommendation from the 'Aboriginal Cultural Materials Committee', a committee of approved persons with expertise in Aboriginal cultural heritage. Such consent may be provided subject to conditions as appropriate.
- 7.6 Practically, proponents usually seek to conduct surveys with Aboriginal people who can traditionally speak for the relevant area prior to conducting ground disturbing activities that may interfere with Aboriginal places or objects and so that they can, where necessary, make application to the Minister for Indigenous Affairs. These surveys are also useful for proponents if they have to argue for the defence under section 62 of the AH Act where disturbance is caused.

8. Material Contracts

MIO - Lake Giles Iron Ore Projects

Glencore Offtake Agreement

- 8.1 The Company and Glencore International AG (**Glencore**) entered into an offtake agreement dated 13 March 2019 (**Offtake Agreement**), pursuant to which Glencore has agreed to purchase all iron ore produced from the Company's Moonshine Magnetite Project (part of the Company's Lake Giles Iron Ore Project). The tenements to which the Offtake Agreement applies are shown in the Tenement Schedule. The Offtake Agreement is further described in the Prospectus as one of the material contracts relating to the Lake Giles Iron Ore Projects.

Mining Mortgage

- 8.2 MIO and National Australia Bank Limited ABN 12 004 044 937 (**NAB**) entered the Mining Tenement Mortgage dated 11 July 2019 (**Mining Mortgage**). The Mining Mortgage secures money owed from time to time by MIO and the Company to certain noteholders under the Finance Documents (as that term is defined in section 12 of the Prospectus) and the various documents comprising the convertible note arrangements. The Mining Mortgage has been granted to NAB as security trustee. The Mining Mortgage is further described in the Prospectus.
- 8.3 The Mining Mortgage is registered against certain tenements held by MIO as shown in Attachment 1.

MLi - Pilbara Gold and Lithium Projects

- 8.4 MLi and FE Limited entered into an option for an earn-in letter agreement dated 28 August 2019 (**Earn-in Agreement**). The Earn-in Agreement applies to the MLi tenements shown in



Attachment 1. The Earnin Agreement terminated and replaced the earnin-in letter agreement entered into on 14 May 2019 (as varied).

- 8.5 Under the Earn-in Agreement, FEL has been granted the sole and exclusive right to earn up to a 75% interest in the relevant tenements in three stages, for an option fee of \$100,000. FEL gave notice to MLI of FEL's election to exercise the option and the option was validly exercised upon the issue of 26,666,667 ordinary shares in FEL to the Company on 29 August 2019 (refer to FEL's Appendix 3B dated 29 August 2019). The date of issue, being 29 August 2019, is the option exercise date.
- 8.6 MLI has also agreed to assist in fundraising the \$2,000,000 required by FEL to facilitate the transaction.
- 8.7 FEL has the right to earn up to a 75% interest in the project, in the following manner:
- (a) Stage 1 - an initial 25% interest in the project by:
 - (1) undertaking expenditure on the FEL Earnin Tenements of no less than the minimum expenditure commitment; and
 - (2) payment to MLI of \$500,000 in cash or FEL shares (based on the 5-day VWAP prior to the issue date) at FEL's election,within 1 year from the option exercise date (being 29 August 2020).
 - (b) Stage 2 - a further 30% interest (for a total 55% interest) in the project by:
 - (1) undertaking expenditure of no less than the minimum expenditure commitment;
 - (2) payment to MLI of \$500,000 in cash or shares (based on 5-day VWAP prior to the issue date) at FEL's election,within 2 years from the option exercise date (being 29 August 2021);
 - (c) Stage 3 - a further 20% interest (for a total 75% interest) in the project by:
 - (1) undertaking expenditure of no less than the minimum expenditure commitment;
 - (2) payment to MLI of \$750,000 in cash or shares (based on 5-day VWAP prior to the issue date) at FEL's election,within 3 years from the option exercise date (being 29 August 2022).
- 8.8 MLI is free carried until the last to occur of FEL earning the stage 1 interest, the stage 2 interest (if it elects to earn the stage 2 interest), the stage 3 interest (if it elects to earn the stage 3 interest) or the completion of a pre-feasibility study. Following the last of these events, the parties will form an unincorporated joint venture for the exploration and if warranted, development of the Tenements.
- 8.9 The parties contemplate documenting the earnin and joint venture arrangement in a formal agreement which is generally in accordance with the AMPLA Model Exploration Joint Venture Agreement (Minerals). We understand that this formal agreement has not yet been entered into but it will provide that FEL will be the initial manager of the joint venture. The Earnin Agreement is further described in the Prospectus.

Tenement Option and Alluvial Gold Rights Agreement



- 8.10 MLI, Raymond John Masini (**Masini**) and John Samuel Potts (**Potts**) entered into the Tenement Option and Alluvial Gold Rights Agreement dated 6 November 2017. Masini and Potts granted MLI an option to purchase E45/4685, which it exercised. MLI is now the registered holder of E45/4685.
- 8.11 Masini and Potts retain the rights to explore for, extract and sell Alluvial Gold (being gold contained from the surface to 3 metres below ground level, with the exclusion of gold hosted within a conglomerate).
- 8.12 If MLI notifies Masini and Potts of a "Resource Area" (being an area within E45/4685 which contains a gold or base metals resource defined in terms of the JORC Code or National Instrument 43-101 Standards of Disclosure for Minerals Project), then from the date that is 3 months after that notice, Masini and Potts will cease to have Alluvial Gold rights to the relevant part of the tenement (the Resource Area) unless they can demonstrate to MLI's satisfaction that it will not impact MLI's exploration of the Resource Area.

Palyku Heritage Agreement

- 8.13 MLI and the Registered Applicants for the Palyku Claimant Group (**Claim Group**) entered into a heritage agreement dated 14 March 2018 (**Palyku Heritage Agreement**). The Claim Group lodged an application for determination of native title (Federal Court no. WAD 6287/98 and NNTT no. WC 99/16) which was registered by the NNTT (**Claim**).
- 8.14 The Claim overlaps certain tenements held by MLI. The tenements to which the Palyku Heritage Agreement applies are shown in Attachment 1.
- 8.15 Under the Palyku Heritage Agreement the Claim Group agreed to withdraw any objections to MLI's exploration licence applications.
- 8.16 The Palyku Heritage Agreement governs MLI's use of the area overlapping the Claim and provides an agreed procedure for MLI to carry out and pay for heritage surveys to facilitate exploration activities.

Njamal Heritage Agreement

- 8.17 MLI and the Registered Applicants for the Njamal Claimant Group (**Claim Group**) entered into a Heritage Agreement dated 23 November 2017 (**Njamal Heritage Agreement**). The Claim Group lodged an application for a determination of native title (Federal Court no. WAD 6028/1998 and WAD 6003/2000 and NNTT no. WC 1999/008 and WC2000/005) which was registered under the NNTT (**Claim**).
- 8.18 The Claim overlaps certain tenements held by MLI. The tenements to which the Njamal Heritage Agreement applies are shown in Attachment 1.
- 8.19 Under the Njamal Heritage Agreement the Claim Group agreed to withdraw any objections to MLI's exploration licence applications.
- 8.20 The Njamal Heritage Agreement governs MLI's use of the area overlapping the Claim and provides an agreed procedure for MLI to carry out and pay for heritage surveys to facilitate exploration activities.

Auvex Access Agreement

- 8.21 MLI and Auvex Resources Pty Ltd (ACN 129 087 832) (**Auvex**) entered into an access agreement dated 16 February 2017 relating to Auvex's existing L46/67 and MLI's ELA46/1115 (which is now granted) (**Access Agreement**). Auvex has constructed a haul road on L46/67.
- 8.22 The Access Agreement provided for the withdrawal of Auvex's objection to MLI's E46/1115.



- 8.23 In addition to the usual covenants given under an Access Agreement, it provides for MLI to give notice and obtain Auvex's consent before carrying out any activities in the L46/67 road corridor (including a 10 metre buffer either side) and procedures for the relocation of the haul road at MLI's cost and for the parties to establish crossing points if MLI needs to cross the road.

EIO - Treppo and Mt Jackson Iron Ore Projects

Polaris Access Agreement

- 8.24 EIO and Polaris are parties to an access agreement dated 17 April 2019 relating to EIO's ELA77/2542 (currently pending) which overlaps Polaris' miscellaneous licence 77/249 (also currently pending).
- 8.25 Polaris withdrew its objection to EIO's ELA77/2542 pursuant to the access agreement.
- 8.26 In addition to the usual covenants given under an access agreement, it provides for EIO to give notice and obtain Polaris's consent before carrying out any activities within a 50 metre area in which infrastructure is constructed (safety zones) and a procedure for the parties to establish crossing points.

Agreement for Heritage Protection over Exploration and Prospecting Tenure

- 8.27 On 12 June 2019 EIO and Blackshield Lawyers (on behalf of Marlinyu Ghoorlie Native Title Claim (WC2017/007) Group) entered into a heritage agreement (**Marlinyu Ghoorlie Heritage Agreement**) in respect of EIO's ELA77/2542.
- 8.28 Under the Marlinyu Ghoorlie Heritage Agreement the Claim Group agreed not to object to EIO's ELA77/2542.
- 8.29 The Marlinyu Ghoorlie Heritage Agreement governs EIO's use of the area overlapping the Claim and provides an agreed procedure for EIO to carry out and pay for heritage surveys to facilitate exploration activities. We note we have not sighted a fully executed version of the Marlinyu Ghoorlie Heritage Agreement.

9. Assumptions and qualifications

- 9.1 In relation to the Western Australian tenure, we have made the following assumptions in the preparation of this Solicitor's Report:
- (a) our investigations were confined to the Searches unless otherwise specified. We note that this Solicitor's Report is accurate and complete only to the extent that the information resulting from these Searches was correct as at the date that the searches were conducted;
 - (b) there have been no material changes in the standing of the Tenements since the dates of our searches;
 - (c) the Ministers administering the relevant Acts mentioned by this Solicitor's Report and each of their delegates have been validly appointed, have acted within the scope of their power, authority and discretion in granting the Tenements and are able and willing to grant any required consents and approvals under relevant legislation;
 - (d) the authenticity of all signatures and seals and of any duty stamp or marking;
 - (e) the effectiveness, accuracy, completeness and conformity to originals of all copy documents submitted to us;



- (f) that the documents are within the capacity and powers of, and have been validly authorised, executed, duly stamped (where required) and delivered by and are binding on the parties to them;
 - (g) that there are no defaults or contraventions under any agreement or instrument (other than those set out in this Solicitor's Report) which have led or will lead to litigation or have other adverse consequences;
 - (h) that all relevant authorisations were obtained in all relevant jurisdictions prior to all transactions reviewed being entered into and were in full force and effect at all material times and that all obligations under those authorisations have been observed at all times;
 - (i) other than where we have indicated more information is required, that there were no documents other than those which were disclosed to us which related to the issues which we examined;
 - (j) the constitutional validity of all relevant legislation;
 - (k) that the registered holder of a Tenement has valid legal title to the Tenement;
 - (l) that the native title procedures set out in the Mining Act of NT Act were complied with in respect to either the grant or renewal of any of the Tenements; and
 - (m) that we have not made enquiries as to the presence of Aboriginal sites, objects or remains in the Tenements, other than the Searches, and we have not made enquiries about the presence or adequacy of previous surveys.
- 9.2 No other matters form part of the scope of this Solicitor's Report. We have not been instructed as part of the scope of this Solicitor's Report to, nor have we, concerned ourselves with business or financial due diligence or an assessment of business, financial, technical or regulatory risks (apart from those regulatory risks necessarily falling within the scope).
- 9.3 With respect to the Tenements in application stage, we do not express any opinion as to whether such application will be granted and/or the conditions that may be imposed on grant.
- 9.4 We have not been instructed as part of the scope of this Solicitor's Report to, nor have we, conducted searches of:
- (a) the AHIS maintained by the DPLH for unregistered "Other Heritage Places" overlapping the Tenements or made enquiries about the presence or adequacy of previous Aboriginal heritage surveys; or
 - (b) any contaminated sites or environmental approvals or conditions in respect of the Tenements.
- 9.5 We have not been instructed as part of the scope of this Solicitor's Report to determine the application of safety or environmental legislation that may be relevant to the Tenements and the Company.
- 9.6 Where we state in this Solicitor's Report that 'we have been instructed' or 'we are advised', this indicates that we have relied on statements (whether written or oral) provided by the Company, employees of the Company or a relevant Government department, respectively. We are unable to verify the accuracy of these statements as this verification is outside the scope of this Solicitor's Report. We also noted where we have made assumptions and the basis for that assumption.



- 9.7 Where laws are mentioned, the Solicitor's Report does not purport to mention every requirement in respect of the relevant law and items listed after the word 'including' in many cases are not an exhaustive list. Accordingly, specific legal advice should be obtained for specific questions about individual laws.

10. Nevada Tenement Report

- 10.1 The Company has engaged Erwin Thompson Faillers (**ETF**), a law firm in Reno, Nevada, to provide the Nevada Tenement Report.
- 10.2 We have wholly relied on ETF's searches, conclusions, assumptions and qualifications set out in the Nevada Tenement Report and we have not independently verified the content of the Nevada Tenement Report.

Searches

- 10.3 ETF conducted searches for this due diligence. Searches were conducted of:
- (a) the mining claim records of the Bureau of Land Management (**BLM**) in the Nevada State Office, Reno, Nevada and the LR2000 mining claim and public land records of the BLM. We also examined the BLM Serial Register Pages for the Claims. ETF's examination of the BLM records is effective to August 15, 2019, 5:00 p.m.;
 - (b) the BLM Historical Indexes, Master Title Plats, Oil and Gas Plats, leasable mineral plats, and use plats for the federal lands on which the Claims are located; and
 - (c) the grantor-grantee indexes of the Office of the Recorder of Nye County, Nevada. ETF's examination of the grantor-grantee indexes is effective to August 22, 2019, 5:00 p.m.

Opinion and Conclusions

- 10.4 ETF has advised the Company that the status and vestment of record title of the Claims is as follows:
- (a) record title to the Claims is vested in Macarthur Lithium Nevada Limited (a Nevada corporation);
 - (b) there are no encumbrances, legal agreements, land use agreements or royalties recorded against title to the Claims;
 - (c) lands appropriated by the Claims are federal public lands and are not subject to claims of ownership or statutory or regulatory authority of any indigenous or native peoples' organisations or tribal council;
 - (d) the certificates of location and the mining claim maps for the Claims were properly and timely filed with the BLM and recorded in the Office of the Nye County Recorder;
 - (e) the federal annual mining claim maintenance fees have been paid for the Claims for the annual assessment year September 1 2018 to September 2019 and the Claims are in good standing according to the records in the BLM LR2000 database;
 - (f) there are other active unpatented mining claims in the sections of the public lands within the scope of the report; and
 - (g) based on the searches and enquiries conducted (in the Fifth Judicial District Court, Nye County, Nevada and the plaintiff-defendant index of the United States courts and



the party index of the United States Bankruptcy Courts, via the PACER online service) there are no actions or bankruptcy proceedings pending in the abovementioned courts against Macarthur Lithium Nevada Limited.

Tenure System

10.5 ETF has advised the Company that:

- (a) The Claims are unpatented mining claims located on public lands owned and administered by the United States government. A valid unpatented mining claim is an interest in real property that can be bought, sold, mortgaged, devised, leased and taxed, but it is always subject to the paramount title of the United States and, subject to BLM's management authority, the rights of third parties to use the surface of the claim in a manner that does not unreasonably interfere with the claimant's activities. An unpatented mining claim can be located without application to or invitation from the federal government, however, the claim must be located on public lands which have not been withdrawn from the location of mining claims by legislation, regulation or executive order and which have not been appropriated by a third party's location of senior mining claims.
- (b) The location of an unpatented mining claim is initiated by the locator. The location process requires the locator to construct a monument of location on the claim and post on the monument a notice of location which describes the claim. A valid unpatented mining claim must include a discovery of valuable minerals. Before discovery, however, a mining claimant has a possessory right to conduct mineral exploration and development activities on the claim. The locator of a valid unpatented mining claim has the right to explore for, develop and mine minerals discovered on the claim, subject to compliance with the annual mining claim maintenance requirements under the United States Federal Land Policy and Management Act of 1976 and other applicable federal statutes and regulations. Under current law, the claim owner must pay an annual mining claim maintenance fee of \$165 in order to maintain an unpatented mining claim. A claim owner's failure to pay the fee by the statutory deadline will cause automatic forfeiture of the mining claim. There is no curative or grace period. Under current law, the applicable payment deadline for the Claims is 1 September 2019. The Company has advised that the annual mining claim maintenance fee for the Claims was paid on 19 August 2019.

Comments and Recommendations

10.6 ETF has advised the Company that, to the extent the Company has not investigated the locations of the various mining claims, an on-the-ground investigation should be undertaken to determine the extent to which the Claims conflict with the RRV and RRW mining claims. To the extent any Claim overlaps the RRV and RRW mining claims, the overlapping Claim is void ab initio because the RRV and RRW mining claims are senior.

Assumptions and Qualifications

10.7 ETF has advised the Company that an unpatented mining claim must be located and maintained in accordance with the mining laws of the United States and the State of Nevada. Because county and Federal records do not necessarily indicate that the locator or owner of an unpatented mining claim has complied with Federal and State laws and regulations concerning the location and maintenance of an unpatented mining claim, an unpatented mining claim that appears regular from the record may, in fact, later be shown to be invalid. ETF's Nevada Tenement Report was based solely on the public records examined as described in paragraph 10.3 above and necessarily is subject to any matters which are not disclosed by those materials.



- 10.8 ETF's Nevada Tenement Report concerning the vestment of record title to the Claims and its examinations of the public records described in paragraph 10.3 above are subject to the following:
- (a) the completeness and accuracy of the indexes and records of the Offices of the Clerk of the District Court and Recorder of Nye County, Nevada;
 - (b) the completeness and accuracy of the indexes, mining claim records and land status records of the BLM;
 - (c) the actual performance of location work prescribed by law on the date of location of each of the Claims;
 - (d) the paramount title of the United States in respect of the Claims;
 - (e) the discovery of a valuable mineral deposit within the boundaries of each of the Claims;
 - (f) the subject lands not having been appropriated by a third party's location of senior mining claims on the dates of location of the Claims;
 - (g) the proper and timely payment of the BLM annual mining claim maintenance fees;
 - (h) any facts which would be disclosed by an on-site inspection and correct survey of the Claims;
 - (i) any fact not of record affecting the validity of any of the Claims and the terms of any agreement entered by the owner of the Claims which is not of record;
 - (j) any easement or right-of-way which is not of record or any road which may be proven to be a public road under the Act of July 26, 1866, 12 Stat. 253, 43 USC 932, repealed by the Federal Land Policy Management Act of 1976, P.L. No. 94-579, 90 Stat. 2793, or under NRS 405.191 et seq.;
 - (k) adverse rights unknown to ETF of which the owner of any interest in the Claims has actual knowledge;
 - (l) rights of all parties in actual possession of the Claims, including, easements, rights-of-way and tenancies;
 - (m) inchoate mechanic's and materialmen's liens under the laws of the State of Nevada the priority of which may relate back to the date on which the first materials or services were provided by any lien claimant for the improvement of the Claims;
 - (n) voluntary or involuntary petitions in bankruptcy of the present owners or its predecessors in interest;
 - (o) federal tax liens not recorded in the Office of the Nye County Recorder;
 - (p) the adjudicated rights and the validity or current status of any water rights or water rights permits which may be appurtenant to the Claims and the reservation of water resources by the United States pursuant to Executive Order Public Water Reserve No. 107;
 - (q) any zoning or land use regulation or restrictions imposed by the State of Nevada or any political subdivision which has jurisdiction of the Claims;



- (r) matters disclosed by the Nevada Secretary of State's UCC, Federal tax lien and corporation records;
 - (s) the Nevada Tenement Report is effective as of the dates of examination of the title records and does not address or report matters which were filed or recorded in the public records after the dates of ETF's examination; and
 - (t) this section 10 is effective only for the Claims and does not report the status of title to other property interests of any nature.
- 10.9 HopgoodGanim makes no representation or warranty, either express or implied, with respect to the completeness or accuracy of the information contained in this section 10.

11. Consent

- 11.1 This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus. This report is not to be relied upon by, or disclosed to, any other person or used for any other purposes or quoted or referred to in any public document (other than in connection with the issue of the Prospectus) or filed with any Government body or other person (other than in connection with the Prospectus) without our prior written consent.

Yours faithfully

HopgoodGanim Lawyers

Attachment 1 - Tenement Schedule

No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/ Bond	Standing		Overlapping interests	Endors ements / Condi tions (Notes)	Comments
									Rent (Current Year/ Previous Year)	Expenditur e (Current Year / Previous Year)			
GRANTED TENEMENTS													
1.	M30/0206	Macarthur Iron Ore Pty Ltd (100%)	Live	2/07/2007	1/07/2028	None.	In progress Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 01/07/2020 Previous Year Paid	Current Year \$18,900 by 01/07/2020 Previous Year Expended in full	Land Unallocated crown land (1 parcel) (100%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	1.1, 1.3, 1.6, 1.7, 2.2 - 2.6- 2.8-2.9	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG
2.	M30/0207	Macarthur Iron Ore Pty Ltd (100%)	Live	2/07/2007	1/07/2028	None.	In progress Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 01/07/2020 Previous Year Paid	Current Year \$17,100 by 01/07/2020 Previous Year Expended in full	Land Unallocated crown land (1 parcel) (100%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	1.1, 1.3, 1.6, 1.7, 2.2-2.6, 2.8- 2.10	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG
3.	M30/0213	Macarthur Iron Ore Pty Ltd (100%)	Live	13/06/2011	12/06/2032	None.	NT Cleared Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 12/06/2020 Previous Year Paid	Current Year \$25,800 by 12/06/2020 Previous Year Expended in full	Land C Class Reserve: R 50929 (Mining) (1.06%) Unallocated crown land (1 parcel) (98.94%) Heritage Survey Area: 27854 1 (15.9%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	1.3, 1.7-1.8, 2.1-2.5, 2.8-2.9, 2.11	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG

Macarthur Minerals Limited

Solicitor's Report on Tenements



No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year / Previous Year)	Expenditure (Current Year / Previous Year)			
4.	M30/0214	Macarthur Iron Ore Pty Ltd (100%)	Live	13/06/2011	12/06/2032	None.	NT Cleared Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 12/06/2020 Previous Year Paid	Current Year \$26,000 by 12/06/2020 Previous Year Noted as being expended in full as exemption application granted on 23 September 2019	Land C Class Reserve: R 50929 (Mining) (1.15%) Unallocated crown land (1 parcel) (98.85%) Heritage Survey Area: 27854 1 (6.66%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	1.3, 1.7-1.8, 2.1-2.5, 2.8	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG
5.	M30/0215	Macarthur Iron Ore Pty Ltd (100%)	Live	13/06/2011	12/06/2032	None.	NT Cleared Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 12/06/2020 Previous Year Paid	Current Year \$52,100 by 12/06/2020 Previous Year Noted as being expended in full as exemption application granted on 23 September 2019	Land C Class Reserve: R 50929 (Mining) (10.42%) Unallocated crown land (1 parcel) (89.58%) Heritage Survey Area: 27854 1 (8.69%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	1.3, 1.7-1.8, 2.1-2.5, 2.8, 2.9, 2.47	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG Subject to "Programme of Work on E30/240, E30/321, E30/324, M30/215, M30/219, M30/243 for Internickel Australia Pty Ltd"
6.	M30/0216	Macarthur Iron Ore Pty Ltd (100%)	Live	13/06/2011	12/06/2032	None.	NT Cleared Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 12/06/2020 Previous Year Paid	Current Year \$10,000 by 12/06/2020 Previous Year Expended in full	Land C Class Reserve: R 50929 (Mining) (40.01%) Unallocated crown land (1 parcel) (59.99%) Heritage Survey Area: 27854 1 (2.38%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	1.3, 1.7-1.8, 2.1-2.5, 2.8, 2.9	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year / Previous Year)	Expenditure (Current Year / Previous Year)			
7.	M30/0217	Macarthur Iron Ore Pty Ltd (100%)	Live	13/06/2011	12/06/2032	None.	NT Cleared Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 12/06/2020 Previous Year Paid	Current Year \$11,400 by 12/06/2020 Previous Year Expended in full	Land C Class Reserve: R 50929 (Mining) (100%) Heritage Survey Area: 27854 1 (<0.01%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	1.3, 1.7-1.8, 2.1-2.5, 2.8, 2.9	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG
8.	M30/0227	Macarthur Iron Ore Pty Ltd (100%)	Live	13/06/2011	12/06/2032	None.	NT Cleared Complete NT information not available. Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 12/06/2020 Previous Year Paid	Current Year \$50,400 by 12/06/2020 Previous Year Noted as being expended in full as exemption application granted on 23 September 2019	Land C Class Reserve: R 39208 (Conservation of flora & fauna) (0.09%) Unallocated crown land (1 parcel) (99.91%) Heritage Survey Area: 27854 1 (10.78%) FNA 14564 (Helena Aurora National Park) (0.09%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	1.3, 1.7-1.8, 2.1-2.5, 2.8, 2.11(a)-(d), 2.12	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG
9.	M30/0228	Macarthur Iron Ore Pty Ltd (100%)	Live	2/07/2007	1/07/2028	None.	In progress Complete NT information not available. Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 01/07/2020 Previous Year Paid	Current Year \$36,200 by 01/07/2020 Previous Year Expended in full	Land Unallocated crown land (1 parcel) (100%) Heritage Survey Area: 27854 1 (12.1%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	1.1, 1.3, 1.6, 1.7, 2.2 - 2.6, 2.8, 2.13-2.15	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Programme of Work on E30/242, E30/392, M30/228, M30/229 for Internickel Australia Pty Ltd" Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG
10.	M30/0229	Macarthur Iron Ore Pty Ltd (100%)	Live	2/07/2007	1/07/2028	None.	In progress Complete NT	No	Current Year Paid for current year until	Current Year \$20,500 by	Land Unallocated crown land (1 parcel) (100%)	1.1, 1.3, 1.6, 1.7, 2.2	Authorised to work and mine for iron ore Registered Mortgage

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/ Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year / Previous Year)	Expenditure (Current Year / Previous Year)			
							information not available. Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)		01/07/2020 Previous Year Paid	01/07/2020 Previous Year Expended in full	Heritage Survey Area: 27854 1 (63%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	- 2.6, 2.8, 2.9, 2.13-2.15	558313 in favour of NAB Limited Subject to "Programme of Work on E30/242, E30/392, M30/228, M30/229 for Internickel Australia Pty Ltd Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG
11.	M30/0248	Macarthur Iron Ore Pty Ltd (100%)	Live	22/02/2012	21/02/2033	None.	Cleared - Other Reason Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 21/02/2020 Previous Year Paid	Current Year \$58,500 by 21/02/2020 Previous Year Noted as being expended in full as exemption application granted on 20 May 2019	Land Unallocated crown land (1 parcel) (100%) Heritage Survey Area: 27854 1 (2.51%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	1.1, 1.3, 1.7, 2.1-2.5, 2.8, 2.9	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG
12.	M30/0249	Macarthur Iron Ore Pty Ltd (100%)	Live	22/02/2012	21/02/2033	None.	Cleared - Other Reason Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application) Darlot (WC2018/005) (3.61%) (Unregistered)	No	Current Year Paid for current year until 21/02/2020 Previous Year Paid	Current Year \$120,600 by 21/02/2020 Previous Year Expended in full	Land Road reserves: Evanston Menzies Road Unallocated crown land (1 parcel) (98.75%) Heritage Survey Area: 27854 1 (72.41%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	1.1, 1.3, 1.7, 2.1-2.5, 2.7-2.9, 2.14-2.23	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Ularring Hematite Project - Mining Proposal - Camp Extension", "Programme of Work on M30/249 for Macarthur Iron Ore Pty Ltd" Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/ Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year / Previous Year)	Expenditure (Current Year / Previous Year)			
							application)						
13.	M30/0250	Macarthur Iron Ore Pty Ltd (100%)	Live	5/03/2013	4/03/2034	None.	NT Cleared - Grant Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 04/03/2020 Previous Year Paid	Current Year \$10,200 by 04/03/2020 Previous Year Expended in full	Land Unallocated crown land (1 parcel) (100%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	1.1, 1.3, 1.5(a)-(c), 1.7, 1.9-1.11, 2.1-2.5, 2.8, 2.9, 2.24	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG
14.	M30/0251	Macarthur Iron Ore Pty Ltd (100%)	Live	27/11/2012	26/11/2033	None.	NT Cleared - Grant Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 26/11/2019 Previous Year Paid	Current Year \$124,600 by 26/11/2019 Previous Year Noted as being expended in full as exemption application granted on 19 March 2019	Tenement E 30/493: Arrow (Strickland) Pty Ltd (0.01%) Land C Class Reserve: R 50929 (Mining) (11.11%) Road reserve: No. 1115 Unallocated crown land (2 parcels) (88.71%) Heritage Survey Area: 27854 1 (63.35%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%)	1.1, 1.3, 1.7, 1.5(a)-(c), 1.8 (b)-(d), 1.9-1.12, 2.1 - 2.5, 2.8, 2.9	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG
15.	M30/0252	Macarthur Iron Ore Pty Ltd (100%)	Live	27/05/2013	26/05/2034	None.	NT Cleared - Other Reason Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 26/05/2020 Previous Year Paid	Current Year \$47,800 by 26/05/2020 Previous Year Noted as expended in full as exemption application granted on 2 September	Tenement E 30/493: Arrow (Strickland) Pty Ltd (<0.01%) Land C Class Reserve: R 50929 (Mining) (3.5%) Road reserve: No. 1115 Unallocated crown land (2 parcels) (95.83%) Heritage Survey Area: 27854 1 (22.47%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern	1.1, 1.3, 1.5(a)-(c), 1.7, 1.9-1.11, 2.1-2.5, 2.8, 2.9, 2.25	Authorised to work and mine for iron ore Registered Mortgage 558313 in favour of NAB Limited Subject to "Offtake Agreement" dated 13 March 2019 with Glencore International AG

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year / Previous Year)	Expenditure (Current Year / Previous Year)			
										2019.	section) (100%)		
16.	E45/4685	Macarthur Lithium Pty Ltd (100%)	Live	12/01/2017	11/01/2022	None.	NT Cleared - Expedited Procedure Applies Overlaps Nyamal #1 (WC1999/008) (58.96%) (Registered application) Nyamal Additional Areas (WC2018/021) (41.15%) (Unregistered application) Palyku #2 (WC2018/022) (100%) (Unregistered application)	No	Current Year Paid for current year until 11/01/2020 Previous Year Paid	Current Year \$20,000 by 11/01/2020 Previous Year Expended in full	Land C Class Reserve: R12194 (Water) (0.58%), R13685 (Timber) (6.82%) Pastoral lease N050453 (Panorama) (92.6%) FNA 10120 (Proposed QR national rail corridor - multi user railway) (10.69%) FNA 11568 (Proposed rail haulage route Atlas Iron) (10.89%) GWA 32 (Pilbara) (100%) MZ 1: Mineralisation Zone (northern section) (100%) Surface Water Area 30 (Pilbara) (100%)	1.1, 1.3, 1.5, 1.13, 1.14, 2.1-2.3, 2.26-2.31	Subject to "Tenement Option and Alluvial Gold Rights Agreement" dated 6/11/2017 with Ray Masini and John Potts Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited
17.	E45/4693	Macarthur Lithium Pty Ltd (100%)	Live	21/11/2017	20/11/2022	None.	NT Cleared - Expedited Procedure Applies Overlaps Nyamal #1 (WC1999/008) (100%) (Registered application)	No	Current Year Paid for current year until 20/11/2019 Previous Year Paid	Current Year \$20,000 by 20/11/2019 Previous Year Expended in full	Tenement L 45/424: Metalicity Energy Pty Ltd (24.14%) (pending) Land Historical pastoral lease - 394823 (50.04%), 394825 (49.96%) Pastoral lease - N050365 (Wallareenya) (99.68%) GWA 32 (Pilbara) (100%) MZ 1: Mineralisation Zone (northern section) (100%) Surface Water Area 30 (Pilbara) (100%)	1.1, 1.3, 1.5, 1.13, 1.14, 2.1-2.3, 2.26, 2.27	Subject to Aboriginal Heritage Agreement dated 23 November 2017 with the Registered Applicants for the Njama Claimant Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited
18.	E45/4702	Macarthur Lithium Pty Ltd (100%)	Live	20/11/2017	19/11/2022	Canning Well (ID 11140)	NT Cleared - Expedited Procedure	No	Current Year Paid for current year until	Current Year \$41,000 by	Land Road Reserve: Bonney Downs Hillside Road, Hillside Woodstock Road, No.	1.1, 1.3, 1.5, 1.13 -	Subject to Aboriginal Heritage Agreement dated 14 March 2018 with Palyku Native Title Claim Group

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)			
						Woolshed Track ID 11151 Hillside (ID 11155) Canning Well (ID 11167)	Applies Overlaps Nyamal #1 (WC1999/008) (29.76%) (Registered application) Palyku (WC1999/016) (58.84%) (Registered application) ILUA: FMG - Palyku Land Access (WI2017/004) (58.84%) Palyku #2 (WC2018/022) (41.15%) (Unregistered application) Palyku Part A (WCD2019/002) (58.85%) (Not registered determination)		19/11/2019 Previous Year Paid	19/11/2019 Previous Year Expended in full	10501, No. 389 Pastoral lease N050452 (Hillside) (90.85%) FNA 13454 (Proposed licence over reserves 12058, 13627 and unnumbered UCL, Marble Bar) (5.32%) GWA 32 (Pilbara) (100%) MZ 1: Mineralisation Zone (northern section) (100%) Surface Water Area 30 (Pilbara) (100%) C Class Reserve: R 24122 (Mining) (8.78%)	1.15, 2.1-2.3, 2.26, 2.27, 2.32, 2.33	Subject to Aboriginal Heritage Agreement dated 23 November 2017 with the Registered Applicants for the Nyamal Claimant Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited
19.	E45/4708	Macarthur Lithium Pty Ltd (100%)	Live	21/11/2017	20/11/2022	None.	NT Cleared - Expedited Procedure Applies Overlaps Nyamal #1 (WC1999/008)	No	Current Year Paid for current year until 20/11/2019 Previous Year Paid	Current Year \$27,000 by 20/11/2019 Previous Year Expended in	Land Pastoral lease N050453 (Panorama) (100%) FNA 10120 (Proposed QR national rail corridor - multiuser railway) (1.09%) FNA 11568 (Proposed rail haulage route Atlas Iron) (1.2%)	1.1, 1.3, 1.5, 1.13, 1.14, 2.1-2.3, 2.26, 2.27, 2.29, 2.31	Subject to Aboriginal Heritage Agreement dated 23 November 2017 with the Registered Applicants for the Nyamal Claimant Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/ Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)			
							(69.08%) (Registered application) Nyamal Additional Areas (Part 1) (WC2018/021) (19.43%) (Unregistered application) Palyku #2 (WC2018/022) (100%) (Unregistered application)			full	GWA 32 (Pilbara) (100%) MZ 1: Mineralisation Zone (northern section) (100%) Surface Water Area 30 (Pilbara) (100%)		
20.	E45/4709	Macarthur Lithium Pty Ltd (100%)	Live	21/11/2017	20/11/2022	None.	NT Cleared - Expedited Procedure Applies Overlaps Nyamal #1 (WC1999/008) (100%) (Registered application) Palyku #2 (WC2018/022) (100%) (Unregistered application)	No	Current Year Paid for current year until 20/11/2019 Previous Year Paid	Current Year \$22,000 by 20/11/2019 Previous Year Expended in full	Land Pastoral lease N050429 (Coruma Downs) (47.08%), N050453 (Panorama) (44.87%) Unallocated crown land (1 parcel) (8.05%) GWA 32 (Pilbara) (100%) MZ 1: Mineralisation Zone (northern section) (100%) Surface Water Area 30 (Pilbara) (100%)	1.1, 1.3, 1.5, 1.13, 1.14, 2.1-2.3, 2.26, 2.27	Subject to Aboriginal Heritage Agreement dated 23 November 2017 with the Registered Applicants for the Nyamal Claimant Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited
21.	E45/4710	Macarthur Lithium Pty Ltd (100%)	Live	20/11/2017	19/11/2022	Hillside 9 (ID 7762)	NT Cleared - Expedited Procedure Applies Overlaps	No	Current Year Paid for current year until 19/11/2019 Previous Year Paid	Current Year \$22,000 by 19/11/2019 Previous Year	Road reserve: No. 10501 Pastoral lease N050452 (Hillside) (99.77%) GWA 32 (Pilbara) (100%) MZ 1 - Mineralisation Zone (northern section) (100%)	1.1, 1.3, 1.5, 1.13, 1.14, 2.1-2.3, 2.26, 2.27,	Subject to Aboriginal Heritage Agreement dated 14 March 2018 with Palyku Native Title Claim Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)			
							Palyku (WC1999/016) (100%) (Unregistered application) ILUA: FMG - Palyku Land Access (WI2017/004) (100%) Palyku Part A (WCD2019/002) (100%) (Not registered determination)			Expended in full	Surface Water Area 30 (Pilbara) (100%)	2.34	FE Limited
22.	E45/4711	Macarthur Lithium Pty Ltd (100%)	Live	20/11/2017	19/11/2022	Wallaby Bar. (ID 8782)	NT Cleared - Expedited Procedure Applies Overlaps Palyku (WC1999/016) (100%) (Registered application) ILUA: FMG - Palyku Land Access (WI2017/004) (100%) Palyku Part A (WCD2019/002) (100%) (Not registered determination)	No	Current Year Paid for current year until 19/11/2019 Previous Year Paid	Current Year \$40,000 by 19/11/2019 Previous Year Expended in full	Land C Class Reserve: R 21802 (Pastoral Research) (19.89%) Historical pastoral lease 394 409 (35.86%) Pastoral lease N050452 (Hillside) (80.11%) Heritage survey areas: 22015 1 (0.06%), 22229 1 (0.06%), 22321 1 (0.06%), 22328 1 (0.06%), 22329 1 (0.06%), 27053 1 (0.05%), 27054 1 (0.05%), 27057 1 (1.65%), 27322 1 (<0.01%), 27323 1 (0.05%) GWA 32 (Pilbara) (100%) MZ 1: Mineralisation Zone (northern section) (7.56%) Surface Water Area 30 (Pilbara) (100%)	1.1, 1.3, 1.5, 1.13, 1.14, 1.16, 1.17, 2.1-2.3, 2.26, 2.27, 2.33, 2.35, 2.36, 2.48	Subject to Aboriginal Heritage Agreement dated 14 March 2018 with Palyku Native Title Claim Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited
23.	E45/4732	Macarthur Lithium Pty Ltd (100%)	Live	21/11/2017	20/11/2022	None.	NT Cleared - Expedited	No	Current Year Paid for current	Current Year	Tenement	1.1, 1.3, 1.5,	Subject to Aboriginal Heritage Agreement dated 23 November 2017 with the

