

REVOLUTION METALS LIMITED



EXCLUDED OFFER

FOR THE ISSUE OF 8,600,000 SHARES AT AN ISSUE PRICE OF 10 CENTS EACH, TO RAISE A TOTAL OF \$860,000.

MINIMUM INDIVIDUAL SUBSCRIPTIONS OF \$5,000.

OFFER CLOSES 5 PM 31 JULY 2017

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

If you do not understand it, you should consult your professional advisers without delay.

An investment in the Shares offered by this Information Memorandum should be considered speculative.

KEY DATES

Offer Opens	1 May 2017
Offer Closes	31 July 2017
Intended Allotment Date	7 August 2017

INDICATIVE CAPITAL STRUCTURE

Shares currently on issue	43,000,000
Shares offered under IM	8,600,000
Total Shares on issue post IM	51,600,000

LOCATION



Revolution Metals Ltd is focused on providing a rapid pathway to production and returning wealth to shareholders and growth to the regional economy of North East NSW.

“The average cost per discovery in NSW from 2004-2014 was A\$71M”, “10 out of 12 were made by Junior Explorers”

- John Greenfield – NSW Dept. of Trade & Investment

“Rapid pathway to production”

“The average cost of discovery in NSW from 2004-2014 was A\$71M”

“Revolution Metals has two adjacent Exploration Licenses with a combined JORC 2012 inferred asset of 571,000 ounces of gold across four historical deposits”

“Two of the top three gold deposits in Northern NSW are within EL8118 and EL8723”

INVESTMENT HIGHLIGHTS



Extensive historical documentation of mining and exploration activities conducted on the area since the late 1800s proving the value of the field



Team focussed on **rapid acceleration** of the project to trial mining



Highly experienced board and management team including a geologist with prior experience on this deposit



Key **mining and drilling contractors** in place



Tenement exploration upside with potential for **multi-million ounce discovery**



Low cash costs for extraction of gold. 8 year mine life on current deposits with all in cash cost of US\$525 per ounce.



Other revenue opportunities include the **supply of road aggregate** to State Highway Project

High grade gold with up to 20 g/t in epithermal veins

Gold from surface with no overburden removal

Close to major NSW town and infrastructure

Over 60 historical reefs that have remained undeveloped since discovery

LETTER FROM THE CHAIRMAN

“Revolution Metals is an opportunity to participate in an exciting near production gold mine in NSW. Uncovered historical data and the opening up of previously inaccessible land has delivered a potential bonanza.”

Dear Shareholder / Investor,

The Revolution Metals story inherits an historic tale from Goldrush to modern times. The field was discovered by intrepid loggers in the 1870s and caused many to seek their fortunes in North East NSW, with many artisanal operations starting during the 1870s to early 1900s. Over 60 reefs have been identified as gold bearing and producing claims that supported a regional community of over 20,000.

Large mechanical ore stampers were brought in and setup up in multiple locations within the current boundaries of Revolution's exploration license. The largest still remains as testimony to the 3 tonnes of gold won and recorded in the official government mining records at Dalmorton.

Mining ceased in 1942 as all but a few of the artisanal operators could manage to “break even” at grades under 25 grams to the tonne. Typically the cost of mining gold in that period was broken down as “8 grams per tonne to mine”, “8 grams per tonne to cart” and “8 grams of tonne to process”.

Almost a century later, with modern exploration techniques and the increased value of gold, means that the gold the artisanal miners left behind has a magnitude greater value as modern mining and mechanization means a far lower grade is sustainable and economically attractive.

Diamond core drilling carried out in the 1980s by Getty Minerals and BP Minerals proved that an extensive gold system exists, however with corporate changes at Getty and BP and the takeover by Texaco, the asset was left stranded again and the area previously freehold land was reclaimed by the state.

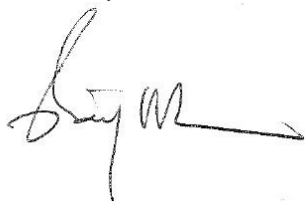
For another 40 years since the Little River Goldfields N.L. (ASX Listed) floated this project and failed to develop the field, the opportunity lay waiting until Revolution Metals, led by Tim Mckinnon with geophysicist/geologist Vladimir David and CSIRO's Richard Harris took a closer look at the resource that was presented in a joint report from Geoscience Australia in 1999 for the “Mineral Occurrences in NE NSW”. Two of the top three gold deposits in this report were Pine Creek, and Mt Remarkable. These two deposits are located at Dalmorton in NE NSW.

In 2012, Exploration license 8118 for 36 square kilometres of gold bearing country was obtained from the Dept. of Trade and Investment, and again the former goldfield is under the spotlight as a potential winner for the state, investors and the local community.

A JORC 2012 Inferred resource and target of 570,000 ounces of gold was produced by Revolution Metals in June 2015 that has now justified progression to develop the deposit to a commercial reality. The company is progressing a program to increase the resource to over 1,000,000 million ounces in conjunction with a bulk sampling operation to capitalise on the surface mineralisation and historical ore stockpiles.

This is an exciting time for Revolution Metals Ltd and we look forward to your support and the opportunity of growing this Company with you.

Yours faithfully



Tim Mckinnon
Chairman and CEO
REVOLUTION METALS LTD

IMPORTANT NOTICE

This document is confidential. Do not distribute it, in whole or in part, to any other person - except your financial, taxation, legal or other professional adviser - without the prior written consent of the Company.

Issue of Information Memorandum

This Information Memorandum is issued by Revolution Metals Ltd and is dated 30 April 2017. The Information Memorandum is being delivered to a restricted number of parties (**Recipients** or **Recipient**). By retaining this Information Memorandum, the Recipient acknowledges and represents to the Company that it has read, understood and accepted the terms of this Important Notice section and the remainder of this Information Memorandum. If the Recipient does not accept these terms, it must immediately return this Information Memorandum to the Company.

Purpose

The Offer being made pursuant to this Information Memorandum is made solely to potential investors who qualify as either or both, a Sophisticated Investor or a Professional Investor, as defined under the Corporations Act.

This Information Memorandum has been prepared solely for the purpose of providing a summary of the activities and plans of the business of the Company and may only be used for that purpose. The Information Memorandum does not purport to contain all the information that a prospective investor may require.

This Information Memorandum is not intended to provide the sole or principal basis of any investment or credit decision, or any other risk evaluation, and may not be considered as a recommendation by the Company or any other person in connection with an investment in the Company. The purpose of this Information Memorandum is to provide Recipients with information relating to the investment opportunity described herein. Each Recipient must make its own independent assessment and investigation of the business opportunity and should not rely on any statement or the adequacy or accuracy of any information set out in this Information Memorandum. Any Recipient should determine its interest in acquiring Shares in the Company on the basis of independent investigations that it considers necessary or desirable.

This Information Memorandum is not a prospectus and has not been, and will not be, lodged with the Australian Securities and Investments Commission. Any invitation to purchase or subscribe for the Shares will be an offer that does not need disclosure for the purposes of Section 708 of the Corporations Act. By retaining this Information Memorandum, each Recipient represents to the Company that it is a Sophisticated Investor under Section 708(8) of the Corporations Act or a Professional Investor under Section 708(11) of the Corporations Act, or both. If that is not the case and in the alternative, the Company may issue Shares to the Recipient in reliance on certain other categories in Section 708.

The Information Memorandum contains reference to certain intentions, expectations and plans of the Company. It is important that the Recipient recognises that those intentions, expectations and plans may or may not be achieved. They are based on certain assumptions that may not be met or on which views may differ. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company.

Applicants outside Australia

This Information Memorandum does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Information Memorandum. The distribution of this Information Memorandum in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Information Memorandum should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. No action has been taken to register or qualify any Shares or otherwise permit an offering of the securities the subject of this Information Memorandum to any jurisdiction outside Australia.

It is the responsibility of the Applicants outside Australia to obtain all necessary approvals for the application, allotment and issue of Shares pursuant to this Information Memorandum. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

Confidentiality

By accepting this Information Memorandum, the Recipient acknowledges and agrees that:

- ❖ this Information Memorandum and all of the information contained in it is confidential and it will keep strictly confidential the Information Memorandum and all of such information, and all other information made available to the Recipient in connection with this Information Memorandum;
- ❖ neither the Information Memorandum nor any such information will be used, in whole or in part, by the Recipient or any of its officers, employees, servants or agents for any purpose other than deciding whether to investigate further a possible subscription for Shares in the Company pursuant to the Offer;
- ❖ this Information Memorandum will not be reproduced, either in whole or part or in any part or parts, without the prior written consent of the Company;
- ❖ upon request it will return promptly this Information Memorandum, together with any other material received in connection with it, to the Company without retaining any copies, and permanently destroy all electronic copies;
- ❖ upon request it will enter into a separate confidentiality undertaking substantially on these terms with the Company; and;
- ❖ without limiting any of the above, the Recipient undertakes, for the benefit of the Company and the vendors under the term sheet relating to the Mineral Assets, to keep all information relating to the Mineral Assets strictly confidential.

Exclusion of liability

The Company does not accept any liability for any loss or damage suffered or incurred by the Recipient or any other person or entity however caused (including negligence) relating in any way to this Information Memorandum including, without limitation, the information contained in it, any errors or omissions however caused, or the Recipient or any other person or entity placing any reliance on this Information Memorandum, its accuracy or reliability.

No representation or warranty (express or implied) is made by the Company and their respective directors, employees, agents and consultants as to the accuracy, reliability or completeness of the Information Memorandum and they shall have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (express or implied) arising out of, contained in or derived from, or for any omissions from the Information Memorandum, except liability under statute that cannot be excluded. Any investment in the Company at this time is recognised as a high risk speculative investment.

Disclaimer

This Information Memorandum is presented for informational purposes only. It is not intended to be, and is not, a prospectus or other disclosure document pursuant to the Corporations Act or other laws. The information in this Information Memorandum may not be complete and may be changed, modified or amended at any time by the Company and is not intended to, and does not, constitute representations and warranties of the Company.

The Company has only recently been incorporated and does not have any operating history on which to base an evaluation of its business and prospects. Therefore, the information contained herein is inherently speculative.

Cautionary note regarding forward-looking statements

All statements regarding the Company's expected financial position, business strategy, plans and prospects are forward looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given the risks and uncertainties that may cause the Company's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Information Memorandum, undue reliance should not be placed on these statements. The Company does not warrant or represent that the actual results, performance or achievements will be as discussed in those statements.

Risk factors

Recipients should be aware that subscribing for Shares in the Company involves a number of risks. Recipients are urged to consider these risk factors carefully before deciding whether to invest in the Company. A detailed statement of the risks associated with an investment in the Company is set out in Section 6.

Share application

An Application Form accompanies this Information Memorandum. To apply for Shares in the Company, please complete the Application Form and any required ancillary forms and follow the instructions set out in and accompanying the Application Form by the Closing Date.

Unless otherwise specified, all correspondence should be through the following individual:

Tim Mckinnon

Chairman and Director

blaze@revolutionmetals.com

+61 (0) 404 266 877

Revolution Metals Ltd

Suite 1, Level 1

3 Spring St

Sydney NSW 2000

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Attached:

Pro forma Application Form
Application Guide
Pro forma Accountant's Certificate

1. INVESTMENT SUMMARY

1.1 Important notice

This Section 1 is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Information Memorandum. This Information Memorandum should be read and considered in its entirety.

1.2 Purpose of the Offer

The purpose of the Offer is to raise \$860,000 to enable the Company to:

- ❖ complete a 3 hole drilling program to further delineate the Mt Remarkable gold resource;
- ❖ preparation of trial mining of 20,000 tonnes of surface ore for 3,000 ounces of gold;
- ❖ fund the working capital requirements associated with the Company continuing with the commercialisation of the mineral assets associated with the company's two exploration tenements, EL8118 and EL8723;
- ❖ fund preparation for an initial public offer (IPO); and
- ❖ underwrite general working capital requirements and establishment costs.

The Directors are of the view that the full subscription of \$860,000 will provide the Company with sufficient working capital to carry out its objectives as detailed in this Information Memorandum.

1.3 Details of the Offer

Pursuant to this Information Memorandum, the Company invites investors to apply for 8,600,000 Shares, at an issue price of 10 cents each to raise \$860,000.

The Shares offered under this Information Memorandum will rank pari passu with the existing fully paid Shares on issue.

The minimum individual subscription is 50,000 Shares or \$5,000.

This Offer is being made to targeted investors known to the founding shareholders and executive management, and who qualify as Sophisticated Investors or Professional Investors. This underlines the rationale for the short offer period and Closing Date of 31 July 2017.

1.4 Source and use of funds

	A\$'000
Sources of Funds	
Funds on hand ¹	20
Proceeds from the Offer	860
Total Funds available	880
Uses of Funds	
Drilling program, 3 holes to deliver an extended resource estimated at 1M ounces	280
Preparation for trial mining	90
Continued support of expenses relating to maintenance of EL8118 and EL8723	60
Preparation for Initial Public Offer (IPO)	364
Administration, staff salary and other overheads	86
Total Application of Funds	880

¹ Includes available cash on hand as at the date of this Information Memorandum.

The information set out in the above table is a statement of present intention as at the date of this Information Memorandum. The exact quantum of funds expended by the Company on any particular item will be dependent on many factors that cannot be ascertained with complete accuracy at the date of this Information Memorandum.

The Board reserves the right to alter the manner in which funds are allocated.

1.5 Application for Shares

An application for Shares by an investor can only be made by completing and lodging the Application Form accompanying this Information Memorandum.

Completed Application Forms must be received before 5.00 pm on the Closing Date.

The Application Form contains detailed instructions on how to complete the form.

Applications must be for a minimum of 50,000 Shares for a total of \$5,000 and thereafter in multiples of 2,000 Shares. An Application Form must be accompanied by a cheque in Australian dollars, crossed 'Not Negotiable' and made payable to Revolution Metals Ltd, unless payment is deposited directly as set out below. Payment for the Shares must be made in full at the Offer price of \$0.10 for each Share.

Applications that do not meet these requirements may be refused at the discretion of the Directors. If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted by the Company. The Company's decision as to whether to accept the Application or how to construe, amend or complete it, shall be final, but no Applicant will have been treated as having offered to subscribe for more Shares than is indicated by the amount of the cheque for the Application Monies.

Completed Application Forms and accompanying cheques should be delivered to the following address as soon as practicable:

Revolution Metals Ltd
Suite 1, Level 1
3 Spring Street
Sydney NSW 2000

Application Monies may also be deposited directly into the Revolution Metals Ltd bank account:

Bank: Commonwealth Bank
Account Name: Revolution Metals Ltd
BSB: 062 000
Account Number: 1668 4802

If depositing Application Monies directly:

Please include the name of the Applicant (as it appears on the Application Form) in the reference for the funds transfer and ensure that any required accountant's certificate (or other evidence confirming that the Applicant is a Sophisticated or Professional Investor) is delivered to the Company by mail or sent in scanned form to blaze@revolutionmetals.com together with the Application Form.

1.6 Issue of Shares

The issue of Shares offered under this Information Memorandum will take place as soon as practicable after the Closing Date. Application Monies received by the Company up to \$860,000 shall be available for use by the Company as they are received.

The Company, irrespective of when and whether the issue of Shares takes place, will retain any interest earned on the Application Monies.

The Directors reserve the right to issue Shares in full for any application or to issue any lesser number or to decline any application. In that event, relevant Application Monies will be returned to the applicant as soon as practicable thereafter.

1.7 Indicative timetable

Event	Date
Opening Date	1 May 2017
Closing Date	31 July 2017 at 5 pm

The above dates are indicative only. The Directors reserve the right to extend the Offer or close the Offer early without prior notice, which may have a consequential effect on other dates.

1.8 Capital structure

The approximate capital structure of the Company following completion of the Offer is summarised below:

	Number of Shares	Proportional Holding
Shares on issue at Issue Date	43,000,000	83.4%
Shares under this Information Memorandum (Offer fully subscribed no oversubscriptions)	8,600,000	16.6%
Total Shares (no oversubscriptions)	51,600,000	100.0%
Total Shares (Fully diluted / no oversubscriptions)	51,600,000	

Please refer to Section 2.3 for additional information on future issues of Shares and Sections 7.1 and 7.2 for details relating to the Shares.

The Company is currently seeking an existing ASX listed company in relation to a Reverse Takeover (**RTO**) on the Australian Securities Exchange (ASX), with the transaction expected to be completed prior to the end of the calendar year 2017.

An indicative capital structure on completion of the RTO, based on a **20 cent listing price**, is provided below. Based on a 20 cent listing price, **this current offering equates to an equivalent at 10 cents per share, indicating an uplift of 100%.**

	Number of Shares	Proportional Holding
Shares on issue in ASX Shell Co (following consolidation)	25,000,000	11.9%
Shares issued to the vendors of Revolution Metals Ltd	80,000,000	38.1%
Shares issued in lieu of fees to advisers (Indicative Pool; Unallocated)	7,500,000	3.6%
Shares issued in lieu of fees to facilitators / agents	22,500,000	10.7%
Shares issued to the Public under the RTO to raise \$15 million	75,000,000	35.7%
Total Shares (no oversubscriptions)	210,000,000	100.0%
Board and Management Performance Shares	15,000,000	
Broker Options (Indicative Pool; Unallocated)	4,000,000	
Total Shares (Fully diluted / no oversubscriptions)	229,000,000	

This would provide the Company with an implied market capitalisation at 20 cents of \$42 million.

The transaction contemplated with the existing ASX Listed Company (ASX Co) will require ASX Co to re-comply with Chapters 1 and 2 of the ASX Listing Rules, which will include amongst other things the issuance of a full form prospectus to undertake a capital raising sufficient to develop the mineral assets of Revolution Metals Ltd.

This will involve the preparation of a notice of meeting, the holding of a shareholders meeting and the usual regulatory steps required to re-comply with Chapters 1 and 2 of the ASX Listing Rules. This will also involve the suspension from trading on the ASX for ASX Co during the re-compliance process.

Currently, the Company is considering options with the proposed ASX Co regarding the ultimate transaction structure, which is to be completed through an Asset Sale and Purchase Agreement. This will involve ASX Co purchasing the business assets of Revolution Metals Ltd in consideration for the issue of 80 million fully paid ordinary shares in ASX Co in which case Revolution Metals Ltd will end up holding the majority of the shares in ASX Co.

Following this, Revolution Metals Ltd will in-specie the shares in full to the existing shareholders of Revolution Metals Ltd, subject to prevailing escrow conditions which will need to be maintained. It is expected that this will take place approximately 2 months post the completion of the RTO of Revolution Metals Ltd and ASX Co. This will involve the preparation of a notice of meeting, the holding of a shareholders meeting and the usual regulatory steps required to effect the in-specie distribution.

1.9 Right to close or cancel the Offer, or return capital to Shareholders

The Directors reserve the right to close or cancel the Offer without prior notice.

The Directors also reserve the right not to proceed with the Offer. In that case, all Application Monies received will be returned without interest.

1.10 Minimum subscription

The minimum subscription under this Offer is 50,000 shares (\$5,000). The Directors may also close the Offer at any time when the Directors consider that adequate funds have been raised.

All investors should note that the Company retains an overriding right to accept any application for Shares in full, accept any lesser number of Shares or decline any application.

Investors must not assume that the Shares they apply for, or any number of Shares, will be issued to them in response to their application.

1.11 Unlisted Shares

The Company's Shares are not listed on any stock exchange and therefore there is not at present a ready market for the Shares. No assurances of the listing of Revolution Metals Ltd can be provided at this stage however, it is the current intention of the Board of Revolution Metals Ltd to undertake a listing (or undertake some other appropriate transaction) during the 2017 calendar year.

1.12 Restricted Securities

Shares issued under this Offer may be subject to trading restrictions in the event the Company is publicly listed on a stock exchange. Restriction periods vary, however they can be as long as twenty-four (24) months from the date of listing, and potentially longer if the listing occurs in a jurisdiction outside Australia.

1.13 Risk Factors

There are both general and specific risks associated with investing in the Company. These risks are set out in Section 6. Recipients are urged to read the entire Information Memorandum, including the risks in Section 6.

2. COMPANY OVERVIEW

2.1 Introduction

The Company was incorporated on 2nd March 2017 as Revolution Metals Ltd. Since incorporation, the Company has not traded or operated any business, other than to provide a public entity in which to attract investors and develop the Dalmorton Goldfields.

