WESTGOLD
RESOURCES LIMITED
ACN 009 260 306

INFORMATION MEMORANDUM

For an application for admission to the official list of the Australian Securities Exchange

THIS DOCUMENT IS IMPORTANT AND IT SHOULD BE READ IN ITS ENTIRETY

Corporate Directory

Directors
Peter Newton (Non-Executive Chairman)
Peter Cook (Managing Director)
Warren Hallam (Non-Executive Director)
Fiona Van Maanen (Non-Executive Director)

Company Secretary
David Okeby

Chief Financial Officer
Scott Balloch

Key Management
Paul Hucker (Chief Operating Officer: SKO & HGO)
Grant Brock (Chief Operating Officer: CMGP & FGP)
Jake Russell (Chief Geologist)

Registered Office
Westgold Resources Limited
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West Perth WA 6005
Phone: +61 8 9462 3400
Fax: +61 8 9462 3499
Email: reception@westgold.com.au
Web: www.westgold.com.au

Postal Address
PO Box 1959
West Perth WA 6872

Securities Exchange
Australian Securities Exchange
ASX Code: WGX

Share Registry
Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross WA 6153
Phone: + 61 8 9315 2333
Fax: + 61 8 9315 2233
E-mail: registrar@securitytransfer.com.au

Domicile and Country of Incorporation
Australia

Contents

1. Purpose of the Information Memorandum

This Information Memorandum dated 31 October 2016 has been prepared by Westgold Resources Limited ACN 009 260 306 (**Westgold**) in connection with its application for:

(a) admission to the official list of ASX; and

(b) Westgold Shares to be granted official quotation on the stock market conducted by ASX.

This Information Memorandum will apply in relation to Westgold's application for admission to the official list of the ASX if the demerger of Metals X Ltd's interest in the gold assets held by its wholly owned subsidiary Westgold (**Demerger**) is approved by Metals X Shareholders and implemented.

This Information Memorandum should be read in conjunction with the notice of meeting and explanatory memorandum prepared by Metals X Limited ACN 110 150 055 (**Metals X**) dated 17 October 2016 (**Notice of Meeting**), which is annexed as Schedule A. The Notice of Meeting contains detailed information in relation to the Demerger, including in relation to Westgold (see section 4 of the Notice of Meeting).

This document is not a prospectus or disclosure document lodged with ASIC under the Corporations Act.

This document does not constitute or contain any offer of Westgold Shares for subscription or purchase or any invitation to subscribe for or buy Westgold Shares.

2. Information about Westgold

The Demerger is to be carried out via an in specie distribution of all of the shares in Westgold to the Metals X Shareholders (**In Specie Distribution**).

As a result of the Demerger, Metals X Shareholders will have direct ownership in Westgold, a dedicated gold production and exploration company. More information on Westgold's assets is set out in Annexure A of the Notice of Meeting.

Westgold is expected to have approximately $110 million in cash funding at the conclusion of implementing the Demerger, and more information on the sources and uses of the working capital is set out in section 4.3 of the Notice of Meeting.

Westgold's objective is to generate returns through the realisation of value from its gold assets. For more information on Westgold's objectives and business strategy, see section 4.3 of the Notice of Meeting. For more information on the Westgold Directors and senior management, see sections 4.7 and 4.8 of the Notice of Meeting.

3. Incorporation of Notice of Meeting

(a) Capitalised terms defined in the Notice of Meeting have the same meaning where used in this Information Memorandum (unless the context requires otherwise).

(b) The following parts of the Notice of Meeting and any supplementary documents issued in connection with the Demerger are incorporated by reference in this Information Memorandum:

    (1) Letter from the Chairman of Metals X, to the extent that it relates to Westgold;

    (2) Section 2 – Proposed Demerger, to the extent that it relates to Westgold;

    (3) Section 3 – Resolution 1 – Approval of in specie pro rata capital reduction, to the extent that it relates to Westgold;

    (4) Section 4 – Profile of Westgold;

    (5) Section 5 – Financial information for Westgold;

    (6) Section 8 – Capital Reduction, to the extent that it relates to Westgold;

    (7) Section 9 – Australian income tax implications, to the extent that it relates to Westgold;

(8) Section 11 – Risk Factors, to the extent that it relates to Westgold;

(9) Section 12 – Additional Information, to the extent that it relates to Westgold;

(10) Annexure A – Westgold Assets, Geological Information on the Gold Business; and

(11) Annexure C – Independent Expert's Report, to the extent it relates to Westgold.

4. Westgold Financial Information

Attached at Schedule B to this Information Memorandum is the historical financial information of Westgold which includes the historical consolidated statements of comprehensive income and cash flows for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 and historical consolidated statements of financial position as at 30 June 2014, 30 June 2015 and 30 June 2016, together with a pro forma historical statement of financial position as at 30 June 2016 assuming implementation of the Demerger (**Financial Information for Westgold**).

5. Independent Limited Assurance Report

Attached at Schedule C to this Information Memorandum is an Investigating Accountant's Independent Limited Assurance Report in relation to the Financial Information for Westgold.

6. Resources and Reserves Information

Annexure A to the Notice of Meeting contains detailed information in respect of the resources and reserves of the Westgold assets. Attached at Schedule D to this Information Memorandum is the related and detailed JORC Code 2012 information tables in respect of resources and reserves information of the Westgold assets.

7. Application to be admitted to the official list of ASX

(a) The persons who have signed this Information Memorandum believe that this Information Memorandum (incorporating the parts of the Notice of Meeting referred to in section 3(b) of this Information Memorandum) contains all the information which would have been required under section 710 of the Corporations Act if the Information Memorandum were a prospectus in respect of an offering by Westgold of the same number of Westgold Shares as will be transferred to Metals X Shareholders pursuant to the In Specie Distribution.

(b) Neither ASX nor any of its officers take any responsibility for the contents of this Information Memorandum. The fact that ASX may admit Westgold to its official list is not to be taken in any way as an indication of the merits of Westgold.

8. Capital Structure

The capital structure of Westgold immediately post-Listing is set out in the table below.

Capital structure	Number
SHARES	
Shares on Issue	304,670,862
TOTAL	**304,670,862***

** Subject to rounding to the extent necessary to implement the Demerger on the basis of each Metals X Shareholder's entitlement to one Westgold share for every two Metals X share as set out in the Notice of Meeting.*

It is proposed that shortly after Listing, Westgold will issue a total of up to 12,150,000 Employee Options pursuant to the Company's Employee Share Option Plan to senior management of Westgold (details of which are set out in section 4.6 and in section 12.5 of the Notice of Meeting), being at an exercise price equal to 125% of the 20 day VWAP of Westgold Shares post ASX listing and with a one year vesting period and four year exercise period.

9. Disclosure of Interests

9.1 Westgold Directors

Other than as set out in this Information Memorandum or in the Notice of Meeting, no director or proposed director of Westgold, or any entity in which the director or proposed director is a member or partner, has at the date of this Information Memorandum, or has had within two years before the date of this Information Memorandum, any interest in the promotion of Westgold or in any property acquired or proposed to be acquired by Westgold and no amounts, whether in cash or securities or otherwise, have been paid or agreed to be paid by any person to any director or proposed director, or to any entity in which a director or proposed director is a member or partner, either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them or by the entity in connection with the promotion of Westgold. Non-executive directors of Westgold will receive annual directors fees, with the aggregate maximum non-executive director fees set at up to $500,000.