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year / Previous Year)	Expenditure (Current Year / Previous Year)			
							Procedure Applies Overlaps Nyamal #1 (WC1999/008) (100%) (Registered application)		year until 20/11/2019 Previous Year Paid	\$43,000 by 20/11/2019 Previous Year Expended in full	L45/60: Haoma Mining NL (0.04%) Land Pastoral lease N050453 (Panorama) (9.25%), N050454 (56.8%) Unallocated crown land (3 parcels) (33.94%) FNA 7408 (Licence to maintain access tracks Sipa Resources Ltd) (0.15%) GWA 32 (Pilbara) (100%) MZ 1: Mineralisation Zone (northern section) (100%) Surface Water Area 30 (Pilbara) (100%)	1.13, 1.14, 2.1-2.3, 2.26, 2.27, 2.37	Registered Applicants for the Nyamal Claimant Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited
24.	E45/4735	Macarthur Lithium Pty Ltd (100%)	Live	21/11/2017	20/11/2022	None.	NT Cleared - Expedited Procedure Applies Overlaps Nyamal #10 (WC2000/005) (0.92%) (Registered application) Nyamal #1 (WC1999/008) (100%) (Registered application)	No	Current Year Paid for current year until 20/11/2019 Previous Year Paid	Current Year \$15,000 by 20/11/2019 Previous Year Expended in full	Tenement L45/189: Venturix Sulphur Springs Pty Ltd (4.55%) Land Historical pastoral lease 394 645 (0.92%) Pastoral lease N050091 (Strelley - Aboriginal Corporation) (0.92%) Unallocated crown land (1 parcel) (99.08%) Heritage Survey Area: 276411 (0.05%) GWA 32 (Pilbara) (100%) MZ 1: Mineralisation Zone (northern section) (100%) Surface Water Area 30 (Pilbara) (100%)	1.1, 1.3, 1.5, 1.13, 1.14, 1.18, 1.19, 2.1-2.3, 2.26, 2.27, 2.38-2.41	Subject to Aboriginal Heritage Agreement dated 23 November 2017 with the Registered Applicants for the Nyamal Claimant Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited
25.	E45/4747	Macarthur Lithium Pty Ltd (100%)	Live	21/11/2017	20/11/2022	None.	NT Cleared - Expedited Procedure Applies Overlaps	No	Current Year Paid for current year until 20/11/2019 Previous Year Paid	Current Year \$15,000 by 20/11/2019 Previous Year	Land C class reserve R21802 (Pastoral research station) (68.87%) Historical pastoral lease 394 409 (31.13%) Pastoral lease N050452 (Hillside)	1.1, 1.3, 1.5, 1.13, 1.14, 1.20, 1.21, 2.1-2.3,	Subject to Aboriginal Heritage Agreement dated 14 March 2018 with Palyku Native Title Claim Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/ Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)			
							Palyku (WC1999/016) (100%) (Registered application) ILUA: FMG - Palyku Land Access (W12017/004) (100%) Palyku Part A (WCD2019/002) (100%) (Not registered determination)			Expended in full	(31.13%) Heritage Survey Area: 22015 1 (1.42%), 22229 1 (1.42%), 22321 1 (1.42%), 22328 1 (1.42%), 22329 1 (1.42%), 27054 1 (0.73%), 27057 (64.87%), 27322 1 (0.73%), 27323 1 (0.73%) GWA 32 (Pilbara) (100%) Surface Water Area 30 (Pilbara) (100%)	2.26, 2.27, 2.42, 2.43	FE Limited

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/ Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year / Previous Year)	Expenditure (Current Year / Previous Year)			
26.	E45/4764	Macarthur Lithium Pty Ltd (100%)	Live	10/08/2017	9/08/2022	None.	NT Cleared - Expedited Procedure Applies Overlaps Nyamal #1 (WC1999/008) (100%) (Registered application) Palyku #2 (WC2018/022) (31.76%) (Unregistered application)	No	Current Year Paid for current year until 09/08/2020 Previous Year Paid	Current Year \$15,000 by 09/08/2020 Previous Year Expended in full	Land Pastoral lease N050453 (Panorama) (100%) GWA 32 (Pilbara) (100%) MZ 1: Mineralisation Zone (northern section) (100%) Surface Water Area 30 (Pilbara) (100%)	1.1, 1.3, 1.5, 1.13, 1.14, 2.1-2.3, 2.26, 2.27	Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited
27.	E45/4779	Macarthur Lithium Pty Ltd (100%)	Live	16/01/2018	15/01/2023	Paddy Market Creek (ID 11161)	NT Cleared - Expedited Procedure Applies Overlaps Nyamal #1 (WC1999/008) (100%) (Registered application) Palyku #2 (WC2018/022) (12.45%) (Unregistered application)	No	Current Year Paid for current year until 15/01/2020 Previous Year Paid	Current Year \$15,000 by 15/01/2020 Previous Year Expended in full	Tenement L45/60: Haoma Mining NL (0.03%) Land C Class Reserve: R 11293 (Water) (0.85%), R 13625 (Timber) (0.27%) Pastoral lease N050453 (Panorama) (27.17%) Unallocated crown land (2 parcels) (71.72%) FNA 7408 (Licence to maintain access tracks Sipa Resources Ltd) (0.2%) GWA 32 (Pilbara) (100%) MZ 1: Mineralisation Zone (northern section) (100%) Surface Water Area 30 (Pilbara) (100%)	1.1, 1.3, 1.5, 1.13, 1.14, 1.22, 2.1-2.3, 2.26, 2.27, 2.37, 2.44	Subject to Aboriginal Heritage Agreement dated 23 November 2017 with the Registered Applicants for the Njama Claimant Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited
28.	E45/4824	Macarthur Lithium Pty Ltd (100%)	Live	5/12/2017	4/12/2022	None.	NT Cleared - Expedited Procedure Applies	No	Current Year Paid for current year until 04/12/2019	Current Year \$65,000 by 04/12/2019	Tenement G45/36: Elazac Mining Pty Ltd (0.02%) Land	1.1, 1.3, 1.5, 1.13, 1.14,	Subject to Aboriginal Heritage Agreement dated 23 November 2017 with the Registered Applicants for the Njama Claimant Group

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/ Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)			
							Overlaps Nyamal #1 (WC1999/008) (79.84%) (Unregistered application) Nyamal Additional Areas (Part 1) (WC2018/021) (18.22%) (Unregistered application) Palyku #2 (WC2018/022) (100%) (Unregistered application)		Previous Year Paid	Previous Year Expended in full	Pastoral lease N050453 (Panorama) (97.6%) Unallocated crown land (2 parcels) (2.4%) FNA: 10120 (proposed QR national rail corridor) (7.76%), 11568 (proposed rail haulage route Atlas Iron) (11.63%), 13455 (proposed licence over portion of reserves 2805, 10976 and unnumbered UCL, Nullagine) (1.83%), 13652 (proposed amalgamation of unnumbered UCL into adjoining pastoral stations - Bonney Downs, Noreena Downs and Warrawagine) (1.83%) GWA 32 (Pilbara) (100%) MZ 1: Mineralisation Zone (northern section) (100%) Surface Water Area 30 (Pilbara) (100%)	2.1-2.3, 2.26, 2.27, 2.45	Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)			
29.	E45/4848	Macarthur Lithium Pty Ltd (100%)	Live	14/12/2017	13/12/2022		NT Cleared - Expedited Procedure Applies Overlaps Palyku (WC1999/016) (100%) (Registered application) ILUA: FMG - Palyku Land Access (WI2017/004) (100%) Palyku Part A (WCD2019/002) (100%) (Not registered determination)	No	Current Year Paid for current year until 13/12/2019 Previous Year Paid	Current Year \$10,000 by 13/12/2019 Previous Year Expended in full	Land C Class Reserve R 24122 (Mining) (100%) GWA 32 (Pilbara) (100%) MZ 1: Mineralisation Zone (northern section) (100%) Surface Water Area 30 (Pilbara) (100%)	1.1, 1.3, 1.5, 1.13, 1.14, 2.1-2.3	Subject to Aboriginal Heritage Agreement dated 14 March 2018 with Palyku Native Title Claim Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited
30.	E45/5324	Macarthur Lithium Pty Ltd (100%)	Live	5/04/2019	4/04/2024	None.	NT Cleared - Expedited Procedure Applies Overlaps Pilbara (ARB12) (100%) Palyku #2 (WC2018/022) (100%) (Unregistered application)	No	Current Year Paid for current year until 04/04/2020 Previous Year Paid	Current Year \$15,000 by 13/12/2020 Previous Year N/A	Land Road reserve: No. 389 Pastoral lease N050452 (Hillside) (99.66%) FNA 9629 (clearance for investigations to support haul road for the trucking of iron ore) (17.9%) GWA 32 (Pilbara) (100%) MZ 1: Mineralisation Zone (northern section) (100%) Surface Water Area 30 (Pilbara) (100%)	1.1, 1.3, 1.5, 1.13, 1.14, 1.23, 2.1-2.3, 2.26, 2.27, 2.33	Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited
31.	E46/1114	Macarthur Lithium Pty Ltd (100%)	Live	10/11/2017	9/11/2022	None.	NT Cleared - Expedited Procedure Applies Overlaps Palyku	No	Current Year Paid for current year until 09/12/2019 Previous Year Paid	Current Year \$35,000 by 09/12/2019 Previous Year Expended in	Land Historical pastoral lease 394 423 (100%) Pastoral lease N050058 (Noreena Downs) (100%) GWA 32 (Pilbara) (100%) Surface Water Area 30 (Pilbara) (100%)	1.1, 1.3, 1.5, 1.13, 1.14, 2.1-2.3, 2.26, 2.27	Subject to Aboriginal Heritage Agreement dated 14 March 2018 with Palyku Native Title Claim Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/ Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)			
							(WC1999/016) (100%) (Registered application) ILUA: FMG - Palyku Land Access (W12017/004) (100%) Palyku Part A (WCD2019/002) (100%) (Not registered determination)			full			
32.	E46/1115	Macarthur Lithium Pty Ltd (100%)	Live	10/11/2017	9/11/2022	None.	NT Cleared - Expedited Procedure Applies Overlaps Nyamal #1 (WC1999/008) (20.84%) (Registered application) Palyku (WC1999/016) (79.16%) (Registered application) ILUA: FMG - Palyku Land Access (W12017/004) (79.16%) Palyku #2 WC2018/022) (20.83%) (Unregistered application) Palyku Part A	No	Current Year Paid for current year until 09/11/2019 Previous Year Paid	Current Year \$21,000 by 09/11/2019 Previous Year Expended in full	Tenement L46/67: Auvex Resources Pty Ltd (0.61%) Land Historical pastoral lease: 394 423 (6.34%), 394 424 (6.93%), 394 425 (56.88%), 394 427 (29.84%) Pastoral lease N050058 (Noreena Downs) (100%) GWA 32 (Pilbara) (100%) Surface Water Area 30 (Pilbara) (100%)	1.1, 1.3, 1.5, 1.13, 1.14, 2.1-2.3, 2.26, 2.27, 2.46	Subject to "Access Agreement - M46/67" with Auvex Resources Pty Ltd dated 16/2/17 Subject to Aboriginal Heritage Agreement dated 14 March 2018 with Palyku Native Title Claim Group Subject to Aboriginal Heritage Agreement dated 23 November 2017 with the Registered Applicants for the Nyamal Claimant Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/ Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)			
							(WCD2019/002) (79.17%) (Not registered determination)						
33.	E46/1210	Macarthur Lithium Pty Ltd (100%)	Live	2/07/2018	1/07/2023	None.	NT Cleared - Expedited Procedure Applies Overlaps Palyku (WC1999/016) (100%) (Registered application) ILUA: FMG - Palyku Land Access (W12017/004) (100%) Palyku Part A (WCD2019/002) (100%) (Not registered determination)	No	Current Year Paid for current year until 01/07/2020 Previous Year Paid	Current Year \$21,000 by 01/07/2020 Previous Year Expended in full	Land Historical pastoral lease: 394 423 (95.71%), 394 427 (4.29%) Pastoral lease N050058 (Noreena Downs) (100%) Heritage Survey Area: 200380 1 (49.99%) GWA 32 (Pilbara) (100%) Surface Water Area 30 (Pilbara) (100%)	1.1, 1.3, 1.5, 1.13, 1.14, 2.1-2.3, 2.26, 2.27	Subject to Aboriginal Heritage Agreement dated 14 March 2018 with Palyku Native Title Claim Group Subject to Option for an earn-in letter agreement dated 28 August 2019 with FE Limited
34.	E77/2543	Esperance Iron Ore Export Company Pty Ltd (100%)	Live	14/11/2018	13/11/2023	KY11 (ID 20329) Mt Jackson Ranges (Initiated Male Only Site) (ID 22944)	Cleared - Expedited Procedure Applies Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year Paid for current year until 13/11/2019 Previous Year Paid	Current Year \$15,000 by 13/11/2019 Previous Year N/A	Land Unallocated crown land (1 parcel) (100%) Heritage Survey Area: 19303 4 (35.63%), 19304 2 (35.63%), 19306 2 (31.11%), 21738 1 (0.02%), 21739 1 (0.02%) GWA 21 (Goldfields) (100%) MZ 2: Mineralisation Zone (southern section) (100%) Pastoral lease exclusion area (2015): 46 (100%), 69 (100%) Proposed reserve: P5H 36 (Mount Jackson Pastoral Lease) (100%)	1.1 - 1.5 (a)((1)-(5)) - (f), 2.1 - 2.3	
APPLICATIONS													
35.	ELA77/2521	Esperance Iron Ore Export	Pending (applied for)	N/A	N/A	None.	NT Cleared -	No	Current Year	Current	Land	Not applicable	Native title cleared 19

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No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/ Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)			
		Company Pty Ltd (100%)	on 15/01/2018)				Expedited Procedure Applies Overlaps Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)		N/A Previous Year N/A	Year N/A Previous Year N/A	C Class Reserve: R 36208 (Conservation of flora & fauna) (13.83%), R 48470 (Conservation Park) (86%) Road reserves: No. 1115 FNA: 14564 (propose Helena Aurora National Park) (99.83%), 9423 (potential for advance projects) (53.51%) GWA 32 (Pilbara) (100%) MZ 2: Mineralization Zone (southern section) (100%) Special category land: S19 383 (section 19) (<0.01%)	e.	October 2018. Referred to DBCA as a result of overlap with Crown reserve - outcome of referral pending.
36.	ELA77/2542	Esperance Iron Ore Export Company Pty Ltd (100%)	Pending (applied for on 24/04/2018)	N/A	N/A	Deception 2 (27028)	Expedited Procedure applies - In Process (11 September 2019) Overlap Marlinyu Ghoorlie (WC2017/007) (100%) (Registered application)	No	Current Year N/A Previous Year N/A	Current Year N/A Previous Year N/A	Tenements L77/235: Cliffs Asia Pacific Iron Ore Pty Ltd (0.45%) L77/249: Polaris Metals Pty Ltd) (0.35% (pending) M77/1257: Cliffs Asia Pacific Iron Ore Pty Ltd (1.21%) M77/1258: Cliffs Asia Pacific Iron Ore Pty Ltd (13.3%) M77/1259: Cliffs Asia Pacific Iron Ore Pty Ltd (7.65%) Land C Class Reserve: R 13466 (Water) (0.47%) Unallocated crown land (2 parcels) (99.53%) Heritage Survey Area: 19303 3 (64.27%), 19306 1 (64.27%), 21738 1 (93.51%), 21739 1 (93.51%), 23139 2 (99.84%), 23140 2 (99.84%), 23253 2 (99.84%), 27189 1 (10.22%), 27190 (10.22%), 27191 1 (0.03%) FNA 13757 (proposed inclusion of UCL Lots 38, 345 and 355 into Mt Jackson Station, pastoral lease N049761, Mount Jackson, Shire of Yilgarn) (44.3%)	Not applicable.	Subject to "Access Agreement in respect of tenement E77/2542 and L77/249" with Polaris Metals Pty Ltd dated 17 April 2019 Subject to "Agreement for Heritage Protection over Exploration and Prospecting Tenure" with Blackshield Lawyers (on behalf of Marlinyu Ghoorlie Native Title Claim Group) dated 12 June 2019 (in which NT Group agreed not to object to grant - see paragraphs 8.27 to 8.29).

No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping interests	Endorsements / Conditions (Notes)	Comments
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)			
											GWA 21 (Goldfields) (100%) MZ 2: Mineralization Zone (southern section) (100%) Pastoral lease exclusion 35 (2015) (55.58%) P5H 35: proposed 5(jh) reserve Diemals Pastoral Lease (55.5%)		

Notes

1. Endorsements

- 1.1 The Licensee's attention is drawn to the provisions of the *Aboriginal Heritage Act 1972* and any Regulations thereunder.
- 1.2 The land the subject of this Licence affects a Rare Flora site/s (including Rare Flora Site/s DRF/87115 and DRF/87116) declared under the Wildlife Conservation Act 1950. The Licensee is advised to contact the Department of Biodiversity Conservation and Attractions (DBCA) for information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.
- 1.3 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.
- 1.4 In respect to Proclaimed Ground Water Areas GWA/21 Goldfields, the following endorsement applies:
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.
- 1.5 In respect to Water Resource Management Areas (WRMA) the following endorsements apply:
The Licensee's attention is drawn to the provisions of the:
 - (1) Waterways Conservation Act 1976
 - (2) Rights in Water and Irrigation Act 1914
 - (3) Metropolitan Water Supply, Sewerage and Drainage Act 1909
 - (4) Country Areas Water Supply Act 1947
 - (5) Water Agencies (Powers) Act 1984
 - (6) Water Resources Legislation Amendment Act 2007

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.

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.

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).

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.

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.

- 1.6 This mining lease authorises the mining of the land for all minerals as defined in Section 8 of the Mining Act 1978 with the exception of:
Uranium ore;
Iron ore, unless specifically authorised under Section 111 of the Act
- 1.7 The Lessee pursuant to the approval of the Minister responsible for the Mining Act 1978 under Section 111 of the Mining Act 1978 is authorised to work and mine for iron.
- 1.8 The lessee's attention is drawn to the provisions of:
the Aboriginal Heritage Act 1972 and any Regulations thereunder;
the Conservation and Land Management Act 1984 and any Regulations thereunder;
the Bushfires Act 1954 and any regulations thereunder, and
the Wildlife Conservation Act 1950 and any Regulations thereunder.
- 1.9 In respect to Artesian (confined) Aquifers and Wells the following endorsement applies:
The abstraction of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless a current licence for these activities has been issued by the DoW.
- 1.10 In respect to Waterways the following endorsements apply:
Advice shall be sought from the DoW if proposing any mining/activity in respect to mining operations within a defined waterway and within a lateral distance of:
(1) 50 metres from the outer-most water dependent vegetation of any perennial waterway, and
(2) 30 metres from the outer-most water dependent vegetation of any seasonal waterway.
Measures such as effective drainage controls, sediment traps and stormwater retention facilities being implemented to minimise erosion and sedimentation of receiving catchments and adjacent areas.
- 1.11 In respect to Proclaimed Ground Water Areas (GWA 21) the following endorsement applies:
The abstraction of groundwater is prohibited unless a current licence to construct/alter a well and a licence to take groundwater has been issued by the DoW.
- 1.12 The grant of this Lease does not include land the subject of Exploration Licence 30/349.
- 1.13 In respect to Proclaimed Surface Water Areas, Irrigation District Areas and Rivers (RIWI Act) the following endorsements apply:
The taking of surface water from a watercourse or wetland is prohibited unless a current licence has been issued by DoW.
Advice shall be sought from DoW and the relevant water service provider if proposing exploration activity in an existing or designated future irrigation area, or within 50 meters 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.
No exploration activity is to be carried out if:
(1) it may obstruct or interfere with the waters, bed or banks of a watercourse or wetland
(2) it relates to the taking or diversion of water, including diversion of the watercourse or wetland
unless in accordance with a permit issued by the DoW.
- 1.14 In respect to Proclaimed Ground Water Areas the following endorsement applies:
The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by DoW, unless an exemption otherwise applies.
- 1.15 The Licensee's attention is drawn to the existence of a licence for Proposed Licence over Reserve 12058, 13627 and portion 24122 and Unnumbered UCL, Marble Bar, Shire of East Pilbara, granted pursuant to section 91 of the Land Administration Act 1997 and which is shown designated as FNA13454 in TENGGRAPH.
- 1.16 The Licensee's attention is drawn to the existence of a licence for Nyidinghu Spur Line granted pursuant to section 91 of the Land Administration Act 1997 and which is shown designated as FNA10123 in TENGGRAPH.
- 1.17 The grant of this lease does not include the land the subject of Pastoral Lease N50370 (Mulga Downs) or AL70/1 (L1SA).
- 1.18 The land the subject of this Licence affects a Rare Flora site/s (including Rare Flora Site/s DRF/109844) declared under the Wildlife Conservation Act 1950. The Licensee is advised to contact the Department of Parks and Wildlife for information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.
- 1.19 The following conditions are imposed by Warden's Order in accordance with the Minutes of Programming Directions dated 22 June 2016:
The area of the application which encroaches on the land the subject of Miscellaneous Licence 45/285 is to be excluded from the grant of the application.

The land the subject to AML 70/249 (ML249SA) is completely excised from Exploration Licence 45/4735.

- 1.20 The following endorsement is imposed by Warden's Order in accordance with the Minute of Programming Directions dated 23 June 2016:

The grant of this licence does not include the land the subject of AL70/1.

- 1.21 The following endorsement is imposed by Warden's Order in accordance with the Minute of Programming Directions dated 15 August 2016:

The grant of this licence does not include the land the subject of AL70/4.

- 1.22 The Licensee's attention is drawn to the existence of a licence to Maintain Access Tracks granted pursuant to section 91 of the Land Administration Act 1997 and which is shown designated as FNA7408 in TENGRAPH.

- 1.23 The Licensee's attention is drawn to the existence of a licence for Clearance for investigation to support haul road for the trucking of iron ore granted pursuant to section 91 of the Land Administration Act 1997 and which is shown designated as FNA/9629 in TENGRAPH.

2. Conditions

- 2.1 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, DMIRS. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMIRS.

- 2.2 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.

- 2.3 Unless the written approval of the Environmental Officer, DMIRS is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.

- 2.4 Survey.

- 2.5 All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.

- 2.6 All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, DMIRS. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMIRS.

- 2.7 No interference with Geodetic Survey Station SSM-NMF 395 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

- 2.8 The lessee submitting a plan of proposed operations and measures to safeguard the environment to the Director, Environment, DMIRS for his assessment and written approval prior to commencing any developmental or productive mining or construction activity.

- 2.9 Mining on any road, road verge or road reserve being confined to below a depth of 15 metres from the natural surface.

- 2.10 No interference with Geodetic Survey Station SSM - Kalgoorlie 93 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

- 2.11 Consent to mine on DEC - Managed Lands Conservation of Flora and Fauna Reserve 36208 granted subject to the following conditions:

- (a) Prior to lodgement of a Programme of Work (PoW), the lessee preparing a Conservation Management Plan (CMP) to address the conservation impacts of the proposed activities and submitting the CMP to the relevant Regional Manager of the Department of Environment and Conservation (DEC). This CMP shall be prepared pursuant to DEC-prepared "Guidelines for Conservation Management Plans Relating to Mineral Exploration on Lands Managed by the Department of Environment and Conservation" to meet the requirements of the Minister for Environment for acceptable impacts to conservation estate. A copy of the CMP and of DEC's decision on its acceptability under the guidelines is to accompany the lodgement of the PoW application with the Department of Mines and Petroleum.
- (b) At least five working days prior to accessing the reserve or proposed reserve area, unless otherwise agreed with the relevant Regional Manager of the Department of the Environment and Conservation (DEC-R), the holder providing the DEC-R with an itinerary and programme of the locations of operations on the lease area and informed at least five days in advance of any changes to that itinerary. All activities and movements shall comply with reasonable access and travel requirements of the DEC-R regarding seasonal/ground conditions.
- (c) The Lessee submitting to the Director of Environment, DMIRS, and to the relevant Regional Manager, Department of the Environment and Conservation (DEC-R) a project completion report outlining the project operations and rehabilitation work undertaken in the programme. This report is to be submitted within six months of completion of the exploration activities.
- (d) All Mining Proposals submitted for the commencement, alteration or expansion of operations within the tenement boundary are to contain information that demonstrates the proponent has genuinely engaged with the Department of Environment and Conservation on the Mining Proposal. The level of engagement will be to the satisfaction of the Director Environment, Department of Mines and Petroleum.

- (e) Rights being reserved to persons authorised by the Chief Executive Officer of the Department of Environment and Conservation to enter the Lease and carry out land management operations and other duties and exercise such powers as may be necessary or expedient for the administration of the Conservation and Land Management Act 1984 and Regulations, the Wildlife Conservation Act 1950 and Regulations, the Bush Fires Act 1954 and Regulations and the Emergency Management Act 2005 and Regulations.
- 2.12 No interference with Geodetic Survey Station SSM-KALGOORLIE 138 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
- 2.13 The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled:
- (a) "Programme of Work on E30/242, E30/392, M30/228, M30/229 for Internickel Australia Pty Ltd" (Reg. ID: 29932) dated 1 March 2011 signed by Andrew Spinks and retained on Department of Mines and Petroleum file No. EARS-POW-29932.
- Where a difference exists between the above document and the following conditions, then the following conditions shall prevail.
- 2.14 The development and operation of the project being carried out in such a manner so as to create the minimum practicable disturbance to the existing vegetation and natural landform.
- 2.15 All topsoil and vegetation being removed ahead of all mining operations and being stockpiled appropriately for later respreading or immediately respread as rehabilitation progresses.
- 2.16 The construction and operation of the project and measures to protect the environment to be carried out in accordance with the document titled:
- (a) (Reg ID 36278) "Ularring Hematite Project - Mining Proposal - Camp Extension" dated 17 July 2012 signed by Joe Phillips, Chief Operating Officer, Mccarthur Minerals Limited and retained on Department of Mines and Petroleum File No. EARS-MP-36278;
- (b) "Programme of Work on M30/249 for Macarthur Iron Ore Pty Ltd (Reg ID 35909) dated 22 June 2012 signed by and retained on Department of Mines and Petroleum File No. EARS-POW-35909
- Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.
- 2.17 Any alteration or expansion of operations within the lease boundaries beyond that outlined in the above document(s) not commencing until a plan of operations and a programme to safeguard the environment are submitted to the Executive Director, Environment Division, DMIRS for his assessment and until his written approval to proceed has been obtained.
- 2.18 At the completion of operations, all buildings and structures being removed from site or demolished and buried to the satisfaction of the Executive Director, Environment Division, DMIRS.
- 2.19 All rubbish and scrap is to be progressively disposed of in a suitable manner.
- 2.20 The lessee taking all reasonable measures to prevent or minimise the generation of dust from all materials handling operations, stockpiles, open areas and transport activities.
- 2.21 Where saline water is used for dust suppression, all reasonable measures being taken to avoid any detrimental effects to surrounding vegetation and topsoil stockpiles.
- 2.22 Placement of waste material must be such that the final footprint after rehabilitation will not be impacted upon by pit wall subsidence or be within the zone of pit instability.
- 2.23 On the completion of operations or progressively when possible, all waste dumps, tailings storage facilities, stockpiles or other mining related landforms must be rehabilitated to form safe, stable, non-polluting structures which are integrated with the surrounding landscape and support self sustaining, functional ecosystems comprising suitable, local provenance species or alternative agreed outcome to the satisfaction of the Executive Director, Environment Division, DMIRS.
- 2.24 The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any mining activities on Water Reserve 13471 and Conservation of Flora and Fauna Reserve 36208 (Mount Manning Nature Reserve).
- 2.25 The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any mining activities on Mining Reserve 50929.
- 2.26 The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
- 2.27 The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:-
- (a) the grant of the Licence; or
- (b) registration of a transfer introducing a new Licensee;
- advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
- 2.28 In respect of the area covered by this licence if the Njamal being the applicants in Federal Court Application No. WAD 6028/1998, send a request by pre-paid post to reach the licensee or agents address, not more than ninety days after the grant of this licence, the licensee shall within thirty days of the request execute in favour of the Njamal the Regional Standard Heritage Agreement (RHSA) endorsed by peak industry groups and Yamatji Marlpa Aboriginal Corporation.
- 2.29 The rights of ingress to and egress from Miscellaneous Licence 46/117 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.

- 2.30 The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Timber Reserve 13685 and Water Reserve 12194.
- 2.31 No activities being carried out within the proposed railway corridor (designated FNA 10120 and FNA 11568) that interfere with or restrict any rail route investigation activities being undertaken by the rail line proponent.
- 2.32 No interference with Geodetic Survey Station SSM-MARBLE BAR 103 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
- 2.33 No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.
- 2.34 No interference with Geodetic Survey Stations SSM-G 1 and SSM-MARBLE BAR 102 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
- 2.35 No interference with Geodetic Survey Station SSM-R 611 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
- 2.36 In respect to Miscellaneous Licence 4SA (AL70/4):
- (a) No mining within 30 metres of either side and to a depth of 15 metres of Miscellaneous Licence 4SA (AL70/4) without the prior written approval of the Minister responsible for the Mining Act 1978.
 - (b) No surface excavation approaching closer to the boundary of Miscellaneous Licence 4SA (AL70/4) than a distance equal to three times the depth of the excavation.
 - (c) The Licensee not to drill or excavate, store or move equipment or vehicles used in the course of mining, erect machinery or buildings or store or deposit material of any kind within Miscellaneous Licence 4SA (AL70/4).
 - (d) No interference with or damage caused to the drainage pattern, railway, access road, any associated installations, fixtures or equipment or any persons or vehicles making use of the above on Miscellaneous Licence 4SA (AL70/4).
 - (e) No explosives being used or stored within one hundred and fifty (150) metres of the boundary of Miscellaneous Licence 4SA (AL70/4) and blasting operations being controlled so that no damage or injury can be caused by flying rock, concussions, vibration or other means.
 - (f) The rights of ingress to and egress from Miscellaneous Licence 4SA (AL70/4) being at all times preserved to the employees, contractors and agents of the operator of the railway on Miscellaneous Licence 4SA (AL70/4).
- 2.37 The rights of ingress to and egress from Miscellaneous Licence 45/60 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
- 2.38 The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Timber Reserve 13619.
- 2.39 No interference with Geodetic Survey Station SSM-HRE 2 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
- 2.40 The rights of ingress to and egress from Miscellaneous Licence 45/189 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
- 2.41 The following conditions are imposed by Warden's Order in accordance with the Minute of Programming Directions dated 22 June 2016:
- (a) The right of ingress to and egress from the Objectors' Tenure (AML 70/249) being at all times preserved to the Objectors as lessee, and no interference with the purpose or installations (either present or future) connected to the Objectors' Tenure (AML 70/249).
 - (b) Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 (WA) for the purpose of protecting the land and infrastructure within the area the subject of the Objectors' Tenure (AML 70/249).
- 2.42 The rights of ingress to and egress from Miscellaneous Licences 1SA (AL70/1) and 4SA (AL70/4) being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
- 2.43 Consent to explore on Pastoral Research Station Reserve 21802 granted.
- 2.44 The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Timber Reserve 13625 & Water Act 57 Vic No 20 Reserve 11293.
- 2.45 No activities being carried out within the proposed railway corridor (designated FNA 10120 & FNA11568) that interfere with or restrict any rail route investigation activities being undertaken by the rail line proponent.
- 2.46 The rights of ingress to and egress from Miscellaneous Licence 46/67 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
- 2.47 The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled:
- (a) "Programme of Work on E30/240, E30/321, E30/324, M30/215, M30/219, M30/243 for Internickel Australia Pty Ltd" (Reg ID: 31055) dated 27 May 2011 signed by Brooke Willis, and retained on Department of Mines and Petroleum File No. EARSPOW-31055.



2.48 The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Pastoral Research Station Reserve 21802.





7.0

Independent Limited
Assurance Report

14 October 2019

The Directors
Macarthur Minerals Limited
Suite G03, 555 Coronation Drive
Toowong, QLD 4066

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

Introduction

We have been engaged by Macarthur Minerals Limited (the Company or MMS) to report on the Historical Financial Information and the Pro Forma Historical Financial Information of MMS as at 31 March 2019 for inclusion in a prospectus dated on or about 14 October 2019. The Prospectus ("Public Document") is proposed to be issued in connection with an Offer on a post Consolidation basis for the acquisition of up to 20 million shares at an issue price of \$0.25 per share to raise a minimum of \$5,000,000, with the ability to accept oversubscriptions of up to a further 10,000,000 shares to raise a maximum of \$7,500,000. MMS also intends to apply for listing on the Australian Securities Exchange.

Expressions and terms defined in the prospectus have the same meaning in this report.

Scope

Historical Financial Information

You have requested our firm review the following Historical Financial Information of the Company, as set out in Section 11 of the prospectus:

- the Statement of Financial Performance of MMS for the years ended 31 March 2019 (FY2019), 31 March 2018 (FY2018) and 31 March 2017 (FY 2017);
- the Statements of Cash Flows of MMS for FY2019, FY2018 and FY 2017; and
- the Statements of Financial Position of MMS as at 31 March 2019, 31 March 2018 and 31 March 2017.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the audited financial report of the Company for the financial years ended 31 March 2017, 31 March 2018, and 31 March 2019. The audit was in accordance with the Australian Auditing Standards. The audit opinions were unqualified but did include an emphasis of matter in relation to going concern.