2.2 Objectives of the Company

The immediate objectives of the Company are to:

- ❖ complete a small drilling program to enlarge the existing JORC 2012 to over 1M ounces inferred
- ❖ facilitate a trial mining operation for 20,000 tonnes of ore
- ❖ list the company assets on the Australian Securities Exchange
- ❖ enlarge the tenement holding to 192 sq Klms

The longer term objectives of the Company are to continue to develop the surrounding mineralised deposits through modern geophysical technology while transitioning from explorer to producer/explorer. In addition, develop commercial arrangements for the delivery of road aggregate to the north coast State Highway Project.

2.3 Funding strategy

This Information Memorandum has been designed to raise funds for the Company's immediate expenditure requirements.

The Company is likely to carry out additional capital raisings in the future to support growth and working capital needs, most likely to take place in connection with the RTO on the ASX.

2.4 Portfolio strategy

In addition to the existing mineral assets, Revolution Metals Ltd is currently considering other base metals and rare earth projects in Eastern Australia which may be accretive for shareholder value.

3. BUSINESS OVERVIEW

Revolution Metals Ltd was incorporated on 2nd March 2017 for the purposes of bringing the Dalmorton Goldfields into production as a significant producer of Gold, generating revenue for the community, the state, and shareholders.

In early January 2012, ABN IR Pty Ltd began the process of developing the Dalmorton field, employing a number of geologists to assist in the modelling of the gold deposits from information contained historical data stored in the NSW mineral database. The former geologist of the "Little River Goldfields N.L." that actively developed the area in conjunction with Getty and BP was contacted and valuable local knowledge led to ABN IR Pty Ltd identifying additional potential opportunities.

During the 2013-2014 period extensive research and field trips were carried out, including assaying of core samples stored at Londonderry in NSW from the diamond core drilling carried out during the 1980s. ABN IR Pty Ltd used historical drill data to model the ore deposit and in June 2015, released the first JORC 2012 compliant resource statement with 571,000 ounces of gold inferred over three main deposits.

As a result ABN IR Pty Ltd began actively looking for investment capital to develop the Dalmorton Goldfields into a producing asset. Revolution Metals Ltd was incorporated with the objective of obtaining the exploration licenses and associated data from ABN IR Pty Ltd. ABN IR Pty Ltd has agreed to vend the assets to Revolution Metals Ltd in exchange for shares.

Executive Summary of the Dalmorton Goldfields project

Technical data has been gathered from previous investigations of the resource using historical data from 29 abandoned mine sites, which included production and grade records from 19 of those sites. The production reports have been used as bulk samples to indicate prospectivity. Geological reports from previous company exploration programs have also been used.

A JORC statement based on the drilling and assay work done in the 1980s as well as assay work recently done on historical drillcore has been prepared that concludes:

- an inferred resource of 430,000 t @ 1.9 g/t at Pine Creek
- a further exploration target of 400,000 to 1,200,000 t @ 1 - 3 g/t at Pine Creek
- an exploration target of 65,000 to 260,000 t @ 15 - 25 g/t at Mt Remarkable
- an exploration target of 200,000 to 400,000 t @ 10 - 20 g/t at Mt Poole; and
- an exploration target of 24,000 to 48,000 t @ 2 - 4 g/t at Alice Cornwall

It is likely that due to the nugget effect of this type of mineralisation, that sufficient drilling was not undertaken to accurately assess the Gold present, as the results from the mining activities (the bulk samples) indicated much higher grades.

By adopting a different approach, where a large number of small occurrences are mined separately and processed in a mobile mill, the current Gold price, exchange rate, mining cost and processing recoveries with today's technology make this a very attractive prospect.

The Dalmorton Project comprises 2 Exploration Licenses (ELs) that cover an area of about 30 square kilometres 67 kms west of Grafton in NSW.

The Mining Act permits bulk sampling operations, but political will is required for such approvals to be granted. The owners of the tenements believe that the:

- royalty paid to Government
- direct employment resulting from several small scale bulk samples
- indirect employment within the district arising from the project
- mining out and backfilling of several dangerous shafts to make the area safe; and
- the removal of mullock heaps from around shaft areas as a rehabilitation project

should secure such political will, but this must not be taken for granted.

In the absence of securing approvals under the provisions of the ELs, it may be possible to gain approval using Mining Assessment Leases (MALs) that also permit bulk sampling to prove viability of a mining project. If that fails, there will be no choice but to go through the full process of Mining Lease applications to secure access. The approvals process constitute the biggest risk to the success of the project, but this is typical of such projects in Australia.

The gold previously produced from the basin and surrounding areas was free gold, probably fine, that was recovered using stamp batteries to crush the ore. The fine crushed ore flowed from the batteries across amalgam pans: liquid Mercury lying in Copper trays. The Gold dissolved into the Mercury to form an amalgam. The amalgam was then heated in a retort to boil off the Mercury, which was recovered in a condenser and recycled. The Gold was then recovered from the retort.

The production records available show about 2,000 ounces being recovered from mine sites within the ELs with about 6,000 ounces being recovered from sites outside the ELs but within the general region.

Production grades reported from as early as 1872 to as late as 1942 averaged 31.35 grams per tonne or roughly 1 ounce per ton.

More recently, ASX listed Little River Goldfields N.L. in joint venture with Getty Oil and BP Minerals explored the area between 1981 and 1987, spending approximately \$3M. This program concentrated on the ironstone formations at Pine Creek and several localities along the Swan Creek ironstone and around the quartz reefs in the vicinity of the Alice Cornwall Mine area.

The large players were looking for large individual deposits:

"A realistic target was considered to be 0.5-5 million tonnes at 3-8 g/t, either in a single orebody or as several smaller deposits, the ore from which could be milled at a central facility."

They therefore concentrated on the Pine Creek ironstone reef because of the volume of ore evident. The grade of the order of 10 grams per tonne in combination with the quantities determined in the 1980s did not attract the investment required to progress to mining, in addition the joint venture was terminated with Getty and BP disposing of their mineral exploration divisions.

The prediction and identification of the structures in the area is still poorly understood but proposed bulk sampling and mapping, angled core drilling and a detailed three dimensional seismic survey over selected areas of the basin should provide the necessary three dimensional information for a detailed computerised model to be built.

There are 13 shafts identified within the ELs with known depths, the maximum being just 43 metres, with most less than 20. This suggests a shallow mineralisation containing predominantly free Gold. No references to the use of cyanidation to recover Gold from sulphide ores has been sited. The shallow mining with free Gold means that both mining and milling costs should be low.

The grade can be estimated from the mining records on the basis that these constituted a bulk sample, but it is likely that not all of the Gold recovered was reported as this required payment of royalties and tax. The mining records can therefore be considered conservative and reliable for grade estimation.

As a means of building even more conservatism into the financial analysis, the grades used at each location for the start-up are just half that indicated by the previous mining at that location. It has then been assumed that grades would progressively decrease after start up by 10% each year as the best Gold would be mined first.

The base case Financial Projections have used:

- \$US Gold price of \$1,000 per ounce
- \$A/\$US exchange rate of \$0.80
- Strip ratio at
 - Mt Remarkable being 5:1
 - Pine Creek being 0.5:1
 - Mt Poole being 0.5:1
 - Alice Cornwall being 0.5:1
 - The fifth site being the same as Pine Creek

- The weighted average of the above is 2.3:1. It has been assumed that this will increase by 0.5:1 each year as the pits become deeper and more overburden needs to be mined to bench out from the ore for stability purposes.
- Gold Grade of
 - Mt Remarkable being 11 g/t
 - Pine Creek being 5 g/t in situ but only 4 g/t free gold (the rest being in Sulphides)
 - Mt Poole being 20 g/t
 - Alice Cornwall being 2 g/t
 - The fifth site being the same as Pine Creek
 - The weighted average of the above is 8.2 g/t. It has been assumed that this will reduce by 10% each year as the plan is to extract the highest grade ore first.
- Overburden mining costs of \$10 per cubic metre blasting plus \$10 per cubic metre mining during contract operations with two 50 t diggers, reducing to \$9 each when production increases to 200,000 tpa and then to \$8 each when production increases to 300,000 tpa.
- Ore mining cost of \$10 per tonne for blasting plus \$10 per tonne mining during contract operations with two 50 t diggers, reducing to \$9 each when production increased to 200,000 tpa and then to \$8 each when production increased to 300,000 tpa including trucking to a mill located up to 10 kms away.
- Milling cost of \$30 per tonne in Year 1, dropping to \$25 per tonne in Year 2 when production increases to 200,000 tpa and then dropping again to \$20 per tonne in Year 3 when production increases to 300,000 tpa.
- Management fees and overheads starting at \$3.00 per BCM in year 1, \$2 per BCM in year 2 then dropping to \$1.50 per BCM as production increases
- Gold Recovery of 85% initially, increasing by 2.5% points in Years 2 and 3 as milling processes are modified to maximise recovery.
- The production schedule used, assumes a production rate sufficient to supply a mill at an average of 50 tph on a 20/6 basis.

This is considered to be a very conservative assessment of the projected outcome as the grades used are **half those expected from previous production records**. Very conservative estimates have been used for gold price and exchange rates and mining and milling costs are on the high side of what should be achievable. A copy of this cashflow is attached in **Appendix**.

With these input parameters, the gold production cost is \$A459 per ounce in Year 1 or \$US367 at the exchange rate of 0.8 adopted. The 8 year average production cost is \$US525 per ounce over 300,000 ounces of production.

Under the Base Case scenario, the NPV (10%) of the project is \$68.6M.

Capital required to secure this return totals \$28.4M outlaid over 4 years, with commitments to spend made after \$1M in Year 1.

Sensitivity analysis looking at potential upsides from this very conservative position are discussed in the Financial Analysis section of this report.

The total gold produced in the Base Case is only 300,000 ounces which is much less than what appears to be present when the length of the reefs, width and average grade are considered. The mineralisation could also be pursued to a greater depth and the Sulphide Zone also mined.

This very conservative Base Case has been adopted, because the JORC Statement refers to Inferred Resources and Exploration Targets only. Whilst the mining records are likely to be much more representative of the grades present, the extra discounting of grades needs to be taken to ensure risk is minimised for investment decision purposes.

The mine would start as a contract operation and the profits earned during the contractor phase would fund the acquisition of larger machinery. No additional manpower would be required as the production rate would be tripled by tripling machinery capacity as opposed to adding additional equipment of the same size. Note that this also results in cost reductions. The staged contractor start up and lower production rate proposed here, provides a conservative scenario for the basis of investment decisions.

There are two Stages to the Project.

Stage 1, expected to cost \$1M as per below:

- A\$250,000 for Exercise and Access Fees
- A\$100,000 to prepare review of environmental factors
- A\$25,000 for survey and drafting
- A\$190,000 for drilling, sampling and assaying.
- A\$75,000 for development of a computerised, 3-dimensional geological model to support mine planning.
- A\$150,000 for environmental monitoring and applications for bulk sampling.
- A\$50,000 for option fees on land purchases
- A\$161,250 for Stamp Duty and other Development Capex

Approval may be either under the existing ELs, through new Assessment Leases (AL) or through applying for Mining Leases. The quickest route to approval will be followed once advice regarding that route is received from the State Government.

Stage 2 is the work required to undertake the bulk samples and subsequently full scale mining.

Stage 2 will require:

- A\$500,000 for drilling and assaying
- A\$50,000 for further geological modelling
- A\$300,000 for further work on Environmental Approvals
- A\$500,000 for land purchases
- A\$2,000,000 for a mill
- A\$800,000 for equipment purchases
- A\$50,000 for equipment mobilisation; and
- A\$300,000 for other development capital

This is the expenditure for Year 1 of Stage 2 only. Upgrades to mining equipment and milling capacity in subsequent years will cost a further A\$20M, but it is believed that production can be commenced for a total cost of A\$5.5M. There will also be A\$0.5M required for working capital when operations commence.

The A\$1.0M payment in Stage 1 will be used to tighten up forecasting for Stage 2 when Bulk Sampling will be undertaken. A "Go: No Go" decision would be taken at the end of Stage 1 prior to committing to Stage 2.

Gold Mining to Achieve rehabilitation of abandoned mining dumps and Quarry Products Supply

Background

NSW Main Roads is calling for tenders for quarry products supply a project to construct 150 kms of road west of Coffs Harbour. The dominant ground rock at Dalmorton is predominantly Dacite, which is ideal for this purpose and also for concrete aggregate and other quarry products.

There are rocks large enough for rip rap, and fine enough for brickys sand. The medium size in between can be used for mattresses, railway ballast, concrete aggregate and road base.

The gravels are a little too rounded for some applications, but if a portion of the material is lightly crushed, premium quarry products for a wide range of applications could be produced.

The creek in the vicinity of the Mt Remarkable workings contains quantities of Gold. The Gold reef that was mined at Mt Remarkable crosses the creek as well as outcropping in the hills on both sides of the valley below. Minor quantities of gold are expected downstream from this intersection. It is not anticipated that Gold contained in the creeks would be in sufficient concentrations to justify mining for Gold.

The 10 head stamper that remains at the site used Mercury as a means of recovering the Gold. Whilst no tests have been done, it is possible that small quantities of Mercury persist in the area for short distances downstream from where processing was previously undertaken.

Note that it is proposed to relocate the stamper to the camping grounds in Dalmorton as this is a significant historical artefact.

There are signs banning fishing for Eastern Cod at regular intervals along the roads in the area, suggesting this was once an important breeding ground for this species. There are apparently exotic cat fish in the creeks that may have displaced the Eastern Cod.

Proposal

1. Treatment of Lantana

This will be sprayed and burnt after dying. The process will be repeated each year during the term of the Mining Tenements or until the lantana is eliminated, whichever comes first

Quarry Operations

Large rocks suitable for rip rap will be set aside for that purpose. The remaining gravel will be fed into a trommel. The fine material will be run through a Knelson type gravity processor that will recover any alluvial Gold present. No chemical processing will be required as alluvial Gold is not combined with other materials and exists as free gold in the gravel beds.

Tailings from the Gold processing will be tested for Mercury contamination that may be present as a legacy from the 19th century mining activities. If any Mercury is found, the contaminated material will be taken elsewhere for treatment at a facility licensed for that purpose.

Gold recovered will be a negligible portion of the gravels as the concentration is expected to be less than 1 gram per tonne or 1 part per million.

As surrounding country rock consists of Dacite, quarry products produced from a 25mm aggregate will be at the high end of the quality spectrum.

Fine material from the Gold processing will be sized using cyclones to produce coarse sands for use as high quality:

- brick laying sands;
- fine material in concrete aggregate; and
- blending with coarser material in road base

Coarse material from the trommel will be screened into different sizes for different applications including:

- Larger sizes could be used for mattresses;
- Medium sizes for railway ballast;
- Smaller sizes for concrete aggregate or road base

Some of these fractions may need to be lightly crushed to produce angular shapes and or some additional fines for the road base.

The mining and crushing cost will be less than an equivalent quarry mining fresh Dacite because the rock is already broken down into convenient sizes. It only requires light crushing to create angular shapes to improve binding. The lower mining and crushing costs will however be offset by the rehabilitation works proposed.

The average haul distance to the proposed road works is 150 kms. The logging tracks above the Old Grafton Road are capable of handling the necessary traffic flows, however it is proposed with council permission to upgrade the dirt road

portion of Old Grafton Road to improve safety, improve access to the area and reduce haulage costs. Expenditure will be committed at the rate of 5% of gross sales price of quarry product. This is expected to pay for:

- An excavator and trucks to mine the "nose" off sharp corners to straighten the road, feeding the material mined into the quarry product sales where appropriate. There are about 15 areas over 40 kms of dirt road, where removing a small amount of material will significantly enhance road safety due to improved vision and more passing width through flatter corners. This will start from the eastern end of the road.
- Tar sealing of the road as it is progressively straightened

The upgrade of the road will significantly improve access into the area for tourists

Mining, tourism and protection of the environment can all be achieved within the same broad project objectives. The intention is to improve the environment by reducing the lantana in the area to make creek walks easier and the surroundings more attractive. This will encourage tourists to the area.

Consideration is being given to the construction of an office in the area and the downstairs part of this office will be a commercial area providing:

Benefits Arising

- The Federal Government benefits from the taxes paid by the direct employees and employees of service companies created indirectly to support the project.
- The Federal Government benefits from the reduced liability for welfare payments in this high unemployment area.
- The State Government benefits from the royalties earned from the Gold
- The State Government benefits from any Payroll taxes earned
- The local Councils benefit from having road standards for those roads directly required by the project improved at no cost to Councils as well as the increased income in the district from increased tourism
- The local Councils benefit from having a competitively priced source of high quality quarry products for other roads under their jurisdiction
- The local community benefits from employment opportunities and better tourist facilities at Dalmorton

BACKGROUND

The tenements include many historical mining sites within the Dalmorton Gold field in what was then a relatively inaccessible area. These sites are listed within Appendix with associated data relating to production obtained, reef size and grade where such information is known.

The development of the field in the 19th Century was frustrated by a lack of capital to develop access and crushing facilities. Long hauls through difficult terrain added to the cost. Whilst many rich outcrops were encountered, they were either less than the necessary 1 ounce per ton cut-off grade applying at the time, or too small to support the capital required for standalone development.

A substantial increase in gold price, favourable \$A/\$US exchange rate, improved processing technology, much lower cost mining techniques, better access to the area and a new approach to consider the prospect as a number of satellite operations feeding centralised mills has changed the economics to make these tenements prospective. Historical production records have been obtained for 19 of the 29 known mining locations lying within the ELs and a JORC 2012 compliant Resource Statement prepared for 4 of the targeted sites. There are assays from 24 mines, with 19 bulk samples totaling 2,300 tonnes, returning a weighted average grade of 31.35 grams per tonne.

The JORC Statement identifies:

- an inferred resource of 430,000 t @ 1.9 g/t at Pine Creek
- a further exploration target of 400,000 to 1,200,000 t @ 1 — 3 g/t at Pine Creek
- an exploration target of 65,000 to 260,000 t @ 15 - 25 g/t at Mt Remarkable
- an exploration target of 200,000 to 400,000 t @ 10 - 20 g/t at Mt Poole; and

- an exploration target of 24,000 to 48,000 t @ 2 - 4 g/t at Alice Cornwall

Given that these are just 4 sites from 29 known targets within the ELs, there is considerable potential for upside not only within the sites referred to above, but in the likelihood that some of the other sites will demonstrate similar potential.

The JORC statement advised that:

"The distribution of gold grades in these types of veins can be extremely erratic, and this type of mineralisation tends to be nuggetty, making it notoriously difficult to define by drilling - it is possible to intersect the vein structure but find little or no grade. There may also be higher grade shoots within much lower grade material, or the individual veins could be discontinuous, forming en-echelon arrays or pinching and swelling dramatically."

Narrow vein deposits are at the risky end of the spectrum of gold mineralisation. Dominy and Edgar 2012 caution: "High nugget effect gold veins are generally considered to be one of the most challenging of deposit types to evaluate and exploit. To potential investors and mining companies, they are viewed as high risk because of the associated uncertainties in the grade estimate and general paucity of reserves at production start-up. Despite the well-known risks, these deposits are often high grade and have a grade upside which makes them potentially attractive."

With the exception of the Pine Creek lode, all of the other historical gold occurrences mined ore that could be beneficiated with gravity techniques, but this is probably because the workings were shallow. Sulphide minerals are expected to be encountered at depth, but it appears that there is a large quantity of ore that can be mined and processed with a gravity mill before Sulphide treatments need to be considered.

Note that in the JORC Statement, it is advised that:

"In assessing the narrow epithermal vein deposits, it should be noted that it is not uncommon for mineralisation close to surface to be enriched, with significantly lower grades at depth. Therefore the grades cited in historical records may not be representative of the deeper mineralisation."

The structure of the deposit suggests a low mining cost for both the initial open cut work and any subsequent underground operations.

Whilst access to the area includes 27 kms of dirt road, the road is well maintained. The only requirement for bulk transport would be if quarry products were to be sold in addition to any gold mined.