9.2 Experts

(a) Except as set out in this Information Memorandum or in the Notice of Meeting, no expert named in this Information Memorandum or entity in which any such expert is a partner or member has any interest in the promotion of Westgold or in any property acquired or proposed to be acquired by Westgold and no amounts, whether in cash or securities or otherwise, have been paid or agreed to be paid by any person to any such expert or to any entity in which any such expert is a partner or member for services rendered by him or her or the entity in connection with the promotion of Westgold.

(b) The parties listed in this Information Memorandum or in the Notice of Meeting as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Information Memorandum or Notice of Meeting are:

(1) Stantons International Securities Pty Ltd (**Independent Expert**);

(2) HopgoodGanim Lawyers (Legal adviser);

(3) Ernst & Young (as Australian tax adviser to Westgold);

(4) Ernst & Young (Investigating Accountant for the Information Memorandum); and

(5) Security Transfer Australia Pty Ltd (Share Registry to Metals X and Westgold).

Each of them will be entitled to receive professional fees as set out in Section 12.9 of the Notice of Meeting and elsewhere, and otherwise charged in accordance with their normal basis of charging.

10. Consents

(a) The following parties have given and have not withdrawn their written consent to be named in this Information Memorandum in the form and context in which they are named:

(1) Metals X;

(2) HopgoodGanim Lawyers as legal adviser in relation to the Demerger;

(3) the Independent Expert;

(4) Ernst & Young as Australian tax adviser to Westgold;

(5) Ernst & Young as Investigating Accountant to Westgold solely for the purposes of this Information Memorandum and auditors of Westgold with respect to its financial statements for the years ended 30 June 2014, 30 June 2015 and 30 June 2016; and

(6) Security Transfer Australia Pty Ltd as the manager of the Metals X Registry and the Westgold Share Registry.

(b) Each person named in paragraphs (a) (2) to (6) above:

(1) does not make, or purport to make, any statement in this Information Memorandum or any statement on which a statement in this Information Memorandum is based other than in respect of a statement or report included in this Information Memorandum with the consent of that party; and

(2) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Information Memorandum, other than a reference to its name and any statement or report which has been included in this Information Memorandum with the consent of that party.

(c) The competent persons for Westgold's resources and reserves statement as set out in section 12.10 of the Notice of Meeting, have given and have not, before the lodgement of this Information Memorandum with ASX, withdrawn their written consent to be named in the Notice of Meeting in the form and context in which they appear and further have given requisite competent person consent to the inclusion of Schedule D to this Information Memorandum.

11. No Concurrent Capital Raisings

Westgold is not seeking to raise funds under either the Notice of Meeting or this Information Memorandum.

This Information Memorandum has been prepared by Westgold in connection with its application for admission to the official list of ASX of Westgold Shares.

Westgold has not issued any equity capital for the 3 months before the date of issue of this Information Memorandum. Westgold will not need to raise any equity capital in the 3 months after the date of issue of this Information Memorandum.

12. ASX Waivers

Metals X and Westgold have sought the following waivers and confirmations from ASX in connection with the Listing including:

(a) *No prospectus* – confirmation that for the purposes of listing rule 1.1 condition 3 Westgold may provide an information memorandum that satisfies the requirements of Listing Rule 1.4 in lieu of a prospectus;

(b) *Escrow* – confirmation that listing rule 9.1 would not apply any escrow requirements that would otherwise be imposed on the Westgold Shares distributed to the Metals X Shareholders pursuant to the In Specie Distribution;

(c) *Issue price* – confirmation that Westgold will satisfy the "20 cent issue price" requirement for the purposes of Listing Rule 2.1 Condition 2;

(d) *Spread Requirements* – confirmation that all Metals X Shareholders who hold a marketable parcel of Westgold Shares as a result of the In Specie Distribution will be counted in satisfaction of the spread requirements under the admission criteria set forth in Chapter 1 of the Listing Rules; and

(e) *Future incentive equity for related parties of Westgold* – confirmation that ASX agrees that incentive equity can be issued in Westgold after listing if disclosure if made in Metals X meeting materials for the In Specie Distribution.

13. Corporate Governance

(a) Upon Listing, Mr David Okeby will be Company Secretary of Westgold and will be the person responsible for communication with ASX in relation to ASX Listing Rule matters in accordance with ASX Listing Rule 1.1, Condition 12.

(b) Westgold's corporate governance statement is set out as Schedule E to this Information Memorandum.

14. Supplementary Information

Westgold and/or Metals X will issue a supplementary Information Memorandum if either of them becomes aware of any of the following between the date of this Information Memorandum and the date the Westgold Shares are quoted on ASX:

(a) a material statement in this Information Memorandum is misleading or deceptive;

(b) a material omission from this Information Memorandum; or

(c) a significant new matter has arisen and it would have been required to be included in this Information Memorandum if it had arisen before the date of this Information Memorandum.

15. Working capital requirements

(a) Section 4.3 of the Notice of Meeting summarises Westgold's funding strategy.

(b) Section 4.4 of the Notice of Meeting summarises the operations of Westgold and Annexure A of the Notice of Meeting contains information in relation to Westgold's assets.

(c) The Westgold Directors believe that Westgold has enough working capital to carry out its stated objectives.

Signed by each Westgold Director:

Peter Newton

Peter Cook

Warren Hallam

Fiona Van Maanen

Metals X Limited ACN 110 150 055

Notice of Extraordinary General Meeting and Explanatory Memorandum for the proposed Gold Demerger

Date of Meeting:	Thursday, 24 November 2016
Time of Meeting:	10:00am (Perth time)
Place of Meeting:	QV1 Conference Centre (Function Room), Level 2, 250 St Georges Terrace, Perth, Western Australia

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of shareholders of Metals X Limited ACN 110 150 055 (**Company** or **Metals X**) will be held at QV1 Conference Centre (Function Room), Level 2, 250 St Georges Terrace, Perth, Western Australia on Thursday, 24 November 2016 at 10:00am (Perth time).

Agenda

Ordinary business

1. Approval of Capital Reduction

To consider and, if thought fit, pass the following Ordinary Resolution:

> *"That, for the purposes of section 256B and section 256C(1) of the Corporations Act, article 32.4 of the Company's Constitution, on the basis set out in the Explanatory Memorandum and for all other purposes:*
>
> (a) *the issued share capital of Metals X be reduced, without cancelling any shares, by an amount up to the market value (as assessed by the Directors of Metals X) of all the fully paid ordinary shares in the capital of Westgold Resources Pty Ltd ACN 009 260 306 (**Westgold**) less a demerger dividend (if any) with effect as at the Record Date set by the Directors of Metals X to determine entitlements to the distribution and transfer referred in paragraph (b) of this Resolution; and*
>
> (b) *the reduction, and demerger dividend (if any), be satisfied by the distribution and transfer of all fully paid ordinary shares in Westgold (**Westgold Shares**) to holders of fully paid ordinary shares in Metals X (**Metals X Shares**) registered as such on the Record Date in the ratio of 1 Westgold Share for every 2 Metals X Shares at the Record Date, to be effected in accordance with the Metals X Constitution, the ASX Listing Rules and as otherwise determined by the Directors of Metals X."*

General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of Metals X.

By order of the board

Ms Fiona Van Maanen
Company Secretary
Metals X Limited

17 October 2016

Notice of Extraordinary General Meeting

17 October 2016

Dear Metals X Shareholder

Proposed Demerger

On behalf of the Board of Directors of Metals X Limited (**Metals X** or **Company**) I am pleased to present you with this Demerger Notice of Meeting.

On 4 August 2016 Metals X announced that it would examine a demerger of the Company's gold assets to provide our shareholders an opportunity to participate in the current buoyant market conditions for pure-play Australian gold producers. The proposed Demerger will see the Company's Gold Business Unit, held through its wholly owned subsidiary Westgold Resources Pty Ltd[1] (**Westgold**) separated and listed with existing shareholders of Metals X participating on an equal basis.