Nexia Brisbane Audit Pty Ltd

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

Pro Forma Historical Financial Information

You have requested us to review the Pro Forma Historical Statement of Financial Position as at 31 March 2019 referred to as - the Pro Forma Historical Financial Information.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company, after adjusting for the effects of pro forma adjustments described in section 11 of the public document. 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 transactions to which the pro forma adjustments relate, as described in section 11 of the public document, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position.

Directors' responsibility

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

Our Responsibility

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

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the Historical Financial Information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of MMS, as described in section 11 of the prospectus, and comprising:

- the Statement of Financial Performance of MMS for the years ended 31 March 2019 (FY2019), 31 March 2018 (FY2018) and 31 March 2017 (FY 2017);

- the Statements of Cash Flows of MMS for FY2019, FY2018 and FY 2017; and
- the Statements of Financial Position of MMS as at 31 March 2019, 31 March 2018 and 31 March 2017.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 11 of the prospectus.

Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Consolidated Historical Information being the Statement of Financial Position of MMS as at 31 March 2019 is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 11 of the prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to section 11 of the prospectus, which describes the purpose of the Historical Financial Information, being for inclusion in the prospectus. As a result, the Historical Financial Information may not be suitable for use for another purpose.

Consent

Nexia Brisbane Audit Pty Ltd has consented to the inclusion of this Independent Limited Assurance Report in the prospectus in the form and context in which it is included.

Liability

The liability of Nexia Brisbane Audit Pty Ltd is limited to the inclusion of this report in the prospectus. Nexia Brisbane Audit Pty Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from, the prospectus.

This report has been prepared for inclusion in the prospectus. Nexia Brisbane Audit Pty Ltd disclaims any assumption of responsibility for any reliance on this report or on the Historical Financial Information to which this report relates for any purpose other than the purposes for which it was prepared. This report should be read in conjunction with the prospectus.

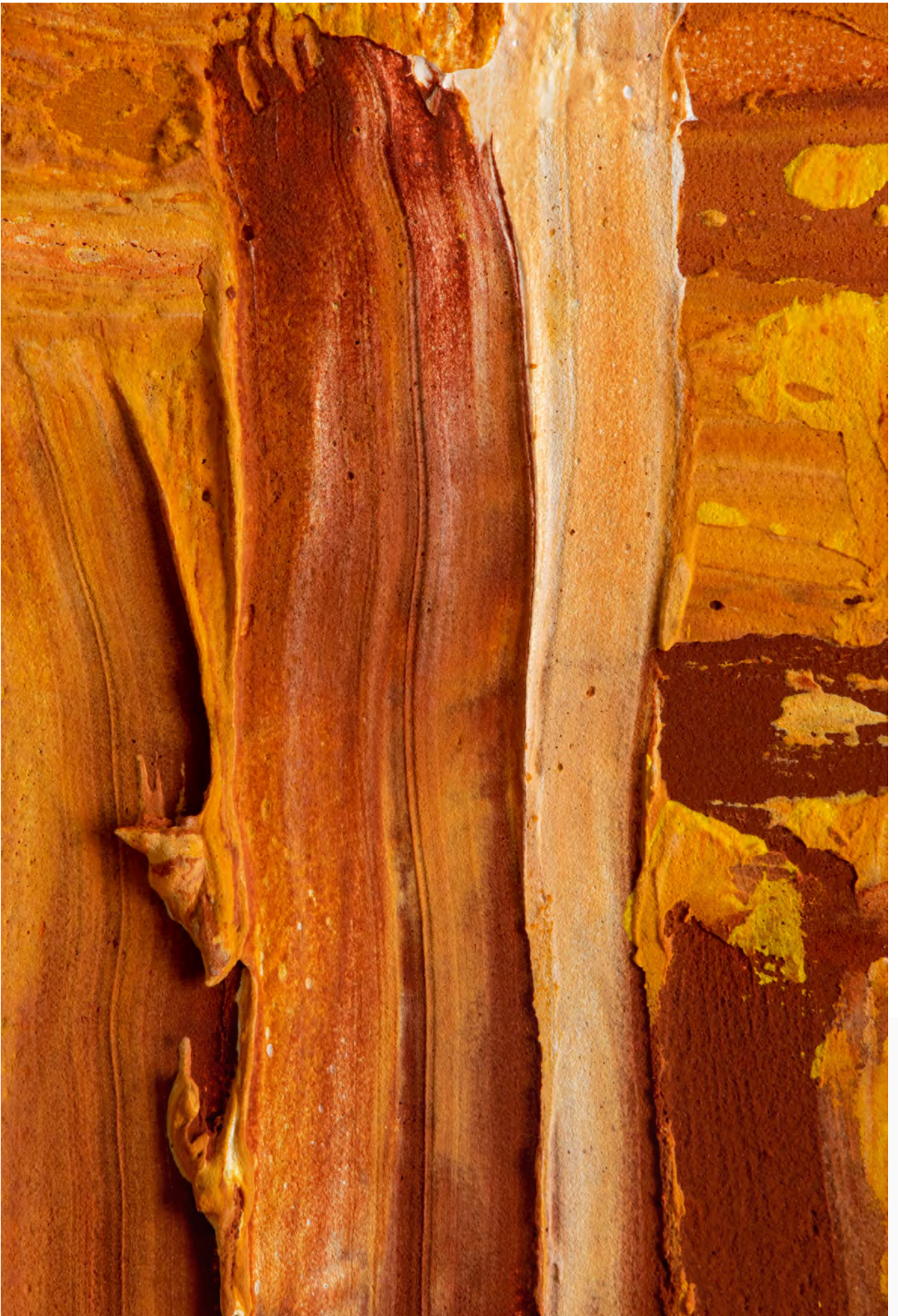
Independence and Disclosure of Interest

Nexia Brisbane Audit Pty Ltd does not have any interest in the outcome of this prospectus other than the preparation of this report and participation in due diligence procedures, for which normal professional fees will be received. Nexia Brisbane Audit Pty Ltd is the auditor of MMS and receives normal professional fees for this work accordingly.

Your faithfully



KJ Robertson
Director





8.0

Risk Factors

8.0 Risk Factors

8.1 Introduction

As with any equities investment, there are risks involved with investing in the Company. This Section 8 seeks to identify the major areas of risk associated with an investment in the Company, but should not be viewed as an exhaustive list of all risk factors to which the Company and its Shareholders are exposed. Accordingly, an investment in the Company should be considered speculative.

Prior to making any decision to invest, you should read this Prospectus in its entirety, carefully consider the following risk factors applicable to Macarthur, and consult with your professional advisers.

8.2 Risks specific to an investment in Macarthur

1. Transition Risk

The Company's Projects are in the exploration and development stage. The Company has a target of transitioning from exploration activities to commencing commercial mining operations at its Lake Giles Iron Project by Q1 2023 (in accordance with the indicative timeframes set out in Table 3A of this Prospectus). The timeframes contained in Table 3A are indicative only and no assurance can or will be given by the Company that the timeframes will be achieved. The transition from exploration activities to commercial mining operations involves a number of risks and there is no guarantee that the commencement of commercial mining operations will be achieved within the Company's target timeframe or at all.

2. Exploration and Development Risk

The Company's Projects are in the exploration and development stage. Development of the Projects, amongst other factors, will only proceed upon obtaining satisfactory exploration results and positive outcomes in future project studies. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that mineral exploration and development activities will result in the discovery and development of a body of commercial minerals on any of the Company's tenements. Several years may pass between the discovery of a deposit and its exploitation. Most exploration projects do not result in the discovery of commercially mineralised deposits.

Accordingly, if the exploration activities undertaken by the Company do not result in additional reserves or identified resources cannot be converted into reserves, there may be an adverse effect on the Company's financial performance. In addition, the exploitation of successful discoveries involves obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and the exercise of discretions by such authorities. Further, the decision to proceed to further exploitation may require the participation of other companies whose interest and objectives may not be the same as those of the Company.

3. Infrastructure and Development Risk

Currently the Company has no contracted rail or port capacity for exporting iron ore. Export capacity is essential for development of the Iron Ore Projects. The ability for the Company to obtain rail and port capacity is uncertain.

There are numerous activities that need to be completed in order to successfully commence production of minerals from the Iron Ore Projects, including, without limitation, negotiating final terms of export capacity, negotiating rail and road haulage contracts, optimizing the mine plan, locating an adequate supply of fresh and saline water (for road and dust suppression), acquisition of the right to establish a rail siding, negotiating contracts for the supply of power, for the sale of minerals and for shipping, updating, renewing and obtaining, as required, all necessary permits including, without limitation, mining and environmental permits, local government road haulage approvals and handling any other infrastructure issues.

There is no certainty that the Company will be able to successfully negotiate these contracts, put these matters in place and secure these necessary resources. Most of these activities require lengthy lead times and the Company will be required to manage and advance these activities concurrently in order to commence production. It is not unusual in developing a resources project to experience unexpected problems and delays in infrastructure delivery and project development. A failure or delay in the completion of any one of these activities may delay production, possibly indefinitely,

and will have a material adverse effect on the Company's business, prospects, financial performance and future results of operations.

4. Title Risk

The Company cannot guarantee that one or more of its tenements will not be challenged. The Company may not be able to ensure that it has obtained a secure claim to individual mineral properties or exploration rights and as a result the Company's ability to develop the Projects may be constrained. The Company may not have conducted surveys of all of the claims in which it holds direct or indirect interests. A successful challenge could result in Macarthur being unable to operate on all or part of its tenements which could, in turn, affect development of the Projects.

In addition, the Company's interests in the Projects are subject to various conditions, obligations and regulations imposed by the Western Australian Government Department of Mines, Industry Regulation and Safety. If the necessary approvals are refused, the Company will suffer a loss of the opportunity to undertake further exploration, or development, of the tenement. The Company currently knows of no reason to believe that its current applications will not be approved, granted or renewed.

Lack of funding to satisfy minimum expenditure obligations in respect of any of its tenements, contractual expenditure obligations (any option, joint venture or farm-in agreements the Company may enter into) may result in forfeiture of its tenements or termination of such agreements.

The Company requires land access in order to perform exploration and development activities, which can be affected by land ownership and require related compensation arrangements with landowners or occupiers. Where possible, the Company will work with tenement and landowners to obtain required rights of access but unless such rights are obtained, or if there is a dispute, the Company's operations may be adversely affected or delayed.

5. Estimates of Iron Ore Mineral Reserves and Mineral Resources

The Company has estimated Inferred and Indicated Mineral Resources for the Ularring Hematite Project

and an Inferred Mineral Resource for the Moonshine Magnetite Project. The Mineral Resources are estimates only and are based on interpretations, knowledge, experience and industry practice which may change when new techniques or information becomes available. No assurances can be given that an Ore Reserve can be delineated which is based on economic conditions at the time. Applicants should be aware that inclusion of material in a Mineral Resource estimate does not require a conclusion that material may be economically extracted at the tonnages indicated, or at all. Mineralisation only qualifies to be categorised as an Ore Reserve once it has been demonstrated to be economically recoverable and appropriate modifying factors applied to the Mineral Resource estimates. Estimates that are valid when made may change significantly when new information becomes available. In addition, Iron Ore price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render reserves and resources uneconomic and so may materially affect the estimates.

6. Economics of Developing Mineral Properties Risk

Substantial expenditures are required to establish reserves through drilling, to develop processes to extract minerals and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralised deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection.

Depending on the price of minerals produced, the Company may determine that it is impractical to commence commercial production.

8.0 Risk Factors

7. Contractual Risk

The Company is a party to various contracts, including but not limited to the Material Contracts summarised in Section 12 of this Prospectus.

Whilst the Company will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company is a party will be fully performed by all contracting parties.

In addition, there is a risk that elements of the Company's Material Contracts may be unenforceable on the basis that they constitute an "agreement to agree".

As such, no assurance can be given that if a contracting party does not comply with any contractual provisions, the Company will be successful in enforcing compliance with an agreement and recovering any loss in full.

8. Native Title and Aboriginal Heritage

There are currently two (2) registered native title claims affecting the Pilbara Lithium Project and the Pilbara Gold Project, and one claim not accepted for registration. There is one registered native title claim affecting the Iron Ore projects of Macarthur Iron Ore Pty Ltd and Esperance Iron Ore Exploration Company Pty Ltd. Although there are no current native title claims impacting the Lake Giles Iron Project tenements, areas surrounding those tenements (which may be required to support the future development of that project) could be subject to native title claims and may therefore require agreement with native title parties.

The Native Title Claim Groups have lodged expedited procedure objections to some of the Exploration Licence applications included in the Treppo Iron and Mt Jackson Iron Projects and retain the right to lodge objections against other applications in respect of which the objection period has not yet closed. If the Company is not able to reach agreement with the objectors, there is a risk that the objections will be upheld and the Tenements the subject of the applications may not be granted.

The Company's Project areas may contain sites of cultural significance, which would need to be avoided when carrying out field programs and Project

development. The Company is aware of a number of aboriginal heritage sites but others may exist that are not registered. The Company can't be sure of the impact such heritage sites may have on intended work programs and the ability to access the ground. Further details with respect to each tenement's cultural and native title heritage are set out in the Solicitors' Report on Tenements in Section 6 of this Prospectus.

9. Environmental Regulation and Risk

The Company is engaged in exploration and development activities with minimal environmental impact and actively engages with government departments to ensure open communication and accurate assessment of environmental approvals. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their Directors, the CEO and employees.

The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future. Future changes in environmental regulation, if any, may adversely affect the Company's operations and regulatory and environmental approvals may not be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property.

Environmental hazards may exist on the properties which are unknown to the Company at present. Environmental incidents may not be covered under existing insurance policies. In addition, for development projects, estimates of proven and probable mineral reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates, estimated operating costs, anticipated climatic conditions and other factors.

As a result, it is possible that actual cash operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

10. Reliance on and Relevance of Project Studies

The Project Studies are evaluations of potential development of a project at a given time taking many factors into account. No assurance can be given that the process, methodology or plan of development included in a project study will be progressed and included in further studies. Project studies are based on existing resource estimates and market conditions and consequently, market fluctuations, varied logistics or production costs or recovery rates may render the results of existing project studies uneconomic and may ultimately result in a future study being very different.

11. Financing Risk

As identified in Section 1, the Company considers that it has sufficient funds to meet its minimum stated objectives for the next 12 months. If further funds are raised under this Offer, this program may be extended or additional activities may be added to the program. In any event, the Company will be required to raise additional funds to enable it to continue as a going concern after the end of its budgeted program.

Additionally, depending on the Company's exploration and development success and new opportunities that may become available, the Company will require further capital in the future to meet tenement expenditure commitments, continue exploration, development, construction, commence production and facilitate growth.

Macarthur's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to Macarthur on reasonable terms or at all. Failure to obtain appropriate financing on a timely basis or reasonable terms may jeopardise the Projects (due to inability to meet minimum tenement expenditure commitments), result in a loss of business opportunity and excessive funding costs. If Macarthur raises additional funds through the issue of equity securities, this may result in dilution to the existing Shareholders and/or a change of control of Macarthur.

12. Operational Risk

Mineral exploration and development involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. If the Company decides to develop and commission a mine, the operations of the Company including mining and processing may be affected by a range of factors. These include failure to achieve predicted grade in exploration, mining and processing, technical difficulties encountered with commissioning and operating plant and equipment, mechanical failure, and metallurgical problems which affect extraction rates and costs.

The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, equipment breakage and other unplanned outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs.

The mining industry is subject to occupational health and safety laws and regulations which change from time to time and may result in increased compliance costs or the potential for liability and even personal liability for the executives and Directors. It is the Company's intention to mitigate this risk by operating to the highest occupational health and safety standards.

Although the Company intends, when appropriate, to secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

8.0 Risk Factors

13. Commodity Risk

The Company's future revenues, if any, are expected to be in large part derived from the mining and sale of minerals or interests related thereto. The price of various minerals has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic, financial and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, environmental regulation, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of mineral substitutes, mineral stock levels maintained by producers and others and inventory carrying costs.

The effect of these factors on the price of various minerals, and therefore the economic viability of the Company's operations cannot accurately be predicted. As the Company has not yet reached the mining stage, its exposure to price risk does not impact on the financial statement. In addition, the oversupplied Iron Ore markets and depressed Iron Ore prices has severely constrained the Company's ability to fund further development of its Iron Ore Projects in the past.

14. Sovereign Risk

The Company's operations in Nevada USA are subject to the risks associated with operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. Any future material adverse changes in government policies or legislation in Nevada that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company and its projects.

15. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to meet its operating and growth objectives. The Company prepares cash forecasts and maintains cash balances to meet short and long-term cash requirements.

The Company's objective is to raise sufficient funds from equity and/or debt to finance its exploration and development activities until its operations become profitable.

The Company manages its liquidity risk by planning and budgeting its operational and growth requirements. The Company monitors its forecast cash flows and ensures funds are in place to meet its operational needs in the short to medium term.

The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to acquire, explore and develop its exploration assets. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration or development.

The Company is dependent on raising funds through equity and/or debt, or disposing of interests in its mineral properties (by options, joint ventures or outright sales) in order to finance development of its exploration and evaluation assets, further acquisitions, undertake exploration and meet general and administrative expenses in the immediate and long term. There can be no assurance that the Company will be successful in raising the required financing.

Apart from the initiatives discussed above, the Company is not aware of any trends, commitments or events that may affect its liquidity in the foreseeable future as it progresses to the development stage. The Company has not made any commitments for capital expenditures. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of raising additional funds through private placements and the Company's future expenditure.

The Company believes that it has sufficient funds to meet its obligations for the foreseeable future.

16. Reliance on Key Personnel Risk

The Company relies to a large extent on its Directors, and the CEO to pursue the day-to-day operations and strategic management of the business, as well as its exploration and evaluation programs. Accordingly, the loss of existing key personnel and/or a failure to secure and retain additional key personnel could have a material adverse effect on the Company. The resulting impact from such loss would depend upon the quality and timing of the employee's replacement.

Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring, evaluating and developing mining and resource projects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Prospectus.

17. Insurance Risk

The Company's Projects are subject to all of the risks and hazards typically associated with the exploration and development of minerals. Macarthur maintains and intends to maintain, insurance coverage that is within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, the Company may not be able to obtain and maintain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

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 exploration and development is not always available and where available the costs may be commercially prohibitive.

18. Access to the Projects Risk

The Projects are located in areas which can be difficult to access at times. In such times, costs associated with the Company carrying on its business may significantly increase and exceed the amount allocated in the

Company's budget, and in certain circumstances may prevent the Company from being able to conduct its drilling or significant operations on the relevant lands.

In addition, natural events, such as cyclones, floods, and fire, which are beyond the control of the Company, could prevent access to its tenements or offices or otherwise affect the Company's ability to undertake planned exploration or development (and potentially production) and, as a result, could have a material adverse effect on the Company.

19. Government Policy and Taxation Risk

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and government policies in Australia, may have an adverse effect on the operations and financial performance of the Company and, ultimately, the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

20. Government Regulation Risk

Exploration, development and operations on the Company's tenements are affected to varying degrees by government regulations relating to such matters as (i) environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) access to and use of property. There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's operations. Changes in such regulations could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted.

Failure to obtain licences and permits may adversely affect the Company's business as the Company would be unable to legally conduct its intended exploration or development work, which may result in it losing its interest in the subject property.

8.0 Risk Factors

If the Projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws or regulations, governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

The Company when required, submits applications with the Government to renew its exploration permits and licences on its tenements. Although the Company considers it unlikely to occur, there is a risk that the Government may decline to renew these permits and licences.

21. Litigation Risk

All industries, including the mining industry, may be subject to legal claims whether or not they have merit. The Company maintains Directors' and Officers' liability insurance. The Company has also provided an indemnity for each Non-Executive Director and Executive to the maximum extent permitted by law, against any liability for legal costs incurred in respect of liability incurred by them, as or by virtue of their holding office as, and acting in the capacity of, an officer of the Company, except where the liability arises out of conduct involving lack of good faith or in breach of the law.

The Company is currently defending two separate claims in the Supreme Court of Queensland (see Section 13.7). While the Company considers both claims to be without merit and it will continue to vigorously defend the proceedings, the Company may incur losses, costs or expenses in defending the claims. This in turn could have an adverse effect on the Company's business, operating or financial performance.

Further, the Company may be subject to additional litigation and other claims and disputes in the course of its business, including employment disputes, contractual disputes, indemnity claims and occupational and personal claims. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, could cause the Company to incur unforeseen loss, costs or expenses (including loss, cost or expense that is not covered by insurance policies), could occupy a

significant amount of management's time and attention and could materially adversely affect the Company's business, operating and financial performance. In addition, even if the Company was to ultimately prevail in any such litigation, claim or dispute, it could suffer reputational damage, which could have an adverse effect on the Company's business, operating or financial performance.

22. Commercialisation and Infrastructure Access Risk

The Company's potential future earnings, profitability, and growth are likely to be dependent upon the Company being able to successfully implement some or all its commercialisation plans detailed in Section 3 of this Prospectus. The ability of the Company to do so is further dependent upon a number of factors, including matters which may be beyond the control of the Company. The Company may not be successful in securing identified customers or market opportunities. Sales of Iron Ore, (and other minerals and metals, if applicable), will be affected by demand price availability, terms and costs of transportation. The Company's ability to sell and market its Iron Ore will be negatively affected should it be unable to secure adequate transportation and processing facilities.

Further, access will depend on the proximity and capacity of transport and processing facilities. The Company may be required to develop its own infrastructure or secure access to third party infrastructure in order to deliver Iron Ore to key markets or customers. The development of its own infrastructure will be subject to the Company obtaining relevant approvals including licences

23. Use of Capital Risk

The Board and management of the Company have discretion concerning the use of the Company's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and the effectiveness of the application of capital resources are uncertain. If they are not applied effectively, the Company's financial and/or operational performance may suffer.

24. Cost Risk

While every care has been taken in estimating the capital cost and future operating costs for the

Company's projects, including contingency, the actual costs structure experienced in constructing facilities and operating mines may vary from current estimates. A number of factors (such as rising oil prices, macroeconomic factors such as inflationary expectations, interest rates, currency exchange rates, as well as general global economic conditions) may lead to an increase in costs which could adversely affect the Company's financial position and performance.

25. Competition Risk

The resource industry can be intensively competitive and a number of other Magnetite, Hematite, Gold, Lithium and Nickel deposits have already been developed, and are under development, in Western Australia. The Company competes with other mining companies for the acquisition of tenements and other mining interests, access to capital, access to infrastructure and for the recruitment and retention of qualified employees and contractors.

The Company may be unable to acquire additional attractive mining properties on terms it considers to be acceptable, which may result in difficulty in it obtaining future financing and profitable operations.

The Company competes with many other companies that have substantially greater financial resources and the Company's ability to compete is dependent on being able to raise additional funds as and when required.

There can be no assurance that the Company will be able to compete effectively with these companies.

26. Credit Risk

Credit risk is the potential loss through non-performance by counterparties of financial obligations. The Company's primary exposure to credit risk is on its cash and cash equivalents and taxes receivable. The Company limits its exposure to credit risk by maintaining its financial liquid assets with high-credit quality financial institutions. Receivables are primarily interest receivable and GST due from the Australian Taxation Office.

27. Limited Operating History Risk

The Company has limited experience in placing resource projects into production, and its ability to do so will be dependent upon using the services of appropriately

experienced personnel or contractors, or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places the Projects into production.

28. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash equivalents are highly liquid and earn interest at market rates in short term fixed term deposits and various other accounts.

29. Conflict of Interest Risk

Conflicts of interest affecting the Directors and the CEO of Macarthur Minerals are governed by the Company's Code of Conduct, the Constitution, the Corporations Act and the Listing Rules.

The Directors are required by law, to act honestly and in good faith with a view to the best interests of the Company.

In the event that a conflict of interest arises at a meeting of the Directors, a Director affected by the conflict must disclose the nature and extent of their interest, excuse themselves from consideration of the matter and not vote on the matter.

30. Exploration Maps and Diagrams Risk

The Company has commissioned and produced numerous diagrams and maps to help identify and describe its tenements and the targets sought by the Company on those tenements. Maps and diagrams should only be considered an indication of the current intention in relation to targets and potential areas for exploration and drilling, which may change.

8.0 Risk Factors

8.3 General Market and Economic Risks

1. Share Market Risk

The market price of Shares can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector, Australian listed entities and exploration companies in particular.

There are several factors (both national and international) that may affect share market price and neither Macarthur nor its Directors have control over those factors. There can be no assurance that continual fluctuations in price will not occur.

Factors that could affect the trading price that are unrelated to Macarthur's performance include domestic and global commodity prices and economic outlook, fiscal and monetary policies, currency movements, and market perceptions of the attractiveness of particular industries. The Shares carry no guarantee in respect of profitability, dividends, return on capital, price or degree of liquidity with which they trade on the ASX.

There can be no guarantee that an active trading market for the Shares will develop and investors may not be able to resell the Shares purchased under this Prospectus.

The price of commodities, especially Iron Ore, and level of activity within the mining industry will also be of relevance to Macarthur. Whilst the People's Republic of China, Korea and Japan have been large importers of Australian Iron Ore, there is no certainty that these markets will continue to trade with Australia or require quantities of Iron Ore previously ordered.

2. Share Liquidity Risk

Shareholders of the Company may be unable to sell significant quantities of the Company's Shares into the public trading markets without a significant reduction in the price of their Shares, if any at all. The Company may need to take action in order to continue to meet the listing requirements of the ASX.

3. Dividend Risk

The Company currently does not pay dividends. Payment of dividends on the Company's Shares is

within the discretion of the Board and will depend upon the Company's future earnings, its capital requirements, financial condition, and other relevant factors. The Company does not currently intend to declare any dividends for the foreseeable future.

4. General Economic Conditions Risk

Changes in the general economic climate in which the Company operates may adversely affect its financial performance, its exploration and development activities, and its ability to fund those activities. Factors that may contribute to that economic climate include changes in global and/or domestic economic conditions, the general level of economic activity, movements in interest rates and inflation, currency exchange rates and other economic factors.

The price of commodities, especially Iron Ore, and level of activity within the mining industry will also be of relevance to Macarthur. Whilst the People's Republic of China, Korea and Japan have historically been large importers of Australian Iron Ore, there is no certainty that these markets will continue to trade with Australia or require quantities of Iron Ore previously ordered.

5. Availability of Labour Risk

The Company will require skilled labour workers and engineers in order to operate its activities. Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect profitability.

The Company may experience a skills shortage. Due to the high demand for skilled and unskilled labour, there is a growing expectation of higher wages. Macarthur strives to employ the best people however, this can come at a high price or may delay operations should it not be able to attain and retain those people.

6. Legislative Change Risk

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of Macarthur. The Company is not aware of any current or proposed material changes in relevant regulations or policy.

7. Terrorist attack or other sustained armed conflicts

Terrorist activities, anti-terrorist efforts or other armed conflict involving Australia or in other countries or their interests abroad may adversely affect the Australian and global economies. If events of this nature occur and persist, the associated political instability and societal disruption could reduce overall demand for minerals potentially putting downward pressure on prevailing minerals prices and adversely affect the Company's activities.

8. Unforeseen Expenses Risk

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

9. General Risk

Any combination of the above factors may materially affect any individual mineral assets, operations or the financial performance of the Company and the value of its securities. To that extent, the Shares offered in this Prospectus are subject to significant risk and uncertainty with respect to return or preservation of capital, the price (if any) at which the Shares may trade and the payment of dividends at any future time.





9.0

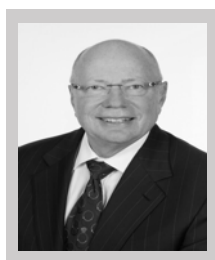
Board & Management

9.0 Board & Management

9.1 Board of Directors

The Directors bring relevant experience and skills to the Board, including mineral exploration, industry and business knowledge, financial management and corporate advisory and governance experience. As at the Prospectus Date, the Board comprises the Executive Chairman, one Executive Director and three Non-Executive Directors, as detailed below.

Details of the Directors' remuneration and interests of the Company are set out below.



Cameron McCall, Executive Chairman

Expertise

Mr McCall has a wealth of experience across the financial services and commercial property industries within Australia and internationally.

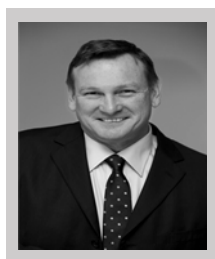
He has been providing investment advice, equity capital raising and share trading for over 17 years to corporate entities and private clients at Hartley's Limited and Macquarie Bank Limited.

During his 40-year career, Mr McCall has built an extensive network of international and Australian based high net worth individuals and corporate entities.

Mr McCall is currently running a corporate advisory business providing advice on asset acquisition and capital raising to international and Australian based organisations.

Independence

Mr McCall is currently the Executive Chairman of Macarthur and is not considered to be independent.



Alan Joseph Phillips, Chief Executive Officer, Executive Director

Role

Mr Phillip's responsibilities include management of the Company in accordance with the directions of

the Board to carry out the day-to-day operations of the Company.

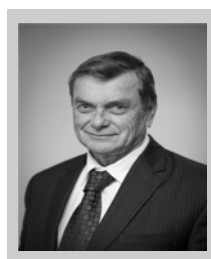
Expertise

Mr Phillips was previously the Company's CEO in 2015 and was responsible since 2009 for the original funding and development of the Company's significant Iron Ore assets, having completed its 2012 Prefeasibility Study for the Ularring Hematite Project and obtaining environmental approvals.

Mr Phillips was educated at the University of Queensland, holds Bachelor of Economics and Public Administration. He combines strong project management skills with a discipline in economics and a detailed understanding of the operation of public administrations and the elected governments in Australia. Mr Phillips was the General Manager for Economic Development for the City of Brisbane for eight years before joining the executive of ENERGEX Retail Pty Ltd for three years and completing his Public Service career with the Queensland Lottery where he was instrumental in the privatisation of this government asset to Tattersalls (now Tabcorp).

Independence

Mr Phillips is currently the CEO of Macarthur and is not considered to be independent



Alan Spence Phillips, Non-Executive Director

Expertise

Mr Phillips has been a director and/or chairman of numerous ASX, TSX-Venture Exchange, TSX and alternative investor market (AIM)

listed public companies over a period of 40 years. He specialises in start-up and turnaround companies across a broad range of industries, including the technology and resources sectors. He has been involved predominately with mining companies exploring for a range of commodities including Copper, Gold, ethanol and Iron Ore. He has also been involved in numerous mergers, acquisitions, takeovers, joint ventures, alliances and fundraisings in Australia, Asia, Europe and the United States. Mr Phillips' previous business experience provides an invaluable platform for his Australian corporate interests.

Independence

Mr Phillips is currently a Non-Executive Director of

Macarthur and is not considered to be independent.



Daniel Lanskey, Non-Executive Director

Expertise

Mr Lanskey holds a post graduate Business Degree from Griffith University in Entrepreneurship and Venture Development. He has over

15 years' experience in Senior Management in the Public Markets and has been a Director and/or Chairman of ASX, OTCQX and TSX-V listed Companies. He has been involved in numerous start-up companies across various industries including Information Technology, Oil and Gas, Mining and Real Estate. Working with an extensive capital market network across the Asia Pacific Region and North America, he has been involved in numerous successful capital raisings via Private Placements for Pre IPO-funds, Initial Public Offerings and Reverse Takeovers of existing Public Companies.

Independence

Mr Lanskey is currently a Non-Executive Director of Macarthur Minerals and is considered to be independent.



Andrew Suckling, Non-Executive Director

Expertise

Mr Suckling has over 25 years' experience in the commodity industry. He began in 1994 as a trader on the LME for Metallgesellschaft (MG). In that role, Andrew established a trading presence in China for MG, setting up a representative office in Shanghai in 1997. He then became a partner, research analyst and trader with the multi-billion dollars fund, Ospraie Management, LLC and predecessor fund, Tudor Investment Corporation.

Mr Suckling is the Executive Chairman at Cadence Minerals, an early investment strategy and development firm active in lithium and other technology minerals, as well as the founding principal and portfolio manager for Verulam, a discretionary commodity fund.

Mr Suckling is a graduate of Brasenose College, Oxford

University earning a BA (Hons) in Modern History in 1993 and an MA in Modern History in 2000.

Independence

Mr Suckling is currently a Non-Executive Director of Macarthur Minerals and is considered independent.

No Director has been the subject of any relevant disciplinary action, criminal conviction or disqualification in Australia or elsewhere in the last 10 years.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that such Director was an officer or within a 12 month period after they ceased to be an officer.

9.2 Management

The Company's Management comprises the following:



Alan Joseph Phillips, Chief Executive Officer, Executive Director

Please see details above.



Andrew Bruton, Executive General Manager (Corporate) and Company Secretary

Mr Bruton has a background of over 20 years of top tier professional experience in corporate, mining, energy and infrastructure law. He has been recognised as a leading transactional and project lawyer in the mining and energy sectors in Australia. In senior leadership roles, Mr Bruton has been responsible for large teams at both State and National levels. He is also an experienced company director.

Having advised major Australian and international mining and energy companies on complex projects and transactions with multi-billion dollar values, Mr Bruton has a deep understanding of these markets. As a strategic thinker and leader with strong business

9.0 Board & Management

acumen and a focus on delivering outcomes, he brings a wealth of expertise to Macarthur Minerals.

Mr Bruton holds both a Bachelor of Laws and a Bachelor of Business (Accountancy) from the Queensland University of Technology.



Dr Dean Carter, Project General Manager

Dr Dean Carter is a scientist with more than 18 years' experience in managing the regulatory approval of mining and infrastructure projects across various commodities including iron ore, coal and nickel.

Dr Carter has been involved in all aspects of project development from exploration, feasibility, environmental research, construction and production through to mine closure. Prior to joining Macarthur, he held positions with Mt Gibson Iron where he was involved in bringing the greenfields five Mtpa Extension Hill Iron Ore mine through the development and construction stages and into production. He has worked in EPCM roles and has been involved in several feasibility studies for iron ore projects including leading Macarthur's PEA for the Lake Giles Iron Project.

Dr Carter holds a Bachelor of Science (Hons1) and a Doctor of Philosophy (PhD).

9.3 Directors' Fees

The Constitution of the Company provides that the amount of fees payable to Non Executive Directors must only be determined by the Company in a general meeting. The aggregate maximum remuneration for Non-Executive Directors currently determined by the Company (**NED Fee Pool**) is \$400,000 per annum. The Ned Fee Pool shall be allocated amongst the Non-Executive Directors in such proportion and manner as they shall agree, or, failing agreement, equally. Following admission to the ASX Official List, the NED Fee Pool must only be increased by Shareholder approval, and the Company anticipates increasing the NED Fee Pool in the short to medium term to approximately \$500,000, subject to Shareholder approval.

Additionally, Non-Executive Directors shall be entitled to be reimbursed for all travelling and other expenses properly incurred by them in connection with any meeting of Directors, any meeting of a committee of the Board, and otherwise in the execution of their duties as Non-Executive Directors.

At present, the Board is constituted by the Executive Chairman, one Executive Director and three Non-Executive Directors. Each of the Executive Chairman (Mr Cameron McCall) and Executive Director (Mr Alan Joseph Phillips) has been engaged pursuant to a consultancy agreement, the terms of which are summarised in Section 10.4 and Section 10.5 of this Prospectus. The Board has agreed that the Executive Chairman and Executive Director shall not be paid a Director's fee in addition to the fees payable under their respective consultancy agreements. Each of the Non-Executive Directors has been appointed pursuant to an appointment letter which sets out the terms of their appointment and remuneration (see Section 10.8 of this Prospectus).

Nothing in the Company's Constitution shall prevent the Directors approving the payment of consulting or other professional services to any Director.

9.4 Disclosure of Interests

The Company has paid or agreed to pay the following remuneration to its Board prior to the Prospectus Date. The remuneration outlined in Table 23 below represents total cash remuneration and, where applicable, includes components of additional remuneration for services on the Company's committees.