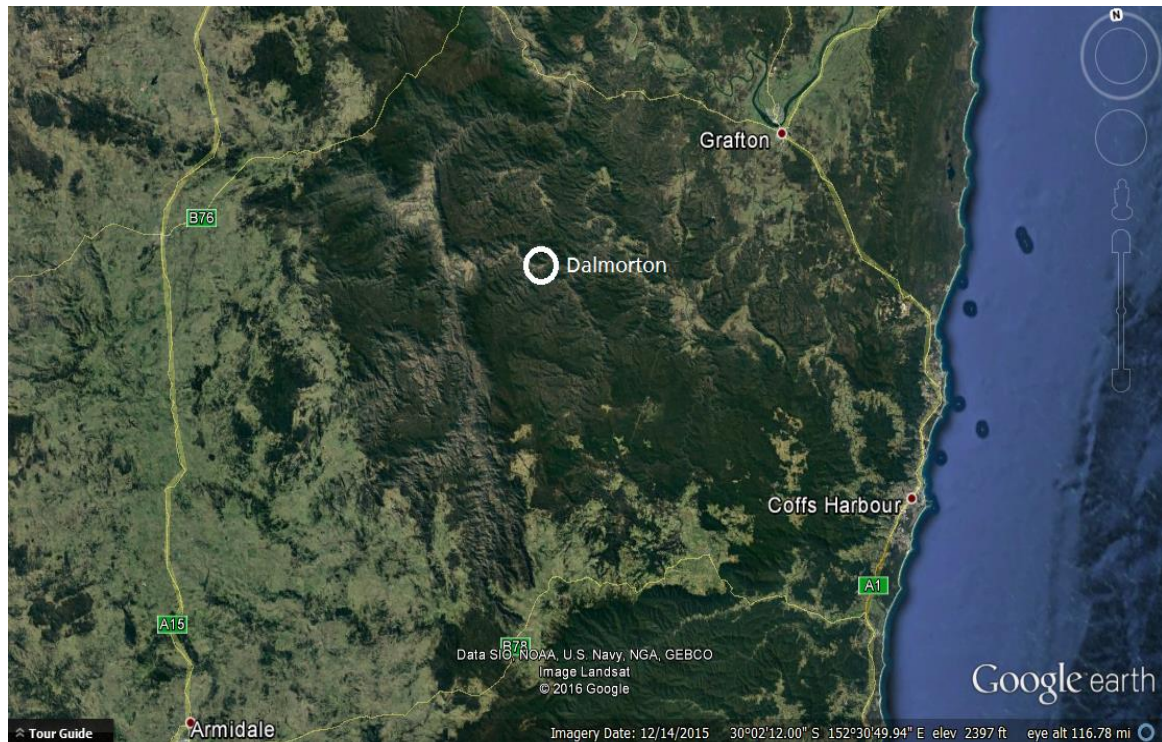
In conclusion, it can be stated that the type of mineralisation encountered makes grade estimation difficult or expensive, but this is offset by the number of mining targets identified and the high grades encountered. It would appear that the risk associated with the difficulty of estimating grades and resources within this type of mineralisation can be mitigated with a development strategy that provides flexibility with respect to where ore is mined and the quantities that are recovered. An initial bulk sampling programme followed by a more conventional Mining Lease approval based on areas where the bulk sampling has demonstrated that this is justified would seem to be the best pathway to follow.

It should be noted that whilst the development strategy proposed can be secured under the provisions set out within the Mining Act, that such approvals will require some political will. The current circumstances surrounding the mining industry and unemployment within the Clarence River Valley suggest that political support for the project will be likely, provided environmental issues are appropriately addressed at each stage of the project.

LOCATION

EL8118 and EL8273 are located approximately 67 Kilometres west of Grafton in New South Wales on the Old Grafton to Glenn-Innes road.

Figure 2.1: Location of Dalmorton



The Old Grafton to Glen Innes road is sealed for 40 kilometres, with the last 27 kilometres from Buccarumbi at the Nymboida River to Dalmorton being a high quality dirt road with a few bends that could easily be straightened to improve visibility and line.

The EL's are situated in rugged terrain comprising high ridges separated by steep sided valleys with intermittently flowing creeks that flow into the Boyd River, which is also referred to in historical documents as the "Little River".

The area is susceptible to flooding on the Boyd River and Dalmorton can be inaccessible when floods occur.

Various forestry tracks are in use, and previous tracks from exploration activity are still usable.

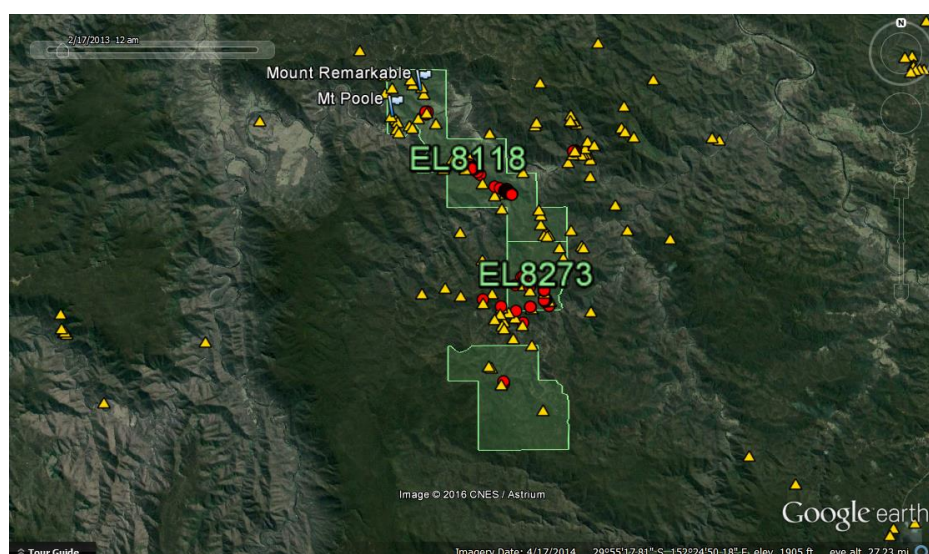
Access to Mt Remarkable, the Pine Creek Lode, Mt Poole and the Alice Cornwall area are possible with conventional vehicles, but 4WD vehicles are recommended.

EL 8118 lies North West to south of Dalmorton, with EL 8273 being south of Dalmorton.

The two ELs share a common boundary as shown on Figure 2.2 below, which also shows the historical drill holes as red circles, and historical gold reefs as green triangles.

The original EL 8118 (12 units - 36 square km's) and EL8273 (4 units ~ 12 sq klms), are shown outlined in green.

Figure 2.2: The original 2012 EL Boundaries with drill holes and gold occurrences



EL 8118 was renewed on 11 January 2017 in 2 parts covering 6 units containing the historical gold deposits, EL 8273 is for 4 units and renewal is under application for 2 June 2017.

The figure below shows the current exploration licenses outlined in red. EL8118 is the two northern areas, while EL8273 is the southern marked area. The primary gold deposits are within the current licenses.

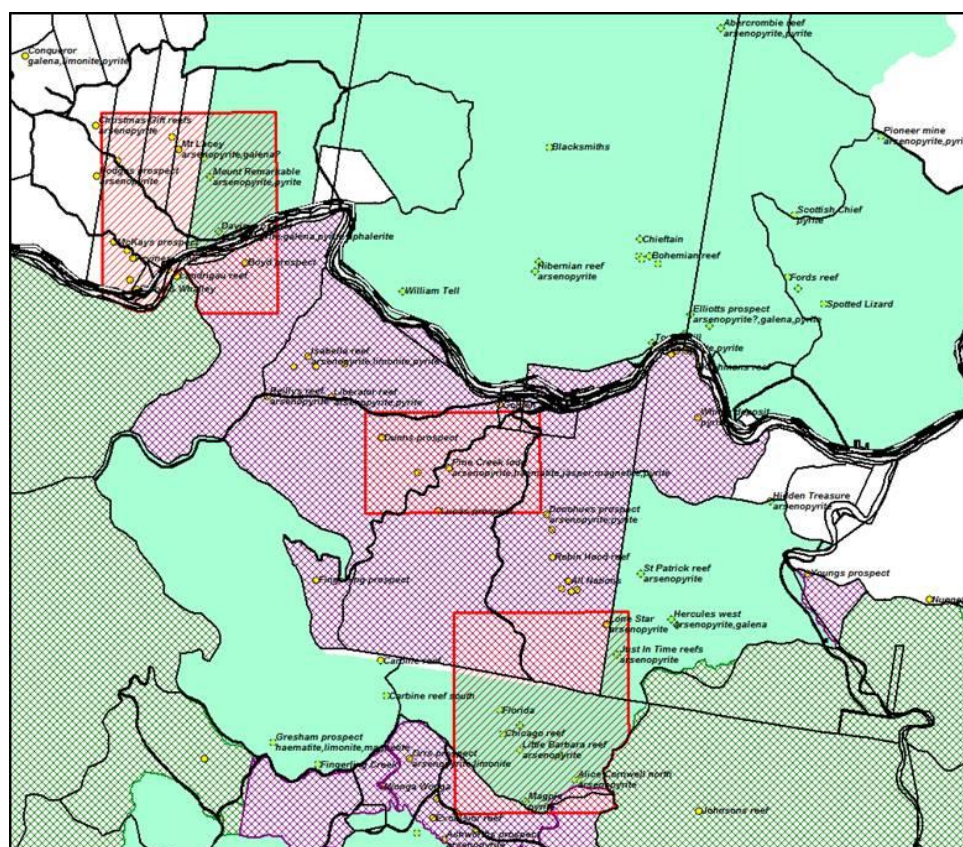


Figure 2.3: Conceptual IRGS model



The model above shows the “Pine Creek” ironstone strike extending for 6 Kms from SSE-NNW. The ironstone is mineralized with gold and other metals. A later epithermal geological event fractured the ironstone and is evident in multiple sheeted quartz outcrops carrying rich gold. These outcrops were the first discovery of gold in the area and there are over 60 historical artisanal gold mines inside the ELs.

The first four targets under consideration are Mt Remarkable, Pine Creek, Mt Poole and Alice Cornwall.

The location of these prospects are shown in the Map Grid of Australia (MGA) survey coordinate system in the table below:

SITE	NORTHING	EASTING
Mt Remarkable	6,699,945	440,981
Pine Creek	6,694,412	445,278
Mt Poole	6,698,409	439,548
Alice Cornwall	6,688,645	447,307

2.1 Mt Remarkable

This is in reality a ridge running from the Boyd River between Sheep Station Creek, a tributary of the Boyd River, and Wintervale road to where the Wintervale Road intersects with Blacksmith Shop Road. The mineralisation consists of an almost vertical vein that runs perpendicular to the valley formed by Pine Creek above Dabchick Gulley.

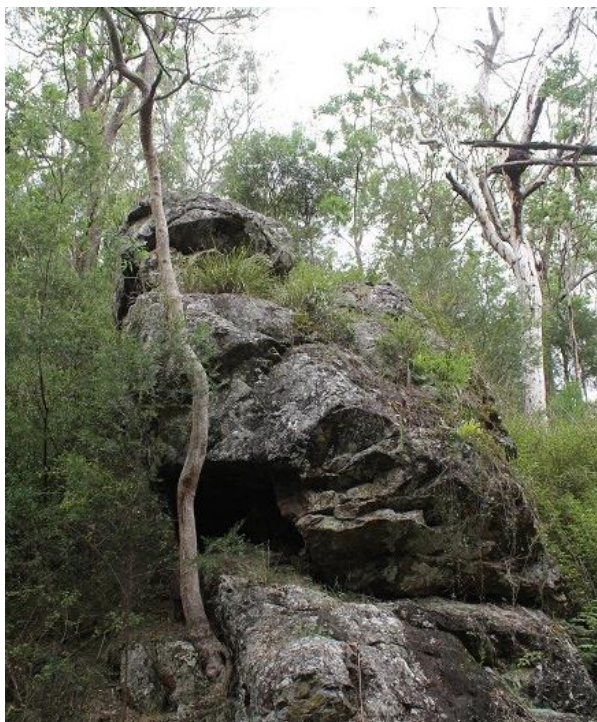
An underground tunnel enters the mountain about 20 metres above the creek level. Immediately below the lower of three adits, an historical 10 head stamp remains. The stamper operated between 1937 and 1942 when gold mining operations ceased.

Figure 2.4: 10 Head Stamper



2.2 Pine Creek

Pine Creek is a major tributary of the Boyd River, running parallel to the Boyd behind the Dalmorton Camping Grounds for about 500 metres and then joining the Boyd near the centre of the former township.



The photo to the left shows the ironstone outcrop on the eastern side of Pine Creek. It is about 5 metres wide at this location.

The mineralisation consists of an impressive outcrop of ironstone at creek level (Pine Creek) that rises perpendicular from the creek bed to the top of the hill. This outcrop has been traced for several kilometres and was drilled in the 1980s. The outcrop is apparently offset on the other side of the creek due to a slip fault.

The Pine Creek lode horizon has a strike length of around 6km in the vicinity of the Pine Creek deposit, with about 1km to the southeast and 5km to the northwest of the deposit. The northern end of this section of the lode appears to be overlain by intermediate to basic volcanics, so the lode could continue under these volcanics.

Figure 2.5 Mineralised chert-ironstone sample from the Pine Creek lode



Further to the northwest, another section of the lode is exposed on the north side of the Little River and has a strike length of several hundred metres. The length of lode from here to the other side of Pine Creek is around 8km, assuming it is continuous beneath the volcanics.

As stated above, the Pine Creek ironstone could have a strike length of 8 kms, despite some of that length being buried beneath volcanic flows. Figure 2.3 below shows where the ironstone lies with respect to the EL boundaries and how the later deposited quartz veined reefs sit with respect to the ironstone. It also shows a possible extension of the Pine Creek Lode between where Mt Poole and Mt Remarkable are located. It could be that the more weather resistant ironstone has resulted in the ridge that lies between Sheep Station Creek and Frenchman's Creek.

2.3 Mt Poole

These workings are located south west of Mt Remarkable on the slopes above Frenchman's Creek. The area is accessible by an unnamed track running south from Blacksmith Shop Road.

2.4 Alice Cornwall

This is the southernmost mining area within the ELs. Goldfields Road is a good standard dirt road and runs between the two notable excavations in the area.

HISTORY OF DALMORTON



In about 1840 the area started seeing the first of timber getters, drovers and cattlemen coming west from the coast. Once the New England tablelands were developed bullock teams would draw wagons of wool from Glen Innes for the Grafton Docks and back load supplies for the inland areas.

In 1866, the traffic passing through the area justified the construction of a 20 metre long tunnel through Dalmorton Bluff.

The tunnel is still used 150 years later and is shown in the photo on the left.

A Gold Field was declared in 1871 after a large quartz reef was discovered and by 1872, Dalmorton was a thriving gold mining centre. At least 50 reefs were worked by hundreds, perhaps even as many as a thousand miners.

The town grew rapidly and had at its peak: 13 pubs, 4 stores, two butchers, a school, police station, stables and jail, post office, 2 bakers, a blacksmith shop, coach station and a surrounding population of about 3,000 people living off the proceeds of a great but brief gold rush. In 1875, the Buccarumbi Bridge was completed after 6 years of construction. This bridge was destroyed in the 1946 floods when the water was running 1.2 m over the rails. Remains of the bridge piles can be seen in the photo below. The bridge has since been replaced by a concrete causeway.

Figure 4 Buccarumbi Bridge



Artisanal mining from 1871 through to 1942 proved that Gold could be produced by hand in the area. The deposits mined were operated to a cut-off grade of 1 ounce per ton.

Miners selectively mined the quartz reefs until their mining methods were unable to commercially sustain their activities. A lot of the mining activities were recorded between 1871 and the 1890s. The establishment of a mine at Mt Morgan in Queensland in 1882 Mt Morgan and at Kalgoorlie in Western Australia in 1893 attracted people with mining skills by offering good wages—a less risky reward for the hard work involved and many miners abandoned their claims from all around Australia at this time to take up the paid work.

The First World War killed most of the young men who volunteered, but a few families battled on through the 1930s and 40s. Bob O'Bryan was the last policeman in the town and left in 1961 when the population fell to just 8 people.

Today the war memorial, some derelict buildings, a camping ground and a road sign are all that remain of the township of Dalmorton.

The scenery around Dalmorton is spectacular with the Boyd River nestled among high forested slopes.

National Parks & Wildlife Service have opened a new camping and picnic area near the Boyd River. The campsites are designed for camper trailers, vans and tents. There are also camping areas for larger groups. Facilities include: Picnic tables, toilets, fireplaces and an information shelter.

NEARBY COMMUNITIES

Buccarumbi, 27 kilometres east also has a camping ground, but little else apart from the ruins of the bridge that was completed in 1875 and washed away in the flood of 1946.

As Dalmorton is located on the Old Grafton Road between Grafton and Glen Innes, they are the nearest communities. In between, there are numerous small landholdings concentrating primarily on cattle.

CLIMATE

As Dalmorton lies on the road about midway between these two communities, the climate records from these communities provides an indication of what can be expected at Dalmorton, but it should be noted that Grafton lies on a coastal plain and Glen Innes lies on an elevated inland plateau, whereas Dalmorton sits within the steep sided mountainous country that transitions from the coastal levels to the New England Plateau.

Grafton has a humid subtropical climate with significantly more rainfall and higher temperatures in summer than in winter. Rainfall is lower than in stations directly on the coast, but monthly rain totals can often surpass 300 millimetres.

The wettest month since records began was March 1974 when Cyclone Zoe produced a monthly total of 549.0 millimetres, whilst during periods of anticyclonic control and strong westerly winds, monthly rainfall can be very low; for instance in July 1972 only 0.3 millimetres fell.

Grafton gets around 115.2 clear days on an annual basis.

Glen Innes is 1,062 metres AHD with an average annual rainfall of 857 mm. The area has one of Australia's coldest climates outside the Snowy Mountains and Tasmania, with mild to warm summers and cold, windy winters with regular frosts and occasional snowfalls, though many snowfalls do not settle.

Glen Innes's highest recorded temperature was 37.0 °C on 4 January 2014, and its coldest was -12.8 °C on 8 July 2002. Rainfall is heaviest in late spring, owing to the effects of the surrounding mountains, causing uplift which in turn causes frequent, heavy storms during this period.

LAND TITLES

Land ownership consists of Freehold, State Forests and a State Conservation Area.

The State Conservation Area permits mining, but obviously this must be undertaken in a manner sensitive to the environment.

The map will be used to identify the properties within the EL. These will be listed and searches conducted on the list so that all property owners are identified. It is believed that most of the land is owned by the State Government.

The purchase of some small parcels of land would be advantageous where mining will occur, but also for a mill, workshop and offices. Payment of Option Fees totaling about \$50,000 should be sufficient to secure the properties required. The Capex programme allows for \$1.5M on land acquisitions over 3 years once bulk sampling commences.

MINERAL TITLES

Tenements Held

Copies of the tenements are attached in Appendix

EL 8118 was granted on 27 June 2013 and renewed on 11 January 2017. ABN IR has already commenced the process of renewal of the EL 8273 due in June 2017. There is a \$10,000 security held against the EL.

EL 8118 comprises 6 units and covers almost 18 square kilometres. EL 8118 loses a small amount of land to the Guy Fawkes River National Park.

EL 8273 was granted on 2 June 2014 and the renewal will be lodged on 2 June 2017. EL 8273 has 4 units covering almost 12 square kilometres, but loses a small amount of land to the Chaelundi National Park. There is a \$10,000 security held against the EL.

There are 29 identified mining locations within the ELs, which have been located. There are a further 31 sites located outside the ELs that can be acquired with the addition of 13 more blocks covering approximately 39 square kilometres.

Production records from these sites show a total of 5,457 tonnes mined for an average grade of 33.84 grams per tonne.

The company has commenced the process to acquire these additional areas under a new EL. The Resource Inventory noted later in the IM contains a list of known information about these sites.

Given the environmental sensitivity of the area, the supporting documentation for the additional Exploration License area will need to be extensive. A total of \$100,000 is anticipated for the application fee and the cost to prepare. As advised above, it is not yet clear as to whether this area will be included in the existing arrangements, but the financial outcomes modelled assume this will be the case.

APPROVALS REQUIRED

7.2.1 Renewal of EL 8118 in June 2017 and EL 8273 in June 2017.

7.2.2 Documentation is currently being prepared for submission to the Department of Industry in conjunction with the renewal fee prior to 27 June 2017 for EL 8118 and prior to 2 June 2017 for EL 8273. The company has already engaged Mining Title Services Pty Ltd, a respected consultancy with considerable experience in this regard, to prepare and submit the application to renew. Mining Title Services Pty Ltd has been responsible for all liaison with the Department for issue of ELs and renewals since 2012.

7.2.3 The application for an exemption against the requirements to relinquish 50% of EL 8273 will be submitted in conjunction with the application to renew, however in the event of relinquishing 50% of EL 8273, the primary deposits are still retained.

7.2.4 Securing Additional EL area

The intention here is to develop the area between the existing ELs and the surrounding National Park, or at least that portion of that area that secures as many of the other historical mining sites as possible.