The Board believes this move creates great optionality for shareholders and will create two separate but exciting and well-funded companies; Westgold as pure-play gold and Metals X as a diversified base-metals company. A shareholder at the record date will retain their shares in Metals X as if nothing happened. They will also receive the same proportion of shares in Westgold which will trade under the ticker ASX:WGX.

Metals X will continue its operations as a diversified metals producer and explorer, with its copper and tin mines, its growth projects in copper, tin and nickel and its exploration portfolio.

The Demerger process is an in-specie distribution of all of the shares in Westgold to Metals X Shareholders. Whilst this process is forged to create value for shareholders, I urge you to fully understand the consideration to roll-over relief, taxation and re-setting the capital base for your shares as a consequence. We provide detail and some guidance, however individuals should seek their own advice.

Again I state that as a result of the Demerger, Metals X Shareholders will have direct ownership in Westgold, a dedicated gold producer and explorer, whilst retaining a holding in the remaining Metals X diversified metals producer and explorer.

Board recommendation for Demerger

The current state-of-play in the gold equities market has seen an insatiable appetite for Australian gold stocks, in particular those that are pure-play and those that can deliver immediate cash flow rewards. This has evolved quickly as the rapid devaluation of our exchange rate and a side-ways movement in the US gold price has given us a stronger domestic gold price, a better operating margin and has exposed the Australian gold sector as a beacon for international investment flows. The Metals X Board believes that its equities have not participated fully in this upsurge due to the complexity and cross pollination of its counteracting base metal and gold business units. Hence, the Board believes it is appropriate to expedite the realisation of value from the gold business by separating Westgold from the remaining Metals X business units.

The Independent Expert has concluded that the Demerger is fair and reasonable and is in the best interests of Metals X Shareholders, in the absence of a superior proposal. The Metals X Board unanimously recommend that you vote in favour of the Demerger resolution for a Capital Reduction, as detailed in this Notice of Meeting. Each Metals X Director intends to vote in favour of the Demerger in respect of the Metals X Shares they own or control.

Overview of Westgold

The Demerger will provide ownership to Metals X Shareholders in a 'pure-play' gold producer and explorer led by Mr Peter Cook, with an experienced board of directors and the operations team that currently manage these assets.

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[1] To be converted to a public company limited by shares prior to listing on ASX

Notice of Extraordinary General Meeting

Westgold's portfolio has three operating gold projects with a fourth project under construction. These assets all are located in prolific historical gold production regions in Western Australia. With a combined 5.5 million tonnes per annum treatment capacity amongst the four projects, aggregated Mineral Resources of approximately 15.4 million ounces of gold and Ore Reserves totalling 2.89 million ounces of gold, the current Westgold operating strategy is to increase annual production to above 400,000 ounces of gold per annum in the ensuing years. The strategy is predicated on its steady state Higginsville Gold Operations and South Kalgoorlie Operations, with the Central Murchison Gold Project continuing to ramp-up production and the Fortnum Gold Project scheduled for start-up by the end of 2016.

In addition Westgold holds a significant gold-dominant polymetallic deposit at Rover 1 in the Northern Territory. Rover 1 is at feasibility stage and contains a significant resource of 6.8 million tonnes at 1.73g/t gold, 2.1g/t Silver, 1.2% Copper, 0.14% Bismuth and 0.06% Cobalt.

Shareholders are encouraged to read Annexure A which contains geological and other detailed information on Westgold's assets.

Mr Peter Cook, currently CEO and Executive Director of Metals X, will become Managing Director of Westgold. Mr Cook is a geologist and a mineral economist with over 30 years of experience in exploration, project development, operations and corporate management of mining companies. The Chairman of Westgold will be Peter Newton. Metals X's current CFO and Company Secretary, Fiona Van Maanen, as well as Mr Warren Hallam, will be Non-executive Directors of Westgold. Westgold will take with it the management and operations team of the current Metals X Gold Business Unit.

Overview of remaining Metals X

With the completion of the acquisition of Aditya Birla in August 2016, the Nifty copper mine was added to the Base Metals Business Unit further diversifying and expanding its revenue base.

After the Demerger of the Gold Business Unit, Metals X will continue to be a significant mining company with a focus on the base metals markets. It will continue in a unique position as the only significant publicly listed tin producer on the ASX, in fact it remains as one of very few if not the only publicly listed tin producer in the western world. It will be a significant copper producer from its newly acquired Nifty copper mine. Not only is there solid revenue and earnings from its producing mines but it will have growth projects in tin through the Rentails (tin tailings re-treatment project), a further potential copper development through the Maroochydore copper project and the development-ready Wingellina Nickel-Cobalt-Iron project.

In the last financial year output from mining operations were:

- Tin: 3,181 tonnes of tin metal (production for the year ended 30 June 2016) through Metals X 50% Joint Venture ownership of the Renison Tin Project in Tasmania; and
- Copper: 32,098 tonnes of copper in concentrate (production for the year ended 31 March 2016) from the Nifty Copper Operation in Western Australia.

Metals X's Wingellina Ni–Co-Fe Project is a world-class deposit. It has a Mineral Resource (0.5% Ni cut-off) of the nickeliferous limonite of 215.8 million tonnes at 0.9% nickel, 0.07% cobalt and 44.29% $Fe2O3$, containing 2.0 million tonnes of nickel metal. The most recent feasibility study showed this was sufficient for over 40 years of production at an annual rate of 40,000 tonnes of nickel and 3,000 tonnes of cobalt production per annum.

A key focus of Metals X in the ensuing years will be to find the funding and/or partners to bring the Wingellina Project into production. The initial feasibility study of Wingellina has been conducted and showed a robust outcome, albeit at higher nickel prices. Environmental approvals have been received and discussion with the NT Government is ongoing in regards to support for road and gas infrastructure. Given the current lower nickel price environment, a development of the project is not imminent, but it remains poised and ready for the next nickel price upturn.

Notice of Extraordinary General Meeting

If the Demerger is not approved by Shareholders

The Demerger is subject to Metals X Shareholder approval, as detailed in this Notice of Meeting, and regulatory approval. It is the Board's intention to only proceed with the Demerger if the Demerger Conditions are satisfied. These include confirmation from the ATO in a form satisfactory to Metals X that demerger tax relief will be available and further, Westgold obtaining ASX approval to the listing of Westgold, including conditional ASX listing approval on terms which are acceptable to Metals X and Westgold acting reasonably. If Westgold does not obtain ASX listing approval, or the other Demerger Conditions are not satisfied, the Demerger will not proceed. There is no guarantee that Westgold will obtain approval to be admitted to the Official List or that the other Demerger Conditions will be satisfied; accordingly, the Demerger may not occur.

Extraordinary General Meeting of Shareholders to approve Demerger

An Extraordinary General Meeting of Shareholders of Metals X will be held at QV1 Conference Centre (Function Room), Level 2, 250 St Georges Terrace, Perth, Western Australia on 24 November 2016 at 10:00am (Perth time) for the purpose of putting the resolution for the Demerger, by way of capital reduction, to Metals X Shareholders. This Notice of Meeting sets out the effect of the Demerger, certain information required by law and all other information known to Metals X directors which is material to the decision of Metals X Shareholders whether or not to approve the Demerger (other than information previously disclosed).

Your vote is important for the Demerger to proceed

Your vote is important and I strongly encourage you to vote on this important proposal at the Demerger Extraordinary General Meeting.

For details of how you may vote at the Demerger Extraordinary General Meeting please refer to the attached Notice of Meeting, the Explanatory Memorandum and its Annexures.