Table 23: Summary of current Board remuneration and compensation

Director	Remuneration	Audit and Risk Committee Fees	Remuneration Committee Fees	Description of Services
Cameron McCall	\$240,000	Nil	Nil	Executive Chairman
Alan Joseph Phillips	\$240,000	Nil	Nil	Chief Executive Officer and Executive Director
Alan Spence Phillips	\$80,000	\$5,000	\$5,000	Non-Executive Director, Audit Committee and Remuneration and Nomination Committee Member
Daniel Lanskey	\$60,000	\$5,000	\$5,000	Independent Non-Executive Director, Audit Committee and Remuneration and Nomination Committee Member
Andrew Suckling	\$60,000 (USD)	\$5,000 (USD)	\$5,000 (USD)	Independent Non-Executive Director, Audit Committee and Remuneration and Nomination Committee Chairman

The proposed annual remuneration of each Director for the financial year following the Company's admission to the ASX Official List, is set out in the Table 24 below:

Table 24: Summary of proposed Board remuneration and compensation

Director	Remuneration ¹	Audit and Risk Committee Fees	Remuneration Committee Fees	Other Compensation (No. of Restricted Share Units and Options)
Cameron McCall	\$240,000	Nil	Nil	1,768,235
Alan Joseph Phillips	\$240,000	Nil	Nil	3,588,235
Alan Spence Phillips	\$80,000	\$5,000	\$5,000	Nil
Daniel Lanskey	\$60,000	\$5,000	\$5,000	Nil
Andrew Suckling	\$60,000 (USD)	\$5,000 (USD)	\$5,000 (USD)	500,000

Notes

1. See Sections 10.8 and 10.9 of this Prospectus.

Each Director's relevant interest in Securities of the Company at the Prospectus Date is set out in Table 25 below:

Table 25: Summary of Directors' Security holdings*

Director	Shares	Employee and Consultant Share Options ¹	Restricted Share Units ²	Warrants ³	% Holding (Minimum Subscription) ⁴	% Holding (Maximum Subscription) ⁴
Cameron McCall	1,384,951	680,000	1,088,235	83,333	2.38%	2.22%
Alan Joseph Phillips	3,994,594	2,000,000	1,588,235	2,429,161	7.37%	6.87%
Alan Spence Phillips	-	-	-	-	-	-
Daniel Lanskey	-	-	-	-	-	-
Andrew Suckling	-	-	500,000	-	0.37%	0.34%

Notes

1. For a summary of the terms and conditions of the Employee Share Options Plan and the Consultant Share Options Plan see Section 9.8 of this Prospectus.

2. For the terms and conditions of the Restricted Share Units see Section 9.8 of this Prospectus.

9.0 Board & Management

3. For the terms and conditions of the Warrants see Section 13.2 of this Prospectus.

4. This assumes that all Employee and Consultant Share Options and Warrants issued in the Company have been converted into Shares of the Company.

5. The Shares, Options, RSU's and Warrants are held in aggregate by First Apollo Capital Pty Ltd, Phillips Exploration Pty Ltd and Unlimited Business Strategies Pty Ltd, which are entities associated with Mr Alan Joseph Phillips.

*Except as stated otherwise, all references to Securities of the Company as set out in the above table are described on the basis that the Consolidation has occurred.

9.5 Directors' Interests and Remuneration

Except as disclosed in this Prospectus:

(a) no Director or proposed Director has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him or to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer; and

(b) none of the following persons:

- (1) a Director or proposed Director of the Company;
- (2) each person named in this Prospectus as performing a function in a profession, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (3) a promoter of the Company, holds or held in the two years before the Prospectus Date, an interest in:
 - (4) the formation or promotion of the Company;
 - (5) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
 - (6) the Offer,

or was at any time paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, for services provided by such person in connection with the formation or promotion of the Company or the Offer.

9.6. Executive Remuneration

(a) Cameron McCall

Cameron McCall has entered into a consultancy agreement with the Company dated 16 September 2019 (effective 1 August 2019), which requires Mr McCall to provide, among other matters, services to the Company as Chairman of the Company. The agreement is summarised in Section 12.6 of this Prospectus.

Under the agreement, Mr McCall is entitled to a basic consultancy fee of \$20,000 per month (plus GST). Mr McCall is also entitled to an additional bonus of increased salary, or bonus payments, Employee and Consultant Share Options or Warrants as determined and approved by the Remunerations Committee of the Company and upon the occurrence of certain events.

In addition, Mr McCall has been issued the total of 2,720,000 Employee and Consultant Share Options and 4,352,941 Restricted Share Units under the CSCP (see Section 10.7 of this Prospectus), which will be adjusted to 680,000 Employee and Consultant Share Options and 1,088,235 Restricted Share Units on a post Consolidation basis.

If the Company terminates the agreement without cause, Mr McCall is entitled to be paid a termination payment equal to the aggregate consultancy fees that would have been payable to Mr McCall during a 12 month period, plus all other monies owing to Mr McCall under the agreement.

(b) Alan Joseph Phillips

Alan Joseph Phillips and First Apollo Capital Pty Ltd has entered into a consultancy agreement with the Company dated 16 September 2019 (effective 1 August 2019) which requires FAC to provide, among other matters, services to the Company as Chief Executive Officer. FAC agrees to appoint Mr Alan Joseph Phillips to provide the CEO Services to the Company. The agreement is summarised in Section 12.6 of this Prospectus.

Under the agreement, a basic consultancy fee of \$20,000 per month (plus GST) is payable on account of the provision of the CEO Services. Mr Phillips is also entitled to an additional bonus of increased salary, or bonus payments, Employee and Consultant Share Options or Warrants as determined and approved by

the Remunerations Committee of the Company and upon the occurrence of certain events.

In addition, Mr Phillips has been issued the total of 8,000,000 Employee and Consultant Share Options and 6,352,941 Restricted Share Units under the CSCP (see Section 10.7 of this Prospectus), which will be adjusted to 2,000,000 Employee and Consultant Share Options and 1,588,235 Restricted Share Units on a post Consolidation basis.

If the Company terminates the agreement without cause, Mr Phillips is entitled to be paid a termination payment equal to the aggregate consultancy fees that would have been payable to Mr Phillips during a 12 month period, plus all other monies owing to Mr Phillips under the agreement.

The Company has also entered an executive director letter of appointment with Mr Phillips on 16 March 2018, formalising his appointment as executive director dated 11 October 2017, however, this does not provide for any additional remuneration to be paid to Mr Phillips.

9.7. Non-executive Remuneration

(a) Alan Spence Phillips

Mr Alan Spence Phillips has entered into a letter of appointment with the Company dated 9 February 2017 (amended by letter dated 23 September 2019) confirming his appointment as a non-executive director of Macarthur. The letter of appointment is in standard form and details the nature of Mr Phillips' appointment, his duties and his remuneration.

Mr Phillips is entitled to receive a total annual fee of \$90,000 (subject to income tax and statutory deductions) paid quarterly in arrears. This fee covers all duties, including service on the Board of any Company subsidiaries and appointment to the Company's Audit and Risk Committee and Remuneration and Nomination Committee. Mr Phillips is also entitled to be paid expenses properly and reasonably incurred in performing duties as Director and may be issued compensation in accordance with the Company's Compensation Plans, as summarised below.

(b) Daniel Lanskey

Mr Daniel Lanskey has entered into a letter of

appointment with the Company confirming his appointment as a non-executive director of Macarthur on 20 September 2019. The letter of appointment is in standard form and details the nature of Mr Lanskey's appointment, his duties and his remuneration.

Mr Lanskey is entitled to receive a total annual fee of \$70,000 (subject to income tax and statutory deductions) paid quarterly in arrears. This fee covers all duties, including service on the Board of any Company subsidiaries and appointment to the Company's Audit and Risk Committee and Remuneration and Nomination Committee. Mr Lanskey is also entitled to be paid expenses properly and reasonably incurred in performing duties as Director and may be issued compensation in accordance with the Company's Compensation Plans, as summarised below.

(c) Andrew Suckling

Mr Andrew Suckling has entered into a letter of appointment with the Company confirming his appointment as a non-executive director of Macarthur on 21 May 2019. The letter of appointment is in standard form and details the nature of Mr Suckling's appointment, his duties and his remuneration.

Mr Suckling is entitled to receive a total annual fee of USD\$70,000 (subject to income tax and statutory deductions) paid quarterly in arrears. This fee covers all duties, including service on the Board of any Company subsidiaries and appointment to the Company's Audit and Risk Committee and Remuneration and Nomination Committee. Mr Suckling is also entitled to be paid expenses properly and reasonably incurred in performing duties as Director.

In addition, Mr Suckling has been issued the total of 2,000,000 Restricted Share Units under the CSCP (see Section 10.7 of this Prospectus), which will be adjusted to 500,000 Restricted Share Units on a post Consolidation basis.

(d) Deeds of Indemnity, Access and Insurance for Directors and Company Secretary

The Company has entered into a deed of access, indemnity (Indemnity Deeds) with each Director and Mr Bruton (as Company Secretary) (Director or Officer) to provide indemnification,

9.0 Board & Management

including advancement of expenses incurred in legal proceedings to which the Director or Officer was, or is threatened to be made, a party by reason of the fact that such Director or Officer is or was a Director, officer, employee or agent of the Company, provided that such Director or Officer acted in good faith and in a manner that the Director or Officer reasonably believed to be in, or not opposed to, the Company's best interests. The Indemnity Deeds also contain the Director's or Officer's rights to Board papers.

Other than the proceedings disclosed in Section 13.7 of this Prospectus, there are no pending claims for which indemnification is sought, and the Company is not aware of any threatened litigation that may result in claims for indemnification.

The Company maintains insurance policies that indemnify its Directors and Officers against various liabilities that might be incurred by any Director or Officer in their capacity as such.

9.8. Employee and Consultant Share Compensation Plan and Consultant Share Compensation Plan

The Company has adopted an Employee Share Compensation Plan (**ESCP**) and a Consultant Share Compensation Plan (**CSCP**) (together referred to as the **Employee and Consultant Share Compensation Plans**), which were adopted by the Board and re-approved by Shareholders on 30 August 2019. Under the rules of the TSX-V, the Employee and Consultant Share Compensation Plans are required to be approved by the Shareholders of the Company on an annual basis.

A summary of the key terms of the Employee and Consultant Share Compensation Plans are set out below:

(a) Eligibility:

- (1) The ESCP extends to each director of the Company (or of an associated body corporate of the Company), full or part-time employee, casual employee, contractor and prospective participant; and
- (2) The CSCP extends to consultants providing services to the company (as defined in the CSCP) full or part-time employees and directors, (the **Participants**).

Participants retained to provide investor relations activities can only participate in Employee and Consultant Share Options.

(b) Types of offers: The Employee and Consultant Share Compensation Plans allow for the offer / administration of the following:

- (1) Restricted Share Units (**RSU or Restricted Share Units**) - each RSU being a right to receive one common share following the attainment of vesting criteria.
- (2) Options to acquire the Company's common shares upon payment of the exercise price and subject also to vesting criteria (if applicable).
- (3) The Share Purchase Scheme (**SPS**) - participants can purchase shares by making contributions from their salary and a part contribution by the Company.
- (4) The Share Bonus Scheme (**SBS**) - Company may issue common shares to eligible participants who are deemed to have provided an extraordinary contribution to the Company.

(c) Restrictions: Securities issued under the Compensation Plans are subject to the four month and one day holding period.

(d) Board Discretion: The Compensation Plans are administered by the Board (or such other persons delegated by the board) (**Administrators**) and the Administrators have the discretion to determine:

- (1) the eligibility of persons to participate in the Compensation Plans;
- (2) number of Securities to be granted;
- (3) terms and conditions of any Securities granted under the Compensation Plans;
- (4) the vesting criteria (subject to certain requirements contained in the plan);
- (5) in relation to the SPS, the amount that Participants and the Company may contribute under the SPS and whether such contributions shall be used to

subscribe for Shares from treasury or purchase Shares from the market.

(e) Exercise Price: Each Employee and Consultant Share Option is exercisable into one Share at the exercise price determined by the Administrators. Partial exercise of Employee and Consultant Share Options must be for no less than 100 Options.

(f) Effect of Consolidation on RSUs: Subject to acceptance by the TSX-V, appropriate adjustments with respect to the RSUs awarded may be made by the Administrators to give effect to any change in the number of Shares on issue in the Company resulting from a Change of Control (as defined in the Compensation Plans), rights offerings, subdivisions, consolidations or reclassifications of the Shares, the payment of stock dividends by the Company (other than dividends in the ordinary course) or other relevant changes in the share capital of the Company (**Change in Capital**).

(g) Effect of Consolidation on Employee and Consultant Share Options: Subject to acceptance by the TSX-V, appropriate adjustments with respect to the Options granted may be made by the Administrators to give effect to any change in the number of Shares on issue in the Company resulting from a Change of Control or a Change in Capital provided always that such adjustment will not result in any benefits being conferred upon holders of Options which are not conferred on all holders of Shares and, subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of the holders of Shares approving the Change in Capital, in all other respects, the terms of the Options shall remain unchanged.

(h) Issue Limit: The number of Shares available for issuance from the treasury under the Compensation Plans must not at any time exceed 20% of the number of common shares of the Company issued and outstanding as of the effective date of the ESCP. These limits do not apply to shares purchased from the market under the SPS.

(i) New Issues: Option holders do not have any right to new issues of Securities made to Shareholders generally.

(j) Dividends: Option holders are not entitled to participate in any dividends unless options are exercised before the record date.

(k) Bonus Issue: Where there is a bonus issue, the common Shares over which an option is exercised may be increased by the number of common Shares the Option holder would have received if an option was exercised before the record date.

(l) Event of Termination: means an event whereby a participant ceases to be an Eligible Person by:

- (1) in respect of the ESCP where the Participant voluntarily resigns from their position or in all other circumstances, by the giving of any notice of termination of employment (whether voluntary or with Just Cause) or any cessation of employment for any reason whatsoever, excluding disability or death; and
- (2) in respect of the CSCP where the consultant terminates for convenience or in all other circumstances by giving the Company notice of termination of the contract, excluding as a result of disability or death.

(m) Just Cause: means the termination of a Participant due to serious misconduct gross negligence or repeated failure to perform work required.

(n) Rights upon an Event of Termination:

In respect of the Restricted Share Unit:

- (1) Under the Compensation Plans, if an Event of Termination occurs after the vesting date, but prior to the issue of common Shares, the settlement shall occur as soon as practicable after the termination event. If an Event of Termination occurs prior to the vesting date by the Company for Just Cause or voluntary resignation by the Participant, all rights to the RSUs shall be void;
- (2) Under the CSCP, if a Participant's contract term ends before the award of Shares, then settlement of the Shares occurs after the expiry of the contract term. If the contract term ends before the vesting of the RSU's, then all unvested RSU's are void. Rights upon an event of termination in respect of the Options:

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(i) if termination for a Just Cause occurs, any unvested options held shall be cancelled

(ii) upon the occurrence of an Event of Termination that includes voluntary resignation or termination other than for Just Cause, any unvested options granted shall vest immediately and may be exercised only before the earlier of the expiry of the options and:

(A) 90 days after the date of the termination event for participants other than director; or

(B) 365 days after the date of termination event for directors.

(3) In respect of Restricted Share Units and Options:

(i) where disability or death occurs, the RSUs shall vest, depending on the vesting criteria, at any time but not after the earlier of 365 days after the date of the incident and the expiration date.

(ii) If an Event of Termination occurs prior to the vesting date by the corporation without cause, all unvested RSUs shall immediately vest and Shares will be issued no later than ten days after the Termination Event.

(o) Takeover Bid: Where a bona fide offer for Shares made to a Participant who holds options or to shareholders generally, or to a class which includes option holders, which offer, if accepted would result in the offeror becoming a control person, the corporation may at its discretion determine whether to amend the vesting conditions of the options. Subject to approval of the TSX-V the Administrators may declare the expiry date of options under the Compensation Plans is accelerated so the options will be exercised or will expire prior to the date upon which Shares must be tendered under the offer.

(p) Change of Control:

(1) All unvested RSUs vest upon a change of control; and

(2) All options will vest and may be exercised in whole or in part subject to any required approval by TSX-V.

(q) Share Bonus Scheme: Administrators have the

discretion to award common shares up to the bonus share limit of 45,000,000 Shares (in respect of each Compensation Plan) to participants deemed to have provided extraordinary contributions to the Company³. The price of Shares is to be determined by the Administrators provided the price is not less than the daily closing price of the Company's Shares on the trading day immediately prior to the issue of the bonus shares. Issue of any bonus shares is subject to the approvals of any stock exchange or regulatory authority.

(r) Share Purchase Scheme:

(1) Eligibility: Administrators determine the Participants who are entitled to participate in the SPS, and such Participants must have provided services to the corporation (or an associated body) for at least 6 months (this requirement may be waived by the Administrators). Canadian residents are not entitled to participate in the SPS.

(2) Maximum number of shares: The number of Shares that may be awarded under the SPS is 45,000,000 Shares under each Plan⁴.

(3) Election to participate: Participants who are designated as entitled to participate in the SPS will receive and offer and must provide a written election to the Company (Election Notice) prior to the end of the immediately preceding calendar year authorizing the Company to deduct the Participant's contribution from their remuneration in installments.

(4) Limit on participation: Deductions to a Participants annual remuneration cannot exceed 20% of their annual remuneration.

(5) Company's contribution: Upon receipt of an Election Notice, the Administrators will determine the amount of the Company's contribution on behalf of each Participant which cannot exceed 25% of the Participants contribution.

(6) Purchase of Shares: Shares are purchased by the trustee either through subscription from the Company (at a price equal to the market price on the day which the shares are issued or at a price approved by the board and all applicable regulatory authorities) or through the TSX-V. At the commencement of every

³ If Consolidation is completed, then the bonus share limit will be reduced to 11,250,000.

⁴ If the Consolidation is completed, then the maximum number of shares that may be awarded under the SPS will be reduced to 11,250,000.

quarter, the Administrators determine how the Shares will be purchased for the next calendar quarter. Shares are held by the trustee on trust for the Participant.

(7) Termination:

(i) **Due to death or disability:** If a Participant is no longer eligible due to death or disability, the Participant is automatically not entitled to participate in the SPS. Any issuance from treasury, purchase on market or delivery of Shares by the trustee is not accelerated and will occur on the date on which the Share would have otherwise been issued, purchased or delivered.

(ii) **Other than due to death or disability:** If a Participant is no longer eligible as a result of an Event of Termination (other than death or disability) the Participant is no longer eligible to participate and, any cash portion held on behalf of such Participant shall be paid to the Participant, and all Company contributions are forfeited. Shares will be delivered to the Participant subject to the Holding Period.

9.9 Related Party Policy

Pursuant to the Company's Corporate Governance Charter (see Section 10 of this Prospectus), the Company policy in respect of Related Party transactions is:

- (a) a Director who has a material personal interest in a matter must disclose the presence of that interest to the Company;
- (b) a Director who has a material personal interest in a matter must not attend a meeting of the Board while that matter is being considered, or vote on the matter; and
- (c) a Director may do either or both of the things mentioned in (b) above if a resolution is passed to that effect or if ASIC has given its consent.

9.10. Related Party Transactions

Chapter 2E of the Corporations Act governs related party transactions with respect to public companies. Related parties include Directors and entities controlled by Directors. Related party transactions require Shareholder approval unless they fall within one of the exceptions in Chapter 2E. Transactions entered into by proprietary companies are not regulated by Chapter 2E.

The Company was registered as a public company on 2 December 2002. Transactions that may be captured under Chapter 2E of the Corporations Act in the two years prior to the Prospectus Date are as set out below.

(a) Securities issued under compensation plans

The Company has adopted an Employee Share Compensation Plan and a Consultant Share Compensation Plan (together referred to as the **Employee and Consultant Share Compensation Plans**), which were adopted by the Board and re-approved by Shareholders on 30 August 2019. Under the rules of the TSX-V, the Employee and Consultant Share Compensation Plans are required to be approved by the Shareholders of the Company on an annual basis.

The Company has issued Employee and Consultant Shares Options, Restricted Share Units and Bonus Shares under the Employee and Consultant Share Compensation Plans, and has also issued Shares upon the exercise of securities issued under the Employee and Consultant Share Compensation Plans. A summary of the securities issued under the Employee and Consultant Share Compensation Plans is set out in Tables 26 to Table 28 below. As the securities are issued pursuant to Employee and Consultant Share Compensation Plans approved by Shareholders (see Section 9.9 of this Prospectus), the Board considers that the issue of the securities constitutes reasonable remuneration for the purposes of section 211 of the Corporations Act, or otherwise falls within the exceptions outlined in Chapter 2E of the Corporations Act.

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Table 26: Summary of Employee and Consultant Share Options currently on issue to Related Parties

Related Party Holder	Options exercisable at CAD\$0.0525 exp extended from 10 Jul 2019 to 21 May 2020 ¹	Options exercisable at CAD\$0.06 exp extended from 21 Sept 2019 to 21 May 2020 ²	Options exercisable at CAD\$0.055 exp 19 Feb 2021 ³	Options exercisable at CAD\$0.05 exp 3 Dec 2021 ⁴	Options exercisable at CAD\$0.05 exp reduced from 24 Feb 2022 to 21 May 2020 ⁵	Options exercisable at CAD\$0.05 exp 24 Feb 2022 ⁶
Cameron McCall				720,000		2,000,000
Alan Joseph Phillips			4,000,000 ⁷	1,000,000 ⁷		3,000,000
David Lenigas (former Director)	1,200,000	2,800,000			2,000,000	

Notes

1. Post-Consolidation, the number of options on issue will be 300,000 and will have an exercise price of CAD\$0.21.

2. Post-Consolidation, the number of options on issue will be 700,000 and will have an exercise price of CAD\$0.24.

3. Post Consolidation, the number of Options on issue will be reduced by a factor of four and each Employee and Consultant Share Option will have an exercise price of CAD\$0.22.

4. Post Consolidation, the number of Options on issue will be reduced by a factor of four and each Employee and Consultant Share Option will have an exercise price of CAD\$0.20.

5. Post-Consolidation, the number of options on issue will be 500,000 and will have an exercise price of CAD\$0.20.

6. Post-Consolidation, the number of options on issue will be reduced by a factor of four and will have an exercise price of CAD\$0.20.

7. The Options were issued to First Apollo Capital Pty Ltd and Phillips Exploration Pty Ltd, entities associated with Alan Joseph Phillips.

Table 27: Summary of RSUs currently on issue to Related Parties

Related Party Holder	RSUs exp 27 Nov 2020 ¹	RSUs exp 19 Feb 2021 ²	RSUs exp 2 Sept 2022 ³
Cameron McCall	2,352,941		2,000,000
Alan Joseph Phillips	2,352,941 ⁴		4,000,000 ⁴
Earl Evans		250,000	2,000,000
Andrew Suckling			2,000,000

Notes

1. RSUs were issued at a grant price of CAD\$0.085 per RSU and vest upon the closing share price of the Company's Shares on the TSX-V being greater than CAD\$0.20 for 20 consecutive trading days. Post-Consolidation, the number of RSUs on issue will be reduced by a factor of four and will vest upon the closing share price of the Company's shares on the TSX-V being greater than CAD\$0.80 for 20 consecutive trading days.

2. RSUs vest upon the closing share price of the Company's Shares on the TSX-V being greater than CAD\$0.20 for 20 consecutive trading days. Post-Consolidation, the number of RSUs on issue will be reduced by a factor of four and will vest upon the closing share price of the Company's shares on the TSX-V being greater than CAD\$0.80 for 20 consecutive trading days.

3. RSUs vest upon the closing share price of the Company's shares on the TSX-V being greater than CAD\$0.08 for 20 consecutive trading days. Post-consolidation, the number of RSUs on issue will be reduced by a factor of four and will vest upon the closing share price of the Company's shares on the TSX-V being greater than CAD\$0.32 for 20 consecutive trading days.

4. RSUs were issued to First Apollo Capital Pty Ltd and Phillips Exploration Pty Ltd, entities associated with Alan Joseph Phillips.

9.0 Board & Management

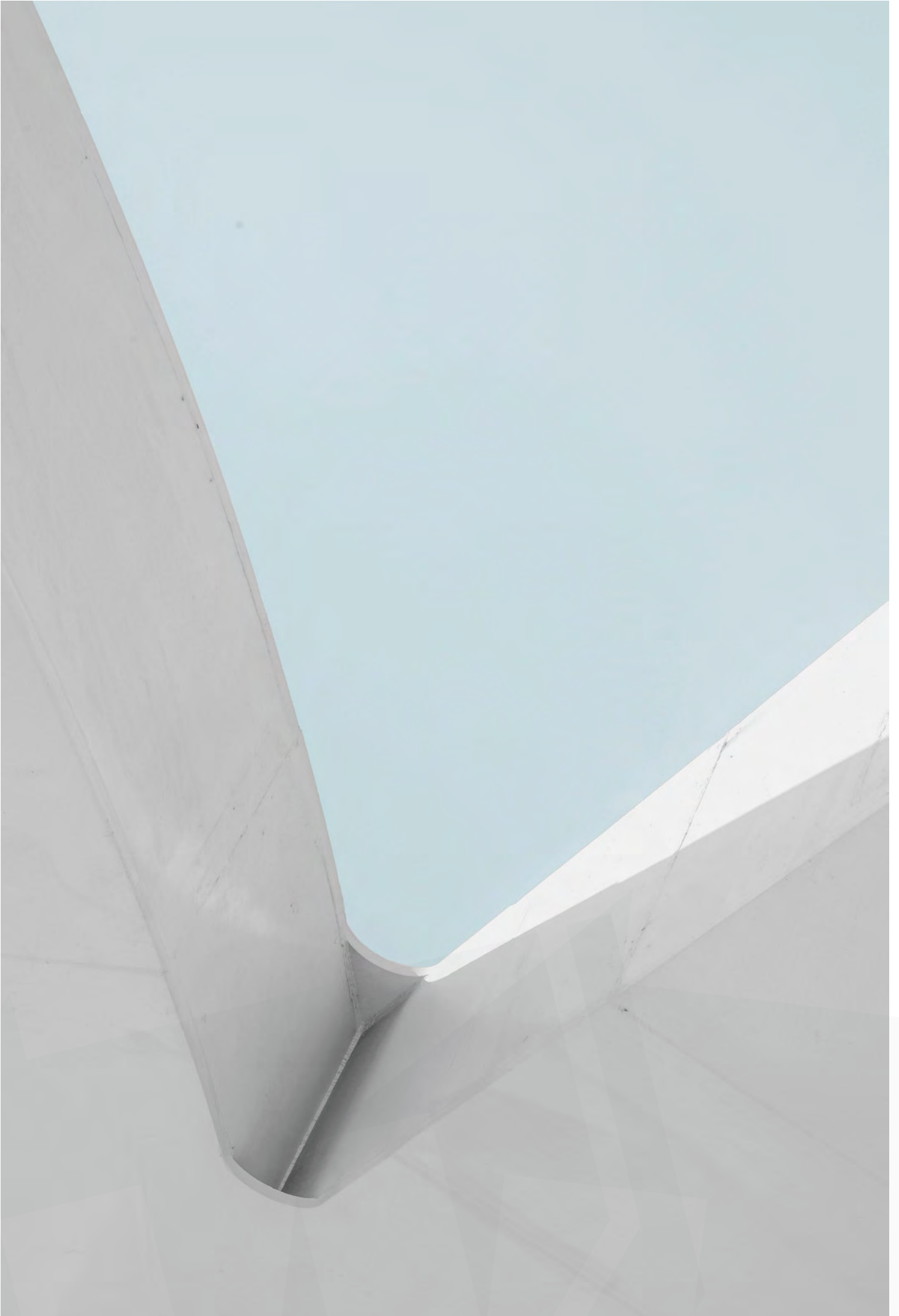
Table 28: Summary of Shares issued to Related Parties under the Employee and Consultant Share Compensation Plans

Related Party Holder	Shares issued
Cameron McCall	<p>Issue of 1,176,471 Bonus Shares on 28 November 2017 at a deemed issue price of CAD\$0.085 per Share.</p> <p>Issue of 530,000 Shares on 11 April 2019 on the exercise of 530,000 Employee and Consultant Share Options issued on 14 April 2016 at an exercise price of CAD\$0.05 per Option and an expiry date of 13 April 2019.</p> <p>Issue of 1,000,000 Shares on 22 April 2019 on vesting of 1,000,000 RSUs upon the closing share price of the Company's Shares on the TSX V being greater than CAD\$0.08 for 20 consecutive trading days.</p> <p>Issue of 700,000 Shares on 22 April 2019 on vesting of 700,000 RSUs upon the closing share price of the Company's Shares on the TSX V being greater than CAD\$0.08 for 20 consecutive trading days.</p> <p>Issue of 470,000 Shares on 19 July 2019 on the exercise of 470,000 Employee and Consultant Share Options issued on 20 July 2016 at an exercise price of CAD\$0.0525 per Option and an expiry date of 10 July 2019. The expiry date was automatically extended under the Consultant Share Compensation Plan to 24 July 2019 due to the expiry date falling within nine Business Days following the expiration of a "Blackout Period".</p>
Alan Joseph Phillips	<p>The issue of 1,176,471 Bonus Shares to First Apollo Capital Pty Ltd, an entity associated with Alan Joseph Phillips, on 28 November 2017 at a deemed issue price of CAD\$0.085 per Share.</p> <p>Issue of 1,700,000 Shares on 22 April 2019 to First Apollo Capital Pty Ltd, an entity associated with Alan Joseph Phillips, on vesting of 1,700,000 RSUs upon the closing share price of the Company's Shares on the TSX V being greater than CAD\$0.08 for 20 consecutive trading days.</p> <p>Issue of 1,700,000 Shares on 22 April 2019 to Phillips Exploration Pty Ltd, an entity associated with Alan Joseph Phillips, on vesting of 1,700,000 RSUs upon the closing share price of the Company's Shares on the TSX V being greater than CAD\$0.08 for 20 consecutive trading days.</p>
Earl Evans, a former Director of the Company	<p>Issue of 1,500,000 Bonus Shares on 20 February 2018 under the Consultant Share Compensation Plan at a deemed issue price of CAD\$0.06 per Share.</p> <p>Issue of 700,000 Shares on 22 April 2019 on vesting of 700,000 RSUs upon the closing share price of the Company's Shares on the TSX V being greater than CAD\$0.08 for 20 consecutive trading days.</p> <p>Issue of 2,000,000 Shares on 6 June 2019 on the exercise of 2,000,000 Employee and Consultant Share Options issued on 25 February 2019 under the Consultant Share Compensation Plan with an exercise price of CAD\$0.05 per Employee and Consultant Share Option and an expiry date of 24 February 2022.</p>
David Lenigas, a former Director of the Company	<p>Issue of 1,000,000 Shares on 22 April 2019 on vesting of 1,000,000 RSUs upon the closing share price of the Company's Shares on the TSX V being greater than CAD\$0.08 for 20 consecutive trading days.</p> <p>Issue of 700,000 Shares on 22 April 2019 on vesting of 700,000 RSUs upon the closing share price of the Company's Shares on the TSX V being greater than CAD\$0.08 for 20 consecutive trading days.</p>
Ian McCall, Chief Financial Officer of the Company	<p>Issue of 500,000 Shares on 22 April 2019 on vesting of 500,000 RSUs upon the closing share price of the Company's Shares on the TSX V being greater than CAD\$0.08 for 20 consecutive trading days.</p>

(b) Other related party transactions

The Company has entered into the following transactions:

- (1) the issue of 7,567,200 units to First Apollo Capital on 25 September 2018 at an issue price of CAD\$0.025 per unit under a private placement. Each unit was comprised of one Share and one warrant to acquire a Share at an exercise price of CAD\$0.10 per Share for a period of twelve months from the date of issuance. The expiry date of the warrants was extended on 6 September 2019 until 24 September 2021. The issue was considered by the Board to be at reasonable arm's length terms for the purposes of Chapter 2E of the Corporations Act and, as such, Shareholder approval was not required;
- (2) the issue of 1,872,400 units to Unlimited Business Strategies Pty Ltd, an entity associated with Alan Joseph Phillips, on 25 September 2018 at an issue price of CAD\$0.025 per unit under a private placement. Each unit was comprised of one Share and one warrant to acquire a Share at an exercise price of CAD\$0.10 per Share for a period of twelve months from the date of issuance. The expiry date of the warrants was extended on 6 September 2019 until 24 September 2021. The issue was considered by the Board to be at reasonable arm's length terms for the purposes of Chapter 2E of the Corporations Act and; as such, Shareholder approval was not required; and
- (3) the issue of 87,341 Shares to David Lenigas in lieu of Director's fees on 25 June 2019 at an issue price of CAD\$0.09. The closing share price on the TSX-V on the date of issue of the shares was CAD\$0.09. The issue was considered by the Board to be reasonable remuneration for the purposes of Chapter 2E of the Corporations Act and, as such, Shareholder approval was not required.
- (4) A consultancy agreement for services as CEO with First Apollo Capital Pty Ltd and Alan Joseph Phillips d (see Section 12.5 of this Prospectus). The agreement is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such, Shareholder approval of the transaction was not required;
- (5) A consultancy agreement for services as Chairman with Cameron McCall (see Section 12.5 of this Prospectus). The agreement is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such, Shareholder approval of the transaction was not required;
- (6) A consultancy agreement for services as Executive General Manager (Corporate) and Company Secretary with Andrew Bruton (see Section 12.5 of this Prospectus). The agreement is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such, Shareholder approval of the transaction was not required;
- (7) The Company has entered into letters of appointment with each of the Non-Executive Directors. The terms of these agreements are set out in Section 12.6 of this Prospectus. The fees payable under each letter of appointment is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such, Shareholder approval of the transaction was not required; and
- (8) The Company has entered into a deed of indemnity, access and insurance with each of its Directors and the Company Secretary (see Section 12.7 of this Prospectus). Shareholder approval has not been obtained for these deeds of indemnity and access however the Company considers the transactions to be at arm's length within the meaning of Chapter 2E of the Corporations Act.





10.0

Corporate Governance

10. Corporate Governance

10.1 Incorporation of corporate governance material

For the purposes of this Prospectus, the Company relies upon the provisions in section 712 of the Corporations Act which enables the Company to incorporate material by reference into this Prospectus. Accordingly, rather than contain all the information that may be required to be set out in a standard document of this type in relation to the corporate governance practices of the Company, it incorporates by reference the Company's corporate governance policies and procedures that are available at no cost from the Company's registered office and are also available on the Company's website www.macarthurminerals.com.

The Corporate Governance Charter has recently been adopted by the Company and lodged with ASIC. The Corporate Governance Charter can be obtained, at no cost, from the Company's registered office and is also available on the Company Website www.macarthurminerals.com.

The following summary is provided pursuant to section 712(2) of the Corporations Act.

10.2 General

To the extent applicable, commensurate with the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) published by ASX Corporate Governance Council as at 19 February 2019 (**Recommendations**). The Directors will seek, where appropriate, to provide accountability levels that meet or exceed the Recommendations, which are not prescriptions, but guidelines.

The Company's main corporate governance policies and practices are outlined below.

10.3 Board of Directors

The Board oversees the Company's business and is responsible for the overall corporate governance of the Company. It monitors the operational, financial position and performance of the Company and oversees its business strategy, including approving the strategy and performance objectives of the Company.

The Board is committed to maximising performance and generating value and financial returns for Shareholders.

To further these objectives, the Board has created a framework for managing the Company, including the adoption of relevant internal controls, risk management processes and corporate governance policies and practices which the Board believes are appropriate for the business and which are designed to promote the responsible management and conduct of the Company.

10.4 Composition of the Board

The Board is currently comprised of three Non-Executive Directors (Alan Spence Phillips, Andrew Suckling and Daniel Lanskey) and two executive Directors (Alan Joseph Phillips and Cameron McCall). Biographies of the Directors are contained in Section 9 of this Prospectus.

As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately govern the Company's activities will be determined within the limitations imposed by the Constitution.

In assessing the independence of Directors, the Company has regard to Principle 2 of the ASX Governance Council's "Corporate Governance Principles and Recommendations (fourth edition)" dated February 2019. The Corporate Governance Charter sets out further matters that the Board will consider when determining the independence of Directors of the Company.