BULK SAMPLES UNDER THE EL

Exploration Licences permit bulk sampling under certain conditions and it may be possible to take up to 5 bulk samples under these provisions. It can be expected that the samples will be limited to 20,000 tonnes of ore or a maximum of 4 hectares of disturbance at each site.

As some of the bulk samples would be located within a State Conservation Area, the approval process cannot be predicted with certainty, but there is nothing that is evident within the area or the legislation that prevents such an approval. The applications will need to be made to a very high standard and political support secured.

Samples should be obtained from Mt Remarkable, Pine Creek, and Alice Cornwall because the style of mineralisation in these three deposits is very different and the nugget effect in the gold bearing ore does not make drilling as cost effective as a bulk sample.

The Mt Poole sample would be justified on the basis of determining if this is an extension of the Mt Remarkable reef as this would in turn ultimately justify trenching between the two sites to determine continuity. Alice Cornwall lies within EL 8273. The other three areas are within the current boundaries of EL 8118.

Discussions are required with the Department to determine what approvals can be secured under the ELs for a bulk sampling programme. There is no doubt that the Minister has the power to approve the 5 bulk samples sought, but support is required for this outcome to be achieved.

A Review of Environmental Factors (REF) will be required to support the application for these bulk samples. This is expected to cost \$450,000. This cost is included within line item in the cashflow listed as "Environment & Approvals". The subsequent cost in this regard for conversion of the ELs to Mining Leases is expected to be \$500,000.

If the bulk sampling process under the EL is refused or limited to a lesser total than 100,000 tonnes, approval for bulk samples would then be sought by applying for an Assessment Lease.

The Project would acquire a mobile mill that could be moved from central locations to service a couple of bulk sample sites at a time. The bulk samples would allow not only the mining cost to be accurately determined, but would also provide sufficient ore for testing metallurgical recoveries and processing costs. As the milling cost is anticipated to be similar to the mining cost, and recoveries need to be proven, obtaining information on the milling is just as important as obtaining information on mining.

7.2.4 Assessment Leases

Assessment Leases (ALs) are provided within the legislation for the purpose of assessing the economic viability of a mining operation. This is an important interim step with mineralisation such as that at Dalmorton. It is better to approach the development of a mine of this type in steps as opposed to making commitments that are beyond the level of knowledge held at any particular time.

It may be possible to secure a single Assessment Lease or a number of such leases that would permit a bulk sample at each of the sites identified where previous mining occurred.

The AL would provide approvals for up to 20,000 tonnes of ore or 4 hectares disturbance at perhaps 10 of the 29 identified sites, or perhaps a total sum and area across a number of sites. As with the bulk samples under the EL, whilst there is provision within the legislation for such a process, application for the grant of ALs are required.

The REF prepared to support the EL bulk samples will provide a lot of supporting data for the ALs, but \$450,000 would be required to cover the basic planning necessary for the work at each site. This cost is covered in the line item listed as "Development Capex".

The EL bulk samples and the AL approvals will only be secured for the purpose of mining surface gold that can be recovered with gravity processes. The bulk samples will therefore be worked down to a level where Sulphide Ores are encountered or the maximum sample tonnage of 20,000 tonnes of ore whichever comes first.

It should be noted that the gravity processes proposed for both EL and AL samples will recover any Sulphide ores encountered as concentrates and these will be set aside until a mill capable of processing such ore is available.

7.2.5 Mining Leases

As the bulk samples proceed, the information gathered will be used to support an application for a Mining Lease (ML). Data from the bulk samples will be compiled with drilling undertaken from the base of the sample pits into identified mineralisation to test continuity at depth as well as identifying the base of the Regolith, where it is expected that Oxide ores will transition to Sulphide ores.

This process is expected to identify a number of longer term mining opportunities that will be a mix of small scale open cut and underground operations. Those areas identified as justifying a larger operation than a 20,000 tonne ore sample will require Mining Leases.

The ML will include a processing mill that can handle Sulphide ore as well as recovering free gold. It is believed that just a single such mill would be required to service the multiple mining sources within the Gold Field. The transport cost to such a mill at \$0.20 per tonne kilometre would be a maximum of \$2.00 per tonne. This would appear to be a better economic solution where a larger scale mill would provide economies of scale that exceed the cost of trucking to a centralised mill from a number of remote locations.

The geological, mining and environmental studies required to support an ML in the Dalmorton area is expected to cost \$1.0M.

The ML will seek approval for each area sampled where the results of such sampling justify exploitation at a larger scale. An AL (if required) will probably be sought over the rest of the combined EL areas as a holding strategy so that any other prospects that are not already known, that are discovered within the AL can be sampled and developed where justified. Each mining site added to an ML will require Development Consent and additions of new ML areas if required.

NATIVE TITLE

To be investigated.

There is a portion of State Land held as State Conservation Area (SCA) which may require Native Title considerations, however the primary activity will be outside of the SCA.

GEOLOGY

9.1 Regional Geology

The EL setting is part of the Terra Australis Orogen, an accretionary orogeny [Cawood, 2005; Cawood et al., 2009] that preserves the latest Neoproterozoic to early Mesozoic convergent plate margin assemblage that developed along the paleo-Pacific and Iapetus margins of Gondwana.

The easternmost segment extends 1,600 km from north of Sydney to Townsville and is referred to as the New England Fold Belt [Leitch, 1974].

The New England Fold belt is bounded to the west, and in part over thrusts, the late Paleozoic to Mesozoic Sydney, Gunnedah and Bowen basins, and is divisible into northern and southern portions by Mesozoic and younger strata of the Clarence-Moreton Basin.

Regional tectonic control is thought to be associated with the Demon Fault thrust system which compressed and then dilated the Coffs Harbour Block sediments allowing mineralised fluids to accumulate in vein voids. These rocks are

considered to form a subduction complex and such rocks in other parts of the New England Fold Belt commonly contain small stratiform manganese, copper and gold occurrences.

Deposits of the type here are ferruginous cherty horizons associated with keratophyres and termed ironstones. Seven strata bound gold deposits occur in the ironstones of the general area: Goodyears Reef, Mosquito Creek Prospect, Gresham Prospect, Unknown Prospect, Ghost Hill Prospect, the Pine Creek Lode and Donohues prospect.

9.2 Local Geology

Within EL8118 & EL8273 all known rock types comprise a sequence of interbedded sediments and volcanics of Silurian to Devonian age.

Various portions of the bedded sequence have previously been classified as the Coffs Harbour, Mann River and Little River Beds.

Rock types in the Little River Beds are comprised of tuffaceous greywackes, slates, sandstone, siltstone, cherts, argillites and claystones interbedded with tuffs and volcanics.

Bedding is steep to vertical, trending south-easterly, foliated with several phases of structural deformation. Regionally, the geology is unchanging, however variations in rock-type and facies in the EL are complex with all rock-types in the tenement containing abundant quartz veining.

Of principal features of interest in the tenement are the quartz reefs, ironstone, gold associated with quartz/magnetite/sulphide associations, alteration zones and potentially a larger inferred gold resource.

The ironstones extend well beyond the EL and the exploration work by Little River and the JV partners in the 1980s was extensive.

Gold mineralization has been observed in both quartz reefs and stratiform siliceous ironstone lode formations with both types containing free gold and gold associated with the sulphides: pyrite, arsenopyrite and galena.

The gold bearing reefs are believed to have formed later than the surrounding or underlying rock formations, are structurally controlled and vary in composition from quartz to varying assemblages of ironstone, quartz, serite, calcite and black slates, often laminated or banded by distinct sulphide planes.

Mineral occurrences both inside and outside the EL boundaries reveal some very prominent north east trending drainage lineaments that pass near Pine Creek, just south of the Alice Cornwell mine.

The gold bearing reefs are oriented east west and orientation is with associated lineations on satellite images and aeromagnetics.

To the south west of Pine Creek going northeast, the topography suggests the strata has bowed and certain horizons achieved extra thickness here due possibly to an original depositional feature related to faulting, or deformation associated with the structure forming the drainage lineament, not seen elsewhere in the area.

9.3 Authority History and Previous Exploration

Alluvial gold was won from the Little River (now known as the Boyd), its tributaries and creeks from 1860 to 1871. In 1871 the Union Reef at Quart Pot Creek south of Dalmorton carrying visible gold was discovered and a gold rush followed. In the next two years some fifty other reefs were discovered and worked, but usually to a depth of no more than 20 m.

The area contains numerous old gold workings of small rich quartz reefs and alluvial gold deposits, most dating from the 1870s and 80s.

Early production figures are uncertain. Estimates range from the official 486.5 kg through to speculative estimates of 2 to 8 tonnes, including gold taken from quartz reefs as well as alluvial operations in the Boyd (Little) River.

Gold is also found in siliceous ironstones associated with Sulphides in both free and Sulphide forms.

From 1981 through 1987 Little River Goldfields N.L. in joint-venture with Getty Oil Development Co Ltd and BP Minerals Australia (BPMA) explored the area extensively using aero magnetics, geochemistry, gradient array IP, drilling over 120 holes and spending over 3 million dollars. This program concentrated on the ironstone formations at Pine Creek and several localities along the Swan Creek ironstone and around the quartz reefs in the vicinity of the Alice Cornwell Mine area.

The large players were looking for large individual deposits:

"A realistic target was considered to be 0.5-5 million tonnes at 3-8g/t, either in a single orebody or as several smaller deposits, the ore from which could be milled at a central facility."

They therefore concentrated on the Pine Creek ironstone reef because of the volume of ore evident. The grade of the order of 10 grams per tonne in combination with the quantities determined in the 1980s was not however sufficient to justify start up. The average gold price during those seven years was \$391.34. This is less than a third of the current price and the reason why a grade of one third of the target level in the 1980s is of interest now.

A JORC Statement was prepared to accompany the 2015 Annual Report. A copy of the JORC Statement is attached in Appendix. Sections of significance from the JORC Statement are quoted below.

As the numerous other reefs in the area were typically only 1 metre but as narrow as 30 centimetres thick, these were not of much interest to the big players despite the high average grade of over 30 grams per tonne.

9.4 Specific Sites Targeted

9.4.1 Mt Remarkable

The Annual Report for EL 8118 dated 27 June 2015 contains a summary prepared from Mines Department Records. That summary is repeated below:

"Several reefs were discovered at Mount Remarkable near Sheep Station Creek north of the Boyd (Little) River about two kilometres north-east of Mount Poole. A tunnel was driven 84 metres along a reef 0.3 metres wide bearing northerly and about 120 tonnes were mined; 19 tonnes were crushed yielding 127 gm. Au/tonne.

The yield of the remaining tonnage is unrecorded.

In 1895 the mine was reported to be turning out payable stone and in 1896 another tunnel was being constructed with Government aid.

Mining continued sporadically until 1911 when a second reef was opened up about 40 m. from the first reef and a shaft was sunk. This reef was up to 1 m. wide and could be traced over 125 metres in strike length, bearing at 70° and dipping at about 60° south easterly.

The major activity at the Mt. Remarkable mine occurred between 1936 and 1941 when 694 tonnes of ore yielded 14.12 kilograms of gold (20.3 gm/tonne).

A "clean-up" in 1942 of 41 tonnes yielded 4 gm/tonne; at that time it was reported that about 500 tonnes of tailings were stockpiled averaging 4.7 gm. Au/tonne.

A recent channel sample taken over a one metre wide section of the second reef at the face of the lower tunnel was analysed at 20 gm. Au/tonne. The reef consisted of argillaceous rock with a number of narrow quartz veins.

A channel sample 15 cm. wide near the end of the upper tunnel gave a value of 11.7 gm. Au/tonne (footwall and hanging wall samples went 0.58 and 0.55 gm. Au/tonne).

A grab sample of black slate from mullock near the crosscut adit leading to the lower tunnel showed a value of 0.44 gm. Au/tonne.

A grab sample recently taken from a stockpile near the first reef, above the second reef workings, gave a value of 58 gm. Au/tonne."

The table below lists the activities as extracted from Mines Department records.

Mt Remarkable Mines Department Records

Year	Mined (tons)	Gold (ounces)	Grade (ounces/ton)	
1911	5			Development Work - probably driving of the shaft lower level adit
1936				Development Work
1937	112	133	1.19	
1938	61	33	0.54	
1939	33	50	1.52	
1940	165	77	0.47	
1941	296	111	0.38	
1942	41	5.25	0.13	"Clean up" - possibly processed mullock heap
	708	409.25	0.58	Weighted average grade

In the two adits just below the crest of the hill, the reef can be seen to be just 30 cms wide. In trenches across the top of the hill, the reef may exist as a very thin vein of 50 mm, but more trenching would be required to connect the structures and confirm they are conformable.

The JORC 2012 statement prepared for ABN IR for the ELs provides the following description:

Kater 1981 reports that several reefs were discovered at Mt Remarkable, one at least 84m long and 0.3m wide bearing northerly and another at least 125m along strike and up to 1m wide, bearing at 70° and dipping 60° south.

Lewis 2006 reports on two intersecting quartz veins, which may be the two referred to by Kater

Recorded production from Mt Remarkable (from Kater 1981) totals 1,254 tonnes at 15.2 g/t Au for 611 oz Au, which includes 500 tonnes of stockpiled tailings.

Rayner 1959 is quoted by other sources to have reported:

- *proven reserves of 7,000 t @ 24.8g/t Au*
- *possible reserves of 130,800 t @ 18.5g/t Au (over 312x154m)*

Note that the terminology used for reserves is pre-JORC and does not conform to JORC (2012) terminology. H&SC checked these estimates against a diagram by Rayner in Lewis 2006 - these estimates suggest an average thickness of around 1.0m, which appears to be the maximum thickness reported. H&SC estimate a total tonnage of 130,000 for the larger area (590x326m) indicated on the diagram assuming an average thickness of 0.5m.

The exploration target at Mt Remarkable is assessed to be between 1/2 and 2 times the existing estimate; the lower limit assumes an average thickness of 0.5m, while the upper limit assumes a 1.0m thickness over the larger area (or possibly thinner vein over an even larger area). Therefore, the exploration target is assessed to be between 65 and 260 Kt with a grade range of 15 to 25g/tAu."

The entrance to the lower adit believed to have been developed in 1936 is shown in the photo below. The adit stands well as shown in the photo below, with just a short section containing timber supports.



Figure: Bulk samples shown on historical diagram, with assays listed below, taken from the Departments database. Of 5 bulk sample locations, assays all exceeded 1 ounce per tonne

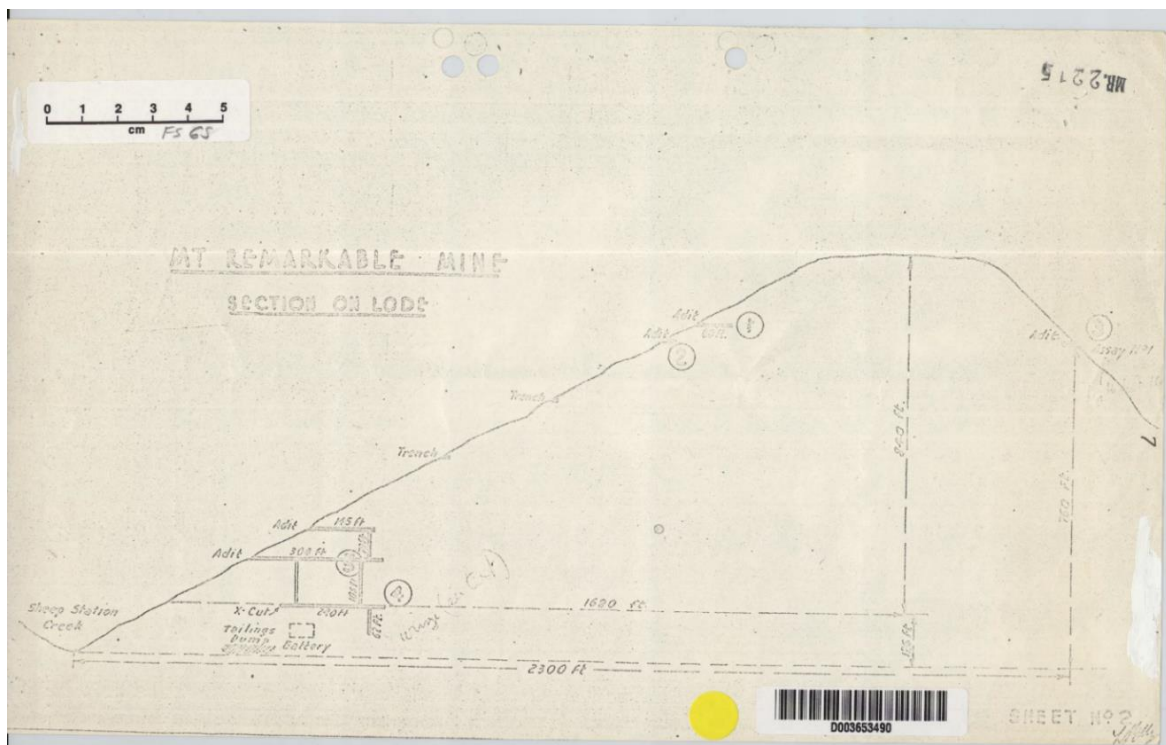
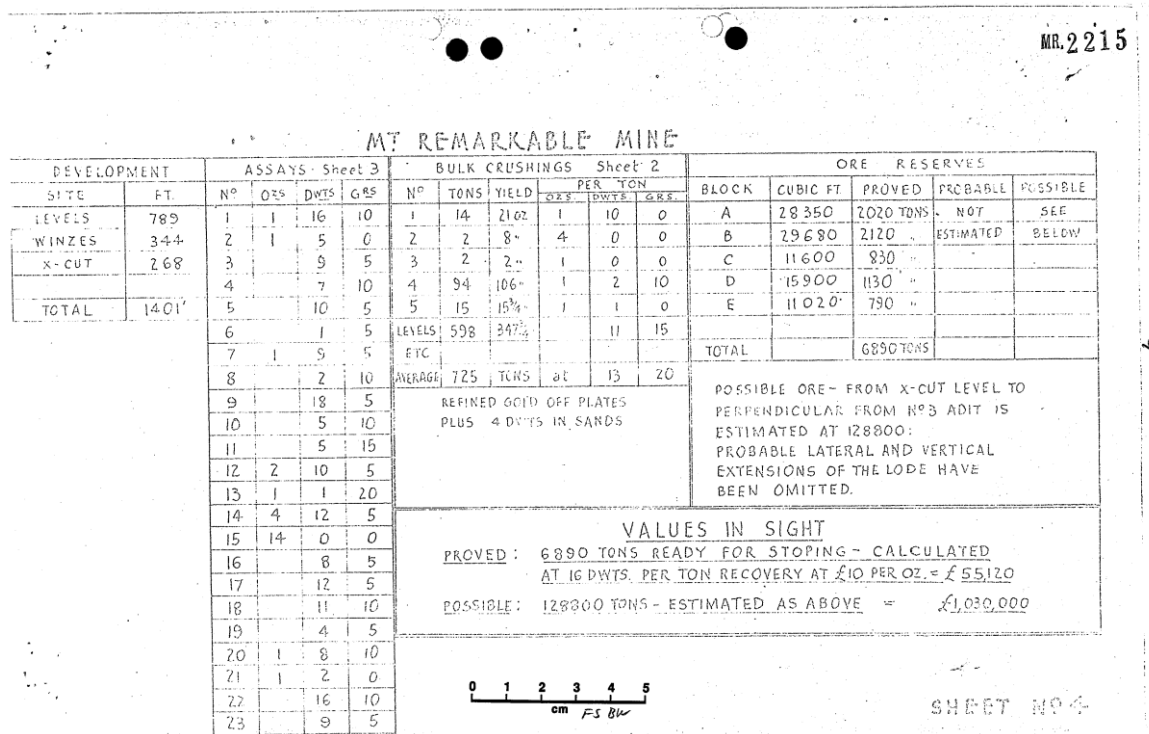
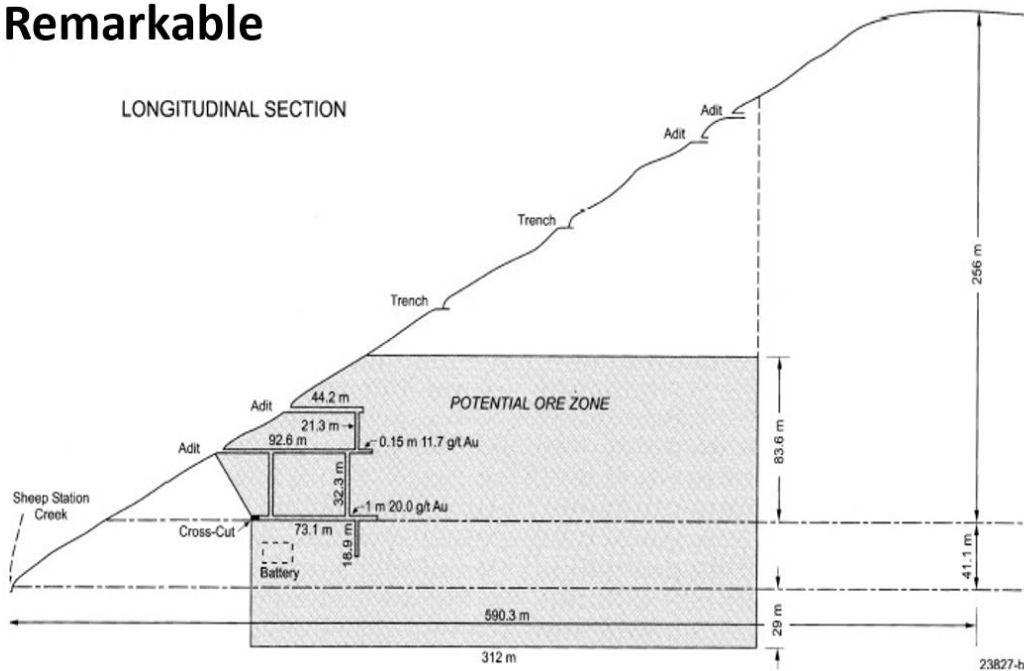


Figure 9.1 Cross Section

The cross section of Mt Remarkable along the plane of the reef shown above. The cross section was prepared by Rayner, the Government geologist in 1959.