I encourage you to read this Notice of Meeting carefully and in its entirety as it contains important information that will need to be considered before you vote on the Demerger.

If you have any questions about the Demerger please contact Metals X information line on 1300 659 000 (for callers within Australia) or +61 8 9215 6061 (for callers outside Australia) on weekdays between 8.30am and 5.00pm Perth time.

Yours sincerely

Peter Newton
Chairman
Metals X Limited

Notice of Extraordinary General Meeting

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Important Notices

General

Metals X Shareholders should read the this Notice of Meeting and accompanying Explanatory Memorandum in full before making a decision as to how to vote on the resolution to be considered at the General Meeting.

Purpose of the Explanatory Memorandum

The Explanatory Memorandum sets out the effect of the Demerger, certain information required by law and all other information known to Metals X directors which is material to the decision of Metals X Shareholders whether or not to approve the Demerger (other than information previously disclosed to Metals X Shareholders) and is comprised of all information known to Metals X that is material to Metals X Shareholders on how to vote on Resolution 1, as required by section 256C(4) of the Corporations Act.

A copy of the Notice of Meeting and Explanatory Memorandum will be distributed to all Metals X Shareholders and is also available in electronic form on Metals X website at **www.metalsx.com.au**.

Responsibility Statement

The Explanatory Memorandum has been prepared by Metals X and the Metals X Board as at the date of the Explanatory Memorandum and Metals X and the Metals X Board are responsible for the Explanatory Memorandum.

Foreign Shareholders

The release, publication or distribution of the Notice of Meeting and Explanatory Memorandum in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions, and persons outside of Australia who come into possession of the Notice of Meeting and Explanatory Memorandum should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

The Notice of Meeting and Explanatory Memorandum have been prepared in accordance with Australian law and are subject to Australian disclosure requirements. The information contained in the Notice of Meeting and Explanatory Memorandum may not be the same as that which would have been disclosed if the Notice of Meeting and Explanatory Memorandum had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia. Financial information in this Explanatory Memorandum has been prepared in accordance with the classification and measurement principles of the Australian Accounting Standards and is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

China

The information in this Notice of Meeting does not constitute a public offer of the Westgold Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The Westgold Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors" or quasi sovereign wealth fund investors authorized by the Chinese central government.

Notice of Extraordinary General Meeting

Hong Kong

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

New Zealand

This document and information contained in or accompanying this document:

(1) are not, and are under no circumstances to be construed as, an offer of financial products for sale requiring disclosure to an investor under Part 3 of the Financial Markets Conduct Act 2013 (New Zealand) (the "**FMC Act**");

(2) are not a disclosure document for the purposes of the FMC Act; and

(3) do not contain all the information that a disclosure document is required to contain under New Zealand law.

MLX does not intend that the Westgold Shares be offered for sale in New Zealand in terms of the FMC Act. Accordingly:

(1) this document and information contained in or accompanying this document have not been registered, filed with or reviewed or approved by any New Zealand regulatory authority under or in accordance with the FMC Act; and

(2) the Westgold Shares have not been and may not be offered or sold to any person in New Zealand other than:

    (A) in the event the Distribution is deemed to occur after 30 November 2016, to persons who are "wholesale investors" as defined in clause 3(2) of Schedule 1 to the FMC Act; and

    (B) in other circumstances where there is no contravention of the FMC Act.

In acquiring Westgold Shares after 30 November 2016, each investor represents and agrees that it is a "wholesale investor" as defined in clause 3(2) of Schedule 1 to the FMC Act (or otherwise is being sold the Westgold Shares in circumstances where there is no contravention of the FMC Act) and that it is not acquiring those Westgold Shares with a view to dealing with them (as that term is defined in the FMC Act) and, accordingly:

(1) it has not, and will not, directly or indirectly, sell or transfer the Westgold Shares, or grant, issue or transfer interests in, or options over, the Westgold Shares; and

(2) it has not distributed and will not distribute, directly or indirectly, this document or the information contained in or accompanying this document,

in each case, in New Zealand within 12 months after the date on which the Westgold Shares were acquired under the Distribution, other than to persons who are "wholesale investors" as defined in clause 3(2) of Schedule 1 to the FMC Act or in other circumstances where there is no contravention of the FMC Act.

References to the FMC Act include any statutory modification or re-enactment of, or statutory substitution for, the FMC Act.

United Kingdom

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

This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Westgold Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

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

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Notice of Extraordinary General Meeting

ASIC and ASX

A copy of the Notice of Meeting and Explanatory Memorandum has been lodged with ASIC in accordance with section 256C(5) of the Corporations Act. Neither ASIC nor its officers take any responsibility for the contents of the Notice of Meeting and Explanatory Memorandum.

A copy of the Notice of Meeting and Explanatory Memorandum, together with some further information, has been lodged with the ASX. Neither the ASX nor any of its officers take any responsibility for the contents of the Notice of Meeting and Explanatory Memorandum. The fact that the ASX may admit Westgold to the Official List is not to be taken in any way as an indication of the merits of an investment in Westgold.

Investment decisions

The Notice of Meeting and Explanatory Memorandum is important and requires your immediate attention. It should be read in its entirety before making a decision on whether or not to vote in favour of the Resolution. The Notice of Meeting and Explanatory Memorandum are intended for all Eligible Shareholders collectively and does not take into account the investment objectives, financial situation and particular needs of each individual Eligible Shareholder or any other particular person. This Notice of Meeting and Explanatory Memorandum should not be relied upon as the sole basis for any investment decision in relation to Demerger. Before making any investment decision in relation to these matters you should consider, preferably with the assistance of a professional adviser, whether that decision is appropriate in the light of your particular investment needs, objectives and financial circumstances. If you are in any doubt about what you should do you should seek independent financial and taxation advice before making any investment decision in relation to the Demerger.

Forward looking statements

Certain statements in the Notice of Meeting and Explanatory Memorandum relate to the future, including forward looking statements relating to Metals X's and Westgold's financial position and strategy. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of Metals X or Westgold to be materially different from future results, performance or achievements expressed or implied by such statements. Such risks, uncertainties, assumptions and other important factors include, among other things, the risks and consideration described in section 11 of the Explanatory Memorandum. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected.

Other than required by law, neither Metals X nor Westgold, their officers nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements will actually occur. You are cautioned not to place undue reliance on those statements.

Subject to any continuing obligations under applicable law or the Listing Rules, Metals X and Westgold expressly disclaim any obligation to give any updates or revisions to any forward looking statements to reflect any change in events, conditions or circumstances on which any such statement is based.

The forward looking statements in the Explanatory Memorandum reflect views held only immediately before the date of the Explanatory Memorandum.

Estimates

All references to, and derivations of, estimates are references to estimates and derivations by Metals X management, unless otherwise indicated. Management estimates and derivations are based on views at the date of this Explanatory Memorandum, and actual facts or outcomes may be materially different from those estimates.

Any discrepancies between totals in tables and sums of components contained in the Explanatory Memorandum and between those figures and other figures referred to in other parts of this Explanatory Memorandum are due to rounding.

Privacy

Metals X may collect personal information in the process of implementing the Demerger. This information may include the names, contact details and security holdings of Eligible Shareholders and the names of persons appointed by Eligible Shareholders to act as proxy, corporate representative or attorney at the General meeting. The primary purpose of collecting this information is to assist Metals X in conducting the General Meeting and to enable the Demerger to be implemented by Metals X in the manner described in this Explanatory Memorandum. Personal information may be disclosed to Westgold, the Registry, print and mail service providers, authorised securities brokers, securities authorities and to Related Bodies Corporate of Metals X or Westgold. Eligible Shareholders have the right to access personal information that has been collected. An Eligible Shareholders who wishes to access personal information should contact the Registry.