Each Director has confirmed to the Company that they anticipate being available to perform their duties as a non-executive Director or executive Director, as applicable, without constraint from other commitments.

10.5 Remuneration and Nominations Committee

The Company has established a remuneration and nomination committee (**Remuneration and Nomination Committee**) to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the Company.

The Remuneration and Nomination Committee will be responsible for reviewing and making recommendations to the Board in relation to setting the level and composition of remuneration for Directors and senior

executives and ensuring that such remuneration is appropriate and not excessive.

The Remuneration and Nomination Committee comprises Andrew Suckling (Independent Chair), Daniel Lanskey (Independent) and Alan Spence Phillips.

10.6 Identification and Management of Risk

The Company has established an audit and risk committee (**Audit and Risk Committee**) to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the Company.

The Audit and Risk Committee will be responsible for reviewing and making recommendations to the Board in relation to the adequacy of the Company's processes for managing risks and developing an appropriate risk management policy framework to provide guidance to the Company's Management.

The Audit Committee comprises Andrew Suckling (Independent Chair), Daniel Lanskey (Independent) and Alan Spence Phillips.

10.7 Ethical Standards

The Company is committed to the establishment and maintenance of appropriate ethical standards. Accordingly, the Company has adopted a corporate Code of Conduct (**Code of Conduct**).

The Code of Conduct was adopted by the Company on 2 February 2012 and was most recently reviewed and adopted in October 2019. The Code of Conduct establishes the principles and responsibilities to which the Company is committed with respect to both its internal dealings with employees and consultants, and external dealings with Shareholders and the community at large.

The Code of Conduct sets out the standard which the Board, Management and employees of the Company are encouraged to comply with when dealing with each other, Shareholders and the broader community.

The responsibilities contained within the Code of Conduct include (but are not limited to) the following:

(a) to increase Shareholder value within an appropriate

framework which safeguards the rights and interests of the Company's Shareholders and the financial community;

(b) compliance with all legislative and common law requirements which affect its business;

(c) compliance with the applicable legal rules regarding privacy, privileges, private and confidential information;

(d) compliance with the laws and regulations of the countries in which its businesses operate and acting in an ethical manner, consistent with the principles of honesty, integrity, fairness and respect;

(e) ensuring respect and tolerance of diversity;

(f) ensuring accurate financial controls, reporting and disclosure;

(g) ensuring the provision of a safe and healthy working environment;

(h) ensuring compliance with best practice environmental management;

(i) avoiding conflicts of interest; and

(j) ensuring the conduct of operations with a view to respecting and enhancing the economic and social situation of the communities within which the Company operates.

10.8 Diversity Policy

The Company is committed to tolerance and diversity in its workplaces. The Company has adopted a Diversity Policy which is accessible on the Company's website www.macarthurminerals.com. The Diversity Policy was adopted by the Company on 8 October 2019.

10.9 Securities Trading Policy

The Company has adopted a 'Share Trading Policy' (for the purposes of this Prospectus referred to as the **Securities Trading Policy**) which is intended to ensure that persons who are discharging managerial responsibilities including but not limited to Directors, Officers and employees do not abuse, and do not

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place themselves under suspicion of abusing inside information that they may be thought to have, especially in periods leading up to an announcement of the Company. (The Securities Trading Policy was adopted by the Company on 4 April 2012 and last reviewed and adopted in October 2019).

Under the terms of the Securities Trading Policy, a Restricted Person (as identified in the Securities Trading Policy) must not deal with Securities of the Company unless a clearance to deal is obtained in accordance with the Securities Trading Policy or the dealing is an Excluded Dealing (as identified in the Securities Trading

Policy). Further, a Restricted Person must not deal with Securities of the Company if such a dealing would involve use of inside information.

10.10 ASX corporate governance - compliance with Recommendations

The table below summarises how the Company complies with the Recommendations and, in the case of non-compliance, why not. The Board is of the view that with the exception of the departures from the Recommendations noted below it otherwise complies with all of the Recommendations.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1	Lay solid foundations for management and oversight		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of the Board and Management; and (b) those matters expressly reserved to the Board and those delegated to Management.	Yes	The Company has established a Board Charter. The Board Charter sets out the specific responsibilities of the Board in relation to corporate governance, the role of the Board, the Board's relationship with Management, the key responsibilities of the Board, the structure of the Board, the role of the Chair, the role of Board committees and the occurrence of Board meetings. A copy of the Company's Board Charter is available on the Company's website.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting forward someone forward for election as a director; and (b) provide security holders with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	(a) The Board undertakes appropriate checks before appointing a person, or putting forward to Shareholders, a person for election as a Director of the Company. (b) All information relevant to a decision to elect or re-elect a Director will be provided to Shareholders in any notice of meeting pursuant to which a resolution to elect or re-elect a Director will be voted upon.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company's Board Charter requires that the terms and conditions of appointment of a Director shall be confirmed in a formal letter of appointment. The Company has entered into a formal letter of appointment with each non-executive Director and a consultancy agreement with executive Directors and senior executives setting out the terms of their appointment.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Board Charter outlines the role, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board through the Chair, on all matters relating to the proper functioning of the Board.
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes) or, if the Company is a relevant employer" under the Workplace Gender Equality Act 2012 (Cth), the Company's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	Yes	<p>The Company has adopted a Diversity Policy which supports the development of measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce. The Diversity Policy is disclosed on the Company's website www.macarthurminerals.com.</p> <p>The Company's Diversity Policy requires it to monitor and report (at least annually) on progress with respect to this Policy including its progress against all measurable objectives introduced. The Remuneration and Nomination Committee will assess annually both the measurable objectives and the progress in achieving them.</p> <p>The Company's annual report will contain details of the measurable objectives set by the Board in accordance with the Policy and the progress towards achieving them. In addition, the Company will disclose in its annual report details of the proportion of women employees in the Company, women in senior executive positions and women on the Board.</p>

10. Corporate Governance

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>	No	<p>The Board did not conduct a performance evaluation during the last 12 months and has not adopted a performance evaluation policy. The Company believes that the small size of the Board and the current scale of the Company's activities makes the establishment of a formal performance evaluation procedure unnecessary.</p> <p>Performance evaluation is a discretionary matter for consideration by the entire Board. In the normal course of events the Board reviews performance of the Management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.</p> <p>The Board is provided with the information it needs to discharge its responsibilities effectively. All Directors have access to corporate governance policies and material contracts entered into by the Company. The Directors also have access to the Company Secretary for all Board and governance-related issues.</p>

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>	Partially	<p>The Remuneration and Nominations Committee is responsible for (or in its absence the Board) is responsible for overseeing performance evaluations of senior executives on an annual basis. The Remuneration and Nominations Committee has been recently re-constituted (with details of its current composition outlined in Section 10.5 of this Prospectus. The Board did not conduct a performance evaluation of senior executives during the last 12 months and has not adopted a performance evaluation policy.</p> <p>The Company believes that the small size of the executive team and the current scale of the Company's activities makes the establishment of a formal performance evaluation procedure unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board with appropriate recommendations from the Remuneration and Nominations Committee.</p> <p>In the normal course of events the Board reviews performance of the Management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.</p>

10. Corporate Governance

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
2	Structure the Board to be effective and add value		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director;</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	<p>The Company has a Remuneration and Nomination Committee which has three members, the majority of whom are independent Directors. It is Chaired by an independent Director.</p> <p>The Nomination and Remuneration Committee has a Charter which is available on the Company's website www.macarthurminerals.com. The Nomination and Remuneration Committee has been recently re-constituted and the number of times that the committee meets throughout each reporting period and the individual attendances of members at those meetings will be disclosed.</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	No	<p>Details of the current Directors, their skills, experience and qualifications is set out in the Prospectus. These details, plus a record of attendance at meetings, will be included in the Directors' Report within the annual report in future. No specific skills matrix is currently prepared and disclosed as the Company does not believe its current size and scale warrants that level of detail.</p>

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position or relationship that might cause doubts about the independence of a director but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes	<p>Mr Andrew Suckling and Mr Daniel Lanskey are considered to be independent Directors.</p> <p>The length of service of each Director is set out below:</p> <ul style="list-style-type: none"> • Mr Cameron McCall, appointed 27 April 2015. Approximate length of service to Prospectus Date: 4 years. • Mr Alan Joseph Phillips, appointed 11 October 2017. Approximate length of service to Prospectus Date: 2 years. • Mr Alan Spence Phillips, appointed 19 October 2005. Approximate length of service to Prospectus Date: 14 years. • Mr Andrew Suckling, appointed 21 May 2019. Approximate length of service to Prospectus Date: 4 months. • Mr Daniel Lanskey, appointed 20 September 2019. Approximate length of service to Prospectus Date: 1 month.
2.4	The majority of the Board should be independent directors.	No	<p>The Company is of the view that the Board does not consist of a majority of independent Directors. Mr Cameron McCall is employed in an executive capacity as Executive Chairman and is a security holder of the Company, Mr Alan Joseph Phillips is employed in an executive capacity as Chief Executive Officer and is a security holder of the Company and Mr Alan Spence Phillips was employed in an executive capacity within the last two (2) years and is a security holder of the Company.</p> <p>Mr Andrew Suckling and Mr Daniel Lanskey are considered to be independent Directors.</p> <p>The Board will consider appointing further independent Directors in the future, when the Company is of sufficient size and having regard to the scale and nature of its activities. In the meantime, the Company believes that given the size and scale of its operations, non-compliance by the Company with this recommendation will not be detrimental to the Company or its Shareholders.</p>

10. Corporate Governance

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
2.5	The chair of the Board should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	The Chair of the Board, Mr Cameron McCall, is not considered an independent Director by virtue of the fact that he is employed in an executive capacity as Executive Chairman. The Company believes that given the size and scale of its operations, non-compliance by the Company with this recommendation will not be detrimental to the Company or its Shareholders.
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	In accordance with the Board Charter, all Directors are briefed with respect to the nature of operations and the strategic direction of the Company. Additionally, all Directors are permitted to participate in continuing education opportunities to allow individuals to maintain or enhance their skills and abilities as Directors, as well as to ensure their knowledge and understanding of the Company's business remains current.
3	Instil a culture of acting lawfully, ethically and responsibly		
3.1	A listed entity should articulate and disclose its values.	Yes	The Company's Code of Conduct applies to all Directors, senior executives and employees. The Company's Code of Conduct is contained on its website: www.macarthurminerals.com .
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Yes	The Company's Code of Conduct applies to all Directors, senior executives and employees. The Company's Code of Conduct is contained on its website: www.macarthurminerals.com . The Company's Board Charter requires that the Company's Audit and Risk Committee implements appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately. This includes breaches of the Code of Conduct.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	<p>The Company has a Whistleblower Policy. The Whistleblower Policy is contained on its website: www.macarthurminerals.com.</p> <p>The Company's Board Charter requires that the Company's Audit and Risk Committee implements appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately. This includes any incidents reported under the Whistleblower Policy.</p>
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	Yes	<p>The Company has an Anti-bribery and Corruption Policy. The Anti-bribery and Corruption Policy is contained on its website: www.macarthurminerals.com.</p> <p>The Company's Board Charter requires that the Company's Audit and Risk Committee implements appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately. This includes any material breaches of the Anti-bribery and Corruption Policy.</p>

10. Corporate Governance

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
4	Safeguard the integrity of corporate reports		
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board; and</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if the entity does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Yes	<p>The Company's Audit and Risk Committee consists of three members, all of whom are non-executive Directors, and a majority of whom are considered to be independent Directors. This committee comprises:</p> <p>(a) Mr Andrew Suckling - Non-Executive Director (Independent) (Chairman of the Committee);</p> <p>(b) Mr Daniel Lanskey - Non-Executive (Independent); and</p> <p>(c) Mr Alan Spence Phillips - Non-Executive Director (Not considered to be independent).</p> <p>The Audit and Risk Committee is Chaired by Mr Andrew Suckling, who is an independent Director. The Charter of the Committee is available on the Company's website www.macarthurminerals.com.</p> <p>The relevant qualifications and experience of the members of the Committee are disclosed on the Company's website but will not be disclosed in the Committee's Charter. The Company will disclose the number of times that the Committee met during the period and the individual attendances of the members at those meetings.</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	<p>The Board relies on Management accountability for the Company's financial statements and reports for a financial period and requires the CEO / CFO/ Company Secretary, to provide declarations that in their opinion, the financial records and reports have been properly maintained and presented and comply with appropriate accounting standards, giving a true and fair view, in all material respects of the financial position and performance of the Company and its entities.</p> <p>The CEO and CFO declarations for the financial period ending 31 March 2019 were delivered prior to the Board approving its financial statements for the relevant period.</p>

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market is not audited or reviewed by an external auditor.	Yes	In addition to reviewing regulatory filings and decisions as they relate to the Company's consolidated annual and interim financial statements, the Audit Committee will review periodic corporate reports prior to public disclosure, including any press releases with respect thereto. In doing so, Audit Committee Charter requires that the Audit Committee will ensure that all non-audit services approved by or on behalf of the Committee are disclosed in the periodic reports of the Company.
5	Make timely and balanced disclosure		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1.	Partially	<p>The Company has a detailed Continuous Disclosure Policy. That Policy was prepared to meet the Company's disclosure obligations in accordance with National Policy 51-201 Disclosure Standards for reporting issuers in Canada on the TSX-V. That policy relates to compliance with the principle of fair and timely disclosure. It also sets out the general standards and expectations of the Canadian Securities Administrators (CSA) regarding these requirements.</p> <p>The Company is currently in the process of reviewing its Continuous Disclosure Policy to ensure specific compliance with Listing Rule 3.1 but considers that the existing policy establishes a robust framework for continuous disclosure. Given the size and scale of its operations, non-compliance by the Company with this recommendation in the meantime will not be detrimental to the Company or its Shareholders</p>
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	The Company ensures that the Board receives copies of all material market announcements for review prior to the announcements being made.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	The Company will release a copy of presentation materials on the ASX Market Announcements Platform prior to presenting to a new and substantive investor or analyst.

10. Corporate Governance

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
6	Respect the rights of security holders		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its corporate governance is available on the Company's website: www.macarthurminerals.com .
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	<p>The Company has an investor communications strategy and a Corporate Communications Policy which aims to promote and facilitate effective two-way communication with investors.</p> <p>In September 2019, the Company appointed NWR Communications to advise it on investor relations and communications ahead of listing on the ASX.</p>
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	Shareholders will be encouraged to participate at all EGMs and AGMs of the Company. Upon despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice stating that all Shareholders are encouraged to participate at the meeting.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	No	The Company's Constitution states that a poll may be demanded, before any vote on a resolution is taken, or before the voting results on a show of hands is declared or immediately after the voting results on a show of hands are declared. The Company considers that these requirements adequately protect the interests of Shareholders.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company is committed to maintaining the Company Website with general information about the Company and its operations and information specifically targeted at keeping the Company's Shareholders informed about the Company. Regular reports are released through the ASX and the TSX-V as well as the media.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
7	Recognise and manage risk		
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director; and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employees for overseeing the entity's risk management framework.</p>	Yes	<p>The Company's Audit and Risk Committee consists of three members, all of whom are non-executive Directors, and a majority of whom are independent Directors. This committee comprises:</p> <p>(a) Mr Andrew Suckling - Non-Executive Director (Independent) (Chairman of the Committee);</p> <p>(b) Mr Daniel Lanskey - Non-Executive (Independent); and</p> <p>(c) Mr Alan Spence Phillips - Non-Executive Director (Not considered to be independent).</p> <p>The Audit and Risk Committee is Chaired by Mr Andrew Suckling, who is an independent Director. The Charter of the Committee is available on the Company's website www.macarthurminerals.com.</p> <p>The relevant qualifications and experience of the members of the Committee are disclosed on the Company's website but will not be disclosed in the Committee's Charter. The Company will disclose the number of times that the Committee met during the period and the individual attendances of the members at those meetings.</p>

10. Corporate Governance

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
7.2	<p>The board or committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	<p>The Company's process for risk management and internal compliance includes a requirement for the Board to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. The Company has adopted an Audit and Risk Management Policy and accompanying Risk Management Framework which is reviewed on an annual basis.</p> <p>The Board reviews and addresses risk at each Board meeting, and will disclose at the end of each reporting period, whether a review of its risk management framework has been undertaken.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	No	<p>Due to the current scope of the Company's operations it does not currently have an internal audit function. The Company relies on external auditors to undertake this function in compliance with the law and the requirements of the exchanges upon which its securities trade.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Company's Audit and Risk Management Policy discloses its exposures to key risk areas and sets out that the Board will oversee the Company's internal control systems for identifying, assessing, monitoring, and managing material risks throughout the Company.</p> <p>The Company predominantly operates in Australia, which is a mature and well regulated mining jurisdiction. As part of the Company's mining development approvals process, the Company must adhere to strict environmental and social regulations.</p>

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
8	Remunerate fairly and responsibly		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Yes	<p>The Company's Remuneration and Nomination Committee consists of three members, all of whom are non-executive Directors, and a majority of whom are considered to be independent Directors. This committee comprises:</p> <p>(a) Andrew Suckling - Non-Executive Director (Independent)(Chairman of the Committee);</p> <p>(b) Daniel Lanskey - Non-Executive (Independent); and</p> <p>(c) Alan Spence Phillips - Non-Executive Director (Not considered to be independent).</p> <p>The Remuneration and Nomination Committee is Chaired by Andrew Suckling, who is an independent Director. The Charter of the Committee is available on the Company's website www.macarthurminerals.com.</p> <p>The Company will disclose the number of times that the Committee met during the period and the individual attendances of the members at those meetings</p>

10. Corporate Governance

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	<p>The Company's Remuneration and Nomination Committee Charter sets out the process for remuneration of Directors and senior executives.</p> <p>The Charter requires the Committee to review and approve corporate goals and objectives relevant to the remuneration of senior executives, evaluating performance and determining or making recommendations to the Board with respect to the remuneration level of the senior executives based on this evaluation.</p> <p>With regard to Directors, the Committee reviews the adequacy, amount and form of the remuneration to be paid to each Director on an annual basis (having regard to industry trends and the time commitment, responsibilities and risks of the Directors), the effectiveness of each Director in achieving their mandate, and makes recommendations to the Board.</p> <p>The Committee is also required to make recommendations to the Board on minimum share ownership requirements for Directors of the Company.</p>

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	No	Under the Company's Share Trading Policy, no Restricted Persons may Deal in any Securities of the Company without first requesting clearance in writing from the Clearance Officer. The Share Trading Policy provides that a Restricted Person may enter into a margin loan or similar funding arrangement in respect of any Company securities (Funding Arrangements) but must disclose the existence of the Funding Arrangements to a Clearance Officer who shall notify the Board. The Company's Remuneration and Nomination Committee is responsible for reviewing and making recommendations to the Board regarding equity-based remuneration plans.
9	Additional recommendations that apply only in certain cases		
9.2	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	Yes	Not applicable. The Company does not have any Directors who do not speak the language in which the Board or Shareholder meetings are held or in which key documents are written.
9.3	A listed entity established outside of Australia should ensure that meetings of security holders are held at a reasonable place and time.	Yes	Not applicable. The Company is not established outside of Australia.
9.4	A listed entity established outside of Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	Not applicable. The Company is not established outside of Australia.





11.0

Historical & Pro-Forma
Financial Information

11. Historical and Pro-Forma Financial Information

11.1 Introduction

All amounts disclosed in the tables are presented in Australian dollars, and unless otherwise noted, are rounded to the nearest thousand dollars.

Macarthur was registered as an Australian public company on 2 December 2002.

The financial information contained in this Section includes:

- Historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 31 March 2017, 31 March 2018 and 31 March 2019;
- Historical Statements of Cash Flows for the years ended 31 March 2017, 31 March 2018 and 31 March 2019;
- Historical Statements of Financial Position as at 31 March 2017, 31 March 2018 and 31 March 2019.
- Pro Forma Consolidated Historical Statement of Financial Position of Macarthur Minerals and its controlled entities as at 31 March 2019 (**the Pro Forma Consolidated Historical Statement of Financial Position**), (together, the **Historical Financial Information**).

The Historical Financial Information should be read together with other information contained in this Prospectus, including:

- The risk factors described in Section 8 of this Prospectus;
- The description of the use of the Proceeds of the Offer described in Section 1 of this Prospectus;
- The Independent Limited Assurance Report, set out in Section 7 of this Prospectus; and
- The indicative capital structure described in Section 1 of this Prospectus.

Please note that past performance is not an indication of future performance.

Macarthur Minerals has a 31 March financial year end.

11.2. Basis of preparation and presentation of the Historical Financial Information

11.2.1. Overview

The Directors of the Company are responsible for the

Overview of Financial Information

Section	Heading
11.2	Basis of Preparation and Presentation of the Historical Financial Information
11.3	Historical Financial Information
11.4	Pro Forma Consolidated Historical Statement of Financial Position
11.5	Liquidity and capital resources
11.6	Commitments and contingent matters
11.7	Dividend policy
11.8	Summary of Significant Accounting Policies

preparation and fair presentation of the Historical Financial Information.

The Historical Financial Information included in this Section has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB), which are consistent with International Financial Reporting Standards (IFRS), and the accounting policies of Macarthur Minerals. The Historical Financial Information and accompanying commentary presented in this Section has also been disclosed with consideration to regulatory guidance issued by ASIC.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth). Significant accounting policies applied to the Historical Financial Information are set out in Section 11.8 of this Prospectus.

The Historical Financial Information of the Company has been extracted from the financial records as follows:

- 31 March 2017, 31 March 2018 and 31 March 2019 –

extracted from the statutory financial statements, which were audited by Nexia Brisbane Audit Pty Ltd. Unmodified audit opinions including an emphasis of matter in relation to going concern were issued for each of the periods audited. The emphasis of matter noted that Macarthur's continuing operations were dependent on the Company's ability to raise additional capital to fund its operations and Projects.

- The Historical Financial Information included in this Prospectus has been reviewed and reported on by Nexia Brisbane Audit Pty Ltd ("NBA") as set out in the Independent Limited Assurance Report in Section 7 of this Prospectus. Investors should note the scope and limitations of the Independent Limited Assurance Report.

11.2.2. Preparation of Pro Forma Historical Information

- The Historical Financial Information has been prepared solely for the purposes of inclusion in this Prospectus. The Pro Forma Historical Information has pro forma adjustments applied to reflect as though the Offer, and other material transactions, had occurred on 31 March 2019, being the last date the financials were reviewed by the auditor.
- Refer to Section 11.4.1 of this Prospectus for discussion on the adjustments between the statutory equivalent financial information and the Pro Forma Historical Financial Information.

Table 27: Historical Statements of Profit or Loss and Other Comprehensive Income

	Notes	31 March 2019 (\$'000)	31 March 2018 (\$'000)	31 March 2017 (\$'000)
Revenue & other income/(expenses*)		(2,388)	901	(194)
Depreciation		(33)	(34)	(36)
Operating and exploration expenses		(2,314)	(4,256)	(3,645)
Impairment reversal		55,852	-	-
Income tax expense		-	-	-
Income/(Loss) for the period		51,117	(3,389)	(3,875)

* other expenses include change in fair value of warrant liability

11. Historical and Pro-Forma Financial Information

11.3. Historical Financial Information

11.3.1. Historical Statements of Profit or Loss and Other Comprehensive Income

Historical Statements of Cash Flows

Table 28: Historical Statement of Cashflows

	Notes	31 March 2019 (\$'000)	31 March 2018 (\$'000)	31 March 2017 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments to suppliers and employees		(1,917)	(3,415)	(3,462)
Other receipts		36	530	92
Net cash used in operating activities		(1,881)	(2,885)	(3,370)
CASH FLOWS FROM INVESTING ACTIVITIES				
Exploration and evaluation expenditure		(868)	(139)	-
Proceeds on sale of equipment		-	(4)	(5)
Net cash used in investing activities		(868)	(143)	(5)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issues		1,704	3,628	3,928
Share issuance costs		(7)	(37)	(14)
Net cash used in financing activities		1,697	3,591	3,914
Net increase/(decrease) in cash held		(1,052)	563	539
Cash at the beginning of the period		1,370	807	268
Cash at the end of the period		318	1,370	807

11.3.2. Historical Statement of Financial Position

Table 29: Historical Statement of Financial Position

	Notes	As at 31 March 2019 (\$'000)	As at 31 March 2018 (\$'000)	As at 31 March 2017 (\$'000)
CURRENT ASSETS				
Cash and cash equivalents		318	1,370	807
Trade and other receivables		106	146	451
Total current assets		424	1,516	1,258
NON-CURRENT ASSETS				
Plant and equipment		16	49	79
Exploration and evaluation assets		62,994	6,204	6,000
Total non-current assets		63,010	6,253	6,079
TOTAL ASSETS		63,434	7,769	7,337
CURRENT LIABILITIES				
Trade and other payables		365	444	616
Provisions		43	36	33
Warrant liability		2,580	146	509
Total current liabilities		2,988	626	1,158
NON-CURRENT LIABILITIES				
Trade and other payables		19	14	11
Total non-current liabilities		19	14	11
TOTAL LIABILITIES		3,007	640	1,169
NET ASSETS		60,427	7,129	6,168
EQUITY				
Issued capital		99,672	98,702	94,415
Retained earnings		(43,784)	(102,143)	(98,705)
Reserves		4,539	10,570	10,458
TOTAL EQUITY		60,427	7,129	6,168

11. Historical and Pro-Forma Financial Information

11.3.3. Management Discussion and Analysis of Historical Financial Statements

As set out in Section 3 of this Prospectus Macarthur's primary assets are their Exploration & Evaluation projects.

As set out in Section 11.3.2 of this Prospectus the book value of these assets at 31 March 2019 is \$62,994,000 of which \$62,468,000 relates to the Iron Ore projects and \$526,000 to the lithium and gold projects. In the annual reports for years 2018 and 2017 the book value of these assets approximated \$6 million which represented the estimated recoverable value of the asset at that time. The recoverable value was based on global economic conditions for Iron Ore.

In the 2017 to 2019 years the Company's primary source of cash has been through issuing equity. These funds have been applied to cover operational, corporate & exploration costs.

At 31 March 2019, based on the improvement in global demand and price for Iron Ore, coupled with the achievement of certain strategic milestones in the development of its Iron Ore assets, the Company is advancing their projects and has entered into a range of commercial arrangements and funding commitments.

The Company has therefore re-assessed the recoverable value of the Iron Ore projects based on discounted cash flow modelling of the economic potential of the projects. The modelling includes assumptions for project development costs, sales volumes, sales prices, production volumes, production costs and foreign exchange rates.

11.4. Pro Forma Consolidated Historical Statement of Financial Position

Table 30 overleaf sets out the summary historical statement of financial position as at 31 March 2019 and the pro forma adjustments that have been made to the statement of financial position as at 31 March 2019. The pro forma statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's future financial position. The statement of financial position should be read in conjunction with the following notes set out in Section 11.4.1 of this Prospectus.



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Table 30: Pro-Forma Consolidated Historical Statement of Financial Position

Offer Adjustments							
As at 31 March 2019 (audited) (\$'000)	Statutory audited accounts as at 31 March 2019	Notes	Significant transactions post 31 March 2019	Offer Adjustments Minimum	Offer Adjustments Maximum	Pro forma Consolidated Minimum	Pro forma Consolidated Maximum
Current Assets							
Cash and cash equivalents	318	1	6,632	4,184	6,520	11,134	13,470
Trade and other receivables	106	2	1,508	-	-	1,614	1,614
Total Current Assets	424		8,140	4,184	6,520	12,748	15,084
Non-current Assets							
Plant & equipment	16	3	31	-	-	47	47
Right of Use Asset	-	4	412	-	-	412	412
Exploration and evaluation assets	62,994	5	273	-	-	63,267	63,267
Total Non-current Assets	63,010		716	-	-	63,726	63,726
TOTAL ASSETS	63,434		8,856	4,184	6,520	76,474	78,810
Current Liabilities							
Trade and other payables	365	6	256	-	-	621	621
Employee benefits	43	7	7	-	-	50	50
Financial liabilities	2,580	8	(672)	-	-	1,908	1,908
Total Current Liabilities	2,988		(409)	-	-	2,579	2,579
Non-current Liabilities							
Provisions	19	9	2	-	-	21	21
Lease liability	-	10	426	-	-	426	426
Convertible Notes	-	11	8,571	-	-	8,571	8,571
Total Non-current Liabilities	19		8,999	-	-	9,018	9,018
TOTAL LIABILITIES	3,007		8,590	-	-	11,597	11,597
NET ASSETS	60,427		266	4,184	6,520	64,877	67,213
EQUITY							
Contributed equity	99,672	12	510	5,000	7,500	105,182	107,682
Capital raising costs	-		-	(885)	(1,049)	(885)	(1,049)
Retained earnings	(43,784)	13	63	-	-	(43,721)	(43,721)
Reserves	4,539	14	(307)	69	69	4,301	4,301
TOTAL EQUITY	60,427		266	4,184	6,520	64,877	67,213

11. Historical and Pro-Forma Financial Information

11.4.1 Notes to the Pro Forma Consolidated Historical Statement of Financial Position

The Pro Forma Consolidated Historical Statement of Financial Position comprises:

(a) Transactions that will be undertaken on completion of the Offer (Offer Adjustments); as follows:

Impact of the Offer:-

- as set out in Section 1 of this Prospectus, a maximum of 30,000,000 new Shares will be issued at \$0.25 a Share raising gross proceeds of \$7.5 million. Transaction costs of \$979,681 (based on Maximum Subscription), along with Lead Manager and Corporate Advisor options valued at \$69,199, are estimated and is capitalised against equity.
- In the event that the minimum of 20,000,000 Shares are issued at \$0.25 per Share, gross proceeds will be \$5.0 million. Transaction costs of \$816,228, (based on Minimum Subscription), along with Lead Manager and Corporate Advisor options valued at \$69,199, are estimated and are capitalised against equity.

(b) Material transactions undertaken since 31 March 2019 as if they occurred as at 31 March 2019 (Subsequent Events), including USD\$6,000,000 Convertible Note, of which USD\$4,950,000 have been received, and the remaining balance of USD\$1,050,000 which has been accounted for in other receivables; and

(c) Other material transactions undertaken since 31 March 2019, including ongoing trading for the June 2019 quarter, movements in equity, receipt and repayment of short-term loan and implementation of accounting standard AASB16 (leases).

(d) The table below summarises the subsequent events outlined above and as referenced in Section 11.4 Pro Forma Consolidated Historical Statement of Financial Position:

Table 31: Notes to the Pro-Forma Consolidated Historical Statement of Financial Position

Note within Section 11.4.1	Description	Notes
1	Includes:	
	USD\$4.95m received post 30 June 2019 relating to Convertible Notes	7,071,429
	Cash movements during 30 June 2019 quarter	110,176
	Repayment of short-term loan	(550,000)
2	Includes:	
	USD\$1.050m allocated to receivables for balance of USD\$6m Convertible Notes	1,500,000
	Prepayments movements during 30 June 2019 quarter	8,475
3	Plant and Equipment purchases made during 30 June 2019 quarter	30,793
4	Implementing AASB 16 Accounting treatment for Office lease (nil cash effect)	412,250
5	Exploration and evaluation movements during 30 June 2019 quarter	273,002
6	Includes:	
	Trade and other payables movements during 30 June 2019 quarter	110,795
	Costs associated with convertible notes	145,000
7	Employee benefits movements during 30 June 2019 quarter	6,753
8	Revalue warrant liability as at 30 June 2019 (nil cash effect)	(671,832)
9	Provisions movements during 30 June 2019 quarter	2,005
10	Lease liability (Implementing AASB 16 Accounting treatment for Office lease (nil cash effect))	425,558
11	USD\$6.0m Convertible Notes	8,571,429
12	Equity movements post 31 March 2019 include:	
	Issue 11,617,341 ordinary Shares upon close of Private placement	36,286
	Issue 2,850,000 ordinary Shares upon exercise of Options and Warrants	167,165
	Revaluation of RSU's (nil cash effect)	307,301
13	Net loss for the quarter ended 30 June 2019 and significant post-30 June transactions included:	
	Non-refundable Option Fee Income from FE Limited (as per News Release dated May 14, 2019)	100,000
	Revaluation of warrant liability as at 30 June 2019 (nil cash effect)	671,832
	Convertible Note costs	(145,000)
	Administrative expenses for the quarter ended 30 June 2019	(513,865)
	Interest paid on short-term Unsecured loans (fully repaid as at date of Prospectus)	(50,000)
14	Revaluation of RSU's (nil cash effect)	307,301

With the exception of the subsequent events and the pro forma transactions noted above, no other material transactions have occurred between 31 March 2019 and the date of this Prospectus which the directors consider require disclosure.

11. Historical and Pro-Forma Financial Information

11.4.2 Effect of Subsequent Events and pro forma adjustments on Statement of Financial Position line items

Table 32: Cash and cash equivalents

Cash and cash equivalents (\$'000)	Note within Section 11.4.1	Pro forma Minimum Subscription	Pro forma Maximum Subscription
Balance at 31 March 2019		318	318
Subsequent events (Convertible Notes) ¹	b	7,072	7,072
Subsequent events (June 2019 quarter movements)		110	110
Subsequent events (Post 30 June 2019 movements)		(550)	(550)
Offer Adjustments:			
Proceeds from shares issued under this Prospectus	a	5,000	7,500
Costs of capital raised	a	(816)	(980)
Costs of capital raised (value of Lead Manager Options) ¹	a	(69)	(69)
Pro forma balance		11,134	13,470

Notes

¹ Does not include USD\$1,050,000 Convertible Note monies not yet received.

Table 33: Issued capital

Issued Capital (\$'000)	Note within Section 11.4.1	Pro forma Minimum Subscription	Pro forma Maximum Subscription
Balance at 31 March 2019		99,672	99,672
Subsequent events	d	510	510
Offer Adjustments:			
Proceeds from shares issued under this Prospectus	a	5,000	7,500
Costs of capital raised	a	(816)	(980)
Costs of capital raised (value of Lead Manager Options) ¹	a	(69)	(69)
Pro forma balance		104,297	106,633

Notes¹ As per Table 2, Key Offer Information.

11.5. Liquidity and Capital Resources

The Company's principal source of funds will be cash resulting from the Convertible Notes and from the Offer. These funds will be applied as set out in Section 1 of this Prospectus.

11.6. Commitments and Contingent Matters

11.6.1. Commitments

In order to maintain its current rights of tenure for exploration and/or mining activities, the Company is required to perform minimum annual expenditure requirements specified in the tenement documents. The expenditure obligations are subject to renegotiation when an application for a mining lease and/or renewal of exploration permits are made or at other times and are subject to whether the Company decides to continue a tenement's rights until its expiry. Due to the nature of the Company's activities, it is difficult to accurately forecast the amount of future expenditure that will be necessary to incur in order to maintain present interests.

As set out in the company's financial statements for year ended 31 March 2019, these obligations are estimated to be as follows:

	2019 \$
Not later than one year	\$1,301,789
Later than one year but not later than five years	\$4,754,055
Total	\$6,055,844

The Company entered into an option agreement with FEL for its Lithium and Gold tenements in the Pilbara region of Western Australia. The option was exercised on 2 July 2019 and will result in a \$1,888,929 reduction in expenditure commitments over the coming years.

11.6.2. Contingent Matters

As set out in Section 12 of this Prospectus, the Company has entered into transactions including Convertible Notes. In addition, as set out in Section 13.10 of this Prospectus, the Company is a party to a litigation matter.

11.7. Dividend Policy

The Company plans to invest all cash flow as set out in Section 1 of this Prospectus, primarily being on exploration projects. Accordingly, no dividends are expected to be paid in the foreseeable future following the Company's listing on the ASX.

The payment and amount of any potential future dividends declared by the Company are subject to the discretion of the Directors and will depend upon, among other things, the Company's earnings, financial position, tax position and capital requirements.

It is the Directors' intention to review this policy from time to time and commence the payment of a regular dividend once the Company is able to generate a substantial and sustainable level of cash flow, after allowing for capital expenditure and other commitments. The Directors are therefore unable to give any assurance regarding the payment of dividends in the future.