The "Potential Ore Zone" is drawn showing just the lower level of the reef, possibly because it thins towards the surface. Five bulk samples were taken on the reef outcrops on both sides of Mt Remarkable in the early 1900s. Of the five samples, none were below 1 ounce au per tonne

Mt Remarkable



9.4.2 Pine Creek

The Annual Report for EL 8118 dated 27 June 2015 contains a summary prepared from Mines Department Records. That summary is repeated below:

"The Pine Creek reef consists of a near-vertical lode of siliceous iron stone extending east from Pine creek over about 500 metres and was prospected by the Occidental Gold-mining Company in 1899-1900 with several tunnels, shafts and cross-cuts to determine the size and grade.

25 tonnes of ore were sent to the Cockle Creek Smelter Works for cyanide treatment tests, however the results of about 12 gm. Au/tonne was in those days insufficient to consider mining as the grade was less than half what would have been payable gold with an oxidized ore.

Over a period of about two years, several trial crushings were conducted on ore from many parts of the reef and gold values were found to be very even over an average width of 4.6 metres though too low to be payable at the time varying between 9 gm. and 12.5 gm. Au/tonne and averaging 11 gm. Au/tonne.

The owner's still intended to try to operate in a large way with extensive machinery, however all attempts to raise capital were apparently unsuccessful and activities ceased in 1901.

A large sample of sulphide-bearing siliceous rock taken in 1981 from broken rock surrounding the main shaft was analysed at 10.6 gm. Au/tonne. Recent field work to the west of Pine Creek indicates the lode could extend over at least 3000 metres."

From 1981 through 1987, Little River Goldfields N.L. in joint-venture with Getty Oil Development Co Ltd and BP Minerals Australia (BPMA) extensively explored the area using aero magnetics, geochemistry, gradient array IP, drilling over 120 holes and spending over 3 million dollars. This program concentrated on the ironstone formations at Pine Creek and

several localities along the Swan Creek ironstone and around the quartz reefs in the vicinity of the Alice Cornwell Mine area.

The JORC statement prepared for the area provides the following description:

"The Pine Creek lode horizon has a strike length of around 4km in the vicinity of the Pine Creek deposit, with about 1km to the southeast and 3km to the northwest of the deposit.

The northern end of this section of the lode appears to be overlain by intermediate to basic volcanics, so the lode could continue under these volcanics. Further to the northwest, another section of the lode is exposed on the north side of the Little River and has a strike length of several hundred metres. The length of lode from here to the other side of Pine Creek is around 8km, assuming it is continuous beneath the volcanics.

Consequently, extensions of the Pine Creek lode beyond the Pine Creek deposit represent a substantial exploration target, as the Pine Creek deposit contains around 26 thousand ounces of gold over a strike length of 175 m. In 1987, an additional 3 holes were drilled immediately to the east of the Pine Creek deposit; one hole intersected 6m @ 3.0 g/t Au while the other two were barren. There are several barren holes between this intersection and the main mineralised zone, so it appears somewhat isolated, although it is possible that the other two holes were not drilled deep enough.

There has been some exploration along other parts of the lode including drilling at Dalmo Creek to the southeast, at Darby's Creek about 1.6km to the northwest and at Cat Head Spur on the north side of the Little River.

At Dalmo Creek, the best intersection out of 7 holes was 10m @ 8.7 g/t Au in a grey cherty ironstone in hole DL15, including 3m @ 24 g/t Au; however, there were no significant intersections either down dip (40m) or along strike (12.5 or 25m) so this intersection appears isolated.

At Darby's Creek, the best intersection out of 7 holes was 4m @ 1.4 g/t Au in hole DL18, including 2m @ 2.3 g/t Au; there are traces of mineralisation, including 4m @ 0.19 g/tAu, 50m either side of the DL18 intercept. At Cat Head Spur, the best intersection out of 4 holes was 2m @ 0.2 g/t Au in hole CATRC2 between 44 and 46m.

The gold mineralisation in the Pine Creek lode does appear to form lenses that can be quite discontinuous locally. However, over a strike length of 8km (5km exposed), there is still significant potential to find one or more additional deposits of the size of the Pine Creek deposit.

To quantify the exploration potential of the Pine Creek lode, H&SC consider that it is quite possible that 1 to 3 more deposits of the size of Pine Creek could be discovered. Therefore, the exploration target is assessed to be between 400 and 1,200 Kt with a grade range of 1 to 3 g/tAu."

9.4.3 Mt Poole Area (Mount Poole, Mount Poole Marvel & Mount Poole New Era)

The Annual Report for EL 8118 dated 27 June 2015 contains summaries prepared from Mines Department Records.

Those summaries are repeated below:

9.4.3.1 Mount Poole

In 1891, the discovery of a number of high grade gold reefs at Mount Poole near Frenchman's Flat at Springbrook 12 kms west of Dalmorton and close to the road on the north side of the Little River, caused a minor gold-rush in the district and the establishment of a town at Springbrook

At least five major parallel reefs known in order as Jimmy's, Bonnar's, Snake, Man/el and Kerry reefs, all carrying gold, were uncovered and worked along line by three companies - The Mount Poole Gold Mining Company, Mount Poole Marvel Gold Mining Company and Mount Poole New Era Gold Mining Company.

The Mount Poole G.M. Company encountered more logistical difficulties than the other companies and was not as successful, and often applied for Government aid. The company did however construct a tunnel cross-country which intersected Jimmy's and Bonnar's reef and encountered Snake reef, reported to be 1.7 m. wide at the end of the tunnel (91 metres) which was completed in March 1893 after nearly two years of driving.

It is known that some shallow shafts were sunk and about 70 tonnes mined from Snake and Bonnars reef however little else is known.⁷

9.4.3.2 Mount Poole Marvel

"The Mount Poole Marvel Gold Mining Company was formed in 1891 initially to operate the Marvel reef, near Mt. Poole, which was reported to be 0.76 m. wide at surface and 1.32 m. wide at a depth of 5.2 metres.

Initially bulk samples from the 5 m level were sent to Sydney for test crushings;

- *4.32 tonnes of quartz yielded 90.4 gm. Au/tonne, and*
- *1.83 tonnes of rubble yielded 127 gm. Au/tonne.*

Further test crushings, conducted at Dalmorton, of reef material taken from a depth of 10.5 metres yielded 413 gm. Au/tonne from 11.96 tonnes. In 1892, 167.6 tonnes yielded 5 kgm. of gold (30 gm. Au/tonne) and 300 tonnes were ready for crushing.

By 1893 five reefs were being worked, a new spur-road to a public crushing mill at Springwood had been constructed and the mine was being developed with the intention of providing 250 to 300 tonnes per month to the mill.

Kerry's reef was developed to a depth of 7.3 m. where the reef formation was 1.07 m. in width consisting of a quartz vein 0.43 m. wide carrying massive pyrite and a little free gold, and the remainder consisting of brown iron-stained gossan carrying free gold.

The Bonnar's and Snake reefs, about 45 metres west of the Marvel reef, are close together and the quartz vein material extracted from the reef formations was reported to be 0.46 m. and 0.51 m. wide respectively.

No specific information on Jimmy's reef is available, however it is known to have been one of the widest reefs and a large amount of quartz from this and the Marvel reef had been stock-piled by mid-1893 ready for crushing.

Difficulties seem to have been encountered with the public battery at Springbrook which in 1894 was removed to Coramba N.S.W., where rich discoveries had recently been made, virtually closing all activities except for some work the same year by tributors who had to cart ore 25 km to the nearest battery."

9.4.3.3 Mount Poole New Era

"The Mount Poole New Era Gold Mining Company started work on the various reefs at Mount Poole in 1891 and two test crushings yielded 32 gm. Au/tonne and 107 gm. Au/tonne.

Reefs tested were the Marvel and the New Era the latter varying in width between 0.38 m. and 1.07 m.

Litigation over the ownership delayed operations for more than a year but was decided in favour of the company which then raised additional capital.

In 1893, 59 tonnes of ore taken from a tunnel into the New Era reef, yielded 97.8 gm. Au/tonne.

Later in the year 406 tonnes of ore yielded 25 gm. Au/tonne.

In 1894, the mine was idle, having encountered similar problems to those of the adjoining Marvel Company.

In 1895, it was reported that 20 tonnes of quartz was crushed and a yield of only 8.6 gm. Au/tonne was recovered. The mine was abandoned soon after.

The width of the reefs, the number of them and the grades obtained suggest that this could be an exciting prospect.

9.4.4 Alice Cornwall

The Annual Report for EL 8118 dated 27 June 2015 contains a summary prepared from Mines Department Records. That summary is repeated below:

"Reef about 300 metres long bearing north-east, situated about 7 kilometres south of Dalmorton. Operated between 1890 and 1894 but no reports available."

Within the JORC report, it is stated:

Kater, 1981 reports "Reef about 300 metres long bearing north-east, situated about 7 kilometres south of Dalmorton. Operated between 1890 and 1894 but no reports available."

Lewis 2006 states "A quartz vein stockwork was discovered in the vicinity of the Alice Cornwell mine and is open at depth. An estimate of 12,000t at 3g/t Au is given by Wallner (1984). The stockwork needs further investigation."

Wallner 1984 says that "the mineralised quartz reef lies within a broad auriferous quartz stockwork zone". In 1983, 20 holes (RC and conventional percussion) totalling 1,151m were drilled and "traced the main mineralized zone over a length of 70 metres and to a maximum depth of 80 metres" (Wallner, 1984).

It is significant that the mineralisation here is described as a stockwork, rather than as a narrow vein, because it suggests a potentially higher tonnage deposit. These stockworks vary in width from less than one metre to more than 5 metres", "contain considerable arsenopyrite" and assayed up to 1.8 g/t Au over 1m intersections.

There appears to be significant potential to increase the estimated mineralisation at Alice Cornwall because the cross-sections in Wallner 1984 show that little mineralisation has been projected beyond drill holes. If the mineralisation can be shown to be geologically continuous, then it seems possible that the estimate could be doubled based on existing data.

The exploration target at Alice Cornwall is assessed to be between 2 and 4 times the existing estimate; the lower limit allows for a reasonable projection of mineralisation beyond drill holes, while the upper limit allows for modest extensions to the existing estimate. Therefore, the exploration target is assessed to be between 24 and 48 Kt with a grade range of 2 to 4 g/t Au.

EXPLORATION RATIONALE

There has been a lot of drilling undertaken in the past and a lot of structural information collected. From 1981 through 1987 Little River Goldfields N.L. itself and in joint ventures with Getty Oil Development Co Ltd and BP Minerals Australia (BPMA) explored the area using aero magnetics, geochemistry, gradient array IP and magnetics drilling over 120 holes. This exploration delineated 2 of 3 resources known in the area.

It is believed that more than \$3M was spent by the Joint Venture. This exploration programme did not however find a resource base of the scale those explorers were seeking. This is almost certainly due to the nugget effect prevalent in this type of deposit.

The sample sizes that can be recovered from drilling are demonstrably too small to be indicative of the potential of the gold mineralisation.

RC holes of 115 mm diameter give, from a one metre intercept, a 28 kg (SG 2.7) or 10.5 litre sample. Diamond core intercepts (HQ 63.5 mm) of a one metre intercept provide only 8.6 kg or a 3.2 litre sample. Increasing the core size to PQ (85 mm diameter) only increases the sample size to 15.5 kg or a 5.7 litre sample.

An HQ core has a 1 in 122 chance of hitting 1 particle in a square metre. Chasing gold is not like exploring for coal. The statistics associated with the distribution of the metal can be over whelming.

A 0.2 g gold particle has a volume of 0.01 cc which is a cube with just 2.17 mm sides. At a grade of 1.0 g/t, there would be five of these gold particles in each tonne and about 12 gold particles in each m3 of rock. This represents only one particle to every 200 kg or 80 litres. At a grade of 5.0 g/t there would still be only one particle in every 40 kg or 17 litres of rock.

If the gold was present as just 1 particle in a square metre, there is less than 1% chance of finding that particle. If on the other hand, the particle is found and weighs 2 grams, the grade calculated from that 1 particle in say 10 kg of core, would report as 200 grams per tonne! Whilst the gold is more likely to be missed, if in the slim chance some gold is encountered, the site specific grade is significantly over reported. This is why bulk sampling is necessary.

For a 28 kg or 10 litre RC samples to be representative and repeatable at a grade of 5.0 g/t, the nominal sized gold particle would have to be in the range of 0.142 g representing a volume of a cube with sides of 1.92 mm. At a grade of 1.0 g/t the particles would need to be 0.028 g representing a volume of only 0.0014 cc or a cube with 1.12 mm sides.

It is obvious from the drilling results that the gold in the Dalmorton Gold Field is not evenly distributed in either particle size or presence within the ore. No size distribution data on the gold recovered from the historical operations has been found.

To sample this deposit successfully, even if the gold was evenly distributed in three dimensions, with an average 3 g grainsize of 0.15 cc or a 5.3 mm sided cube, samples must be, for a grade of 3 g/t, an absolute minimum size of 1.0 tonne or 0.370 m³. To be statistically robust and cover the natural variability in gold distribution, the sample sizes should be at least 20 times bigger to provide values to 2 standard deviations. This is too expensive to obtain by drilling in the geological conditions at Dalmorton.

As a result, surface based drilling, even of very large diameter holes, is not a viable exploration method to produce grade data that would be acceptable under the JORC Code unless drill spacing was so closely spaced that the drilling programme would not be economical to undertake on the size of the deposit expected.

This type of deposit needs so much drilling to be sure of what is in the ground, that the cost to prove prior to mining is simply not worth the expected return. An alternative system needs to be used.

The problems arising from the "nugget effect" and the potentially small resource base at a number of remote sites makes drilling a poor methodology for exploration in this instance. The previous mining has however left remnant material that could be recovered in a series of bulk samples where the cost of the sampling is likely to be covered by the revenue from the gold mined.

At Dalmorton, the area targeted for the bulk sampling would be around the open shafts, tunnel entries and subsidence holes that make general public access unsafe. The mullock heaps would also be removed and processed as a way to sample host rock around each excavation.

As Dalmorton is a popular bushwalking area, there is a considerable risk arising because the old access trails used by the miners are preserved in the bushwalking trails of today. There is therefore an opportunity to use the bulk sampling programme to make the area safe by mining through shallow shafts and tunnels and backfilling to stabilise the land. Bulk sampling is much more expensive than drilling and has a greater footprint of affectation than drilling. The advantage is that the geology can be much better defined and the grades estimated much more accurately. Another advantage in this specific instance is that the bulk sampling can be used to rehabilitate the disturbed areas and make them safe.

Whilst the cost of bulk sampling is many times greater than drilling, it is possible that sufficient gold can potentially be recovered to pay for the sampling operation.

If the sampling programme can achieve the outcomes of providing superior geological and mining knowledge whilst reducing the safety risks to the public in the area, it should be possible to secure the political support for a bulk sampling programme to be approved under the provisions of the EL.

The high unemployment in the area should help in securing political will.

There are production records from 19 sites within the ELs totalling 2,300 tonnes that averaged 31.35 grams per tonne. This provides enough indication of gold being present at good grades and is a much more reliable system than drilling in this type of ore.

The problem is that the quantities of ore around the shafts and in pillars is not sufficient at any individual location or even across a couple of locations to justify the investment required to mine and mill the expected minimum amount of ore required to cover the cost. A number of sites need to be investigated in this way in order to achieve the necessary minimum amount of material to be processed for a small mill to be acquired.

It is believed that approval to mine about 100,000 tonnes of ore would need to be secured before a commitment to sample and mill, would be economically viable. This would need either 20,000 tonnes from each of the 4 sites already identified plus one other, or a smaller amount from each of a larger number of sites aggregated to a total limit of 100,000 tonnes.

If good grades are being found in one area, that area would be sampled until 20,000 tonnes of ore are recovered or the base of the oxidation reached. In another area however, if after say the shaft and pillars had been mined out, the ground

stabilized and made safe, and the grades were not so good, the sampling process would cease at that location with a much smaller amount of material being removed.

The downside risk of the much higher cost of the bulk samples seems to be offset by the amount of material remaining unmined in the high grade areas, being likely to contain sufficient gold to cover the expected cost.

The upside lies with the large number of sites that whilst not a single contiguous resource, are sufficiently close together to be operated as a single mine comprised of a number of small remote pits.

It appears that this mining strategy was not of interest to the previous explorers, but a number of small pits in high grade areas would have a much lower impact on the environment than a single large pit in any case. In the environment at Dalmorton, a mine comprising a small number of remote pits is more likely to be approved.

The expected nature of the deposit and the practical mining solution that arises, therefore drives the exploration rationale to essentially be a rehabilitation operation conducted around the previous workings, mining out old shafts and collecting mullock heaps and processing the material recovered. The areas would then be backfilled and revegetated so there are no old underground holes for unsuspecting bushwalkers to fall into.

From an historical perspective, the mining through the old workings would be conducted as an "archaeological dig" with each step photographed and recorded so the old holes removed can be documented for those interested in the history of the area and mining methods used at the time. Some artefacts may also be recovered. This approach would have the combined outcome of preserving the history and making the area safe. The information board in the centre of the old town area could be supplemented with these photos and artefacts such as the 10 head stamper and the old windlass from Mt Remarkable being relocated to the park.

In addition to the bulk samples determining prospectivity at a given site, the gold "signature" can be used to match sources and assist in projecting connectivity between different surface occurrences.

This could mean for instance that Mt Poole and Mt Remarkable could be proven to be the same vein series or otherwise. The information gained will assist in computerised geological modelling to identify potential infill zones between the 29 already known locations.

Conducting bulk samples at a number of locations will provide results that will determine if more ore exists than the remaining remnants and justify further investigation where acceptable results are obtained. If a site proves to be economically viable, the exposed mineralisation can be drilled to identify possible extensions.

MINING

Bulk sampling will initially be undertaken with two excavators. One excavator will have a conventional boom arrangement and be able to mine to a depth of 5 metres at a rate of 100 tph. The other will have an extended boom and be capable of 50 tph

The top 5 metres of the trenching excavations will be undertaken with the conventional digger, with the deeper parts up to 15 metres mined with the long boom machine.

Mixing the machine reach capability and mining rates means that enough ore can be mined during daylight hours to sustain a 50 tph mill working on a 24/7 basis.

Whilst the cost of ore mined with a long reach excavator is greater than that for a conventional machine due to higher capex and lower productivity, the ability to dig ore from greater depths without having to bench back as much for machine access offsets this cost and reduces the footprint of the disturbed area, which will be critical at Dalmorton.

Drill and blast will be undertaken with an air track fitted with a downhole hammer and packaged explosives. This is also more expensive than rotary drilling and bulk explosives, but the air track is more suited to accessing drill pads across steep ground than a rotary machine and a bulk explosive truck would not be able to get around the difficult terrain without major earthworks.