Eligible Shareholders who appoint a named person to act as their proxy, corporate representative or attorney at a General Meeting should inform that person of the matters outlined above.

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to Shareholders of Metals X Limited ACN 110 150 055 (**Company** or **Metals X**) to explain the resolution to be put to Shareholders at the Extraordinary General Meeting to be held at QV1 Conference Centre (Function Room), Level 2, 250 St Georges Terrace, Perth, Western Australia on Thursday, 24 November 2016 commencing at 10:00am (Perth time).

Metals X engaged Stantons International Securities Pty Ltd to prepare an Independent Expert's Report commenting on whether the Demerger is in the best interests of, and fair and reasonable to, Metals X Shareholders.

Stantons International Securities Pty Ltd has concluded that the Demerger is in the best interests of and fair and reasonable to Metals X Shareholders.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolution.

Terms used in this Explanatory Memorandum are defined in Section 14.

2. Proposed Demerger

2.1 Overview of the proposal

Metals X is an Australian based diversified metals producer and explorer with a mixture of gold and base metal mines, development and exploration assets. The gold current market conditions, lead primarily by a rapid devaluation in the exchange rate and a sideways movement in US dollar gold price, have created much firmer economic outcomes for Australian domiciled gold stocks. Further, the weight of funds investing or looking to invest in this sector from international funds, gold funds and to a certain extent generalist funds has made the Australian gold sector appealing. In addition, stocks that have cross-mixed metal classes have underperformed pure-play gold stocks. The Board of Metals X have studied this situation and believed that its shareholders have not fully participated in such activity. Hence, the Board believes that it is best for its shareholders to be given such opportunity to participate and that it is appropriate to expedite the realisation of value from the Gold Business Unit for the benefit of the Company's shareholders.

Accordingly, on 4 August 2016 Metals X announced that it would examine the Demerger of the Company's gold assets. Under the proposed Demerger, the Company's Gold Business Unit, held through its wholly owned subsidiary Westgold Resources Pty Ltd ACN 009 260 306 (**Westgold**), will be transferred to Metals X shareholders and listed on ASX.

Metals X will continue its operations as a diversified metals producer and explorer, via its copper, tin and nickel assets.

2.2 Demerger process

The Demerger will involve the following stages:

(a) Metals X Shareholders approve the Demerger.

(b) Metals X will transfer $110 million cash to Westgold by way of intercompany loan, such loan to be forgiven in connection with the Demerger.

(c) Westgold consolidates its ordinary shares so as to be equal to half the number of shares on issue in Metals X at the time of the Demerger.

(d) Metals X will distribute 100% of the ordinary Westgold Shares which Metals X holds to the Eligible Shareholders at no cost to shareholders, using the calculation of 1 Westgold Share for every 2 Metals X Shares held by Eligible Shareholders (with Ineligible Overseas Shareholders receiving cash proceeds for their entitlements).

(e) Westgold will list on the ASX and Westgold Shares will be granted Official Quotation by the ASX.

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The Demerger will be governed by a Demerger Deed entered into between Metals X and Westgold.

The in-specie distribution of Westgold Shares by Metals X will only be available to Metals X Shareholders registered on the Record Date, and not to the public in general. Once the Westgold Shares have been distributed, those shares will be able to be traded on the ASX following an ASX compliance listing of Westgold. The Board believes that demerging through an ASX compliance listing of Westgold will deliver a better outcome to Metals X Shareholders as it minimises dilution. The Demerger will deliver to Metals X Shareholders direct ownership in a dedicated gold production and exploration company, whilst retaining a complementary holding in a diversified metals producer and explorer.

The Demerger is subject to the Demerger Conditions set out in Section 3.

The Demerger is proposed to be effected partly by way of capital reduction under section 256B of the Corporations Act and (if so determined) partly by way of dividend in-specie, which together will be satisfied by the in-specie distribution of Westgold Shares. Metals X Shareholders are not required to pay any consideration for the Westgold Shares received by them.

Shareholders should refer to the summary of taxation implications of the Demerger set out in Section 9. Metals X has sought a class ruling from the ATO on behalf of Metals X Shareholders to confirm the taxation outcomes of the Demerger for them. This has included seeking confirmation from the ATO as to what component of the distribution of Westgold Shares to Shareholders is to be treated as a demerger dividend (**Demerger Dividend**), and therefore not assessable income of Metals X Shareholders, and what component will be treated as a capital reduction, which will not constitute a taxable dividend to Metals X Shareholders.

The method to be applied by the Board to determine the Capital Reduction component of the distribution of the Westgold Shares will be in accordance with the ATO class ruling, which Metals X considers should be based on the market value of the Westgold Shares and the Metals X Share price shortly after Westgold Shares commence trading on the ASX. As those values are not able to be determined now it is not possible to specify in this Notice of Meeting the exact proportion of the distribution of Westgold Shares that will occur by way of Capital Reduction and what portion by Demerger Dividend, if any.

In any event, the Capital Reduction component cannot be more than 100% of the Westgold market value. Accordingly, under Resolution 1, approval of Metals X Shareholders is sought to reduce the Company's share capital by up to 100% of the market value of Westgold Shares, with that (or such lesser amount as is determined in accordance with the applicable ATO guidelines), to be the Capital Reduction component amount.

The Board will determine to reduce Metals X's share capital on the Demerger Effective Date by the Capital Reduction component. The dividend component will comprise the balancing amount making up the entire amount to be distributed in-specie to Metals X Shareholders, less the Capital Reduction component. Metals X Shareholder approval is not required for the purpose of determining the dividend component amount. Shareholders will be advised of the precise division of these amounts following implementation of the Demerger. Further information in this regard is set out in Section 8.

It is the Board's intention to only proceed with the Demerger if the Demerger Conditions are satisfied. These include Metals X receiving a draft class ruling from the ATO, to its satisfaction, confirming the availability of demerger relief and also Westgold obtaining ASX approval to the listing of Westgold, including conditional ASX listing approval on terms which are acceptable to Metals X and Westgold acting reasonably. If Westgold does not obtain ASX listing approval, or the other Demerger Conditions are not satisfied, the Demerger will not proceed. There is no guarantee that Westgold will obtain approval to be admitted to the Official List or that the other Demerger Conditions will be satisfied; accordingly, the Demerger may not occur.

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2.3 Indicative Timetable

If the Demerger Conditions are satisfied, the Demerger is expected to take place in accordance with the following timetable approved by ASX:

Indicative timetable*	
Extraordinary General Meeting to approve Capital Reduction	24 November 2016
Last day of trading in Metals X Shares on a “cum” basis	28 November 2016
Trading of Metals X Shares on an “ex” basis commences	29 November 2016
Record Date for Capital Reduction	30 November 2016
In Specie Distribution of Westgold Shares / Dispatch Date	1 December 2016
Anticipated commencement of normal trading of Westgold Shares	2 December 2016

* The above timetable is indicative only, and may be changed at the discretion of the Directors (subject to the ASX Listing Rules) or as may be required by ASX. The Metals X Board will make an actual determination of the Record Date at a later date and will provide a separate update to the market as to the detailed timetable for implementation of the Capital Reduction and expected listing date. Refer to Section 3 for further details.

3. Resolution 1 – Approval of in-specie pro rata Capital Reduction

The Demerger will take place via an in-specie distribution of all Westgold Shares to Metals X shareholders, and concurrent listing of Westgold on ASX. Accordingly, Shareholders are being asked to consider and, if thought fit, pass an ordinary resolution authorising Metals X to reduce its share capital by distributing in-specie to Metals X Shareholders all of the shares in Westgold in proportion to their Metals X Shareholding (**Capital Reduction**). In addition to the Capital Reduction, the Demerger may also consist of a dividend component by way of the Demerger Dividend (as detailed in Section 2.2).