11.8. Summary of Significant Accounting Policies

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, and other authoritative pronouncements of the Australian

Accounting Standards Board. The financial information has been prepared on an accrual basis and is based on historical cost. The significant accounting policies adopted in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all the financial periods presented, unless otherwise stated.

11.8.1. Principles of Consolidation

The financial information incorporates the assets, liabilities and results of the Group as at 31 March 2019.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

11.8.2. Mineral exploration, evaluation and development properties

The Group is currently in the exploration and evaluation stage of its Projects.

(i) Exploration and evaluation properties

Exploration and evaluation expenditure is accumulated separately for each area of interest and capitalised to exploration and evaluation. Such expenditure comprises net direct costs, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest. Expenditure in respect of any area of interest or mineral resource is carried forward provided that:

- the Company's rights of tenure to that area of interest are current; and

11. Historical and Pro-Forma Financial Information

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively by its sale; or
- exploration and/or evaluation activities in the areas of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, or in relation to, the areas are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

11.8.3. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 6 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

11.8.4. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has

been reliably estimated.

Provisions are measured at the present value of managements' best estimate of the expenditure required to settle the present obligation at the balance sheet date.

11.8.5. Income tax

Income tax on profit or loss comprises current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous years.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or when the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(i) Deferred Tax Balances

Deferred income tax assets have not been recognised as it has not yet become probable that they will be recovered and utilised.

(ii) Tax consolidation legislation

The Company and its wholly-owned Australian resident entities are part of a tax consolidated group. As a

consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Macarthur Minerals.

11.8.6. Contributed equity

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

Proceeds from Warrant unit placements are allocated between shares and Warrants issued. Warrants that are part of units are assigned a value based on the residual value of the unit after deducting the fair value of the common Shares. Where Warrants are denominated in a currency other than the Company's functional currency, they are considered a derivative liability and marked to market at each period using the Black-Scholes model.

11.8.7. Share based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods to represent the value of services rendered. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to a reserve. The fair value of equity instruments is determined using the relevant options pricing model. The number of instruments expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

11.8.8. Going concern

The Historical Financial Information has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Directors consider that the going concern basis of preparation is appropriate given the planned Offer to raise \$5M (before costs), up to a maximum of \$7.5M

(before costs).

The Historical Financial Information does not include any adjustments relating to the recoverability and classification of recorded assets and liabilities, and appropriate disclosures, that may be necessary should the Group be unable to continue as a going concern.

11.8.9. Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the economic entity.

Key estimates and judgements made in the preparation of the Historical Financial Information are discussed below.

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely and is based on assumptions about future events or circumstances.

Recoverable value of exploration assets is based on the assessment of current economic conditions.

The Company measures the costs of equity-settled transactions with directors, officers, employees and consultants by reference to the fair values of the equity instrument. The fair value of equity-settled transactions is determined using the relevant Black-Scholes model as measured on the grant date. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the equity, and the estimated forfeiture rate for market based vesting conditions.

The valuation of the warrants liability is based on assumptions including expected price volatility of the company's shares.

As set out in section 11.8.8 of this prospectus, the "going concern" basis has been adopted.

11. Historical and Pro-Forma Financial Information

11.8.10 New accounting standards

The Company applied new accounting standard AASB9 (financial instruments) with effect from 1st April 2018. Application of AASB9 had no impact on the Company's financial statements. The Company applied new accounting standard AASB15 (revenue from contracts with customers) with effect from 1 April 2018. Application of AASB15 had no impact on the Company's financial statements. The Company applied new accounting standard AASB16 (leases) from 1 April 2019. Application of AASB16 therefore has no impact on the Company's Historical Financial Information, but has impact on the Pro Forma Historical Information – whereby a right of use asset, and lease liability, have been recognised.



Pilbara





12.0

Summary of
Material Contracts

12. Summary of Material Contracts

A summary of the material contracts and agreements to which Macarthur Minerals or its subsidiaries are a party is set out below.

12.1. Glencore Offtake Agreement

A binding Off-Take Agreement (**Glencore Offtake Agreement**) with Glencore International A.G. (**Glencore**) was entered into on March 13, 2019 for sale of Iron Ore to be produced from the Lake Giles Iron Project from the commencement of shipping of product from the Lake Giles Iron Project.

Macarthur has granted Glencore off-take rights of all product for approximately 4 million tonnes per annum average for the first 10 years, with agreement for the parties to negotiate further off-take rights for the following 10 years for all tonnes of future production from the Lake Giles Iron Project. The Glencore Offtake Agreement is secured to ensure the Company's long-term revenue and consistent sales per year.

Glencore has also been granted exclusive marketing rights upon commercial terms.

The Agreement provides Glencore with a termination right in the event of a change in control of Macarthur.

12.2. Convertible Note and Attaching Warrant Arrangements Overview

On 10 July 2019, the Company announced that it had closed a private placement on conditional acceptance offering up to USD\$6 million (**Aggregate Advance**) of secured convertible notes (**Convertible Notes**). The total Private Placement closed with subscriptions totalling the Aggregate Advance (i.e. 600 Convertible Notes and Attaching Warrants representing 25% of the Aggregate Advance).

The Company has entered into a note instrument under which it agreed to issue the Convertible Notes to investors (**Noteholders**) pursuant to certain investment agreements under which each Noteholder agreed to subscribe for a portion of the Aggregate Advance (each, an Advance).

The key terms of the Convertible Notes are as follows:

(a) each Convertible Note has a face value of USD\$10,000 (**Face Value**);

(b) the Convertible Notes will rank equally among themselves;

(c) the Convertible Notes are secured pursuant to the Security Trust Deed, General Security Deed and the Mining Tenement Mortgage as described in further detail below;

(d) the Convertible Notes do not carry a right to vote at a general meeting of the Company;

(e) the Convertible Notes attract interest on the Advance at the interest rate of 12.5% per annum (with a default interest rate of 16.5% applying in the case of a default of payment of interest by the Company) payable monthly in arrears on the last business day of each month;

(f) at any time after the date on which the Advance is paid by the Noteholder (**Advance Date**), the Noteholder may give a conversion notice (**Conversion Notice**) to the Company electing to convert part of or the whole of the outstanding amount of the Advance (and any unpaid interest) (**Conversion Amount**), upon which the Company must issue to the Noteholder (or its nominee) such number of Shares (rounded down to the nearest whole Share) as is equal to the Conversion Amount divided by the Conversion Price (defined below);

(g) The Conversion Price is the greater of:

(1) the USD equivalent (at the exchange rate on the date immediately preceding the date of the Conversion Notice) of 80% of the average VWAP of the Company's Shares during the five trading days immediately preceding the date of the Conversion Notice; and

(2) the USD equivalent of CAD\$0.10 (at the exchange rate on the date immediately preceding the date of the Conversion Notice);

(h) if the Company undertakes a Consolidation of its outstanding Shares into a smaller number of Shares, the number of Shares which may be acquired on conversion of the Conversion Amount shall be, on the date of

⁵ The first 370 Convertible Notes (Tranche 1 Convertible Notes) had varying Advance Dates through July, however the Company with the relevant counterparties have agreed that the Expiry Date applicable to the Tranche 1 Convertible Notes will be 5 August 2022.

the Consolidation, decreased in proportion which the Shares outstanding pre Consolidation bears to the Shares outstanding post Consolidation;

(i) subject to (1) below the Company must repay an Advance (and any accrued interest) in a single instalment on:

- (1) the date which is 36 months after the Advance Date;⁵
- (2) within 20 business days of receiving a notice from the Noteholder in respect of the Company's change of control; or
- (3) within 20 business days of receiving a termination notice from the Noteholder in respect of the failure by the parties to satisfy certain conditions precedent to the issue of the Convertible Notes, upon which each Convertible Notes is cancelled and has no further legal effect; and

(j) the Company is entitled to prepay the Advance at any time, in whole or in part, on giving five days' written notice to the Noteholder (subject to an additional 20% of the principal amount of the Advance if prepayment occurs prior to the first anniversary of the Advance Date).

Pursuant to the Investment Agreements, the Noteholders are also entitled to be issued such number of Warrants (**Attaching Warrants**) as is equivalent to 25% of the CAD\$ equivalent Face Value of the Convertible Notes subscribed for divided by the Exercise Price (as that term is defined below).⁶

The key terms of the Attaching Warrants are as follows:

- (a) the Attaching Warrants will rank equally among themselves;
- (b) the issue date of the Attaching Warrants is the date on which the Company enters the details of the Attaching Warrant in the register of warrant holders (Attaching Warrant Holders);
- (c) the expiry date of the Attaching Warrants is 36 months from the Advance Date (Expiry Date);⁷
- (d) each Attaching Warrant will entitle the Attaching Warrant Holder, upon exercise on the Expiry Date,

to acquire one Share upon payment of the Exercise Price;

(e) the exercise price in respect of the Attaching Warrants (Exercise Price) is the greater of the USD equivalent (based on the exchange rate on the date immediately preceding the date of the Advance Date) of:

- (1) the average VWAP of the Company's Shares during the five trading days immediately preceding the Advance Date; and
- (2) CAD\$0.10.

(f) the Attaching Warrants do not carry any right or interest whatsoever that a holder of Shares may have, including the right to vote at, receive notice of, or to attend, a general meeting of the Company.

As at the date of this Prospectus:

(a) 495 Convertible Notes (being the Tranche 1 Convertible Notes and the Tranche 2 Convertible Notes) and 16,249,063 Attaching Warrants have been issued; and

(b) 105 Convertible Notes and such number of Attaching Warrants as represents 25% of the Advances related to those Convertible Notes remain to be issued.

The Tranche 1 Convertible Notes, Tranche 2 Convertible Notes and Attaching Warrants, issued as at the Prospectus Date, are set out in Table 34 overleaf:

⁶ For example, where a Noteholder subscribed for an equivalent CAD\$1 million of Convertible Notes and the Exercise Price was determined by reference to a USD\$/CAD\$ exchange rate of 1.31 CAD\$ such that the Exercise Price was CAD\$0.10, the Noteholder would receive CAD\$250,000 of Warrants which divided by the Exercise Price of CAD\$0.10 would result in 2,500,000 Warrants being issued to that Noteholder.

⁷ Under the Investment Agreements relating to the Tranche 1 Convertible Notes, the expiry date of the Attaching Warrants is fixed at 2 July 2022, however the TSX-V final acceptance letter in respect of the non-brokered private placement provides that the Attaching Warrants will have a term of three years from the Advance Date.



12. Summary of Material Contracts

Table 34: Tranche 1 Convertible Notes and Tranche 2 Convertible Notes plus Attaching Warrants

Noteholder	Convertible Notes held	Attaching Warrants
Exception Capital LLP ¹	100	3,275,000
Jacques Friedman	70	2,292,500
Glencore International AG ²	200	6,550,000
Eyeon Investment Pty Ltd	40	1,325,300
	40	1,315,300
Retzos Executive Pty Ltd ³	25	828,563
Sunset Capital Management Pty Ltd ⁴	20	662,400
Total	495	16,249,063

Notes

1. The Convertible Notes and Attaching Warrants held by Exception Capital LLP (Exception Capital) are held beneficially and on trust for Utmost PanEurope dac (Utmost) pursuant to a Give-Up Trust Agreement under which Exception Capital has also agreed to provide discretionary investment management services to Utmost.

2. In addition to the conditions precedent to the Investment Agreements noted below, the Glencore International AG (Glencore) Investment Agreement contained an additional condition precedent requiring the Company and Glencore to enter into the Offtake Agreement (summarised above at Section 12.1). Further, under the Glencore Investment Agreement, while Glencore holds Convertible Notes it has a right to participate pro rata in any new offer of loan notes (other than those issued under the Note Instrument).

3. The Convertible Notes and Attaching Warrants held by Retzos Executive Pty Ltd are held on trust for the Retzos Executive Superannuation Fund.

4. The Convertible Notes and Attaching Warrants held by Sunset Capital Management Pty Ltd are held on trust for the Sunset Superannuation Fund.

A summary of the relevant documentation in respect of the Convertible Note arrangements is set out below.

Note Instrument

On 9 July 2019, the Company entered into the Note

Instrument in favour of each person who is from time to time a Noteholder.

Under the Note Instrument the Company:

(a) may create and issue the Convertible Notes up to the Aggregate Advance, with such Convertible Notes to rank equally amongst themselves, be secured and be subject to the provisions of the Note Instrument and each Investment Agreement;

(b) undertakes to each Noteholder to:

(1) pay all amounts due in respect of each Convertible Note;

(2) perform all other obligations under the Note Instrument and the Investment Agreement; and

(c) must pay any stamp duty or similar tax imposed in the Commonwealth of Australia on the issue of any Convertible Notes.

The Note Instrument refers to Canadian securities legislation and provides that as required under applicable Canadian securities legislation that all securities issued under the Private Placement (i.e. the Convertible Notes and Attaching Warrants) are subject to a four month and one day restricted "hold" period following the distribution date of those securities.

Investment Agreement

In addition to the terms of the Convertible Notes and Attaching Warrants set out above, the broad terms of the Investment Agreements applicable to each Noteholder are as follows:

(a) The Investment Agreements are conditional upon, among other matters, the entry by the Company and the Noteholder into an Escrow Deed with an Escrow Agent (referred to below) within three months of entry into the Investment Agreement (or a later date agreed with the Noteholder).

(b) The Investment Agreements contain the mechanisms whereby the Company is required promptly after receipt of each Advance to issue the Convertible Notes and Attaching Warrants.

- (c) On the same day as the Advance Date, the Company must pay an amount equal to the first 12 monthly amounts of interest payable to the Noteholder to an Escrow agent (**Escrow Agent**) for use by the Escrow Agent to make payments to the Noteholder of the first 12 months of interest.
- (d) The Noteholder (or its affiliates) must not hold any net short position with respect to the Shares (however the Noteholder may sell any or all of the Shares the subject of a Conversion Notice prior to the delivery of those Shares).
- (e) The terms of the Investment Agreements prevent Shares being issued on conversion of Convertible Notes or exercise of Attaching Warrants, if it would result in the recipient being in breach of the takeover laws pursuant to the Corporations Act (or similar legislation in Canada, Ireland or in the United Kingdom) or the TSX-V Listing Rules.
- (f) If the Company undertakes a Consolidation of its outstanding Shares into a smaller number of Shares, the number of Shares which may be acquired on conversion of the Conversion Amount shall be, on the date of the Consolidation, decreased in proportion which the Shares outstanding pre Consolidation bears to the Shares outstanding post Consolidation.
- (g) The Company undertakes to the Noteholder that amongst other matters and for so long as any amount is outstanding under the Investment Agreement:
- (1) it must promptly inform the Noteholder upon becoming aware of the occurrence of any Event of Default;
 - (2) it must not without the Noteholder's prior written consent:
- (A) incur or repay (or allow any member of the Group to incur or repay) any loan or other borrowing or financial arrangement in excess of USD\$250,000 other than trade debts incurred in the ordinary course of business;
- (B) enter into or agree to enter into any convertible instrument, financing arrangements or other transaction that allows the holder of such instrument or counterparty to acquire Shares; or
- (C) grant (or allow any member of the Group to grant) any encumbrance over any of the assets of the Group apart from the Security Documents (referred to below).
- (h) The Investment Agreement contains a number of standard events of default for a transaction of this nature (**Events of Default**) which if triggered, the Noteholder may, by written notice to the Company, declare all outstanding amounts under the Investment Agreement immediately due and payable. The Events of Default include:
- (1) the Company failing to repay any amount when due (unless the failure is caused by administrative or technical error and the amount is paid within 10 trading days of the due date);
 - (2) any Shares to be allotted under the Investment Agreement not being allotted and issued, or admission has not occurred, within the required time;
 - (3) the Company being in breach of any material obligation, undertaking or warranty and such breach has not been remedied within 10 trading days; and
 - (4) an insolvency event (as that term is defined in the Investment Agreement) occurring in relation to any member of the Group.
- (i) The Investment Agreement contains standard warranties for an agreement of this type and the Company is required to indemnify the Noteholder and its affiliates against all liabilities (other than by reason of gross negligence, fraud or wilful misconduct of the Noteholder or its affiliates) which arise directly or indirectly out of or in connection with, among other things:
- (1) any default in repayment of the Advance;
 - (2) any other material default or breach by the Company;

12. Summary of Material Contracts

(3) any failure by the Company or its employees to comply with applicable laws; and

(4) the occurrence of any continuing Event of Default.

Security Trust Deed

The Company and Macarthur Iron Ore Pty Ltd ACN 081 705 651 (together, the **Original Obligors**) entered into the Security Trust Deed with Exception Capital LLP (**Original Beneficiary**) and National Australia Bank Limited ABN 12 004 044 937 (**Security Trustee**) on 11 July 2019.

The Security Trust Deed establishes the Macarthur Minerals Security Trust and governs the principles applicable as to the sharing of recovered moneys amongst the beneficiaries of the Macarthur Minerals Security Trust.

Under the Security Trust Deed, the Security Trustee holds its interest in all security documents (including the General Security Deed and Mining Tenement Mortgage) on trust for the beneficiaries of the Macarthur Minerals Security Trust.

The beneficiaries include the Security Trustee and those persons to whom the Original Obligors owe an obligation to under a financing and security document related to the Convertible Notes (**Finance Documents**). New beneficiaries (for example, where a Convertible Note is transferred or a person otherwise becomes a holder of a Convertible Note) are required to become a party to the Security Trust Deed by executing an Accession Deed.

The rights under the Security Trust Deed are granted in favour of the Security Trustee. The Security Trust Deed provides that, in the exercise of certain rights, the Security Trustee shall act in accordance with the instructions of a specified number of the beneficiaries (being all beneficiaries, a majority of the beneficiaries and one beneficiary, depending on the right in question). In the absence of such instructions, the Security Trustee must not act.

Matters which require instruction from all beneficiaries include:

(a) any amendment to the definition of “Majority Beneficiaries” (defined broadly as those beneficiaries holding in excess of 66.66% of the aggregate exposure under the Finance Documents); and

(b) any amendment or waiver to a Finance Document which would:

(1) increase the obligations or exposure of any beneficiary;

(2) change the date, amount, priority or order of payment to any beneficiary; or

(3) replace or reinstate a security document.

(c) Unless all beneficiaries otherwise agree in writing, all money received or recovered by the Security Trustee which is available for distribution to the beneficiaries in or towards payment or repayment of secured money under a Finance Document will be distributed in accordance with the terms of the Security Trust Deed.

The Security Trustee must not release, discharge or terminate in whole or in part, any security document or any security interest created by it, unless such release, discharge or termination is expressly permitted by a Finance Document, required by law or is required in order to give effect to the exercise of a power of sale by a controller appointed by the Security Trustee.

Under the Security Trust Deed:

(a) the Security Trustee’s liability (including for negligence) to the parties other than the beneficiaries is limited to the extent that it can be satisfied out of the assets of the Macarthur Minerals Security Trust (excluding where the Security Trustee has acted beyond its powers); and

(b) the Security Trustee is not obliged to do or not do anything unless its liability is so limited and it is indemnified to its reasonable satisfaction against any liability or loss arising from, and any costs, charges and expenses properly incurred in connection with, doing or not doing that thing (and it has received the relevant instructions from the relevant beneficiaries).

General Security Deed

Macarthur Iron Ore Pty Ltd (**Grantor**) and National Australia Bank Limited (in its capacity as security trustee under the Security Trust Deed) (**Grantee**) entered into the General Security Deed (GSD) on 11 July 2019. Pursuant to the GSD, the Grantor has agreed to grant a security interest in and to charge, all of its present and after-acquired personal property, undertakings, assets, rights and interests in respect of or in connection with the Lake Giles Iron Project (including in respect of certain iron ore rights and the extraction of iron ore) (**Secured Property**) to secure the repayment of all debts and monetary liabilities related to the Convertible Notes.

The security created by the GSD is expressed to take priority over all other security interests of the Grantor, other than those mandatorily preferred by law, or those which have or are permitted to have, priority over it under the terms of another Finance Document (as that term is defined below).

The GSD contains standard prohibited dealing provisions whereby the Grantor must not otherwise encumber, sell, dispose or otherwise deal with the Secured Property. Where a default (including any Events of Default) occurs under any of the financing and security documents related to the Convertible Notes (**Finance Documents**), the Grantee may appoint a receiver or a receiver and manager of the Secured Property who may exercise all of the powers conferred under the GSD in respect of the Secured Property (including its power of sale).

Mining Tenement Mortgage

Macarthur Iron Ore Pty Ltd ACN 081 705 651 (**Mortgagor**) and National Australia Bank Limited ABN 12 004 044 937 (in its capacity as security trustee under the Security Trust Deed) (**Mortgagee**) entered into the Mining Tenement Mortgage on 11 July 2019. Pursuant to the Mining Tenement Mortgage, the Mortgagor has agreed to mortgage its interests in respect of the Lake Giles Iron Project (including its right to be recorded as the holder of the relevant tenements, in respect of certain iron ore rights and the extraction of iron ore, but excluding rights in relation to all other minerals) (**Secured Property**) to secure the repayment of all debts and monetary liabilities related to the Convertible Notes.

The Mining Tenement Mortgage contains standard prohibited dealing provisions whereby the Mortgagor must not sell, dispose or otherwise deal with the Secured Property and must also keep the relevant tenements in good standing.

Where a default (including any Events of Default) occurs under any of the financing and security documents related to the Convertible Notes (**Finance Documents**), and notwithstanding whether a receiver has been appointed, the Mortgagee may exercise all of the powers conferred under the Mining Tenement Mortgage (including its power to sell the Secured Property).

12.3. FEL Option Agreement

Macarthur Lithium Pty Ltd entered into an exclusive option agreement with Fe Limited (ASX: FEL) dated 14 May 2019, for FEL to acquire an interest of up to 75% in the Pilbara Gold Projects and the Pilbara Lithium Projects (together the **Tenements**), including a 45 day option for FEL to conduct due diligence and secure the required funding to proceed with exercising the option. This agreement was amended pursuant to a letter of variation dated on or about 26 June 2019. On 1 July 2019, FEL elected to exercise its option. The original agreement was terminated and replaced by a new option agreement on 28 August 2019 (**Option Agreement**).

MLi holds 18 Exploration Licences in the Pilbara covering a total area of approximately 1,281km².

Option to acquire interest

In consideration for FEL paying the Option Fee of \$100,000 to MLi, FEL was granted the sole and exclusive right to earn up to an undivided 75% interest in the Tenements (**Option**). On 29 August 2019 (**Exercise Date**), FEL paid the Option Exercise Fee to MLi by way of the issue of 26,666,667 new ordinary shares in FEL to Macarthur Minerals Ltd at an Offer Price of \$0.015.

The material terms of the Option are as follows:

(a) FEL may earn up to an initial 25% interest in the Tenements (Stage 1 Interest) by undertaking the minimum expenditure commitment under the FEL Option Agreement, and paying \$500,000 to MLi (in the form of either cash or ordinary shares in FEL) (**Stage**

12. Summary of Material Contracts

1 Expenditure) within one year from the Exercise Date (**Stage 1 Earn In Period**);

(b) Subject to FEL earning the Stage 1 Interest, FEL may earn up to an additional 30% interest in the Tenements (**Stage 2 Interest**) by further undertaking the minimum expenditure commitment and paying \$500,000 to MLI (in the form of either cash or ordinary shares in FEL) (**Stage 2 Expenditure**) within two years from the Exercise Date (**Stage 2 Earn In Period**); and

(c) Subject to FEL earning the Stage 1 and 2 Interests, FEL may earn up to an additional 20% interest in the Tenements (Stage 3 Interest) by further undertaking the minimum expenditure commitment and paying \$750,000 to MLI (in the form of either cash or ordinary shares in FEL) (Stage 3 Expenditure) within three years from the Exercise Date (**Stage 3 Earn In Period**).

Joint Venture

(a) From the Exercise Date until the formation of the Joint Venture, FEL is responsible for the administration and maintenance of the Tenements, and must comply with all government regulations and any minimum annual expenditure requirements with respect to the Tenements.

All amounts expended by FEL in relation to the administration and maintenance of the Tenements and meeting the minimum annual expenditure requirements contributes to the Stage 1, 2 and 3 Expenditure.

MLI will have a free carried interest in the Tenements until the last to occur of:

- (a) FEL earning the Stage 1 Interest;
- (b) FEL earning the Stage 2 Interest (where it elects to earn the Stage 2 Interest);
- (c) FEL earning the Stage 3 Interest (where it elects to earn the Stage 3 Interest); or
- (d) the completion of a Pre- Feasibility Study,

following which the parties shall form an unincorporated joint venture for the purpose of exploration, development and, if warranted, production of the Tenements.

The parties will enter into a formal Earn-In and Joint

Venture Agreement, the terms of which shall, among other matters:

- (a) be consistent with the terms of the New Option Agreement;
- (b) appoint FEL as the initial manager of the Joint Venture;
- (c) be generally in accordance with the standard Model Exploration 2 party Farmin Joint Venture Agreement (Minerals), Approved Version 2 (Standard AMPLA Agreement); and
- (d) include the right of either party to buy the other's interest as defined in the Standard AMPLA Agreement.

General

During the Stage 1 Earn in Period and, if applicable, the Stage 2 and 3 Earn in Periods, MLI:

- (a) will not create or permit the creation of any encumbrance over the Tenements;
- (b) will not sell, assign or dispose of any legal or beneficial interest in the Tenements except in accordance with this Option Agreement;
- (c) will execute such documents and give to FEL such assistance as FEL may reasonably require to maintain the Tenements and to keep the Tenements in good standing and free from any liability to forfeiture or non-renewal under all applicable mining regulations; and
- (d) where required by FEL, make application for and use its best endeavours to obtain renewals of the Tenements or conversion of the Tenements into new mining titles under the relevant mining regulations, as required by FEL.

12.4. Drilling Works Agreement

The Company has entered into a works agreement with Idrilling Pty Ltd (Idrilling) under which Idrilling will provide drilling services to the Company for individual projects on an ongoing basis (Idrilling Works Agreement).

The Company may give Idrilling a summary of the proposed project for Idrilling to provide drilling services, including the works to be undertaken, commencement and completion dates and applicable rates, which Idrilling may accept, decline or suggest amendments to at their discretion.

Once agreement is reached on the conditions for each project (Project Special Conditions), Idrilling will undertake the work in accordance with the Project Special Conditions and the Idrilling Works Agreement. The Idrilling Works Agreement commenced on 14 August 2019, and will end (unless terminated earlier in accordance with its terms) on 14 November 2019.

Either party may terminate the Agreement by giving 30 days' written notice to the other party. If the Company terminates in this manner, Idrilling waives any claim for damages or lost profits, and the Company shall pay Idrilling's reasonable costs in effecting the termination.

The Company may terminate for cause following a "Default", which includes the standard and progress of the works under a project being unsatisfactory, Idrilling's equipment not meeting specifications or performance requirements or Idrilling breaching the Idrilling Works Agreement or environmental and health and safety laws. In order to do so the Company must give Idrilling 7 days to rectify the Default and, if the Default has not been rectified within that time, the Company may then terminate the agreement.

12.5. Lead Manager Mandate

The Company has entered into the lead manager mandate dated 3 October 2019 (**Lead Manager Mandate**) with Shaw and Partners Limited (the Lead Manager and Corporate Advisor) pursuant to which the Company exclusively appoints Shaw to act as Lead Manager and Corporate Advisor in respect of the Offer.

The term of the Lead Manager Mandate is from its execution until the earlier of:

- (a) successful completion of the Offer; and
- (b) 31 December 2019,

or such other date as agreed between the parties in writing.

The Company has agreed to pay the Lead Manager and Corporate Advisor:

- (a) a "management fee" of 6% of the total gross amount raised under the Offer;
- (b) a "success fee" of \$200,000 (excluding GST) on successful completion of the Offer; and
- (c) on completion of the Offer, an allotment to the Lead Manager and Corporate Advisor (or its nominee) 500,000 Options in the Company on a post consolidation basis, with a strike price of 25% above the list price of the Shares under the Offer, and an expiry date 3 years from the date of the Offer (**Lead Manager Options**).

In addition, the Company has agreed to:

- (d) reimburse the Lead Manager and Corporate Advisor for reasonable out of pocket expenses; and
- (e) grant the Lead Manager and Corporate Advisor a right of first refusal to act as its advisor in connection with certain public or private offerings of equity for a period of 12 months following completion of an Offer.

In the event that there is a significant delay in the Lead Manager and Corporate Advisor's performance of the Services that is beyond its control (including the untimely performance by Macarthur of its obligations), the Lead Manager and Corporate Advisor is entitled to, among other matters, terminate the Lead Manager Mandate.

The parties agree under the Lead Manager Mandate that the Lead Manager and Corporate Advisor is indemnified against all liability and loss arising from, or in connection with, the Lead Manager Mandate, the issue of the Prospectus (including any statement or omission therein that is false or misleading) among other matters, except to the extent that such liability or loss was the result of the Lead Manager and Corporate Advisor's gross negligence, wilful misconduct or material breach of the Lead Manager Mandate.

12. Summary of Material Contracts

Either party may terminate the Lead Manager Mandate without cause and without liability by giving seven days' written notice to the other party, prior to lodgement of the Prospectus. On termination, the Company must reimburse any accrued and validly incurred legal and out of pocket expenses of the Lead Manager and Corporate Advisor as at the date of termination.

If Macarthur terminates the Lead Manager Mandate for reasons other than the Lead Manager and Corporate Advisor's material default, gross negligence, or the Offer not completing prior to 31 December 2019, the Lead Manager and Corporate Advisor will continue to be entitled to the fees contemplated under the Lead Manager Agreement if Macarthur completes an Offer, or enters into an agreement in relation to an Offer, within 12 months of the date of termination.

If the Lead Manager and Corporate Advisor terminates the Lead Manager Mandate prior to the completion of the Offer, the Lead Manager and Corporate Advisor will only be entitled to receive payment in full of any legal and out of pocket expenses incurred up to the date of termination.

12.6. Service Agreements

Cameron McCall

Cameron McCall has entered into a Consultancy Agreement with the Company dated 16 September 2019, which requires Mr McCall to provide services to the Company as Chairman of the Company, and to perform such other services as the Company and himself shall reasonably agree from time to time (**Executive Chairman Agreement**).

Under the Executive Chairman Agreement, Mr McCall is entitled to a basic consultancy fee of \$20,000 per month (plus GST). Mr McCall is entitled to additional remuneration if he performs the services in excess of the required hours (no less than 16 days a month), subject to the Board's discretion.

In addition, Mr McCall is entitled to a bonus of increased salary, bonus payments, Options or Warrants as determined and approved by the Remunerations Committee of the Company upon the occurrence of certain events. The Company shall reimburse Mr McCall for all reasonable expenses reasonably incurred in

the performance of the services under the Executive Chairman Agreement.

The Executive Chairman Agreement commenced on 1 August 2019 and continues for a minimum period of two years.

Mr McCall may terminate the Executive Chairman Agreement by giving three months' written notice to the Company, or where there is a Change in Control (as that term is defined in the Executive Chairman Agreement), on three months' written notice.

The Company may terminate the Executive Chairman Agreement by giving Mr McCall 12 months' written notice, upon which Mr McCall may elect between keep providing his services to the Company or be paid a termination payment equal to the aggregate consultancy fees that would have been payable to Mr McCall during a 12 month period, plus all other monies owing to Mr McCall under the Executive Chairman Agreement (**Termination Payment**).

The Company may terminate immediately by giving Mr McCall written notice and making the Termination Payment, or for cause (such causes being set out in the Executive Chairman Agreement).

The Company has also entered an executive director letter of appointment with Mr McCall on 16 March 2018, formalising his appointment executive director dated 16 October 2017, however, this does not provide for any remuneration to be paid to Mr McCall other than provided for in the Executive Chairman Agreement.

Alan Joseph Phillips

The Company has entered into a Consultancy Agreement with First Apollo Capital Pty Ltd (**FAC**) and Mr Alan Joseph Phillips dated 16 September 2019 (**FAC Agreement**), which requires FAC to provide, among other matters, services to the Company as Chief Executive Officer (**CEO Services**). FAC agrees to appoint Mr Alan Joseph Phillips to provide the CEO Services to the Company.

Under the FAC Agreement, a basic consultancy fee of \$20,000 per month (plus GST) is payable on account of the provision of the CEO Services.

In addition, FAC is entitled to a bonus of increased salary, bonus payments, Options or Warrants as determined and approved by the Remunerations Committee of the Company upon the occurrence of certain events. The Company shall reimburse FAC for all reasonable expenses reasonably incurred in the performance of the CEO Services.

The FAC Agreement commenced on 1 August 2019 and continues for a minimum period of two years.

FAC may terminate the FAC Agreement by giving three months' written notice to the Company, or where there is a Change in Control (as that term is defined in the FAC Agreement), on three months' written notice.

The Company may terminate the FAC Agreement by giving Mr Phillips 12 months' written notice, upon which Mr Phillips may elect between providing the CEO Services to the Company or be paid a termination payment equal to the aggregate consultancy fees that would have been payable to Mr Phillips during a 12 month period, plus all other monies owing to Mr Phillips under the FAC Agreement (Termination Payment).

The Company may terminate immediately by giving Mr Phillips written notice and making the Termination Payment, or for cause (such causes being set out in the FAC Agreement).

The Company has also entered an executive director letter of appointment with Mr Alan Joseph Phillips on 16 March 2018, formalising his appointment as executive director dated 11 October 2017, however, this does not provide for any remuneration to be paid to Mr Phillips other than provided for in the FAC Agreement.

Andrew Bruton

The Company has entered into a Consultancy Agreement with Andean Resources Pty Ltd (**Andean**) and Andrew Bruton dated 5 August 2019 (**Andean Agreement**), which requires Andean to provide, among other matters, services to the Company as Executive General Manager (Corporate) and Company Secretary (**Services**). Andean agrees to appoint Mr Andrew Peter Bruton to provide the Services.

Under Andean Agreement, a basic consultancy fee of \$35,000 per month (plus GST) is payable on account of the provision of the Services.

In addition, Andean is entitled to a bonus of increased salary, bonus payments, Options or Warrants as determined and approved by the Remunerations Committee of the Company upon the occurrence of certain events. The Company shall reimburse Andean for all reasonable expenses reasonably incurred in the performance of the Services.

The Andean Agreement commenced on 9 September 2019 and continues for a minimum period of three years. Andean may terminate the Andean Agreement by giving three months' written notice to the Company or where there is a Change in Control (as that term is defined in the Andean Agreement), on 3 months' written notice.

The Company may terminate the Andean Agreement by giving Andean 12 months' written notice, upon which Andean may elect between keep providing the Services to the Company or be paid a termination payment equal to the aggregate consultancy fees that would have been payable to Andean during a 12 month period, plus all other monies owing to Andean under the Andean Agreement (**Termination Payment**).

The Company may terminate immediately by giving Andean written notice and making the Termination Payment, or for cause (such causes being set out in the Andean Agreement).

12.7. Non-Executive Directors Letters of Appointment Alan Spence Phillips

Mr Alan Spence Phillips has entered into a letter of appointment with the Company dated 24 September 2019 confirming his appointment as a non-executive director of Macarthur. The terms of the letter of appointment were updated with effect from 1 September 2019. The letter is in standard form and details the nature of Mr Phillips' appointment, his duties and his remuneration.

Mr Phillips is entitled to receive an annual fee of \$80,000 (subject to income tax and statutory deductions) paid in monthly arrears. Mr Phillips receives an additional fee of \$5,000 as a member of the Audit and Risk Committee

12. Summary of Material Contracts

and an additional fee of \$5,000 as a member of the Remuneration and Nomination Committee. Mr Phillips is also entitled to be paid expenses properly and reasonably incurred in performing duties as Director, and may be issued compensation in accordance with the Company's Compensation Plans, as summarised below.