11.1 Mt Remarkable Bulk Sample

The bulk sample proposed for Mt Remarkable would include shallow trenching along the line of the outcrop of the reef from Wintervale Road across the top of the hill down to 40 metres from the creek bed level. The total length of this trench would be of the order of 700 metres. The purpose of the trench is to prove connectivity and test gold grades at outcrop. As there is limited topsoil to deal with, the depth of the trench where the reef is less than 30 cms wide will be 5 metres deep unless unusually high grades are encountered, which is not expected. A depth of 5 metres is planned for the top 400 metres of the trench. The tonnage of ore removed assuming an average width of 0.15 metres and a density of 2.7 would be:

$$400 * 5 * 0.15 * 2.7 = 810 \text{ tonnes}$$

The remainder of the sample will be taken from the lower level of the Mountain over a length of 300 metres where the reef thickness is expected to average 0.75 metres. The average depth required to obtain 19,190 tonnes under these circumstances, again with an ore density of 2.7 is:

$$19,190 / 2.7 / 300 / 0.75 = 31.6 \text{ metres}$$

This depth is expected to be sufficient to remain within the supergene zone where gold can be recovered using gravity processes.

The physical grade of the outer slope will necessitate that the trench consist of a series of flat benches in a stepped formation down the hill. These will be accessed by a series of sloping roads cut across the side of the mountain.

The host rock is sufficiently stable for the footwall of the reef to stand unsupported but there will be a need to bench into the hanging wall to create sufficient width for a machine to operate safely. The excavator proposed will be able to reach 15 metres for the final lift, but the excavator will need to operate at a width of 15 metres for the top 17 metres of the trench.

The waste rock produced will be used initially to backfill the Pine Creek trench, with the later parts of the excavation used to backfill the starting point of this trench. This will minimise double handling as well as providing a stable rock for backfilling the holes created.

The waste: ore strip ratio is approximately 5:1 cubic metres of waste to a tonne of ore.

The weighted average grade of the material mined at Mt Remarkable totalling 754 tonnes, was 22 grams per tonne. For the sake of conservatism, it has been presumed that the bulk sample grade will average 11 grams per tonne. This compares favourably to Rayner's 1959 estimate of "proven reserves of 7,000t @ 24.8g/tAu".

With a strip ratio of 5:1, the mining cost will total \$120 per tonne of ore.

If the bulk sample demonstrates acceptable assays, the stepped benches in the trench can subsequently be used as drill pads to drill out the ore body for shrink stoping into an expansion of the tunnel below. This only needs to be addressed after a decision is made to apply for a Mining Lease for a larger scale operation.

11.2 Pine Creek Bulk Sample

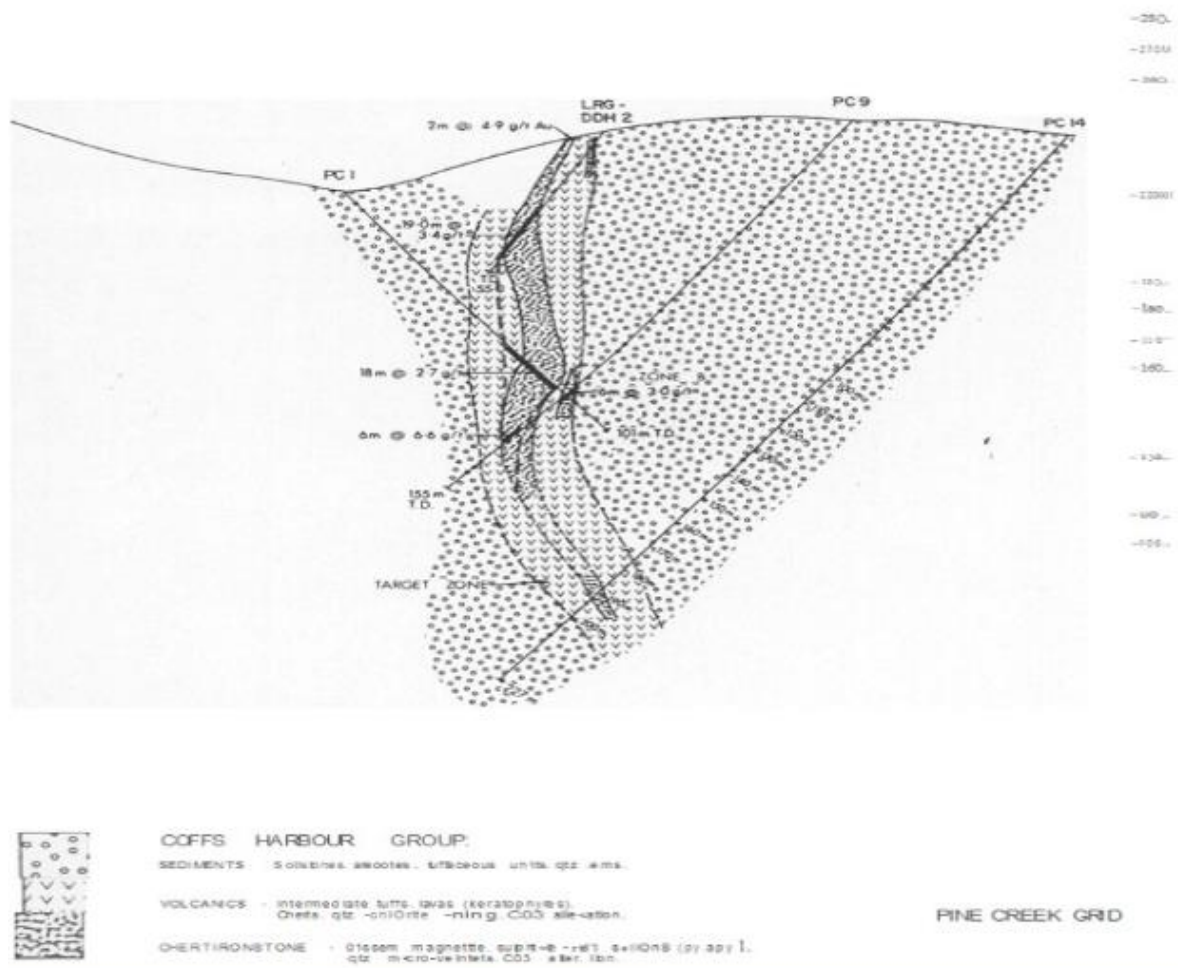
The drilling at Pine Creek has already delineated an Inferred resource of 430,000 t @ 1.9 g/t at Pine Creek and a subsection of that area seems to have about 20,000 tonnes at a grade of about 10 grams per tonne.

As the reef is more weather resistant than the surrounding rock, it in general stands proud as shown in the photo in Section 2.2 above. There is only a minor amount of topsoil in limited areas before the reef is exposed.

The original reef was identified to be 175 metres long and 4.6 metres wide. At a density of 2.7, and a depth of trench of 5 metres, a sample of this area would total about 10,000 tonnes.

The shaft appears to be at least 10 metres deep, so a long reach excavator such as a JCB330 will be needed.

A cross section of the Pine Creek deposit is shown below:



Mining to just 10 metres depth would not require the walls to be laid back for stability purposes, as the host rock is extremely competent, but some contamination must be expected from the hanging wall for instance where the ore body dips at less than 90 degrees. A strip ratio of 0.5:1 has been assumed to cover the effects of dilution and access.

In addition to this initial area, the remaining strike length would be tested using 6 short trenches of 25 metres length to measure gold in other areas along the line of the reef. The most prospective areas will be selected for these trench locations after assaying of grab samples along the reef outcrop.

The gold around the shaft area has tested consistently at 10 grams per tonne, but lower figures are likely in the other areas. If there was no gold in the other trenches, the grade expected overall would average 5 grams per tonne.

The trench would be rehabilitated by backfilling with waste rock from subsequent trenches and mill waste, leaving the area much safer than at present. As the backfilled material will be that sourced from the local area, there will be no inconsistency between the fill emplaced and what was originally in the ground, although the emplaced material will be much more permeable.

11.3 Mt Poole

The reefs identified at Mt Poole were named the New Era, Bonnars, Snake, Marvel, Kerry's and Jimmy's Reefs.

Different thicknesses were encountered with the New Era thickness being referred to as 1.07 m, the Bonnars as 0.46, the Snake as between 1.7 and 0.51 (1.1 average), the Marvel as 0.38 at the surface to 1.32 at 5.2 metres depth in one

location (0.85 average at that point) and 0.38 at another location (total average 0.56 m) and Jimmy's reef described as "one of the widest in the district", so assumed to be greater than 1 m.

The total thickness across these reefs is 4.19 metres.

If each reef was trenched to a depth of 10 metres, trenches for each reef totalling about 175 metres would be required to mine a bulk sample of 20,000 tonnes.

There are no references found to date in the historical data as to the length of the reefs at Mt Poole, but three mining companies operated on these reefs suggesting that there would be more than 175 metres involved. If the total length of mineralized reef is less than 175 metres, deeper sampling trenches can be dug.

Mining to just 10 metres depth would not require the walls to be laid back for stability purposes, as the host rock is extremely competent, but some contamination must be expected from the hanging wall for instance where the ore body dips at less than 90 degrees. A strip ratio of 0.5:1 has been assumed to cover the effects of dilution and access. The excavator proposed will be able to reach 10 metres for the final lift.

The weighted average grade of the material mined at Mt Poole totalling 670 tonnes, was 39.8 grams per tonne. For the sake of conservatism, it has been presumed that the bulk sample grade will average 20 grams per tonne.

11.4 Alice Cornwall

This area contains one reef over 300 metres long of unspecified width as part of a quartz veined stockwork of various sized reefs from "less than one metre to more than 5 metres" width. Wallner estimated a resource of 12,000 tonnes @ 3 g/t in 1984.

The shafts at Alice Cornwall appeared to be only 10 metres deep, so the bulk sampling would mine through these and make the area safe.

A sampling trench 300 metres long, 1 metre wide and 10 metres deep in ore with a density of 2.7 would recover 8,100 tonnes or ore. It is expected that this trench would identify other veins within the stockwork and that these would be followed with radiating trenches. This should result in a sample size of 20,000 tonnes from this location.

Mining to just 10 metres depth would not require the walls to be laid back for stability purposes, as the host rock is extremely competent, but some contamination must be expected from the hanging wall for instance where the ore body dips at less than 90 degrees. A strip ratio of 0.5:1 has been assumed to cover the effects of dilution and access. The excavator proposed will be able to reach 10 metres for the final lift.

As Wallner's estimated grade was 3 g/t for 12,000 tonnes, a conservative grade value for the 20,000 tonnes sampled would be 2.0 g/t.

11.5 Mining Costs

The overburden and reef material are both too hard to free dig and will need to be blasted. Drill and blasting costs on the small scale proposed would be \$10 per cubic metre for the waste and \$10 per tonne for the ore. As the ore density is 2.7, this makes blasting of the ore 2.7 times more expensive than that for the overburden. The ore is more expensive to blast as the intention is to achieve better fragmentation so that less crushing is required before feeding into the mill.

Mining cost on the small scale would be \$10 per cubic metre for the waste and \$10 per tonne for the ore. The ore mining cost is higher because it includes the trucking cost to a mill located within 10 kms.

Post bulk sampling, larger production rates will require larger machinery, so drill and blast and mining costs will reduce. If ore production rate is increased to 200,000 tonnes per annum, then the combined mining and drill and blast cost for overburden will reduce to \$18 per BCM. The combined Ore Production cost would reduce to \$18 per tonne. If ore production rate is increased to 300,000 tonnes per annum, then the combined mining and drill and blast cost for overburden will reduce to \$16 per BCM. The combined Ore Production cost would reduce to \$16 per tonne.

PROCESSING

It is proposed to purchase a mill with the process flow sheet similar to that below.

A new mill could cost up to \$10M, but it is intended to reduce the cost by purchasing second hand components where possible. This could reduce the cost to \$5M including dismantlement, transport and re-assembly, but the saving cannot be taken up in the base case economic analysis because the interest in gold in the current market could see all of the 2nd hand mills presently available being purchased before commitments to capital are secured for Dalmorton.

A smaller mill costing \$5M for Stage 1 may be appropriate and would just be run for more hours. A second \$5M would be required in Year 2 to increase production rates post bulk sampling and then a third \$5M would be required for a Sulphide treatment plant in Year 3. Opportunities for the long term will be pursued with respect to the second hand equipment available at the time. It may be necessary to bring forward some of the Capex from Stage 2 as a deposit for a second hand mill if any appropriate such mills can be located. The budgeted \$5M is expected to be sufficient to purchase, decommission, transport and recommission such a mill.

Different second hand equipment will result in slight variations to the process flow sheet where buying something bigger or using a slightly different process with a cheaper purchase cost can be justified.

The base proposal is to use a gravity mill to recover gold and heavy concentrates. The heavy concentrates will mainly be associated with the ironstones and are likely to include Nickel, Chromium, Cobalt, Manganese and Magnetite. Ironstones are reported as being present at both Pine Creek and as a gossan at Alice Cornwall.

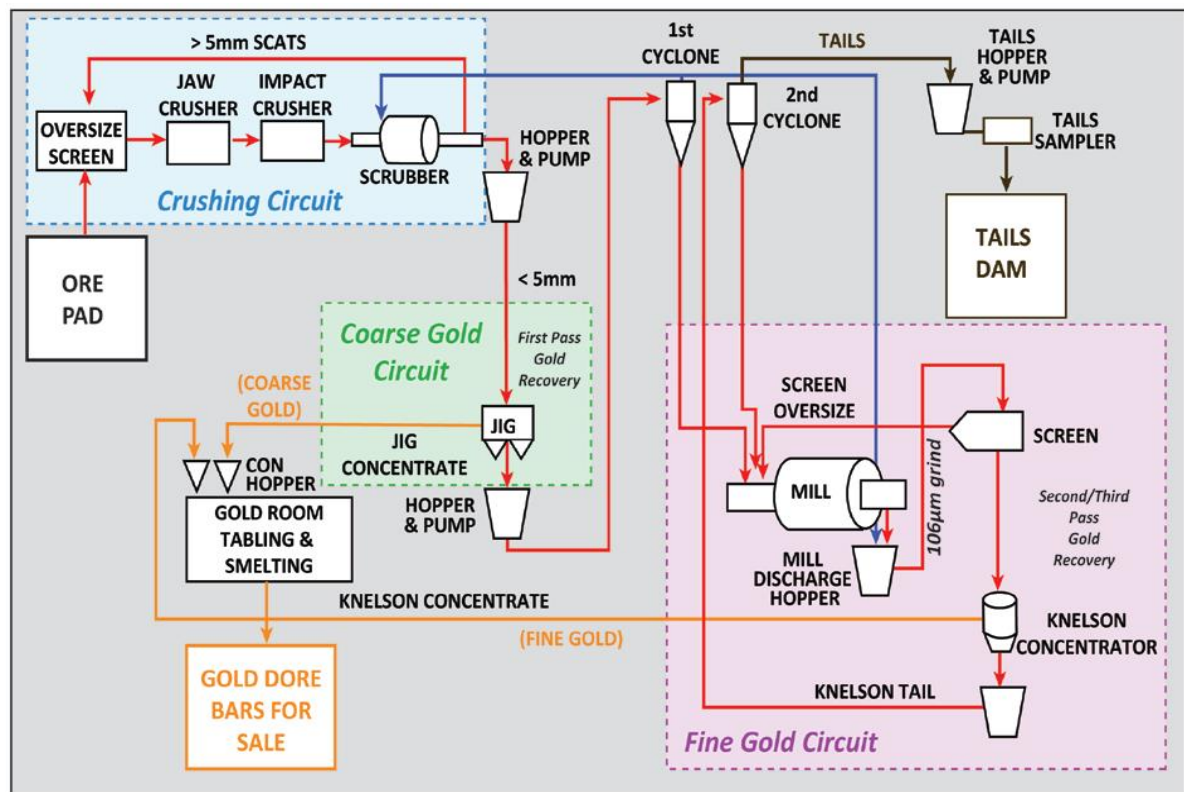
Some of the gold is expected to be tied up in Sulphides which cannot be recovered directly using the small gravity mill proposed. The gravity mill will however recover high density Sulphide minerals which contain the gold.

By sampling from a shallow trench, the proportion of Sulphides compared to free gold is expected to be low, but for the sake of conservatism it will be assumed that at Pine Creek, 20% of the gold will be in Sulphide minerals. This reduces the expected gold recovery with the gravity mill to be initially just 4 grams per tonne, with the Sulphide minerals either sold with gold credits or temporarily emplaced for later Carbon in Pulp (CIP) processing.

The cost of operating a small scale mill such as this is of the order of \$30 per tonne, but as production increases, milling cost will reduce to \$25 per tonne in Year 2 and \$20 per tonne in Year 3.

A recovery of 80% can be expected on free gold with a further 5% of the gold being incorporated within the heavy minerals which will be stockpiled for later reprocessing or sold with gold credits

Figure 12.1 Proposed Mill Circuit



CASH FLOW PROJECTIONS

13.1 Base Case

The base case Financial Projections have used:

- \$US Gold price of \$1,000 per ounce
- \$A/\$US exchange rate of \$0.80
- Strip ratio at
 - Mt Remarkable being 5:1
 - Pine Creek being 0.5:1
 - Mt Poole being 0.5:1
 - Alice Cornwall being 0.5:1
 - The fifth site being the same as Pine Creek
 - The weighted average of the above is 2.3:1. It has been assumed that this will increase by 0.5:1 each year as the pits become deeper and more overburden needs to be mined to bench out from the ore for stability purposes.
- Gold Grade of
 - Mt Remarkable being 11 g/t
 - Pine Creek being 5 g/t in situ but only 4 g/t free gold (the rest being in Sulphides)
 - Mt Poole being 20 g/t
 - Alice Cornwall being 2 g/t
 - The fifth site being the same as Pine Creek
 - The weighted average of the above is 8.2 g/t. It has been assumed that this will reduce by 10% each year as the plan is to extract the highest grade ore first.
- Overburden mining costs of \$10 per cubic metre blasting plus \$10 per cubic metre mining during contract operations with two 50 t diggers, reducing to \$9 each when production increases to 200,000 tpa and then to \$8 each when production increases to 300,000 tpa.
- Ore mining cost of \$10 per tonne for blasting plus \$10 per tonne mining during contract operations with two 50 t diggers, reducing to \$9 each when production increased to 200,000 tpa and then to \$8 each when production increased to 300,000 tpa including trucking to a mill located up to 10 kms away.
- Milling cost of \$30 per tonne in Year 1, dropping to \$25 per tonne in Year 2 when production increases to 200,000 tpa and then dropping again to \$20 per tonne in Year 3 when production increases to 300,000 tpa. Management fees and overheads starting at \$3.00 per BCM in year 1, \$2 per BCM in year 2 then dropping to \$1.50 per BCM as production increases
- Gold Recovery of 85% initially, increasing by 2.5% points in Years 2 and 3 as milling processes are modified to maximise recovery
- The production schedule used, assumes a production rate sufficient to supply a mill at an average of 50 tph on a 20/6 basis.

This is considered to be a very conservative assessment of the projected outcome as the grades used are half those expected from previous production records, very conservative estimates have been used for gold price and exchange rates and mining and milling costs are on the high side of what should be achievable. A copy of this cashflow is attached in Appendix..

This very conservative base case has been adopted to ensure risk is minimised for investment decision purposes. With these input parameters, the gold production cost is \$A459 per ounce in Year 1 or \$US367 at the exchange rate of 0.8 adopted. The 8 year average production cost is \$US525 per ounce over 300,000 ounces of production.

Under the Base Case scenario, the NPV (10%) of the project is \$68.6M.

13.2 Sensitivity Analysis

As conservative positions have been taken with respect to the input parameters in order to test the robust nature of the investment for decision making purposes, it is appropriate that a sensitivity analysis be undertaken to determine the upside if input parameters closer to those actually expected are used. Copies of the resultant cash flows are also included in Appendix.