The Demerger will only proceed if the following conditions are met (together, the **Demerger Conditions**):

(a) Metals X obtains Shareholder approval for the Capital Reduction (the subject of Resolution 1);

(b) Metals X receives a draft class ruling from the ATO, to its satisfaction, confirming the availability of demerger relief (refer to Section 9 below for further details);

(c) Westgold receiving a letter confirming that the ASX will admit Westgold to the Official List of the ASX, subject to the satisfaction of certain conditions on terms acceptable to Westgold.

If the Demerger Conditions are satisfied, Metals X will conduct the Capital Reduction as an equal capital reduction of its share capital in accordance with sections 256B and 256C of the Corporations Act (as set out further in Section 8.3 below).

Each Eligible Shareholder will receive 1 Westgold Share for every 2 Metals X Shares held on the Record Date.

Under the Capital Reduction, Shareholders will not be required to pay any cash consideration for Westgold Shares and each Shareholder will equally receive the same Entitlement, subject only to Ineligible Overseas Shareholders.

Metals X has commenced the process of seeking a class ruling from the ATO to confirm the availability of demerger tax relief for income tax purposes. The Board recommends that each Shareholder seek their own specific tax advice in relation to the Capital Reduction. However, in order to assist Shareholders, the Board has included a general summary of the tax consequences of the Capital Reduction in Section 9 below.

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4. Profile of Westgold

Metals X holds its Gold Business Unit through its wholly owned subsidiary, Westgold. This section sets out information in relation to Westgold if the Demerger is implemented.

Westgold intends to apply for admission to the official list of ASX as soon as practicable after approval of Metals X Shareholders. Westgold has reserved the ticker “WGX” with ASX to use as its ASX ticker code.

4.1 Background of Westgold

Westgold was incorporated in Western Australia on 27 July 1987. Metals X initially invested in the gold sector through its 27% shareholding in Westgold in 2006 (with Westgold then being listed on ASX). That provided an indirect interest for Metals X in the Rover Project, a new mineral field hosting high grade iron oxide copper-gold (**IOCG**) and polymetallic base and precious metal styles of mineralisation approximately 75km south-west of Tennant Creek in the Northern Territory.

In May 2011, Westgold merged with Aragon Resources Limited which owned gold assets in the Murchison Goldfields which are now the southern portion of the enlarged Central Murchison Gold Project (**CMGP**). Although not operational at the time, the Aragon gold assets had a rich history of gold production with circa 5 million ounces of gold produced, predominantly from the Big Bell, Great Fingall and Golden Crown mines.

Metals X began the process of creating a gold division in October 2012 by consolidating its ownership of Westgold through a merger by scheme of arrangement. This gave Metals X full ownership of Westgold, and thereby the Rover Project and the initial components of its current CMGP, and Westgold was delisted from ASX.

In October 2013 Westgold began to expand its gold business unit with the acquisition of the Australian gold assets of Alacer Gold Corporation (**Alacer**), including the Higginsville Gold Operation (**HGO**) near Norseman and the South Kalgoorlie Operation (**SKO**), immediately elevating itself to producer status.

In June 2014 Westgold acquired the Meekatharra gold operations from the administrators of GMK Exploration Pty Ltd. This provided an expansion of the asset base and more importantly a processing facility to enable the implementation of plans for gold production at the CMGP. After consolidating the assets and completing development studies, mining commenced at the CMGP in June 2015 and the 2.0 million tonne-per-annum (tpa) gold processing was commissioned in late October 2015 and first gold production soon followed. The CMGP is a long-term project with a defined initial mine life of 12 years. It is the first aggregation of all the key historic gold mining centres in the Central Murchison goldfields. The project starts with a progressive build-up of production dominated by lower grade open pits but with a medium-term objective to transition the core production to be from the large, long-life underground mines that have historically been the key producers of the region. These mines take time and capital to be refurbished and re-established. With their progressive development, gold output from the CMGP continues to increase.

Metals X has continued its strategy of building on its Gold Business Unit over the past 2 years. The focus has again been on growth and opportunity to expand output without large capital risk. In October 2015, Westgold acquired the Fortnum Gold Project from RNI. This project was underfunded and the vendor company was not in a position to advance the project. Fortnum is a stand-alone gold project located approximately 170km northwest of the Meekatharra. It has a 1.0 million tpa gold plant and a well defined gold resource inventory. The project is under a refurbishment phase and the plant is expected to be recommissioned by the end of calendar 2016

Metals X has also made a number of other acquisitions, primarily related to expansion or leveraging off the key assets and infrastructure that it already has in place at its other gold operations. These include:

- A mining and profit share agreement entered into with Southern Gold Limited to enable Southern Gold’s Cannon gold resource to be mined and processed at Westgold’s SKO Jubilee mill (August 2014);

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- The purchase of the Georges Reward gold prospect at Bulong in Western Australia, as an additional feed source for the SKO, purchased from Northern Mining Limited and Balagundi Pty Ltd (settled July 2015);
- The Mt Henry Gold Project, located approximately 75km south of the HGO, as an additional ore feed for HGO, purchased from Panoramic Resources Limited and Matsa Resources Ltd (settled September 2015);
- The Comet Gold Project near Cue in Western Australia, as an additional ore source for the CMGP, purchased from Silver Lake Resources (settled February 2016);
- The Gunga West gold deposit, approximately 30km west of the South Kalgoorlie Operation, as supplementary feed for the operation, purchased from Kidman Resources Limited (settled June 2016);
- The Cue Village, which is a 250 person near-new workers camp which provides the key accommodation infrastructure for development of the southern part of the Central Murchison Gold Project.

On 4 August 2016, Metals X announced its intention to demerge its gold assets. Westgold will be the resulting de-merged entity. On or about 20 October 2016, and in any event at the Record Date, Westgold will be converted to a public company.

With three operating gold projects and a fourth project Fortnum under refurbishment, combined with a strong Australian dollar gold price, the gold assets provide a strong stand-alone business with significant upside.

4.2 Principal Effect of the Demerger on Westgold

The principal effect of the Demerger on Westgold will be that:

(a) cash reserves of Westgold will increase by $109.5 million from $0.5 to $110 million;

(b) the number of fully paid Westgold Shares on issue will decrease to approximately 304,670,452 (so as to enable a distribution on the basis of 1 Westgold Share for every 2 Metals X Shares);

(c) equity will increase by $103.6 million; and

(d) Westgold will become a public company, separate from Metals X, and listed on ASX.

4.3 Westgold Objectives, Funding and Strategy

The key objective of Westgold is to build itself as a major player in the Australian gold sector as a pure-play gold producer. The foundation to this objective is in place with steady-state production from the Higginsville and South Kalgoorlie Operations, the continued build-up of production at higher levels from the CMGP and the impending re-start of the Fortnum Gold Project.

The funding for Westgold was put in place contemporaneously with the announcement of the intent to demerge with Metals X completing a placement to raise a gross $103 million plus and SPP which has subsequently added a further $15 million in overall funding. Consequently no capital raising is contemplated as part of the Demerger and re-listing on the ASX. As previously disclosed, funds will be transferred from the parent (Metals X) to Westgold with the objective that both companies are well funded for their impending business and development plans.