Andrew Suckling

Mr Andrew Suckling has entered into a letter of appointment with the Company confirming his appointment as an independent non-executive director of Macarthur on 21 May 2019. The terms of the letter of appointment were updated with effect from 1 September 2019. The letter is in standard form and details the nature of Mr Suckling's appointment, his duties and his remuneration

Mr Suckling is entitled to receive an annual fee of USD\$60,000 (subject to income tax and statutory deductions) paid in quarterly arrears. Mr Suckling receives an additional fee of USD\$5,000 as a member and Chairman of the Audit and Risk Committee and an additional fee of USD\$5,000 as a member and Chairman of the Remuneration and Nomination Committee. Mr Suckling is also entitled to be paid expenses properly and reasonably incurred in performing duties as Director, and may be issued compensation in accordance with the Company's Compensation Plans, as summarised below.

Daniel Lanskey

Mr Daniel Lanskey has entered into a letter of appointment with the Company confirming his appointment as an independent non-executive director of Macarthur on 23 September 2019. The letter of appointment is in standard form and details the nature of Mr Lanskey's appointment, his duties and his remuneration.

Mr Lanskey is entitled to receive an annual fee of \$60,000 (subject to income tax and statutory deductions) paid in quarterly arrears, having forgone his entitlement to the annual fee for the first year of his appointment. Mr Lanskey receives an additional fee of \$5,000 as a member of the Audit and Risk Committee and an additional fee of \$5,000 as a member of the Remuneration and Nomination Committee. Mr Lanskey is also entitled to be paid expenses properly and

reasonably incurred in performing duties as Director, and may be issued compensation in accordance with the Company's Compensation Plans, as summarised below.

12.8. Deeds of Indemnity, Access and Insurance for Directors and Company Secretary

The Company has entered into a deed of access, indemnity (**Indemnity Deeds**) with each Director and Mr Bruton (as Company Secretary) (**Director of Officer**) to provide indemnification, including advancement of expenses incurred in legal proceedings to which the Director of Officer was, or is threatened to be made, a party by reason of the fact that such Director of Officer is or was a Director, officer, employee or agent of the Company, provided that such Director of Officer acted in good faith and in a manner that the Director of Officer reasonably believed to be in, or not opposed to, the Company's best interests. The Indemnity Deeds also contain the Director's or Officer's rights to Board papers.

12.9. Deed of Settlement and Release

MLi, Mining and Metallurgy Process Solutions Pty Ltd (MMPS), Yalgoo Exploration Pty Ltd (Yalgoo), New Golden Million Pty Ltd (New Golden) and George Francis Lee and Camilla Josephine Ryan (as trustee for The Ryan Lee Superannuation Fund (ABN 06 710 595 719)) entered into a deed of settlement and release dated 2017 relating to E59/2140 and E59/2077. E59/2140 and E59/2077 are held by Yalgoo and do not form part of the tenements held by the Company or its Subsidiaries. The deed of settlement was varied pursuant to a letter agreement dated 14 November 2017 between Yalgoo, MLI and MMPS.

Under the Deed of Settlement and Release (as varied), among other things, Yalgoo, MLI and MMPS agreed that if Yalgoo disposes of the lithium rights in E59/2140 or E59/2077 within 2 years from 14 November 2017 (prior to 14 November 2019), MLI will be entitled to receive 5% of the Gross Sale Proceeds received by Yalgoo (in the same form as the consideration received by Yalgoo).



Treppo





13.0

Additional Information

13.0 Additional Information

13.1. Constitution and Rights attaching to Shares

The Company's Constitution is of the kind usually adopted by a public company, with certain provisions taking effect once (and for so long as) the Company is listed on the ASX. A summary of the rights attaching to Shares under the Constitution is set out below. The summary is qualified by the full terms of the Constitution. A copy of the Constitution is available upon request.

These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory, ASX Listing Rules and common law requirements. This summary is not intended to be exhaustive. For more particular details of the rights attaching to Shares in the Company, investors should refer to the Constitution of the Company.

Voting

Subject to any special rights or restrictions as to voting attached to any Shares or class of Shares, on a show of hands every member who, being an individual, is present in person or by proxy, or being a corporation, is present by a duly authorised representative, shall have one vote, and on a poll every holder of Shares who is present in person or by proxy shall have one vote for every Share held by him/her.

Dividends

The Board may from time to time declare and pay dividends. All dividends on shares of any class must be declared and paid according to the number of shares held.

Issue of Shares and Employee Performance Rights Options

The Directors may allot or issue further Shares and Employee Performance Rights Options in the Company on such terms as they see fit, in a manner permitted by the Corporations Act and the Listing Rules.

Winding Up

Upon paying the Application Monies, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

Transfer of Shares

Generally, the Shares in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of Shares but only where permitted to do so under its Constitution or the ASX Listing Rules.

Sale of Non-Marketable Holdings

The Company may take steps in respect of non-marketable holdings of Shares in the Company to effect an orderly sale of those Shares in the event that Shareholders do not take steps to retain their holdings. The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the ASX Listing Rules.

13.2. Options, Warrants and Restricted Share Units

Employee and Consultant Options and Restricted Share Units

A summary of the Employee and Consultant Options and Restricted Share Units are set out at Section 9.8.

Convertible Note Warrants

A summary of the terms of the Convertible Note Attaching Warrants are set out at Section 12.2.

Agent Warrants and Rights Offering Warrants

The terms and conditions applying to the Rights Offering Warrants (being Warrants issued pursuant to a rights offering by the Company which closed on 13 December 2017) are as follows (on a pre-Consolidation basis).

Entitlement: Each Rights Offering Warrant entitles the holder to acquire one Share. The Rights Offering Warrants are not listed.

Exercise Price: \$0.20

Expiry Date: The Rights Offering Warrants were issued with an expiry date of 15 December 2018. The Company sought from, and was granted by TSX-V, an extension of the expiry date to 15 December 2019. In

the event that the closing sale price of the Shares on the TSX-V is greater than \$0.20 per Share for a period of 20 consecutive trading days during the term of the Rights Offering Warrant, the Company may accelerate the expiry date of the Rights Offering Warrant by giving notice to the holders thereof and in such case, the Rights Offering Warrants will expire on the 20th day after the date on which such notice is given by the Company.

The terms and conditions applying to the Private Placement Warrants (being Warrants issued pursuant to a rights offering by the Company which closed on 24 September 2018) are as follows (on a pre-Consolidation basis):

Entitlement: Each Private Placement Warrant entitles the holder to acquire one Share.

Exercise Price: \$0.10

Expiry Date: The Private Placement Warrants were issued with an expiry date of 24 September 2019. The Company sought from, and was granted by TSX-V, an extension of the expiry date to 24 September 2021.

Transferability: subject to applicable securities legislation and the rules, policies, notices and orders issued by applicable securities regulatory authorities, including the TSX-V and ASX, the Private Placement Warrants evidenced hereby (or any portion thereof) may be assigned or transferred by the holder duly completing and executing the requisite Transfer Form.

Control Person. The Holder will not exercise and will not be entitled to exercise all or any of the Private Placement Warrants in circumstances where such exercise would cause the Holder to beneficially own 20% or more of the then issued and outstanding Shares of the Company, unless the Holder has received specific disinterested shareholder approval of the creation of the new Control Person (as that term is defined under Exchange policies).

Adjustment of Subscription and Purchase Rights. If there shall, prior to the exercise of any of the Private Placement Warrants, evidenced hereby, be any:

(a) reorganization of the authorised capital of the

Company by way of consolidation, merger, subdivision, amalgamation, arrangement, reclassification or otherwise;

(b) transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another person;

(c) the payment of any stock dividends (other than in the ordinary course of business);

(d) a special distribution or rights offering;

(e) the change or exchange of the Shares into or with another security; or

(f) any similar event or transaction as determined by the Company in its sole discretion (collectively, a "Reorganization"), then there shall, subject to the consent of the TSX-V (if required), automatically be an adjustment in the number of Shares of the Company or other entity or property, as may be applicable, which may be issued pursuant hereto or the Exercise Price, by corresponding amounts if applicable, so that the rights evidenced hereby shall thereafter be as reasonably as possible equivalent to the rights originally granted hereby. The Company will make adjustments as it considers necessary and equitable acting in good faith, subject to any approvals required by the TSX-V or ASX.

Change / Waiver. Subject to the approval of the TSX-V or ASX, the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Company and the Holder.

Effect of Consolidation on capital structure

The effect of Consolidation on the capital structure of the Company is set out in Table 35 overleaf:

13.0 Additional Information

Table 35: Effect of Consolidation on capital structure

Securities	Number on issue		Vesting Criteria/Conversion Price/ Exercise Price	
	Pre-Consolidation	Post-Consolidation	Pre-Consolidation	Post-Consolidation
Existing Shares on issue	322,033,625	80,508,406	N/A	N/A
Existing Restricted Share Units (RSUs) expiring on 27 November 2020	4,705,882	1,176,471	\$0.20 ¹	C\$0.80 ¹
Existing RSUs expiring on 19 February 2021	550,000	137,500	\$0.20 ¹	C\$0.80 ¹
Existing RSUs expiring on 2 September 2022	14,000,000	3,500,000	\$0.08 ¹	C\$0.32 ¹
Employee and consultant share options expiring on 24 February 2022 ²	6,000,000	1,500,000	C\$0.05	C\$0.20
Employee and consultant share options expiring on 3 December 2021 ²	2,220,000	555,000	C\$0.05	C\$0.20
Employee and consultant share options expiring on 19 February 2021 ²	4,100,000	1,025,000	C\$0.055	C\$0.22
Employee and consultant share options expiring on 21 May 2020 ²	1,200,000	300,000	C\$0.0525	C\$0.21
Employee and consultant share options expiring on 21 May 2020 ²	2,800,000	700,000	C\$0.06	C\$0.24
Employee and consultant share options expiring on 21 May 2020 ²	2,000,000	500,000	C\$0.05	C\$0.20
Employee and consultant share options expiring on 10 January 2020 ²	200,000	50,000	C\$0.055	C\$0.22
Employee and consultant share options expiring on 10 January 2020 ²	400,000	100,000	C\$0.05	C\$0.20
Convertible Notes expiring on 5 August 2022	370	370 ³	See Section 12.2	See Section 12.2
Convertible Notes expiring on 1 October 2022	125	125 ⁴	See Section 12.2	See Section 12.2
Right Offering Warrants expiring on 15 December 2019 ⁵	31,712,730	7,928,183	C\$0.20	C\$0.80
Warrants expiring on 5 August 2022	12,117,500	12,117,500 ⁶	C\$0.10	C\$0.40
Warrants expiring on 1 October 2022	4,131,563	4,131,563 ⁷	C\$0.10	C\$0.40
Warrants expiring on 24 September 2021	14,252,400	3,563,100	C\$0.10	C\$0.40
Warrants expiring on 15 November 2019 ⁸	40,738,520	10,184,630	C\$0.10	C\$0.40

Notes

1 RSUs vest on the first day after the closing share price of the Company's shares on the TSX-V being greater than the price specified in the vesting criteria for 20 consecutive trading days. Further details of the RSUs are set out in Section 9.9 of this Prospectus.

2 Details are set out in Section 9.8 and Section 9.9 of this Prospectus.

3 While the number of Convertible Notes on issue will remain the same, the number of Shares able to be acquired on conversion of the Conversion Amount will be decreased by a factor of four. Further details are set out in Section 12.2 of this Prospectus.

4 While the number of Convertible Notes on issue will remain the same, the number of Shares able to be acquired on conversion of the Conversion Amount will be decreased by a factor of four. Further details are set out in Section 12.2 of this Prospectus.

5 A Warrant issued in Canada is a similar form of Security to an Option issued in Australia in that it is a right to purchase a Share of the Company at a set price until a particular future date.

6 While the number of warrants on issue will remain the same, the number of shares obtainable upon exercise of the warrants will be reduced from 12,117,500 to 3,029,375. Further details are set out in Section 12.2 of this Prospectus.

7 While the number of warrants on issue will remain the same, the number of shares obtainable upon exercise of the warrants will be reduced from 4,131,563 to 1,032,891. Further details are set out in Section 12.2 of this Prospectus.

8 The Company has sought an extension from the TSX-V of the expiry date from 15 November 2019 until 15 November 2020. As at the date of this Prospectus, the Company is not aware of any reason why the extension will not be granted.

13.3. Key elements of Australian and Canadian law

As the Company is incorporated in Australia, the rights of Shares in respect of the Offer are primarily governed and regulated by the Corporations Act and the applicable securities laws and regulations in Australia. In addition, as the Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario and the Shares are listed on the TSX-V, the Company is also subject to the Securities Acts in British Columbia, Alberta and Ontario (**Securities Acts**), the regulations, rules and policies thereunder, and the rules and the TSX-V Listing Rules.

As the Company is subject to separate legal regimes in two countries that, in respect of some matters, overlap, this section contains a summary of certain Australian and Canadian corporate and securities laws to assist in understanding the regulatory regimes to which the Company is currently, and will be, subject. The comparison below is only an overview and does not purport to be complete and is qualified in its entirety by reference to the full text of such materials. Investors should consult their own legal adviser if they require further information.

References to "Australian law" where they appear in this Section are references to the Corporations Act, the ASX Listing Rules, ASX Settlement Operating Rules which apply while the Company is an issuer of Shares and Australian common law, as applicable.

References to "Canadian law" are references to the Securities Acts and the TSX-V Policies. As the Company is not governed by Canadian corporate laws, the following table only summarises the Australian corporate laws that govern the Company, without comparison to corporate laws in force in jurisdictions of Canada.

13.0 Additional Information

Australian Position	Canadian Position
Share Issues	
<p>Under the ASX Listing Rules (subject to specified exceptions for pro rata issues etc.), Macarthur is restricted from issuing or agreeing to issue more equity securities than the number calculated below unless Macarthur has shareholder approval, that is 15% of the total of:</p> <ul style="list-style-type: none"> • the number of shares on issue 12 months before the date of the issue or agreement to issue; plus • the number of shares issued in the 12 months before the date of the issue or agreement to issue without shareholder approval but pursuant to one of the specified exceptions; plus • the number of partly paid shares that became fully-paid in the 12 months; plus • the number of shares issued in the preceding 12 months with shareholder approval; less • the number of shares cancelled in that 12 month period; less • the number of shares issued or agreed to be issued in the preceding 12 months without shareholder approval and without the benefit of one of the specified exceptions. <p>The ASX Listing Rules do not contain any requirement for an offer of new securities to be made to existing Shareholders prior to making an offer to persons who are not currently Shareholders of the Company.</p>	<p>The Securities Acts do not impose shareholder approval requirements on the issue of shares (though distributions of securities are subject to compliance with the prospectus requirements or exemptions from such requirements available under the Securities Acts). Under the TSX-V Policies, issuances of listed securities generally require approval of the TSX-V. In addition, a securities issuance by the Company that results in new shareholders holding more than 50% of the outstanding voting securities of the Company in combination with a change of control of the Company will be deemed a reverse takeover under TSX-V Policy 5.2, and may require shareholder approval.</p>

Australian Position	Canadian Position
Substantial Shareholders	
<p>The Corporations Act provides that a shareholder has a 'substantial holding' if that person (including that person's associates) has a relevant interest in 5% or more of the voting shares in the company.</p> <p>The Corporations Act requires a shareholder who is a substantial shareholder in a listed company to give written notice in the prescribed form to the company and the ASX within 2 business days or, if there is a takeover bid for the company, by 9:30a.m. on the next trading day of the ASX, after the person becomes aware that they have become a substantial holder.</p> <p>Similar notification requirements apply in the event that a person's substantial holding increases or decreases by more than 1% of the total votes in a company or where a person ceases to have a substantial holding.</p>	<p>The Securities Acts include concepts of "insider", "acquirer", and "control person" that trigger certain disclosures and restrictions.</p> <p>A person is an "insider" if that person has (i) beneficial ownership of, or control or direction over, directly or indirectly, or (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, 10% or more of the Company's outstanding voting securities. The Securities Acts require an insider in a reporting company to file insider reports in the prescribed form with the Securities Commission(s) of each jurisdiction in which the Company is a reporting issuer. Insider reports are filed on SEDI (System for Electronic Disclosure by Insiders).</p> <p>In addition, within two days of an acquiror acquiring beneficial ownership of, or control or direction over, securities that, together with the acquiror's securities, constitute 10% or more of the outstanding voting or equity securities of the Company, the acquiror must file an early warning report in the prescribed form with such Securities Commission(s).</p> <p>Similar notification requirements apply in the event that a person's holding increases or decreases by an amount equal to 2% or more of the Company's outstanding voting securities, or where a person ceases to hold 10% or more of the Company's outstanding voting securities. A control person includes a person that holds a sufficient number of any of the securities of a company so as to affect materially the control of that company, or that holds more than 20% of the outstanding voting shares of the company. There are restrictions on trade by control persons, in addition to the disclosure requirements described above.</p>

13.0 Additional Information

Australian Position	Canadian Position
<p>Takeovers</p> <p>The Corporations Act governs a takeover of certain listed and unlisted companies registered in Australia. The Corporations Act provides generally that a person must not acquire a “relevant interest” in issued voting shares in a company, if because of the transaction a person’s voting power in the company:</p> <ul style="list-style-type: none"> • increases from 20% or below to above 20%; or • increases from a starting point which is above 20% but less than 90%. <p>The Corporations Act sets out certain exceptions which apply to these rules, such as acquisitions of relevant interests in shares where that acquisition is a creeping acquisition of not more than 3% in any 6 month period.</p> <p>Takeover bids must treat all shareholders alike and must not involve collateral benefits.</p> <p>Various restrictions on conditional offers apply and there are also substantial restrictions on the ability of an offer or to withdraw or suspend a takeover offer.</p> <p>The Corporations Act also permits compulsory acquisitions by 90% holders.</p> <p>The Corporations Act provides that the constitution of a company may contain proportion takeover approval provisions.</p>	<p>The Securities Acts govern takeovers of reporting issuers in Canada. An acquisition of outstanding voting or equity securities will be a takeover bid where the securities subject to the offer to acquire, together with the offeror’s securities, constitute in the aggregate 20% or more of the outstanding securities of the Company.</p> <p>The Securities Acts set out certain exceptions which apply to these rules, such as where the bid is for not more than 5% of the outstanding securities, or the securities are acquired from less than five persons in the aggregate at no more than 115% of the market price.</p> <p>Takeover bids must treat all shareholders alike and must not involve collateral benefits. Various restrictions on conditional offers apply and there are also restrictions on the ability of an offeror to withdraw or suspend a takeover offer.</p>
<p>Requirements to amend constitution of the Company</p> <p>Section 136(2) of the Corporations Act provides that a company may only modify or repeal its constitution, or a provision of its constitution, by special resolution (being a resolution passed by at least 75% of the votes cast by members entitled to vote on that resolution).</p>	<p>Pursuant to TSX-V Policies, the Company must not implement a security reclassification or an amendment to its articles, by-laws, memorandum or other constating documents (other than a name change, stock split or consolidation) until it has received conditional acceptance from the TSX-V.</p>

Australian Position	Canadian Position
Requirement for member approval for certain related party transactions	
<p>Chapter 2E of the Corporations Act provides that a public company may only give a financial benefit to a related party of the public company if it obtains the approval of its members in meeting by way of an ordinary resolution (being a resolution passed by at least 50% of the votes cast by members entitled to vote on that resolution).</p> <p>The need for member approval is subject to various exceptions in Division 2, which include but are not limited to remuneration for officers and employees and a financial benefit on arm's length terms.</p> <p>A "related party" for the purposes of the Corporations Act is defined widely and includes, amongst other things, a director of that public company, that director's parents, children and spouse.</p> <p>A "financial benefit" for the purposes of the Corporations Act has a very wide meaning and includes the public company paying money or issuing securities to a related party.</p> <p>In determining whether or not a financial benefit is given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full and adequate.</p>	<p>In Canada, related party transactions are subject to rules enforced by certain of the provincial Securities Commissions and the TSX-V.</p> <p>Multilateral Instrument 61-101 (which has been adopted by the TSX-V) requires that, in addition to any approvals under corporate law, any related party transaction be approved by the majority of the holders of each class of affected securities (excluding the votes of the related parties). There are various exceptions to this rule including, among others, transactions where the fair market value of the transaction is less than 25% of the company's market capitalisation, or a transaction involving financial hardship.</p> <p>Multilateral Instrument 61-101 defines "related party" broadly and to include a control person, a director, a senior officer, a holder of more than 10% of the voting rights of a company's outstanding voting securities, a person of which the company is a control person, and affiliates of any of the above.</p> <p>A "related party transaction" for the purposes of Multilateral Instrument 61-101 is defined broadly to include the purchase of an asset from, or sale of an asset to, a related party, or as a joint actor with the related party, the purchase of an asset from, or sale to of an asset to, a third party, a lease of property to or from a related party, an acquisition of a related party, the issuance of security or subscription for securities of a related party, borrowing or lending of money to a related party, and providing a guarantee or collateral security with respect to a related party, among others.</p> <p>Pursuant to TSX-V Policies, if directors or officers have an interest in a transaction or a proposed transaction involving the Company, (a) every director and officer must disclose to the board, either in writing or in person at the next directors' meeting, the nature and extent of any material interest, either directly or indirectly, that they have in any material contract or proposed contract with the Company, (b) the board must implement procedures so that each material agreement or proposed agreement will be considered and approved by a majority of the disinterested directors, and (c) the board must ensure proper public dissemination of the material interest of any director or officer of the Company.</p>

13.0 Additional Information

Australian Position	Canadian Position
Rights of members to seek relief for oppressive conduct	
<p>A member of a company may apply for a Court order under Part 2F.1 of the Corporations Act if:</p> <ul style="list-style-type: none"> • the conduct of the company's affairs; or • an actual or proposed act or omission by or on behalf of a company; or • a resolution, or proposed resolution, of members or a class of members of a company; • is either: • contrary to the interests of the members as a whole; or • oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a member or members whether in that capacity or in any other capacity. <p>The orders that a Court can make are extensive and include ordering that the company be wound up, the company's constitution be modified or repealed and requiring a person to do a specified act.</p> <p>Conduct contemplated in Part 2F.1 of the Corporations Act to be "oppressive" includes unfairness where the unfairness results from an abuse of majority power or control.</p>	<p>Remedies for oppressive conduct are matters of corporate law in Canada and not available under the Securities Acts. Shareholders may seek remedies for misrepresentations and certain other matters under securities laws.</p>
Australian Position	Canadian Position
Rights of members to bring or intervene in legal proceedings on behalf of a company	
<p>Part 2F.1A of the Corporations Act provides that a person may bring proceedings on behalf of a company, or intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings if, that person has been granted leave from the Court under section 237 of the Corporations Act, and is:</p> <ul style="list-style-type: none"> • a member, former member, or person entitled to be registered as a member, of the company or of a related body corporate; or • an officer or former officer of the company. 	<p>Derivative actions are matters of corporate law in Canada.</p>

Australian Position	Canadian Position
<p>Protection of class rights</p> <p>Under Part 2F.2 of the Corporations Act, and in the absence of a specified procedure in the Company's Constitution, the Company may only vary or cancel rights attached to shares by a special resolution of the company and:</p> <ul style="list-style-type: none"> • by special resolution passed at a meeting of members holding shares in the class; or • with the written consent of members with at least 75% of the votes in the class. 	<p>The rights of shareholders as between classes or series of shares are matters of corporate law in Canada. However, certain changes to the rights attached to listed securities require approval of the TSX-V.</p>
<p>General meetings, and rights of members to request or requisition a general meeting of members</p> <p>Under Australian law, an Australian registered public company is required to hold an annual general meeting at least once every calendar year and within five months after the end of its financial year (unless an extension is granted by ASIC).</p> <p>A general meeting of a public company's members may be called from time to time by the public company's board, individual directors, or by members in the circumstances set out below.</p> <p>Section 249D of the Corporations Act provides that the directors of a company must call and arrange to hold a general meeting on the (valid) request of members with at least 5% of the votes that may be cast at the general meeting.</p> <p>Section 249F of the Corporations Act provides that members with at least 5% of the votes that may be cast at a general meeting of the company may call, and arrange to hold, a general meeting. The members calling the meeting must pay the expenses of calling and holding the meeting.</p>	<p>Pursuant to TSX-V Policies, the Company must hold an annual meeting of its shareholders in each year and not more than 15 months after the Company's last preceding annual meeting of shareholders.</p>

13.0 Additional Information

Australian Position	Canadian Position
<p>Rights of members to propose resolutions at a general meeting of members</p> <p>Part 2G.2 Division 4 of the Corporations Act provides that the following members may give a company notice of a resolution that they propose to move at a general meeting:</p> <ul style="list-style-type: none"> • members with at least 5% of the votes that may be cast at the general meeting; or • at least 100 members who are entitled to vote at the general meeting. <p>The notice must be in writing, set out the wording of the proposed resolution and be signed by the members proposing to move the resolution.</p> <p>If a company have been given notice of a resolution under section 249N of the Corporations Act, the resolution is to be considered at the next general meeting that occurs more than 2 months after the notice is given.</p>	<p>Rights of shareholders to submit proposals are matters of corporate law in Canada.</p>
<p>The “two strikes” rule in relation to remuneration reports</p> <p>Part 2G.2 Division 9 provides that if at an annual general meeting of a company (First AGM), a resolution to adopt a company’s remuneration report receives a “no” vote of 25% of the votes cast on that resolution, at the next consecutive AGM (Second AGM), there must be a Spill Resolution included in the notice of meeting materials for that Second AGM.</p> <p>If at the Second AGM, a resolution to adopt that company’s remuneration report again receives a “no” vote of 25% of the votes cast on that resolution, the Spill Resolution must be put to the vote.</p> <p>The Spill Resolution is an ordinary resolution that proposes that:</p> <p>another meeting (Spill Meeting) of the company’s members be held within 90 days of the Second AGM; the directors (other than the managing director) who were the directors of the company who resolved to put the directors’ report to the Second AGM, cease to hold office immediately before the end of the Spill Meeting; and new resolutions to appoint persons to those offices be put to vote at the Spill Meeting.</p>	<p>There is no similar provision contained in Canadian law.</p> <p>Pursuant to TSX-V Policies, the board of directors of the Company must adopt procedures to ensure all employment, consulting or other compensation arrangements between the Company and any director or senior officer of the Company are considered and approved by independent directors.</p>

Australian Position	Canadian Position
<p>The requirement for shareholder approval for certain capital reductions and share buy-backs</p> <p>Section 256B of the Corporations Act provides that a company may reduce its share capital in a way that is not otherwise authorised by law if the reduction:</p> <ul style="list-style-type: none"> • is fair and reasonable to the company's shareholders as a whole; • does not materially prejudice the company's ability to pay its creditors; and • is approved by shareholders under section 256C of the Corporations Act. <p>The type of shareholder approval required depends whether the capital reduction is "equal" or "selective".</p> <p>Under section 256C of the Corporations Act, an "equal" capital reduction requires the passing of an ordinary resolution at a general meeting of the company, whereas a "selective" capital reduction requires the passing of a special resolution at a general meeting of the company.</p> <p>A company may also buy back its own shares under section 257A of the Corporations Act so long as it does not materially prejudice the company's ability to pay its creditors and the company follows the procedure laid down in the section. Again, depending on the type of buy-back involved and whether it exceeds the "10/12 limit", shareholder approval may be required.</p> <p>The 10/12 limit is 10% of the smallest number, at any time during the previous 12 months, of votes attaching to voting shares of the company. In determining whether a company would exceed the 10/12 limit, all of the shares bought back during the last 12 months as well as the proposed number of shares to be bought back, are added together. If that number is greater than the 10/12 limit, shareholder approval is required.</p> <p>For a buy-back pursuant to an employee share scheme, an on-market buyback or an equal access scheme, if the proposed buy-back would exceed the 10/12 limit, then an ordinary resolution is required to be passed. If a selective buy-back is proposed, then a special resolution is required to be passed.</p>	
<p>Pursuant to TSX-V Policies, the Company must notify the TSX-V promptly of any corporate or other action which results or may result in the redemption, cancellation or retirement, in whole or in part, of any of its listed shares.</p>	

13.0 Additional Information

Australian Position	Canadian Position
<p>The requirement for shareholder approval for giving certain types of financial assistance in connection with an acquisition of shares</p>	
<p>Pursuant to section 260A of the Corporations Act, shareholder approval is required for giving financial assistance in connection with an acquisition of shares in either the company or its holding company (unless the assistance does not materially prejudice either the interests of the company or its shareholders, or the company's ability to pay its creditors, pursuant to section 260B of the Corporations Act, or the assistance is exempted under section 260C of the Corporations Act.)</p> <p>The type of shareholder approval required depends on whether the approval is by the company's own shareholders, the shareholders of a listed holding corporation, or the shareholder in an ultimate Australian holding company.</p> <p>The approval required by the company's own shareholders is a special resolution passed at a general meeting of the company, or a resolution agreed to at a general meeting by all ordinary shareholders.</p> <p>A special resolution is required for approval by shareholders of a listed holding corporation or ultimate Australian holding company at a general meeting of that listed holding corporation or ultimate Australian holding company.</p>	<p>Financial assistance is generally a matter of corporate law in Canada. The issuance of securities, however, whether or not subject to financial assistance, is subject to the requirements of securities laws and the rules of the TSX-V.</p>

Australian Position	Canadian Position
<p data-bbox="113 322 389 353">Voting on Resolutions</p> <p data-bbox="113 365 796 544">Under the Company's Constitution, questions arising at a general meeting are to be decided by a majority of votes cast by the members present at the meeting. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is demanded by</p> <ul data-bbox="113 566 796 790" style="list-style-type: none"> • the chair of the meeting; • at least five members present and entitled to vote on the resolution; or • a member or members present at the meeting and representing at least 5% of the votes that may be cast. <p data-bbox="113 813 796 958">Under the Company's Constitution, on a show of hands, every member present has one vote, and on a poll, every member has one vote for each fully paid share held by the member and in respect of which the member is entitled to vote.</p> <p data-bbox="113 981 796 1193">Where a person present at a general meeting of the Company represents personally or by proxy, when a vote is taken on a show of hands, the person is entitled to one vote only despite the number of members the person represents, and the person's vote will be taken as having been cast for all the members the person represents.</p> <p data-bbox="113 1216 796 1317">Under Australian law, A proxy's appointment must be signed and sent to the public company so as to be received at least 48 hours before a meeting.</p>	<p data-bbox="798 365 1479 544">The conduct of meetings of shareholders is a matter of corporate law in Canada. Rules enacted under the Securities Acts require proxy-related materials to be mailed to beneficial shareholders to ensure voting rights attached to securities can be exercised in accordance with their instructions.</p>
<p data-bbox="113 1319 373 1350">Termination Benefits</p> <p data-bbox="113 1361 796 1507">Part 2D.2 of the Corporations Act restricts the benefits that can be given to individuals who hold, or have held in the last three years, a managerial or executive office or position (as defined in the Corporations Act) with the Company and its related bodies corporate.</p> <p data-bbox="113 1529 796 1783">Under section 200B of the Corporations Act, the Company may only give a person a "benefit" in connection with their retirement from their managerial or executive office or position, in the Company or a related body corporate if it is approved by Shareholders or an exemption applies (e.g. member approval is required if the total value of the benefits exceed one year of that person's base salary).</p>	<p data-bbox="798 1361 1479 1485">TSX-V Policies state that the TSX-V considers golden parachutes, retirement bonuses and similar cash payments (other than reasonable severance payments) to be generally inappropriate for issuers.</p>

13.0 Additional Information

Australian Position	Canadian Position
Directors Duties	
<p>Under Australian law, the directors and other officers of a public company are subject to a range of duties including duties to:</p> <ul style="list-style-type: none"> • act in good faith in the best interests of the Company; • act for a proper purpose; • not fetter their discretion (in the case of directors only); • exercise care and diligence in the performance of their duties; • avoid conflicts of interest; • not use their position to gain advantage for themselves or someone else, or to cause detriment to the Company; and • not misuse information which they have gained through their position to gain advantage for themselves or someone else, or to cause detriment to the Company. 	<p>Directors' duties are matters of corporate law in Canada. However, pursuant to TSX-V Policies, each director and officer of an issuer must (a) act honestly and in good faith with a view to the best interests of the issuer in exercising their powers and discharging their duties, (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and (c) ensure that the issuer complies with the applicable Exchange Requirements and corporate and Securities Laws.</p>
Directors' access to company records	
<p>Under the Corporations Act, a director has a right of access to the financial records of a company at all times, and may inspect the other records of the company at reasonable times for the purpose of legal proceedings to which the director is party, proposes in good faith to bring, or has reason to believe will be brought against them.</p> <p>A shareholder can only obtain access to the corporate books if authorised by a court order.</p> <p>The applicant must be acting in good faith and be making the inspection for a proper purpose.</p>	<p>Access to a company's records is a matter of corporate law in Canada.</p>

Australian Position	Canadian Position
Company register	
Under Australian law, the register of members of a company is usually kept at the registered office or principal place of business in Australia and must be available for inspection to shareholders free of charge at all times when the registered office is open to the public. If a person asks the company for a copy of the register (or any part of the register) and pays the requested fee (up to a prescribed amount), the company must give that person the copy within seven days of the date on which the company receives such payment.	A company's central securities register is a matter of corporate law in Canada. Rules under the Securities Acts allow the Company and third parties to request a list of non-objecting beneficial owners of securities for certain limited uses.

13.4. Trading policies

The Directors, executives and employees of the Company are subject to the trading policy adopted by the Company (**Trading Policy**). The Trading Policy sets out trading policy restrictions in relation to certain 'Restricted Persons' (including, directors, officers, senior managers, employees, consultants and contractors) dealing in Shares of the Company. As a general policy, Restricted Persons can only deal in Shares in the Company during certain periods or in certain circumstances and then only after giving notice of the intended transaction to the Chairman of the Board. The Trading Policy is available on the Company Website.



13.5. Effect of the Offer on Control and Substantial Shareholders

Shareholders holding a relevant interest in 5% or more of the Securities on issue both as at the Prospectus Date and on the Offer Closing Date (assuming the Maximum Subscription) are set out in Table 36 below (assuming no substantial Shareholder acquires Shares under the Offer).

13.6. Escrow Arrangements

The ASX may, as a condition of granting the Company's application for admission to the ASX Official List, classify certain Securities of the Company as restricted securities and will be required to be held in Escrow. If so, prior to admission of the Company's Shares to the ASX Official List, the holders of the securities that are to be classified as restricted securities will be required to enter into appropriate restriction agreements with the Company and an escrow agent.

These include Securities issued to directors, related parties and promoters, and Pre-Offer investors and others prior to the Offer.

It is anticipated as at the Prospectus Date that the following Securities will be subject to ASX escrow for the periods described in the table on following page.

Table 36: Substantial Shareholders¹

Shareholder	Existing Shares	% holding prior to Offer	Min % holding on completion of the Offer (undiluted)	Max % holding on completion of the Offer (undiluted)
Cadence Minerals Plc	7,500,000	9.32%	7.11%	6.36%

Notes

1. Except as stated otherwise, all references to Securities of the Company as set out in the above table are described on the basis that the Consolidation has occurred.

13.0 Additional Information

Table 37: Securities subject to Escrow¹

Category	Security	Percentage of Share Capital		Period of Escrow
		Minimum Subscription	Maximum Subscription	
Directors and other related parties - Employee and Consultant Share Options	4,180,000	3.07%	2.86%	24 months from date of admission to ASX Official List
Directors and other related parties - RSUs	3,738,971	2.74%	2.56%	24 months from date of admission to ASX Official List
Directors and other related parties - Shares	5,379,545	3.95%	3.68%	24 months from date of admission to ASX Official List
Lead Manager Options	4,180,000	3.07%	2.86%	12 months from date of admission to ASX Official List

Notes 1. Except as stated otherwise, all references to securities of the Company as set out in the above table are described on the basis that the Consolidation has occurred.

None of the Shares offered under this Prospectus will be treated as restricted securities and will be freely transferable from their date of allotment.

The Company has no voluntary Escrow arrangements in place.

13.7. Litigation and Claims

Subject to Section 13.7.1 and Section 13.7.2 below, the Directors are not aware of any current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or government prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

13.7.1 Chan, Chan and Kwok v Macarthur Minerals Ltd & Ors (BSC518/16 and BSC7121/19)

This case involves alleged misleading or deceptive conduct by the Company.