The results are summarised below:

- If the sales price of gold increases to \$US1,100, the NPV increases to \$84.1 M.
- If the exchange rate averages 0.75, the NPV increases to \$78.9M.
- If the average Strip ratio for the ore mined increases by 0.25 per year instead of 0.5, the NPV increases to \$79.1 M.
- The mining costs are less likely to be subject to fluctuation as even with the limited knowledge of the basin geology, the contract rates for mining costs can be estimated within about 15%.
- If the milling cost starts at \$25 per tonne and drops to \$20 and then \$15 as production increases, the NPV increases to \$72.4M.
- If the Gold Grade increases by 25% in each year, the NPV increases to \$107.4M.
- If the Gold Grade increases by 50% in each year, the NPV increases to \$146.2M
- If the Gold recovery increases from 85% to 90% in Year 1 then 91% and 92% in Years 2 & 3 and thereafter, the NPV increases to \$73.0M.
- If production is increased to 500,000 tpa in Year 4 and mining and milling costs reduced by a further \$2 in each category, the NPV increases to \$97.9M.

Clearly, the project is most sensitive to Gold Grade, which is why grades just half of what is expected have been used in the Base Case.

The total gold production projected has been limited in the Base Case to 300,000 ounces as the increasing production costs projected result in losses in the Base Case after Year 8.

If the grades encountered are higher than those projected in the Base Case either the production rates can be increased or the life of the mine extended, with both cases increasing NPV.

Improvements in any of the other matters tested for sensitivity will also facilitate mine life extensions provided the resource base exists to sustain that production. The acquisition of the extension areas will help considerably in this regard.

RISK PROFILE

Project risks include exposure to fluctuations in Gold price, exchange rate, approvals process and geology, particularly with respect to Gold grade. These risks are dealt with below.

The Gold price used in the Base Case is \$US1,000. This price has been adopted because Colmine believes that this is a floor price for the market. The reasoning behind this is that the cost of approximately 40% of the world's Gold production averages around \$US1,000 per ounce, so any drop below this price removes just too much production capacity from the market for such a low price to be sustained.

The \$A/\$US exchange is currently oscillating around \$US0.75, but has averaged around the \$US0.80 cents over the last year or so. It is expected that the exchange rate could drop to as low as \$US0.70, if the US fed increases interest rates and Australia reduces interest rates further. As the projection is over the longer term, the higher figure has been adopted for the Base Case because the longer term position is less clear. If the dollar drops significantly after operations commence, a large hedge position can be taken to extend benefits for the long term and further mitigate any exchange rate risk.

Mining Approvals can be challenging in Australia, but this deposit is 67 kms from the nearest large town, so it is close enough to provide workers but far enough away to not incur problems from people not directly affected by the operations. In addition, the project is located primarily within State Forest and State Conservation Areas that permit mining, so apart

from just a very small number of landowners, there will be very few people directly affected. EL 8118 needs to be renewed and there is a real risk that the Department will insist on up to 50% of the area being relinquished in that process. The outcome of this process will however be known prior to commitment of the main funding. Mine planning and equipment selection will target developing an operation with just 20 men so that the scale will be envisaged by the Greens as being "small". The main risk identified is the ability to secure bulk sampling approvals under either the provisions of the existing ELs or through Mining Assessment Leases. The Act provides for such approvals, but political will is necessary for such approvals to be granted.

The Gold grade is the biggest unknown. In order to address this issue, the 8 year Base Case financial projection assumes an ore grade that is just half of that indicated by analysis of the historical data. Mining of only a small proportion of the targeted deposit facilitates high grading so that the portion of the deposit with the highest grade can be mined as opposed to accepting a lower average. As the location of the highest grade material is not currently known, the average strip ratio arising from pursuing a small number of deposits to depth as opposed to mining a larger number of shallow deposits has been assumed on average. If the grade expectations are correct, either a much lower strip ratio will eventuate from the same quantity of ore being mined in a larger number of shallow areas where the strip ratio and hence mining cost is much less, or a resource base much larger with a higher strip ratio could be mined.

OTHER OPPORTUNITIES

If the overburden contains some gold as expected, even with low grades, this could be processed and subsidise the high mining cost arising from the high strip ratio that would be generated if mining proceeds to depth.

Note also that there are 70 sites where mining has been undertaken previously and there will no doubt be others discovered as geological knowledge of the area improves. The ability to model the structures with computer technology helps in identifying additional areas for investigation.

The host rock will make an ideal road construction material and railway ballast and could be marketed as quarry products.

The host rock can be used to supply the high grade quarry products for a proposed 150 kms of road being considered for the Coffs Harbour bypass. If this rock could be used, it could be sourced from a mining operations where it would be surplus to backfilling requirements and therefore eliminate the disturbance of land in quarries developed for quarry materials only. This helps extend the environmental benefits that can be achieved for the area.

STRATEGIC ADVANTAGES

Most new mines are in remote locations, low grade and buried in overburden. This means they require large throughput rates to be profitable. Large throughput rates require larger scale capital expenditure for machinery and in addition, the locations often require considerable infrastructure expense.

The Dalmorton Project is different because there is no regional infrastructure to build and it is close enough to a reasonable sized town to secure labour that can travel each way each day. It is also planned that a small bulk sample operation could be started quickly using the provisions of the Exploration Licence and or perhaps a Mining Assessment Lease strategy. This could then provide a self-funding process that will pay for an upgrade to a larger operation.

Tens of millions of dollars and more could be spent drilling and to gain surface approvals for a large operation in the first instance, followed by the purchase of a large fleet of new equipment and construction of a large mill, but the large operation takes much longer in the approvals stage as well as spending a lot of money upfront before production commences. The progressive start up strategy proposed here minimises risk and creates a much higher Net Present Value for the investment by delaying capex, achieving an earlier start-up and using profits generated to fund the capex ultimately required.

With the small scale start up proposed and perhaps temporary nature of that process before increasing scale, a second hand mining machinery strategy is acceptable. This further reduces costs and lead time to get started.

Mining equipment can be hired or provided by contractors during start up and subsequently purchased to reduce Opex.

There is no money to spend on regional infrastructure for the mine, because Gen sets can be used to power the mill and all other equipment will be diesel powered. Dirt roads can be used until cash is available for sealing and a local farm rented for office and workshop space

INVESTMENT OPPORTUNITY

It is believed that all mining tenements can be secured and production commenced for a total cost of \$5.4M. There are follow on costs of \$20M for expansion, but the cashflow indicates these could be funded from retained profits if the parameters used to determine the cashflow prove correct.

Investment in the project can be staged and payments linked to project milestones such as granting of the renewal, granting of the extension areas and registration of the transfer of ownership. Value is added as each outcome is delivered, reducing risk in key areas and staging the payments reduces the upfront cost.

The following three item are included below:

EXPLORATION LICENSES (2) and APPLICATION LICENSE (1)
CASHFLOW SUMMARY
RESOURCE INVENTORY

Trade & Investment NSW - Resources & Energy Division	
Details of EXPLORATION LICENCE 8273 (Act 1992)	
Main Holder	: ASB IR PTY LTD
Postal Address	: Level 1, Suite 1, 3 Spring St SYDNEY NSW 2000
Other Holders	: NONE
Agent	: MINING TITLE SERVICES PTY LTD
Postal Address	: 9 Kinsellas Drive LANE COVE NORTH NSW 2066
Grant Date	: 02-JUN-2014 Due Expiry Date : 02-JUN-2017
Title Status	: CURRENT Determination Date :
Was Application	: EXPLORATION LICENCE APPLICATION 4966 (Act 1992)
File Number	: T14-1012
Colliery/Mine Name:	
Current Division	: COPPS HARBOUR Region : NORTHERN
Environment District	: NORTHERN
Total Area	: 4 UNITS
Map, Blocks, Units:	ARMIDALE 1614 wx ARMIDALE 1686 bc
Plan Catalogue No :	
Surface Exception :	
Depth Restriction :	
Location	: About 53.43km WSW of CRAPTON
Map Sheets	: 9338 NEWTON BOYD 1:100,000
Security Required	: \$10,000
	Security Held : \$10,000
\$10,000 CASH	<u>Details of Securities</u> Receipt Number 361314 dated 27/02/2014
Labour	: 0 Expenditure : \$0
Royalty Rate	: NIL
1 Mineral	: GROUP 1
1 Method/Purpose	: NIL METHODS EXCLUDED
Dealing Types affecting this Title :	
NONE	

Trade & Investment NSW - Resources & Energy Division
Details of EXPLORATION LICENCE 8118 (Act 1992)

Main Holder : ABN IR PTY LTD
 Postal Address : Level 1, Suite 1, 3 Spring St
 SYDNEY NSW 2000

Other Holders : NONE

Agent : MINING TITLE SERVICES PTY LTD
 Postal Address : 9 Kinsellas Drive
 LANE COVE NORTH NSW 2066

Grant Date : 27-JUN-2013 Due Expiry Date : 27-JUN-2016

Title Status : CURRENT Determination Date :

Was Application : EXPLORATION LICENCE APPLICATION 4742 (Act 1992)

File Number : T13-1001

Colliery/Mine Name:

Current Division : COPPS HARBOUR Region : NORTHERN
 Environment District : NORTHERN
 Total Area : 12 UNITS

Map, Blocks, Units: ARMIDALE 1541 xy
 ARMIDALE 1613 cd jk p
 ARMIDALE 1614 f lm rs

Plan Catalogue No :

Surface Exception :

Depth Restriction :

Location : About 54.08km WSW of GRAPTON
 Map Sheets : 9338 NEWTON BOYD 1:100,000

Security Required : \$10,000 Security Held : \$10,000

Details of Securities
 \$10,000 CASH Receipt number 306257 dated 26/06/13 to ABN IR
 Pty Ltd.

Labour : 0 Expenditure : \$26,000

Royalty Rate : NIL

1 Mineral : GROUP 1

1 Method/Purpose : NIL METHODS EXCLUDED

Cashflow Summary

All statements regarding the Company's expected financial position, business strategy, plans and prospects are forward looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given the risks and uncertainties that may cause the Company's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Information Memorandum, undue reliance should not be placed on these statements.

CASHFLOW - BASE CASE - MOST CONSERVATIVE POSITION ADOPTED FOR EACH PARAMETER

	Calendar Year	2016	2017	2018	2019	2020	2021	2022	2023	Total/Average
Gold Price	\$US/ounce		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Exchange Rate	\$A/\$US		0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Gold Price	\$A/ounce		1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Sales	\$	28,011,338	51,903,361	72,071,525	64,864,372	58,377,935	52,540,142	47,286,127		375,054,801
Government Royalty	%			5	5	5	5	5	5	
Government Royalty	\$A		1,400,567	2,595,168	3,603,576	3,243,219	2,918,897	2,627,007	2,364,306	18,752,740
Net Income after Royalties	\$A		26,610,771	49,308,193	68,467,949	61,621,154	55,459,038	49,913,135	44,921,821	356,302,061
PRODUCTION										
Overburden Production Rate	BCMs/hour		92	224	396	456	516	576	636	
Hours per Day	hours		10	10	10	10	10	10	10	
Days per year	days		250	250	250	250	250	250	250	
Overburden	BCMs/year		230,000	560,000	990,000	1,140,000	1,290,000	1,440,000	1,590,000	7,240,000
Strip Ratio	BCMs/t ore		2.3	2.8	3.3	3.8	4.3	4.8	5.3	4
Ore Production	tonnes		100,000	200,000	300,000	300,000	300,000	300,000	300,000	1,800,000
Grade	grams/tonne		8.2	7.4	6.6	6	5.4	4.8	4.4	5.2
Gold Recovery	%		85	87.5	90	90	90	90	90	
Gold produced	grams		697,000	1,291,500	1,793,340	1,614,006	1,452,605	1,307,345	1,176,610	9,332,407
Gold produced	ounces		22,409	41,523	57,657	51,891	46,702	42,032	37,829	300,044
COSTS										
Overburden	S/BCM		20	18	16	16	16	16	16	
Ore	S/t		20	18	16	16	16	16	16	
Milling	S/t		30	25	20	20	20	20	20	
Management Fees & Overheads	\$/BCM		3	2	1.5	1.5	1.5	1.5	1.5	
Overburden	\$A		4,600,000	10,080,000	15,840,000	18,240,000	20,640,000	23,040,000	25,440,000	117,880,000
Ore	\$A		2,000,000	3,600,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	29,600,000
Milling	\$A		3,000,000	5,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	38,000,000
Management Fees & Overheads	\$A		690,000	1,120,000	1,485,000	1,710,000	1,935,000	2,160,000	2,385,000	11,485,000
Total Costs	\$A		10,290,000	19,800,000	28,125,000	30,750,000	33,375,000	36,000,000	38,625,000	196,965,000
Gold Cost	\$A/ounce		459	477	488	593	715	856	1,021	656
Gold Cost	\$US/ounce		367	381	390	474	572	685	817	525
Margin	\$US/ounce		633	619	610	526	428	315	183	475
EBITDA	\$A		16,320,771	29,508,193	40,342,949	30,871,154	22,084,038	13,913,135	6,296,821	159,337,061
CAPITAL										
ABN IR Tenement Purchases	\$A									
Exercise Fee	\$A	100,000								100,000
Access Fee	\$A	150,000								150,000

Concept Study Preparation	\$A	100,000								100,000
Survey & Drafting	\$A	25,000								25,000
Drilling, Sampling & Assaying	\$A	190,000	500,000	500,000	500,000					'1,690,000
Geological Modelling	\$A	75,000	50,000	25,000	25,000					175,000
Environment & Approvals	\$A	150,000	300,000	500,000						950,000
Land Purchases	\$A	50,000	500,000	500,000	1,000,000					2,050,000
Mill	\$A		6,000,000	5,000,000	5,000,000					16,000,000
Stamp Duty	\$A	11,250								11,250
Equipment Purchases	\$A		800,000	2,000,000	3,000,000					5,800,000
Equipment Mobilisation	\$A		50,000	100,000	200,000					350,000
Development Capex	\$A	150,000	300,000	500,000						950,000
Total Capex	\$A	1,001,250	8,500,000	9,125,000	9,725,000	0	0	0	0	28,351,250
Depreciation	\$A	100,125	950,125	1,862,625	2,835,125	2,835,125	2,835,125	2,835,125	2,835,125	17,088,500
Taxable Income	\$A	-100,125	15,370,646	27,645,568	37,507,824	28,036,029	19,248,913	11,078,010	3,461,696	142,248,561
Company Tax	\$A	0	4,641,231	8,293,671	11,252,347	8,410,809	5,774,674	3,323,403	1,038,509	42,734,643
Earnings after Tax	\$A	-100,125	10,729,415	19,351,898	26,255,477	19,625,220	13,474,239	7,754,607	2,423,187	99,513,917
Cashflow	\$A	-1,001,250	3,179,540	21,214,523	29,090,602	22,460,345	16,309,364	10,589,732	5,258,312	107,101,167
NPV(10%)		\$68,565,115.23								

Resource Inventory

RESOURCE INVENTORY

MINES OUTSIDE EL	YEAR	TONNES	GRADE	GRADE*TONNES	SHAFT	THICKNESS	LENGTH
					(m)	(m)	(m)
Abercrombie	1872			0	13.10	1	300
Abercrombie	1886	12.2	42	512.4			
Abercrombie	1899	15.2	114	1732.8			
Aboriginal	1873			0		0.41	
Barney's Hill	1914	145		0	18.00		
Black Jack	1889			0		0.5	700
Black Slate Creek	1889	332.9	74	24634.6	15.25		
Black Slate Creek	1889			0	9.10		
Carbine	1872		15	0			61
Crushed Dog	1898	20	9.3	186			
Cunglebung Reef	1877		11.2	0	15.00		
Eagle Hawk				0			200
Excelsior	1889	10	165	1650	18.00	0.45	700
Excelsior	1890		1200	0			
Excelsior Extended	1893	114.8	50.1	5751.48			350
Golden Gate	1872			0			
Golden Hill	1891	30	60	1800			
Golden Hill	1893	176.2	66.5	11717.3			
Hercules	1872	1.5	30	45			
Hercules	1883	37.5	38.9	1458.75			

Hibernian	1872			0	9.00		
Hibernian	1872			0	12.00	1	
Homeward Bound	1873	144	19.6	2822.4		0.5	
Jackass Creek	1872		650	0		0.25	300
Lady Jersey	1891	4.93	32.8	161.704		12	
Lady Jersey	1892		11	0	37.00	3	
Lady Isabel	1882			0			
Little Dora	1883	215	40	8600		0.2	1000
Little Dora	1889	152	13	1976			
Little Dora	1898	462	38.1	17602.2			
Magpie	1889	4.35	426	1853.1		0.07	1200
Marshall's	1910	61	60	3660			
Mcraes	1882			0	13.00	0.9	
Mosquito Creek	1898	13.2	51.3	677.16	4	1.25	
Mosquito Creek	1899	41.7	62.5	2606.25			
Mount Rae	1893	58	53.7	3114.6		3	430
Mount Rae	1897	711	9.1	6470.1			
Nil Desperndum	1893			0		0.6	
Pioneer	1872	10	65.3	653			
Reginald	1908	49.8	37.5	1867.5			650
Reginald	1909	1	47.3	47.3			
Scottish Chief	1877	46	17.6	809.6			
Smith's	1873	200	7.86	1572	17.00	2	
Stockyard Creek	1899	40.6	28.35	1151.01			
St Patrick's	1872			0			350
Surprise	1898	10	33	330			
Switzerland	1,873			0		0.15	
Taylor's	1,907			0			
Tower Hill	1,874	2,069	33	68,277	20	0.77	100
Tower Hill Webb's Line	1,875	119	27.2	3236.8		0.6	
Tower Hill	1,877	1	1,555	1,555			
Tower Hill	1,936	14.5	40.7	590.15	15.00		
Warcry	1,891	18	41.5	747			
White's	1,904	10	28	280			
Wonga	1,895			0			600
Black Snake	1,896			0			
Greenstreets	1,903	4	15	60			
Hawkeye	1,895		39	0			
Last Chance	1,905	76	33.8	2568.8	18.00	0.65	
Working Miners	1,891	11	105.9	1164.9			
Working Miners	1,892	15	49.8	747			
TOTAL		5,457	33.84	184,689			
COUNT		39					

4.1 Directors



Tim Mckinnon – Executive Chairman and Chief Executive Officer (CEO)

Tim is a successful media entrepreneur with 30 years' experience developing IT solutions across engineering, finance and media sectors. Tim is the CEO of ABN Newswire, a media distribution company (newswire) focused entirely on delivering exposure of listed company information to professional platforms such as Bloomberg and Reuters in 14 languages. ABN Newswire, with three global offices has been operating in Sydney since 2007 and counts many of Australia's leading companies as clients. He has been involved in the Revolution Metals project since inception as founder, and brings practical business skills and enthusiasm to the board.



Tyson Leyshon – Director

Tyson is well connected in the Australian resources sector with deep knowledge of mineral projects around Australia. His extensive network of C level executives provides the company with ongoing opportunities in the resources sector, across base metal, precious metal and rare earth projects.

He has over 8 years of experience working directly with Australian Listed mining companies assisting them to accelerate value to shareholders by providing access to new sources of liquidity.



Julian Malnic – Executive Director

Julian Malnic is a professional geologist and company builder whose career spans a wide range of industry activity including exploration (specialising in gold), mine assessment, corporate management and development, and industry media.

In 1995, Julian founded Nautilus Minerals (listed on the Toronto and London exchanges) the world's first company to be granted exploration licences to newly discovered, high-grade seafloor massive sulphide deposits.



Gerard Farley – Executive Director

Gerard has had over 25 years in the Financial Services industry, much of that specialising in the resources sector, he has worked in New York, London, Melbourne and Sydney.

Gerard has a long and successful history of picking companies at their most junior stage and helping them grow. He was an early investor and promoter of companies such as Kingsgate, FMG and many others.



Genevieve Mckinnon – Director and Company Secretary

Genevieve has over 30 years' experience in administration within Australia's healthcare system. She has strong organisational skills and has been involved in the Dalmorton Project since 2012. Genevieve has a degree in Business Administration and Human Resource Management.

4.2 Senior Management / Advisors

Dr. Vladimir David – Geophysicist and Geologist – Technical Advisor

Vlad holds geology degree BSc (Hons) from the University of Zagreb, Croatia and PhD in Economic Geology from the University of New England Armidale, Australia, and has worked for more than 20 years as a geologist in the mineral exploration and mining industry, as well as in research institutions and government offices. During his career, he has held various roles with different responsibilities working for major (MMG, OzMinerals, Zinifex, Pasminco, Coeur) and junior (Golden Cross Resources, Argent Minerals) mining and mineral exploration companies. His experience include wide range of mineral deposits in Australia, New Zealand and southeast Europe including: epithermal gold, porphyry copper-gold, mesothermal copper-gold, VMS, Irish, Sedex, MVT and Broken Hill style deposits.