At the conclusion of the Demerger, Westgold is expected to have cash reserves of approximately $110 million. Over the 12 months following the Demerger the cash reserves of Westgold will be used:

- To refurbish, expedite and to further enhance the economics of the Fortnum gold project, including faster re-establishment of the Starlight underground mine and an expedited exploration and development drill; program at the nearby Peak Hill mining centre (approximately $25 million);
- For the development of the Mt Henry gold project and any required plant modifications to Higginsville plant to optimise the processing of Mt Henry ores (approximately $15 million);

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- As working capital for initial mine development and the establishment of steady state production at the Comet and Great Fingall underground mines within the Central Murchison Gold Project (approximately $28 million);
- For the rehabilitation and pre-production costs at the Big Bell underground mine within the Central Murchison Gold Project (approximately $35 million).

The ongoing strategy of Westgold will be to continue to build and create sustainability to its gold production through new acquisitions of projects, both stand-alone and also as supplementary ore feed sources to its existing infrastructure.

4.4 Operations of Westgold

Westgold currently owns three operating gold projects with a fourth under refurbishment. The four processing facilities have a combined 5.5 million tonnes per annum treatment capacity. All are located in the prolific gold production belts of Western Australia. The Total Mineral Resource Estimate of these four projects contain an aggregate 15.4 million ounces of gold. The Ore Reserve subset of these totals 2.89 million ounces of gold.

In addition the group holds a significant gold dominant polymetallic deposit at Rover 1 in the Northern Territory. Rover 1 is at feasibility stage and contains a significant resource of 6.8 million tonnes at 1.73g/t gold, 2.1g/t Silver, 1.2% Copper, 0.14% Bismuth and 0.06% Cobalt. (Refer to ASX:MLX announcements 18 August 2016 for detail on Mineral Resource and Ore Reserve Statements).

The current annualised gold production will continue to build as the CMGP continues to ramp up and the Fortnum Gold Project approaches start-up (by the end of 2016). Westgold's current operating strategy has this increasing to above 400,000oz per annum over the ensuing years.

Westgold's three operations currently in production are:

- Higginsville Gold Operation in the Norseman region of Western Australia;
- South Kalgoorlie Operations in the Kalgoorlie region of Western Australia; and
- Central Murchison Gold Project in the Murchison region of Western Australia.

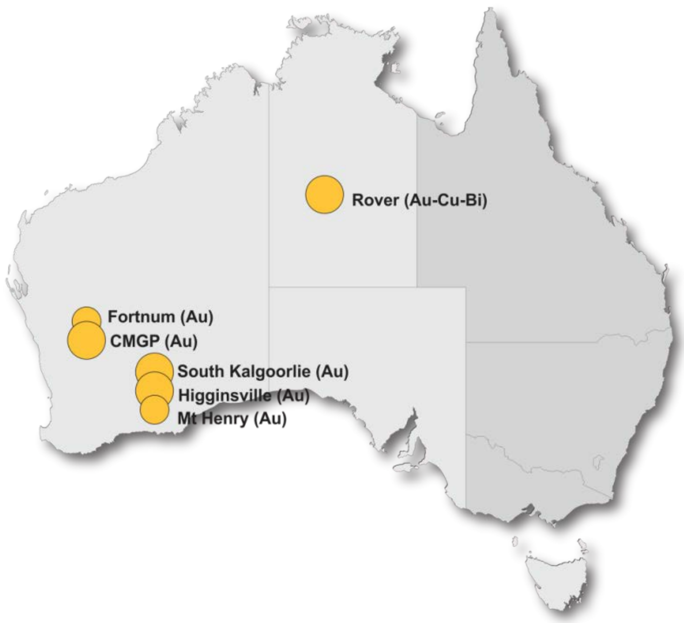

Figure 1 - Westgold Project Locations

During the financial year ended 30 June 2016, Westgold's operations included the commissioning and ramping up of the CMGP which entailed the development of the Paddy's Flats underground operation and various open pits, and the development of the Hampton Boulder Jubilee (HBJ) underground mine at SKO. Production for the past year, which doesn't

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fully reflect the momentum of the CMGP and SKO ramp-ups, totalled 173,956 ounces of gold at an All-in Sustaining Cost of A$1,363 per ounce. With the CMGP and, to a certain extent, the SKO operations continuing to ramp up, production has been progressively increasing this calendar year on a quarterly basis.

In addition, Westgold completed and announced a development plan (refer ASX:MLX announcement on 15 July 2016) for its Fortnum Gold Project and has commenced refurbishment works with an aim for re-commissioning in late 2016.

4.5 Detailed information in relation to Westgold assets

Shareholders are encouraged to read Annexure A which contains geological and other detailed information on Westgold's assets and the Gold Business Unit.

4.6 Capital structure

At the date of this Notice of Meeting, Westgold has 417,178,651 shares on issue. Assuming no Metals X Shares are issued prior to the Record Date, other than the Metals X Shares issued on exercise of the Metals X Performance Rights, the Westgold Shares will be consolidated to approximately 304,670,452 (being half the number of Metals X Shares on issue, subject to any rounding that may be necessary to ensure a Metals X Shareholder receives their Entitlement).

The pro-forma capital structure of Westgold following the Demerger is as follows:

Table 1 - Westgold Capital Structure

Capital structure	Pre Demerger Number	Post Demerger Number
Shares	417,178,651	304,670,452
TOTAL	**417,178,651**	**304,670,452**

It is proposed that shortly after Listing, Westgold will issue a total of up to 12,150,000 Employee Options pursuant to the Company's Employee Share Option Plan (details of which are summarised in in Section 12.5 below) to senior management of Westgold and the following to directors of Westgold:

Name	Position	Exercise Price	Number	Expiry Date	Vesting Conditions
Peter Cook	Managing Director	125% of the 20 day VWAP of Westgold Shares post ASX listing	2,250,000	3 years from vesting	1 year from grant date

4.7 Directors of Westgold

The current board of Westgold is comprised of Peter Newton (Director), Peter Cook (Director), Warren Hallam (Director) and Fiona Van Maanen (Director) and will remain following the Demerger, such that the board of Westgold will be represented as follows:

Peter Newton – Non-Executive Chairman

Mr Newton was a highly successful stockbroker for 25 years until 1994. Since then he has been a significant participant in the Australian resource industry as an investor and a director of a number of listed companies. In past years he has been the Chairman of both Hill 50 Limited and Abelle Limited.

Mr Newton has held no other public company directorships in the past three years, other than Metals X Limited (appointed 14 December 2012).

Peter Cook – Managing Director

Mr Cook is a Geologist (BSc (Applied Geology)) and a Mineral Economist (MSc (Min. Econ), MAusIMM with over 30 years of experience in the fields of exploration, project, operational and corporate management of mining companies.

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During the past three years he has served as a director of the following public listed mining companies:

- Metals X Limited (Appointed 23 July 2004);
- Pantoro Limited (Appointed 31 August 2009 – Resigned 5 October 2016);
- Mongolian Resource Corporation Limited (Appointed June 2013); and
- Aziana Limited (Appointed 30 May 2011 – Resigned 10 September 2015).

He is a past winner of the GMJ Mining Executive of the Year in 2001 and the Asian – Mining Executive of the Year in 2015, awarded at the Mines and Money Conference in Hong Kong in 2015.

Warren Hallam – Non Executive Director

Mr Hallam is a Metallurgist (B. App Sci (Metallurgy)), a Mineral Economist (MSc (Min. Econ)), holds a Graduate Diploma in finance and has over 30 years of technical and commercial experience across numerous commodities and businesses within the resources industry.

During the past three years he has served as a director of the following public listed mining companies:

- Metals X Limited (Appointed 1 March 2005);
- Aziana Limited (Appointed 30 May 2011 – Resigned 11 April 2014).