On 7 June 2019, the proceedings were summarily dismissed on the ground that the pleading did not disclose a reasonable cause of action and otherwise that the proceeding was frivolous, vexatious, and would

operate as an abuse of process if it were to continue.

On 2 July 2019, costs were awarded to the Company.

On 5 July 2019, the plaintiffs filed a notice of appeal to the Queensland Court of Appeal. The Company considers the appeal proceedings are without merit and will vigorously defend the appeal. Legal advisors have been appointed by the Company in respect of the appeal.

13.7.2 LPD Holdings Litigation (BSC2750/13, BSC11108/12, BSC6351/12)

The Company has been a defendant to a number of proceedings commenced by LPD Holdings (Aust) Pty Ltd (LPD) and (in some instances) Mayson Associates Limited (Mayson) in the Supreme Court of Queensland. Both LPD and Mayson are companies associated with Wai Tak (Edward) Kwok.

In current proceedings commenced by LPD against the Company and certain Directors of the Company for various relief, LPD has alleged that Macarthur engaged in conduct which was oppressive to, unfairly prejudicial to, or unfairly discriminatory against, LPD within the meaning of section 232 of the Corporations Act. The original statement of claim was struck out in 2013 with leave to re-plead. The current proceedings were subsequently stayed and LPD cannot continue its action without first applying for leave of the Court.

The Company considers the Current Proceedings are without merit and will continue to vigorously defend the proceedings.

13.8. Costs of the Offer

The total estimated cash costs to the Company in connection with the Offer, including advisory, legal, accounting, tax, listing and administrative fees, as well as printing, advertising and other expenses, are currently estimated to be approximately \$816,228 (Minimum Subscription) and \$979,681 (Maximum Subscription) as set out in Table 38 below.

Table 38: Costs of Offer

Estimated Cost (excl. GST)	Minimum Subscription	Maximum Subscription
ASX Fees	\$48,432	\$61,885
ASIC Fees	\$3,206	\$3,206
Lead Manager and Corporate Advisor cash fees	\$500,000	\$650,000
Legal and Due Diligence Fees	\$150,000	\$150,000
Solicitors' Report on Tenements (Australia)	\$16,000	\$16,000
Solicitors' Report on Tenements (Nevada)	\$7,500	\$7,500
Technical Assessment Report	\$28,950	\$28,950
Independent Limited Assurance Report	\$30,000	\$30,000
Share Registry Fees	\$6,540	\$6,540
Investor Relations	\$10,000	\$10,000
Typesetting	\$9,600	\$9,600
Printing, postage and administration fees	\$6,000	\$6,000
Total	\$816,228	\$979,681

13.9. Taxation Implications of investing under the Offer

Taxation

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Offer Shares under the Offer, as it is not possible to provide a comprehensive summary of the possible taxation consequences for individual Applicants.

The Company, its advisers, officers, employees and agents do not accept any responsibility or liability for any taxation consequences arising from subscribing for any Offer Shares pursuant to the Offer.

Applicants should consult their own professional tax adviser in connection with the taxation implications of acquiring Offer Shares pursuant to the Offer, before making a decision as to whether to invest in the Company.

Stamp Duty

In Australia, stamp duty is a charge on certain documents and transactions which is imposed by the relevant States and Territories. Stamp duty may be charged at either a flat rate or an ad valorem rate (based on the value of transaction), depending on the particular document or transaction.

There will be no stamp duty payable on the issue or transfer of shares in a company listed on ASX.

13.10. ASX Waivers and Confirmations

As the Company has been listed in Canada since 2005, the Company intends to apply for a number of waivers of the Listing Rules. The Company is aware that foreign listed entities seeking listing on ASX are often granted waivers on matters including in respect of the imposition of escrow on existing shareholdings. Any waivers of the Listing Rules granted by ASX will only be granted after application for admission of the Company to the Official List of ASX is made as part of ASX's determination on the listing application of the Company. The Company cannot give any assurance that ASX will grant the waivers that the Company applies for.

13.11. Interests of Promoters, Experts and Advisors

Other than as set out below, no person named in this Prospectus as providing professional advisory services in connection with the preparation of this Prospectus or any firm in which any such person is a partner:

- (a) has or had at any time during the two years preceding the date of this Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or the Offer; or

13.0 Additional Information

(b) as been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

13.12 Consents to be Named

Macarthur has engaged the following professional advisors:

(a) HopgoodGanim Lawyers has acted as, and is named in the Corporate Director as, Australian legal advisor to the Company in relation to the Offer. They have been involved in the process of reviewing this Prospectus, and have prepared the Solicitors' Report on Tenements which is set out in Section 6 of this Prospectus. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. HopgoodGanim Lawyers has given its consent to be named in the form and context in which it is named and has not withdrawn that consent prior to the lodgement of this Prospectus with ASIC. It does not make any other statement in this Prospectus. The Company has paid, or has agreed to pay approximately \$150,000 (excluding disbursements and GST) for these services. Further amounts may be paid to HopgoodGanim Lawyers in accordance with time-based charges;

(b) CSA Global Pty Ltd is named in the Corporate Directory as Independent Geological Consultants to the Company in relation to the Offer and has prepared the Technical Assessment Report, which is set out in Section 5 of this Prospectus. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. CSA Global has given its consent to be named in the form and context in which it is named and has not withdrawn that consent prior to the lodgement of this Prospectus with ASIC. It does not make any other statement in this Prospectus. The Company has paid, or has agreed to pay approximately \$28,950 (excluding disbursements and GST) at the date of this Prospectus;

(c) Nexia Brisbane Audit Pty Ltd is named in the Corporate Directory as Independent Accountants to the Company in relation to the Offer, and has

prepared the Independent Limited Assurance Report set out in Section 7 of this Prospectus. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. Nexia has given its consent to be named in the form and context in which it is named and has not withdrawn that consent prior to the lodgement of this Prospectus with ASIC. It does not make any other statement in this Prospectus. The Company has paid, or has agreed to pay approximately \$30,000 (excluding disbursements and GST) (excluding disbursements and GST), at the date of this Prospectus;

(d) Shaw and Partners Limited is named in the Corporate Directory as Lead Manager and Corporate Advisor to the Company in relation to the Offer. Shaw has given its consent to be named as the Lead Manager and Corporate Advisor in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC. Shaw has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in this Prospectus. In consideration of Shaw's role as Lead Manager and Corporate Advisor to the Offer Shaw and Partners will receive a fee as set out in Section 12.4 of this Prospectus.

(e) Erwin Thompson Faillers were involved in providing legal advice on the Nevada Lithium Project tenements, details of which have been included in the Solicitors Tenement Report prepared by HopgoodGanim which is set out in Section 6 of this Prospectus. Erwin Thompson Faillers are a law firm based in Reno, Nevada USA. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. Erwin Thompson Faillers has given its consent to be named in the form and context in which it is named and has not withdrawn that consent prior to the lodgement of this Prospectus with ASIC. It does not make any other statement in this Prospectus. The Company has paid, or has agreed to pay approximately \$7,500 (excluding disbursements and GST) for these services. Further amounts may be paid to Erwin Thompson Faillers in accordance with time-based charges;

(f) Computershare Investor Services Pty Limited is

named in the Corporate Directory as the Australia Share Registry of the Company. Computershare has given its written consent to be named as the Australian Share Registry in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC. Computershare has had no involvement in the preparation of any part of the Prospectus other than being named as the Australian Share Registry to the Company. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

13.13 Inspection of documents

Copies of the following documents may be inspected free of charge at the registered office of the Company during normal business hours:

- (a) the Constitution of the Company;
- (b) the consents referred to in the Prospectus; and
- (c) the Company's Corporate Governance Plan.

13.14 Working Capital Statement

The Board believes that the Company's current cash reserves plus the Offer Proceeds will be sufficient to fund the Company's stated business objectives.

The Board will consider the use of further equity funding or placements if appropriate to further accelerate growth or fund a specific project, transaction or expansion.

13.15 Subsequent Events

There has not arisen, at the Prospectus Date any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company;
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

13.16 Governing Law

This Prospectus and (unless otherwise specially stated) the contracts that arise from the acceptance of the Application are governed by the laws applicable in Queensland and each Applicant submits to the exclusive jurisdiction of the Courts of Queensland.

13.17 Electronic Prospectus

An electronic version of this Prospectus is available from the Company Website (www.macarthurminerals.com).

The Application Form may only be distributed attached to a complete and unaltered copy of the Prospectus. The Application Form included with this Prospectus contains a declaration that the investor has personally received the complete and unaltered Prospectus prior to completing the Application Form.

The Company will not accept a completed Application Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Application Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus ought to immediately request a paper copy of the Prospectus directly from the Company.

13.18 Consent to lodgement

Each of the Directors of the Company has consented to the lodgement of this Prospectus with ASIC.

Signed on behalf of the Company on 30 October 2019 by:



Cameron McCall, Chairman





14.0

Glossary of Defined Terms

Glossary of Defined Terms

\$ or A\$ Australian dollars.

AASB Australian Accounting Standards Board.

ACN Australian Company Number.

AEST Australian Eastern Standard Time.

Ancillary Projects The Company's Projects which are not the Lake Giles Iron Projects.

Applicants An investor applying for Shares Offered under this Prospectus.

Application (s) A valid application to subscribe for a specified number of Shares under the Offer.

Application Form The application form enclosed with and forming part of this Prospectus for use by Applicants.

Application Monies Amounts paid by subscribers for Shares Offered under this Prospectus.

ASIC The Australian Securities and Investments Commission.

ASX Australian Securities Exchange Operated by ASX Limited ACN 008 624 691.

ASX Listing Rules The official listing rules of ASX as amended from time to time.

ASX Official List The official list of entities that the ASX (in the case of ASX, the ASIC) has admitted and not removed.

ASX Settlement ASX Settlement Pty Ltd ABN 49 008 504 532.

ASX Settlement Operating Rules The operating rules of the Settlement Facility for the purposes of the Corporations Act

Australian Privacy Principles Australian Privacy Principles as contained in the Privacy Act 1988 (Cth).

Bankable Feasibility Study or BFS A feasibility study

that is of a standard suitable to be submitted to a financial institution as the basis for lending funds for the development and operation of the mining activities contemplated in the study and is capable of supporting a decision by the Company to commence commercial mining operations.

BCBCA The Business Corporations Act (British Columbia).

Be Beryllium, an element.

BIF Banded Iron Formation. BIF are distinctive units of sedimentary rock that are almost always of Precambrian age. A typical banded iron formation can consist of repeated, thin layers (a few millimetres to a few centimetres in thickness) of silver to black iron oxides, either Magnetite (Fe₃O₄) or Hematite (Fe₂O₃), alternating with bands of iron-poor shales and cherts, often red in colour, of similar thickness, and containing microbands (sub-millimetre) of iron oxides.

Board Board of Directors of the Company.

Broker(s) An ASX participating organisation.

Business Day(s) Has the meaning as per defined in Chapter 19 of the ASX Listing Rules.

CAD\$ Canadian dollars.

CEO Chief Executive Officer of the Company, who is currently Alan Joseph Phillips.

CGPR ASX Corporate Governance Principles and Recommendations (fourth edition) dated February 2019).

CHESS Clearing House Electronic Subregister Register System operated by ASX Clear Pty. Limited ABN 48 001 314 503 and ASX Settlement Pty Ltd ABN 49 008 504 532.

Company Macarthur Minerals Limited can 103 011 436, incorporated in Australia.

Company Secretary The Company Secretary of the Company, who is currently Andrew Bruton.

Company Website www.macarthurminerals.com

Competent Person (CP) A Competent Person under Clause 12 of the JORC Code must be a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a 'Recognised Professional Organisation'. A Competent Person must have a minimum of five years' experience working with the style of mineralisation or type of deposit under consideration and relevant to the activity which that person is undertaking.

Computershare Computershare Investor Services Pty Limited ACN 005 485 825, the Australian Share Registry.

Conditions or Conditions of Offer The conditions described in the Investment Overview and set out in Section 1 of this Prospectus.

Consolidation The consolidation of the issued securities of the Company existing at the date of this Prospectus on a one (1) for four (4) basis (rounded to the nearest whole number), in accordance with the terms and conditions outlined in the Notice of Meeting and in Section 1 of this Prospectus. 'Consolidate' has the same meaning.

Consolidated Statement of Financial Position The statement of financial position as at 30 September 2019 including adjustments for the Minimum and Maximum Subscriptions.

Constitution The Constitution of the Company as amended from time to time.

Convertible Notes Means the convertible notes issued in respect of the Company and which may be converted into ordinary Shares of the Company, as detailed in Section 8 of this Prospectus.

Copper an element.

Corporate Directory Is set out in Section 15 of this Prospectus.

Corporate Governance Policies The corporate governance policies of the Company referred to in Section 10 of this Prospectus and accessible on the

Company's website www.macarthurminerals.com.

Corporations Act The Corporations Act 2001 (Cth) (as amended from time to time).

Corporations Regulations The Corporations Regulations 2001 made under the Corporations Act 2001 (Cth).

Costs of Offer The estimated Costs of Offer set out in Section 13.8 of this Prospectus.

Director(s) A director(s) of the Company.

EIO Esperance Iron Ore Export Company Pty Ltd.

Eligible Investors Retail Investors who are investors who are resident in Australia, as well as Wholesale Investors in Australia, New Zealand, Singapore and Hong Kong and certain other jurisdictions as determined by the Company in consultation with the Lead Manager and Corporate Advisor.

EP Act Environmental Protection Act 1986 (Western Australia).

EPBC Act Environmental Protection and Biodiversity Conservation Act 1999 (Cth).).

Escrow An "escrow" is a restriction on, or the encumbering of, the sale, disposal, or certain other dealings in respect of, the securities concerned for the period of the escrow, subject to any exceptions in the escrow arrangement concerned.

Employee and Consultant Share Compensation Plan Employee Share Compensation Plan and Consultant Share Compensation Plan approved by the Board on 30 August 2019.

Employee and Consultant Share Options (or 'Options') Options issued under the Employee and Consultant Share Compensation Plan.

Employee Performance Rights (or 'Restricted Share Units') Restricted Shares Units issued under the Employee and Consultant Share Compensation Plan.

Glossary of Defined Terms

Existing Shareholders All Shareholders of the Company as the date of the Prospectus.

Exploration Licence Mineral tenure under the Mining Act 1978 (WA) that provides rights to ground to conduct exploration activities for Mineral Resources.

Exposure Period The period referred to in the Important Information Section of this Prospectus, being a period of 7 days commencing on the date of lodgement of this Prospectus with ASIC, which period may be extended by up to a further 7 days.

Fe Iron, an element.

FE Limited or FEL ASX listed company Fe Limited, ACN 112 731 638638 (ASX: FEL).

FEL Option Agreement The agreement entitled 'Terms for option for an Earn-in for Macarthur Lithium Tenements' between the Company and FEL dated 14 May 2019, as varied and replaced pursuant to an agreement dated 28 August 2019, granting FE Limited the sole and exclusive right to earn up to an 75% interest in the Pilbara Lithium Projects and the Pilbara Gold Projects.

Functional Currency Australian dollars (AUD).

General Meeting The general meeting of Shareholders anticipated to be held on 31 October 2019.

Glencore Glencore International AG.

Glencore Offtake Agreement The Offtake Agreement between the Company and Glencore in respect of Phase 1 mining operations at the Lake Giles Iron Project, with commercial terms for offtake of up to approximately 4 million tonnes per annum (Mtpa) average for the first ten (10) years dated 13 March 2019.

Gold Gold, an element.

Greenstone belt A term used to describe a suite of rocks typically comprising mafic and ultramafic volcanic rocks and sediments that occur within Archaean and Proterozoic cratons between granite and gneiss bodies.

Group Macarthur Minerals and its subsidiaries

GST Has the meaning given to that term under the A New Tax System (Goods and Services Tax) Act 1999. The applicable rate of GST as at the date of this Prospectus is 10%.

GSWA Geological Society of Western Australia.

Hematite A non-magnetic iron oxide mineral with the chemical formula(Fe₂O₃). One of the major advantages that Hematite ore has over other types of iron oxide (like Magnetite) is its high iron content and its common occurrence in a form suitable for direct shipping. In addition, Hematite typically requires significantly less processing than Magnetite, which can potentially result in lower initial capital requirements and lower ongoing operating costs.

Hillside Gold Project The Gold project described in Section 4.2.1 of this Prospectus and comprising the tenements set out in Table 21 in Section 4.2.

ICFR The financial information as defined in Section 7.1 of this Prospectus.

ICFRIFRS International Financial Reporting.

Independent Accountants

Nexia Brisbane Audit Pty Ltd who prepared the Independent Limited Assurance Report as set out in Section 7 of this Prospectus.

Independent Geological Consultants CSA Global Pty Ltd who prepared the Technical Assessment Report set out in Appendix 1 of this Prospectus.

Independent Limited Assurance Report The Independent Limited Assurance Report prepared by the Independent Accountants contained in Section 7 of this Prospectus.

Indicated Mineral Resource An 'Indicated Mineral Resource' has the meaning given to that term in the JORC Code. By way of broad explanation, it is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the

application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

Indicative Timeline The indicative timeline for the lodgement of this Prospectus and opening and closing of the Offer as set out in the 'Key Dates' section of this Prospectus.

Inferred Mineral Resource An 'Inferred Mineral Resource' has the meaning given to that term in the JORC Code. By way of broad explanation, it is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource.

Iron Ore A native compound of iron (such as Hematite, limonite, Magnetite, siderite, goethite, and the bog and clay iron ores) from which the metal may be extracted.

Iron Ore Projects The tenements detailed in Table 17 in Section 3.1 of this Prospectus.

JORC Joint Ore Reserves Committee.

JORC Code The 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as adopted by the Australasian Joint Ore Reserves Committee) is a professional code of practice that sets minimum standards for public reporting of minerals exploration results, mineral resources and Ore Reserves.

Lake Giles Iron Project Lake Giles Iron Ore Projects comprising the Moonshine Magnetite Project and the Ularring Hematite Project.

Lake Giles Nickel Project The Moonshine and Snark Nickel prospects described in Section 4.4 of this Prospectus.

LCT Lithium-Caesium-Tantalum.

Lead Manager and Corporate Advisor Shaw and Partners Limited ACN 003 221 583, Australian Financial Services Licence Number 236 048.

Lead Manager Mandat The mandate dated 26 July 2019 (and amended on 2 October 2019) between Shaw and Partners Limited and the Company pursuant to which the Company exclusively appoints Shaw and Partners to act as Lead Manager and Corporate Advisor in respect of the Offer, the key terms of which are set out in Section 12.4 of this Prospectus.

Lithium or Li Lithium (Li) belongs to the alkali metal group of compounds and is used in a range of medical and industrial applications such as lithium-ion batteries. Lithium occurs in compounds and is extracted from either lithium brine deposits or hard-rock environments where it is commonly found in pegmatites. Lithium in pegmatites occurs in a range of minerals including petalite, Spodumene and lepidolite.

Li₂O Lithium Oxide, a compound.

Listing Official quotation of Shares for trading on the ASX.

M Millions.

Macarthur Australia Macarthur Australia Limited ACN 616 032 298, a 100% subsidiary of Macarthur Minerals Limited, incorporated in Australia.

Macarthur Iron Ore Macarthur Iron Ore Pty Ltd ACN 081 705 651 a 100% owned subsidiary of Macarthur Minerals Limited, incorporated in Australia.

Macarthur Lithium (or 'MLi') Macarthur Lithium Pty Ltd ACN 609 482 180 a 100% subsidiary of Macarthur Australia, incorporated in Australia and holder of the Pilbara Lithium Projects.

Macarthur Lithium Nevada (or 'MLN') Macarthur Lithium Nevada Limited a 100% owned subsidiary of Macarthur Minerals Limited, incorporated in Nevada, USA.

Glossary of Defined Terms

Macarthur Minerals Macarthur Minerals Limited ACN 103 011 436, incorporated in Australia, a company listed on the TSX-V, trading under the symbol MMS.

Magnetite A magnetic iron oxide mineral with the chemical formula (Fe₂O₄). Magnetite typically has a higher Iron content than Hematite ore, but is generally found intimately inter-banded with silica minerals, leading to material with grades approximately 30% Feiron. Magnetite ore's most distinctive property is its magnetism, being the most magnetic mineral in the world. The ore's magnetic properties help separate Magnetite from rock during processing. The product from Magnetite ore is also typically of higher quality than from Hematite ore, and often has fewer impurities, giving it the potential to produce a premium Iron Ore product that can be sold to steel makers for prices that are typically higher than products comprised solely of Hematite ore. In this way, the higher cost of processing Magnetite ore may potentially be balanced out. However, Magnetite projects are typically very capital expensive.

Management The management team of the Company described in Section 9 of this Prospectus.

Material Contracts The contracts of the Company which, as at the Prospectus Date, the Company considers to be material to its business, as summarised in Section 12 of this Prospectus.

Maximum Subscription The maximum subscription under the Offer will raise \$7,500,000 via the issue of 30,000,000 Shares at \$0.25 each.

Metric Tonne Means 1,000 kilograms.

Mineral Reserve(s) Mineral Reserves has the meaning given to that term in the JORC Code . By way of broad explanation a Mineral Reserve is those parts of Mineral Resources which, after the application of all mining factors, result in an estimated tonnage and grade which, in the opinion of the Qualified Person(s) making the estimates, is the basis of an economically viable project after taking account of all relevant processing, metallurgical, economic, marketing, legal, environment, socio-economic and government factors.

Mineral Resource(s) Mineral Resource has the meaning given to that term in the JORC Code. By way of broad explanation, a Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Minimum Application The minimum Application that will be accepted by the Directors, being 10,000 Shares (\$2,500) and thereafter in multiples of 2,000 Shares (\$500).

Minimum Subscription The minimum subscription under the Offer to raise \$5,000,000 via the issue of 20,000,000 Shares at \$0.25 each.

Modifying Factors Modifying Factor has the meaning given to that term in the JORC Code. By way of broad explanation, Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

Moonshine Magnetite Project(s) The Moonshine Magnetite Project encompassing magnetite iron ore to be marketed as a beneficiated magnetite concentrate.

Mt Million tonnes.

Mtpa Million tonnes per annum.

Mt Jackson Iron Project (or 'MJIP') The project comprised of the tenements designated in Table 17 in Section 3.1 of this Prospectus, and more particularly described in Section 3.10 of this Prospectus.

Native Title Act Native Title Act 1993 (Cth) (as amended from time to time).

Native Title Claimants Indigenous claim group who hold native title rights to an area.

NBCF Nexia Brisbane Audit Pty Ltd ACN 38 008 665 316.

NED Fee Pool Total amount of directors' fees payable to each Non-Executive Director as approved by Shareholders from time to time.

Nevada Lithium Project The Nevada Lithium Project (named the 'Reynolds Springs Lithium Project') is held by the Company's wholly owned subsidiary MLN and consists of 210 Placer Mining Claims in the Railroad Valley in East-Central Nevada in the United States of America. Section 5.5 of this Prospectus discusses the Placer Mining Claims for the Reynolds Springs Lithium Project and the Placer Mining Claims are set out in the Solicitor's Tenement Report in Section 6 of this Prospectus.

Newexco Newexco Services Pty Ltd ABN 89 088 316 901.

Non-Executive Director(s) Members of the board of directors of the Company who does not form part of the Management team. Cameron McCall, Alan Spence Phillips, Daniel Lanskey and Andrew Suckling are the current non-executive directors.

Note Instruments having a face value of USD\$10,000 issued under the Investment Agreement, as defined in Section 12.2 of this Prospectus.

Notice of Meeting The notice of meeting giving notice to Shareholders of the General Meeting filed on 2 October 2019 and despatched to Shareholders no later than 9 October 2019.

Offer An Offer to acquire on a post Consolidation basis 20,000,000 Shares at an Offer Price of \$0.25 per Share to raise a minimum of \$5,000,000 with the ability to accept oversubscriptions of up to a further 10,000,000 Shares to raise a maximum of \$7,500,000 (before costs of the Offer).

Offer Closing Date The date the Offer closes, being the date set out in the 'Key Dates' section of this Prospectus (or such other date as determined by the Board).

Offer Information Line The offer information line operated by Computershare (Melbourne) on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Offer Opening Date The date the Offer opens, being the date set out in the 'Key Dates' section of this Prospectus.

Offer Price \$0.25 per Share.

Offer Proceeds The proceeds of this Offer, being either the Minimum Subscription or an amount up to the Maximum Subscription, as applicable.

Offer Shares Shares made available under the Offer.

Official Quotation Official quotation in the market operated by the ASX of Shares for trading on the ASX.

Ore Reserve An Ore Reserve has the meaning given to that term in the JORC Code. By way of broad explanation, an Ore Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

Original Prospectus The prospectus issued by the Company on 15 October 2019.

OTCQB The OTCQB is a decentralized market in the United States of America where securities are traded directly by a network of dealers. is run through OTC Link, an inter-dealer quotation and trading system developed by OTC Markets Group. OTC Link is registered with the SEC as a broker-dealer and also as an alternative trading system (ATS).

Panorama Gold Project The Gold project described in Section 4.2.2 of this Prospectus and comprising the tenements set out in Table 21 in Section 4.2.

Glossary of Defined Terms

Pegmatite A rock with pegmatitic texture, a term describing the crystal structure of a rock, generally applied to coarsely crystalline rocks. A pegmatite is a holocrystalline, intrusive igneous rock composed of interlocking phaneritic crystals usually but not always larger than 2.5 cm in size.

Per annum per year.

PFS The pre-feasibility study for the Ularring Hematite Project (prepared by CSA Global and completed in September 2012).

Pilbara Gold Project (s) The project (s) comprised of the tenements designated in Table 21 in Section 4.2 of this Prospectus as the Pilbara Gold Project(s).

Pilbara Lithium Project (s) The project (s) comprised of the tenements designated in Table 22 in Section 4.3 of this Prospectus as the Pilbara Lithium Project (s).

Phase 1 In the context of mining operations for the Lake Giles Iron Project means the production of approximately 4,000,000 WMT of Iron Ore per annum on average over the first 10 years of production from the mine.

Placer Mining Claim The Placer Mining Claims for the Nevada Lithium Project described in Section 4.5 of this Prospectus and listed in the Solicitor's Tenement Report in Section 6.

Pre-Offer Investors Investors who subscribed for Shares in the Company prior to this Prospectus.

Preliminary Economic Assessment or PEA The preliminary economic assessment of the Lake Giles Iron Project set out in the report entitled: 'N143-101 Technical Report Macarthur Minerals Preliminary Economic Assessment Lake Giles Iron Project Western Australia' dated 13 June 2019, prepared by Neville Dawson, David Williams and Shane Fieldgate.

Pro Forma Consolidated Historical Statement of Financial Position The Pro forma Consolidated Historical Statement of Financial position of Macarthur Minerals and its controlled entities as at 30 September 2019.

Project Studies The Company's PFS and PEA.

Projects The Iron Ore Projects, the Lithium Projects, the Gold Projects and the Nickel Projects (or any of them as the context requires).

Prospectus or Replacement Prospectus This Prospectus, for the issue of a maximum of 30,000,000 Shares.

Prospectus Date 30 October 2019.

Proven and Probable Reserve(s) Proven and Probable Reserves has the meaning given to that term in the JORC Code.

RCP Reverse circulation percussion.

Registry Computershare.

Related Party Has the meaning given to that term in section 228 of the Corporations Act.

Restricted Share Unit or RSU A security that is not fully transferable (from the company issuing the security to the person receiving the security award) until certain vesting conditions (restrictions) have been met. Upon satisfaction of those conditions, the security is no longer restricted, and becomes transferable to the person holding the award.

Securities Shares in the Company.

Shareholder Settlement Facility The facility operated by ASX Settlement to provide the services described in rules 1.1.1 and 1.1.2 of the ASX Settlement Operating Rules.

Share Registry or Computershare Computershare Investor Services Pty Limited.

Share(s) Fully paid ordinary Shares in the capital of the Company.

Shareholder(s) Holder(s) of Shares in the Company. Share Registry Computershare Investor Services Pty Limited ACN 005 485 825.

Slag Volume Index or SVI SVI is a measure of the relative value of Iron Ore. It indicates how much waste material is required to be processed to obtain one tonne of iron. The lower the SVI, the lower the processing costs of an ore for an ironmaker.

Sn Tin, an element.

Snowden Group Snowden Pty Ltd ACN 085 319 562 Level 6, 130 Stirling Street, Perth, Western Australia 6000.

Solicitors' Report on Tenements The report contained in Section 6 of this Prospectus.

TSX-V Listing Rules The official listing rules of TSX-V as amended from time to time.

Spodumene A lithium-bearing mineral (pyroxene) with the formula $\text{LiAl}(\text{Si}_2\text{O}_6)$.

Ta Tantalum, an element.

Technical Assessment Report The report contained in Section 5 of this Prospectus, dated 9 October 2019.

Tenement Mining Titles including the Exploration Licences (either granted or under application) or Mining Leases in Tables 17, 21 and 22 of this Prospectus and (in respect of the Placer Mining Claims) the tenements listed in the Solicitor's Tenement Report in Section 6 of this Prospectus.

Treppo Iron Project (or 'TIOP') The Treppo Iron Project consists of one exploration licence application and is located approximately 30km to the west of the Lake Giles Iron Projects. The Treppo Iron Project tenements are set out in Table 17 in Section 3.1 of this Prospectus.

TSX-V The TSX Venture Exchange.

Ularring Hematite Project The Ularring Hematite Project is comprised of the tenements designated in Table 17 in Section 3.1 of this Prospectus.

USD\$ or USD United States dollars.

US Securities Act The US Securities Act of 1933, as amended.

VALMIN Code The Australasian Code for Public Reporting of Technical Assessment and Valuation of Mineral Assets, 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. See <http://www.valmin.org>.

WAMEX Mineral Exploration open file (public) reports are stored in the Western Australian Mineral WAMEX database.

Warrant(s) A form of derivative that gives the holder the right to purchase shares at a certain price until expiration.

Wet Basis Means Iron Ore in its natural wet state.

Wholesale Investors

Means, in respect of Australian investors, Professional and Sophisticated Investors as those terms are defined in the Corporations Act, in respect of New Zealand, in respect of Hong Kong investors, professional investors, and in respect of Singapore, institutional investors.

WMT

Means Metric Tonnes on a Wet Basis.

Yilgarn Region

The region where the Iron Ore Projects are located, in south-western, Western Australia.

References in this Prospectus to Sections and paragraphs are to Sections and paragraphs of this Prospectus.





15.0

Corporate Directory

Corporate Directory

Board of Directors	Company Secretary
Cameron McCall (Chairman) Alan Joseph Phillips Alan Spence Phillips Daniel Lanskey Andrew Suckling	Andrew Bruton

Registered and Head Office	
Suite G03 555 Coronation Drive Toowong QLD 4066 www.macarthurminerals.com Email communications@macarthurminerals.com	Phone: +61 7 3221 1796 Fax: +61 7 3221 6152

Lead Manager and Corporate Advisor	Australian Share Registry
Shaw and Partners Pty Ltd Level 7, Chiffley Tower 2 Chiffley Square Sydney NSW 2000 Phone: (02) 9238 1238 (within Australia) Phone: +61 2 9238 1238 (outside of Australia) Toll Free: 1800 636 625 www.shawandpartners.com.au	Computershare Investor Services Pty Limited Level 1 200 Mary Street Brisbane QLD 4000 Phone: 1300 850 505 (within Australia) Phone: +61 3 9415 4000 (outside of Australia) www.computershare.com.au

Independent Geological Consultants	Independent Tenement Solicitor	Independent Accountant
CSA Global Pty Ltd Level 2, 3 Ord Street, West Perth Western Australia, 6005 Phone: +61 8 9355 1677 www.csaglobal.com	HopgoodGanim Lawyers Waterfront Place Level 8, 1 Eagle Street Brisbane, Queensland 4000 Phone +61 7 3024 0000 Fax +61 7 3024 0300 www.hopgoodganim.com.au	Nexia Brisbane Audit Pty Ltd Level 28, 10 Eagle Street, Brisbane QLD 4000 Phone: + 61 7 3229 2022 Fax: +61 7 3229 3277 www.nexia.com.au



Pilbara





16.0

Application Form



This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire Prospectus carefully before completing this Application Form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus.

Applicants who received this Offer from their broker must return their Application Form and application monies back to their broker

Option 1: Apply Online and Pay Electronically (Recommended)

Apply online at: <https://www.macarthurminerals.com>

- **Pay electronically:** Applying online allows you to pay electronically, for Australian residents through BPAY®
- **Get in first:** its fast and simple: Applying online is very easy to do, it eliminates any postal delays and removes the risk of it being potentially lost in transit.
- **It's secure and confirmed:** Applying online provides you with greater privacy over your instructions and is the only method which provides you with confirmation that your application has been successfully processed.

Option 2: Standard Application and Pay by Cheque

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Number of Shares at **\$0.25** per Share. Applications must be a minimum of **10,000** Shares (**\$2,500**) or a greater number in multiples of **2,000** Shares (**\$500**).

A\$

C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

[illegible]

Surname

Joint Applicant 2 or Account Designation

[illegible]

Joint Applicant 3 or Account Designation

[illegible]

D Enter the postal address - include State and Postcode

Unit	Street Number	Street Name or PO Box/Other information
------	---------------	---

[illegible][illegible]

City/Suburb/Town

[illegible]

State

--	--	--

Postcode

--	--	--	--

F Enter your contact details

Contact Name

[illegible]

Telephone Number - Business Hours

()
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F CHESS Participant

Holder Identification Number (HIN)

x									
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Please note that if you supply a CHES HIN but the name and address details on your form do not correspond exactly with the registration details held at CHES, your application will be deemed to be made without the CHES HIN, and any Shares issued as a result of the Offer will be held on the Issuer Sponsored subregister.

G Payment details - Please note that funds are unable to be directly debited from your bank account

Drawer

Cheque Number

BSB Number

Account Number

Amount of cheque

				A\$	
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Make your cheque, money order or bank draft payable to 'Macarthur Minerals Limited IPO A/C'

Completed Application Form and payment to be submitted according to **Lodgement of Application** instructions overleaf.

By submitting this Application Form:

- I/we declare that this application is complete and lodged according to the Prospectus dated 15 October 2019 (and replaced on 30 October 2019), and the declarations/statements on the reverse of this Application Form,
 - I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate, and
 - I/we agree to be bound by the Constitution of Macarthur Minerals Limited ('the Company')
- See overleaf for completion guidelines

See overleaf for completion guidelines ➔

How to complete this form

A

Shares applied for

Enter the number of Shares you wish to apply for. The application must be for a minimum of **10,000** Shares (**\$2,500**) or a greater number in multiples of **2,000** Shares (**\$500**)

B

Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares by the issue price of \$0.25 per Share. The minimum amount of Application monies is \$2,500 and applications for less than this amount may be rejected.

C

Applicant Name(s)

Enter the full name you wish to appear on the register of Shares and statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

D

Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E

Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this application.

F

CHES

The Company participates in CHES. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares allotted to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G

Payment

Make your cheque, money order or bank draft payable to **'Macarthur Minerals Limited IPO A/C'** in Australian currency and cross it **'Not Negotiable'**. Your cheque, money order or bank draft must be drawn on an Australian Bank. Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. **Please note that funds are unable to be directly debited from your bank account.**

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented any may result in your Application being rejected.

Paperclip (do not staple) your cheque(s) to the Application Form. Cash will not be accepted. No receipt for payment will be forwarded to Applicants.

Before completing the Application Form the Applicant(s) should read this Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for Shares in the Company is upon and subject to the terms of the Prospectus and the Constitution of the Company, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited (CIS) by no later than 5:00pm AEST on Thursday 28 November 2019. You should allow sufficient time for this to occur. Return the Application Form with cheque(s) attached to:
Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 3001
Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means. If you have any enquiries concerning your application, please contact Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Privacy Statement

Personal information is collected on this form by CIS for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the Company may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf or to third parties upon direction by the Company where related to their administration of your securityholding, or where you have otherwise agreed we may disclose it. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: Use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

Suite G03, 555 Coronation Drive,
Toowong QLD 4066 Australia

Ph +61 7 3221 1796



www.macarthurminerals.com

TSX-V: MMS