He is a member of Australian Institute of Geoscientists and a Registered Professional Geoscientist (No 10,061) in three fields; Regional Geology, Mineral Exploration and Mining.

Dr. Peter Wallner – Advisor

Peter was the Chief Geologist for Little River Goldfields N.L. that delineated the Pine Creek deposit (within Revolution Metals' current exploration license) during the 1980's in joint venture with BP Minerals and Getty Minerals. He has over more than 30 years' experience in the mining industry in Australia, Europe, Asia, North America and Africa with focus on precious and strategic metals. Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Society for Mining, Metallurgy and Exploration in the United States of America.

Colin Alexander – Chief Information Officer

Colin has 8 years' experience in the Australian resources sector, liaising directly with junior Australian explorers and miners. Colin's network of retail brokers and capital raisers is a valuable asset to the company.

Richard Harris – Research Officer

Richard has over 25 years' experience in sourcing scientific equipment for the CSIRO, including geophysical and oceanographic instruments in projects involving extensive government and private capital expenditure. Richard's research into the gold bearing deposits of Northern New South Wales was the foundation of the current exploration activity for Revolution Metals.

4.3 Director duties

The Directors will make themselves available to review and manage all aspects of Revolution Metals Ltd's progress from explorer to producer, with a strong focus of moving the project through the milestones as needed, ensuring that shareholders see their investment value increase in the short term. The time required by each Director will depend largely on the outcomes of the regulatory processes and approval stages required to progress Revolution Metals Ltd's activity in, and the development and commercialisation of, the Dalmorton Goldfields.

However, as noted elsewhere in this Information Memorandum, the Directors are unable to provide any reasonable estimate of how long this process may take.

4.3 Corporate governance

The Directors monitor the business affairs of the Company on behalf of Shareholders and intend to formally adopt policies consistent with the ASX Corporate Governance Principles and Recommendations (to the extent that they are suitable and applicable to the Company) and which are designed to encourage the Directors to focus their attention on accountability, risk management and ethical conduct. The Directors are committed to high standards of corporate governance in the performance of their duties.

4.4 Disclosure of Directors' interests

Directors are not required under the Company's Constitution to hold any Shares. As at the date of this Information Memorandum, the Directors have, or will have, relevant interests in Shares as set out in the table below:

Director	No. of Shares	No. of Partly Paid Shares
Tim Mckinnon	35,000,000	0
Tyson Leyshon	2,000,000	0
Genevieve Mckinnon	2,000,000	0
Julian Malnic	2,000,000	0
Gerard Farley	2,000,000	0
Total	43,000,000	0

The Company has paid no remuneration to its Board since incorporation to the date of this Information Memorandum. In the lead up to the RTO, Directors will receive a reduced salary and with the balance accruing until such time as the RTO is completed. For each of the Directors, the proposed annual remuneration for the financial year following completion of the RTO is as follows:

Director	Annual Salaries
Tim Mckinnon	\$120,000
Tyson Leyshon	\$45,000
Genevieve Mckinnon	\$38,000
Julian Malnic	\$38,000
Gerard Farley	\$38,000

5. INVESTMENT RISK FACTORS

5.1 Introduction

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Information Memorandum, before deciding whether to apply for Shares.

The Company is at advanced exploration stage with the objective of producing gold from trial mining in the short term. Any profitability in the future from the Company's business will be dependent upon the successful transition to a fully licensed mining operation.

Shares being offered under this Information Memorandum are considered speculative due to the present stage of establishment of the Company and the risks inherent the resources sector.

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

5.2 Risk factors

Economic risks and external market factors

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

No liquid market for securities

Shareholders will not immediately have a ready market to sell Shares in the Company. Accordingly, it may be difficult for Shareholders to realise the value of their investment.

Achievement of objectives

The Company's initial investments may not be successful in delivering the outcomes and returns contemplated in the Company's business plan. In addition, other investments which the Company may make may not generate the financial returns anticipated at the time the investment and/or acquisition is undertaken.

The Directors are unable to provide investors with information as to the ultimate size and scale of the Company's existing and gold deposits and potential gold discoveries. Investors must make their decision to invest on the basis of the geological interpretation made by the company's qualified consultants.

Dependence on Directors and management

The Company is dependent on its Directors and management to drive the drilling, exploration, development, public listing and trial mining for Revolution Metals Ltd in the Dalmorton Goldfields. The loss of services of such Directors and management could have an adverse effect on the proposed operations of the Company.

Future capital needs

The raising of additional funds by Revolution Metals Ltd to further invest in the development of the Dalmorton Goldfields may not be possible, or not on sufficiently attractive terms. This may be due to reasons such as general market conditions and investor sentiment and confidence. No assurance can be given that future funding will be available to the Company on favourable terms, or at all.

Limited History

Having been incorporated on 2nd March 2017, the Company has limited operating history, although it should be noted that the Directors have between them significant operational experience. No assurances can be given that the Company will achieve commercial viability through the successful floating of the company or the delineation of a resource greater than 571,000 ounces of gold. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

Regulatory risk

Political, taxation, economic, legislative or regulatory changes where the Company operates may have an adverse effect on the Company's operations.

Industry risk

The industry sector in which the Company invests carries with it individual risks associated with that industry. It is not possible to detail all of the risk factors that the Company may be exposed to in respect of that sector, but may include factors related to currency exchange rates and the availability of necessary resources to undertake work programs.

Transaction risk

The acquisition of the Revolution Metals Ltd mineral assets has not yet completed and there is a risk that the proposed transaction may not proceed. The Directors believe this risk is very low.

Timing

The timing of the completion of regulatory approvals are dependent on many factors and unknown. Accordingly, the Directors can give no assurance as to the ultimate timing of such events.

Dilution

It is likely that the Company will need to proceed with further capital raisings as it progresses. The Directors are of the view that any additional capital raisings will be considered at the appropriate time. This may dilute the interests of the Company's Shareholders at that time.

In addition, any new acquisition or investment is likely to involve the issue of Shares to the vendors of the project. This will also dilute the interests of Shareholders at that time.

Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Information Memorandum. Therefore, the securities to be issued pursuant to this Information Memorandum carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

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

Attraction and retention of key employees

Revolution Metals Ltd.'s ability to effectively execute its growth strategy depends upon the performance and expertise of key employees, including those with valuable geological skills and specialist knowledge of the Company's current gold assets and surrounding geology.

The departure of certain key employees and any delay in their replacement, could hamper Revolution Metals Ltd's ability to achieve its strategic growth objectives and financial performance goals. In addition, Revolution Metals Ltd is still in the process of making key appointments to finalise its executive team. There is no guarantee that Revolution Metals Ltd will be able to attract and retain appropriately qualified personnel in these areas.

6. ADDITIONAL INFORMATION

6.1 Rights attaching to Fully Paid Shares

Shares issued under this Offer will rank equally in all respects with all other Shares on issue. The rights attaching to Shares are derived through a combination of statute, the Company's Constitution, common law and other applicable legislation. The following is a broad summary (though not an exhaustive or definitive statement) of the rights which are attached to the Shares.

The Company's current Constitution can be inspected on request to Revolution Metals Ltd.

Voting rights

At a general meeting each Shareholder present in person or by proxy, company representative or attorney is entitled to one vote on a show of hands. Upon a poll, every Shareholder present in person or by proxy, company representative or attorney is entitled to one vote for each fully paid share that the Shareholder holds.

General meetings

Each Shareholder is entitled to receive notice of and to be present, to vote and to speak at any general meeting. Further, each Shareholder is entitled to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution of the Company or the Corporations Act.

Dividend rights

Under the current Constitution, there is no entitlement to a dividend other than that determined by a special majority vote of the Directors (being a vote or resolution passed by at least 75% of the Directors entitled to vote). Following the conversion of Revolution Metals Ltd to a public company, dividends may be determined on the terms agreed by the Board. The Shares will rank equally with all other issued Shares in the capital of the Company for the purposes of participation in any dividend paid by the Company. The Directors are not anticipating paying dividends at this stage of the Company's development.

Rights on winding-up

The rights to any surplus arising on a winding-up of the Company will be divided in accordance with the winding-up provisions of the Corporations Act and the Constitution.

Transfer of Shares

Shares may only be transferred in accordance with the Constitution and the Corporations Act. Shares may only be transferred by a proper instrument in writing delivered to the Company, and the transferor is deemed to remain the holder of the Share until the name of the transferee is entered into the Company's register of members.

Future increases in capital

The allotment and issue of Shares is under the control of the Directors, but is subject to restrictions under the Constitution and the Corporations Act. The Directors may allot and issue new Shares on such terms and conditions as they determine, provided that any such Shares are first offered to existing Shareholders in accordance with the processes prescribed by the current Constitution. However, these processes will not apply where the Directors have determined by a special majority vote that the pre-emptive rights process will not apply to the allotment, and will also not apply after the conversion of Revolution Metals Ltd to a public listed company is effective.

6.2 Rights attaching to Partly Paid Shares

The Directors may, subject to compliance with the Company's Constitution, the Corporations Act and the Listing Rules, issue partly paid Shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

The following is a summary of the more significant rights of the holders of Partly Paid Shares. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities attaching to Partly Paid Shares:

- a. Each Partly Paid Share is issued at a price of 10 cents of which 0.01 cent is paid on issue with the balance of the issue price payable at the election of the holder at any time within 5 years of issue, and subject to point (b) below.
- b. The holder shall have the right to pay calls in advance on the Partly Paid Shares issued. Any notice of payment of calls in advance by the holder (**Payment Notice**) shall be in writing and delivered to the registered office of the Company. The Payment Notice shall specify the number of Partly Paid Shares in respect of which such payment is being made, the amount per share which is being paid up, and shall be accompanied by the appropriate payment for the number of partly paid shares specified in the Payment Notice. The Directors of the Company must, within 3 days after receipt of the Payment Notice, accept payment, credit the amount paid up and issue the appropriate holding statement for fully paid shares in respect of any shares which have been fully paid up.
- c. The Partly Paid Shares will not be subject to calls by the Company and any of the Partly Paid Shares which are not fully paid up at the expiration of 60 months of issue shall lapse and the holder shall have no right to pay up and shall retain no rights in relation thereto.
- d. A statement of holding will be issued for the Partly Paid Shares and will be forwarded to the holder together with the terms and conditions of the Partly Paid Shares.
- e. Dividends may be declared in respect of any of the Partly Paid Shares notwithstanding that the issue price of such Partly Paid Shares has not been paid in full. The Partly Paid Shares will participate in any dividends so declared with all other shares pro-rata to the proportion which the portion of the issue price paid up on the Partly Paid Shares bears to the issue price.
- f. The holder will be entitled to exercise any vote attaching to a Partly Paid Share at general meetings of members in accordance with the Constitution of the Company. Under the Constitution, on a poll, partly paid shares have a vote pro-rata to the proportion of the total issue price paid up. Amounts paid in advance of a call will be ignored when calculating the proportion.

- g. Partly Paid Shares allotted to the holder will participate in all issues of securities (including issues of shares, options and convertible notes) made to shareholders of the Company pro-rata to the proportion of the total issue price paid up. In respect of an issue of bonus securities, amounts paid in advance of a call will be ignored when calculating the proportion.
- h. The Company will ensure that, at least 9 business days before the record date to determine entitlement to any such new issue, the Company will notify the holder of the proposed new issue. This will afford the holder an opportunity to pay up all or some of the partly paid shares prior to the record date of any such new issue.
- i. In the event of a reconstruction (including consolidation, sub division, reduction or return) of the issued capital of the Company, the number of partly paid shares shall be reconstructed in accordance with the Listing Rules.
- j. Subject to the Partly Paid Shares becoming fully paid, the Company will apply for listing of the fully paid shares on the ASX.
- k. In the event of death of the holder, the right of the holder to pay up the Partly Paid Shares which are not at the time of the death of the holder fully paid up, will vest in the holder's executor and/or administrator as the case may be and such executor and/or administrator shall have the same rights to pay up the Partly Paid Shares as such deceased holder would have had but for the holder's death.
- l. Upon becoming fully paid, each Partly Paid Share will rank equally in all respects with the other issued fully paid ordinary shares in the Company.
- m. Subject to the ASX Listing Rules, the Partly Paid Shares, whilst partly paid, shall not be capable of transfer or assignment either in whole or in part without the approval of the Directors.

6.3 Management Options and Shares

The Board may, at their discretion, issue Options and/or Shares to key executives, Directors and management to incentivise these parties for the future growth of the Company and benefits to the Company's Shareholders. The Options would likely be unlisted but transferable.

6.4 Taxation

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

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

6.5 Litigation

As at the date of this Information Memorandum, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.6 Directors' Authorisation

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



Tim McKinnon
Chairman and Director
For and on behalf of
Revolution Metals Ltd

7. GLOSSARY OF TERMS

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

Term	Meaning
\$ or A\$	Australian dollars, unless otherwise stated.
Applicant	A party applying for Shares under the Offer.
Application Form	The application form accompanying this Information Memorandum relating to the Offer.
Application Monies	The money provided by Applicants under the Offer.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) and the financial market operated by it.
Revolution Metals Ltd, or the Company	Revolution Metals Ltd ACN 617 731 969.
Board	The board of Directors as constituted from time to time.
Business Day	A week day when trading banks are ordinarily open for business in Western Australia, Australia.
Closing Date	31 July 2017.
Constitution	The constitution of the Company from time to time.
Corporations Act	The Corporations Act 2001 (Cth).
Director or Directors	A director, or the directors, of the Company at the date of this Information Memorandum.
GST	Australian goods and services tax, as imposed by the <i>A New Tax System (Goods and Services Tax) Act 1999</i> .
Information Memorandum or IM	This information memorandum dated 30 April 2017.
Management Options	The Options issued to Directors and members of management.
Offer	The opportunity for Sophisticated Investors and Professional Investors to apply for Shares pursuant to this Information Memorandum.
Opening Date	1 May 2017.
Option	An option to acquire a Share in the Company.
Partly Paid Shares	Means a Partly Paid Share in capital of the Company as referred to in Section 8.2
Professional Investor	A professional investor as defined under section 708(11) of the Corporations Act.
Recipient or Recipients	A recipient of this Information Memorandum.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of Shares.
Sophisticated Investor	A sophisticated investor as defined under section 708(8) of the Corporations Act.

Application Form

Please read all instructions in the Application Guide.

Adviser Code

- A. Number of Shares applied for (minimum 50,000 Shares, then in multiples of 2,000 Shares)

at 10 cents per Share

A\$

You may be allocated all of the Shares above or a lesser number

- B. Total amount payable for Shares

A\$

- C. Full name details, title, given name(s) (no initials) and surname or company name

Name of applicant 1

ACN (if applicable)

Name of joint applicant 2 or <account name>

ACN (if applicable)

Name of joint applicant 3 or <account name>

ACN (if applicable)

- D. Tax File Number(s) or exemption category

- E. Eligibility category - Evidence attached

☐

Sophisticated
Investor

☐

Professional Investor

- F. Full postal address

Number/Street

Suburb/Town

State

Post code

- G. Contact details

Contact name

Contact telephone number

Email address

- H. Payment details

If paying by cheque, please fill out your cheque details and make your cheque payable to "Revolution Metals Ltd".

Drawer	Cheque Number	BSB Number	Account Number	Total amount of cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

For payments by bank transfer refer, account details are as follows:

Bank: Commonwealth Bank
Account Name: Revolution Metals Ltd
BSB: 062-000
Account Number: 1668 4802

Please include the name of the applicant (as it appears on the Application Form) in the reference for the funds transfer.

- I. Acknowledgment

I/We declare that this Application Form is completed according to the declarations/appropriate statements in the Application Guide and agree to observe and be bound by the terms of the Constitution of the Company (and the new public Constitution of the Company once it is in force).

Returning the Application Form with your cheque for the Application Monies or making an electronic funds transfer to the Company's account, will constitute your offer to subscribe for Shares in the Company under this Offer.

An application for Shares in the Company under this Offer will be subject to ASX Escrow Provisions according to the ASX Listing Rules and Appendices 9A and 9B of the ASX Listing Rules.

A signature is not required.

Application Guide

This Application Form relates to the offer of Shares in the Company pursuant to the Information Memorandum dated 1st May 2017. The Information Memorandum contains information about investing in the Shares of the Company and it is strongly advisable to read this document before applying for Shares.

Please complete the all relevant sections of the Application Form using black pen and BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A. Insert the number of Shares you wish to apply for.
- B. Insert the relevant Application Monies. To calculate your Application Monies, use the number of Shares applied for and multiply by 10 cents.
- C. Write the full name you wish to appear in the Company's share register. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected.
- D. Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.
- E. You must confirm whether the Applicant is a Sophisticated Investor or Professional Investor for the purposes of section 708 of the Corporations Act. If the applicant is a Sophisticated Investor, a current accountant's certificate must be provided with the Application Form. If the name of the Applicant and the name of the investor shown in the accountant's certificate differ (including the omission from the Accountant's certificate of any trust shown in the Application Form), you must provide evidence to establish that the investor shown in the accountant's certificate controls the Applicant. If the Applicant is a Professional Investor, it is recommended that you contact Revolution Metals Ltd to discuss the evidence that would be acceptable for the purposes of the Offer.
- F. Please enter your postal and email address for all correspondence. All communications to you from the Company will be mailed or emailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- G. Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H. Please complete cheque details as requested.

Make your cheque payable to "Revolution Metals Ltd" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank, and the amount should agree with the amount shown in section B.

Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
- I. Before completing the Application Form, the Applicant(s) should read the Information Memorandum to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Information Memorandum, and agrees to take any number of Shares equal to or less than the number of Shares indicated in section A that may be allotted to the Applicant(s) pursuant to the Information Memorandum and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Applications

Completed Application Forms and accompanying cheques must be received by the Company before 5.00pm AEDST on the Closing Date by either being delivered to or mailed to the following addresses:

Posted To:
Revolution Metals Ltd
Suite 1, Level 1, 3 Spring Street
Sydney NSW 2000
Australia

Emailed To:
blaze@revolutionmetals.com

Cheques should be made payable to "Revolution Metals Ltd" and crossed "Not Negotiable".

Application Monies may also be deposited into the Revolution Metals Ltd bank account.

Details of the bank account are as follows:

Bank: Commonwealth Bank
Account Name: Revolution Metals Ltd
BSB: 062-000
Account Number: 1668 4802

Please include the name of the Applicant (as it appears on the Application Form) in the reference for the funds transfer and ensure that any required accountant's certificate (or other evidence) confirming that the Applicant is a Sophisticated or Professional Investor is delivered to the Company by mail or sent in scanned form to blaze@revolutionmetals.com.

Application Forms and subscription funds must be received no later than 5.00 pm on the Closing Date which may be changed after the Opening Date at any time at the discretion of the Company.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares and other securities. Applications 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 are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - use names in full, no initials	Mr Peter Matthew Jones	P M Jones
Minor (a person under the age of 18) - use the name of a responsible adult, do not use the name of a minor.	Peter Matthew Jones <John Jones>	John Jones
Company - use company title, not abbreviations, and specify ACN or ABN	XYZ Pty Ltd (ACN 123 456 789)	XYZ P/L XYZ Co
Trusts - use trustee(s) personal name(s), do not use the name of the trust	Mrs Susan Jones <Susan Jones Family A/C>	Susan Jones Family Trust
Deceased Estates - use executor(s) name(s), do not use the name of the deceased	Ms Jennifer Jones <Est Peter Jones A/C>	Estate of Late Peter Jones
Partnerships - use partner's personal names, do not use the name of the partnership	Mr Peter Jones & Mr Michael Jones <Peter Jones and Son A/C>	Peter Jones and Son

Accountant's Certificate

PURSUANT TO SECTION 708(8)(c) OF THE CORPORATIONS ACT

I, _____ am a "qualified accountant" for the purposes of Section 708(8)(c) of the Corporations Act, being a member of the following professional body:

_____ ("Body")

and am subject to and in compliance with the Body's continuing professional development requirements.

I certify that the following investor has net assets of at least \$2.5 million or has a gross income for each of the last two (2) financial years* specified below of at least A\$250,000 a year.

Name of investor: _____

Address of investor: _____

* The last two financial years for which this certificate applies are 30 June 2015 and 30 June 2016 as defined in the Income Tax Assessment Act 1997.

Signed: _____

Print Name: _____

Date: _____

Phone: _____

Address: _____

NOTE: This Certificate is confidential and may only be provided to the individual, the company seeking to rely upon Section 708(8)(c), any employer of the individual and the Australian Securities & Investments Commission or their duly appointed agents.