Fiona Van Maanen – Non Executive Director

Ms Van Maanen is a CPA, holds a Bachelor of Business (Accounting) degree and a Graduate Diploma in Company Secretarial Practice. Mrs Van Maanen has significant experience in accounting and financial management in the mining and resources industry.

Ms Van Maanen has held no other public company directorships in the past three years.

Board renewal

In the short to medium term after the implementation of the Demerger and Listing, it is anticipated that the board of Westgold will undergo a process of renewal.

4.8 **Management of Westgold**

Following the Demerger, the key management of Westgold is comprised of:

Scott Balloch – Chief Financial Officer

Mr Balloch is a CPA with approximately 20 years of experience in managing the full range of financial and company secretarial functions of publicly listed mining companies. Mr Balloch has managed the establishment of accounting systems and procedures for a large number of new mine start-ups and acquisitions.

David Okeby – Company Secretary

Mr Okeby has extensive legal, contractual, administrative and corporate experience in the mining industry. Mr Okeby brings skills in governance, stakeholder relations and corporate activities including mergers, acquisitions and disposals.

Paul Hucker – Chief Operating Officer – Kalgoorlie Region

Mr Hucker is a Mining Engineer with 20 years' experience in Australia and South Africa in a variety of Supervisory and Management roles. He has a Bachelor of Engineering (Mining) from Ballarat University and a Graduate Certificate in Mineral Economics from Curtin University.

For the last 6 years, Mr Hucker has been the Chief Operating Officer managing Metals X's gold projects. Before joining Metals X, Mr Hucker had been an Underground Manager and Resident Manager at gold mines near Kalgoorlie in Western Australia. His core skill set relates to underground mining and mine management but he also has experience in project evaluation and approvals.

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Grant Brock – Chief Operating Officer – Murchison Region

Mr Brock is a Mining Engineer with 37 years' experience in mining with a record of acquiring and successfully developing new mining projects in base metals and gold sectors in Australia and internationally.

He has extensive experience managing mining operations including the Chief Operating Officer of Apex Minerals NL, Executive Director and Chief Operating Officer of Allied Gold Limited and General Manager of Wodgina Operations, Southern Cross Gold Operations and Kemerton Silica Sand for Sons of Gwalia Ltd and at various times General Manager of the Hellyer, Que River and Cleveland Mines in Tasmania for Aberfoyle Limited.

4.9 **Westgold Material Contracts**

Set out below is a summary of the key terms of material contracts applicable to the Demerger.

Demerger Deed

The Demerger Deed was entered into on 17 October 2016 and deals with certain commercial, legal and transitional issues arising in connection with the legal separation of Westgold from Metals X.

The key terms of the Demerger Deed are as follows:

(a) **Separation Principle**

The fundamental Demerger principle of the separation of Westgold from Metals X is that, following the Demerger, as between Westgold, on the one hand, and Metals X on the other:

- Westgold will have:
  - the entire economic and commercial benefit (including all profits) of the Gold Business on and from the Restructure Date;
  - the entire economic and commercial risk and liabilities of the Gold Business as if Westgold had owned and operated the Gold Business as a standalone at all relevant times;
  - none of the economic or commercial benefit of the Base Metals Business Unit on and from the Restructure Date;
  - none of the economic or commercial risk or liabilities of the Base Metals Business Unit whenever arising; and
  - the cash amount of at least $110 million, to be used for working capital purposes without any recourse to or repayment requirements to Metals X;
- Metals X will have:
  - the entire economic and commercial benefit (including all profits) of the Base Metals Business Unit on and from the Restructure Date;
  - the entire economic and commercial risk and liabilities of the Base Metals Business Unit;
  - none of the economic or commercial benefit of the Gold Business Unit on and from the Restructure Date;
  - none of the economic or commercial risk or liabilities of the Gold Business Unit whenever arising; and
  - the retained cash amount of approximately $49.7 million.

Westgold will also be entitled to any cash which is received by Metals X which relates to the Gold Business, whether before or after the Restructure Date (subject to any agreed adjustment between Westgold and Metals X). Any intercompany loans made between Metals X and Westgold as at the Restructure Date shall be forgiven.

Metals X and Westgold indemnify each other for any claim or loss relating to the Separation Principle, the Gold Business (in the case of Westgold) and the Base Metals Business Unit (in the case of Metals X).

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(b) **No claims**

Consistent with the Demerger Separation Principle, Westgold and Metals X acknowledge that once the Demerger is complete, Westgold will not have any rights against Metals X, and Metals X will not have any rights against Westgold, except in specified circumstances.

Neither Westgold nor Metals X will have any right to make a claim for liability or loss arising directly or indirectly in relation to the Demerger, the Notice of Meeting or the operation of the Gold Business prior to the Restructure Date (in the case of Westgold) and the operation of the Base Metals Business Unit prior to the Restructure Date (in the case of Metals X).

(c) **Adjustments**

To the extent an asset which belongs to the Gold Business is not transferred to Westgold within 24 months of the Restructure Date, Metals X must transfer that asset for nominal consideration.

To the extent an asset which belongs to the Base Metals Business Unit is not transferred to Metals X within 24 months of the Restructure Date, Westgold must transfer that asset for nominal consideration.

(d) **Guarantees**

Westgold agrees to use its best endeavours to release any guarantees or financial support which is provided by Metals X in relation to the Gold Business.

Metals X agrees to use its best endeavours to release any guarantees or financial support which is provided by Westgold in relation to the Base Metals Business Unit.

(e) **Intellectual property**

Except as permitted under the Transition Services Agreement, Metals X must cease to use any intellectual property relating to the Gold Business and the name “Westgold” and Westgold must cease to use any intellectual property relating to the Base Metals Business Unit and the name “Metals X”.

(f) **Contract novation and assignment**

Metals X agrees to use best endeavours to novate or assign any contract which relates to the Gold Business to Westgold (including the Southern Gold Financing and Management Agreement and other agreements with gold related rights, for nil consideration).

Westgold agrees to use best endeavours to novate or assign any contract which relates to the Base Metals Business Unit to Metals X.

(g) **Litigation management**

Westgold and Metals X will assist each other in relation to the management of any current and new litigation matters. Westgold indemnifies Metals X in respect of liability or loss suffered by Metals X in connection with a claim arising from such matters where that liability relates to the Gold Business. Metals X indemnifies Westgold in respect of a liability or loss suffered by Westgold in connection with a claim arising from such matters where that liability relates to the Base Metals Business Unit.

(h) **Employees**

Westgold must offer employment to, or accept a novation of the employment of, each specified Metals X employee prior to the Restructure Date. Metals X will terminate any specified employee who has not accepted employment with Westgold on the Restructure Date.

Metals X will remain liable for any liability arising from any Metals X’s specified employees who do not accept employment with Westgold.

(i) **Access to records**

Under the Demerger Deed both Metals X and Westgold will have the right to hold, have copies of or access to all records that are connected with or relevant to its business.

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(j) **Insurance**

From the Restructure Date, Metals X is to maintain a directors' and officers' insurance policy for the Metals X Directors (as the date of the Notice of Meeting) for a period of seven years.

Metals X will assign the benefit (subject to the burden) of all or part of its insurance policies of Metals X to the extent they relate to the Gold Business to Westgold or Westgold may elect for these to be cancelled.

(k) **Tax assistance**

Westgold and Metals X will assist each other in relation to the preparation of their respective tax returns and in the event of any tax audit by a relevant authority. The Demerger Deed also contains provisions as to the handling of any tax claims.

(l) **Tax consolidation**

Westgold and Metals X will, prior to the Demerger Effective Date, do all things necessary to comply with the Metals X tax sharing agreements relating to the Metals X tax consolidated group in respect of their exit from that tax consolidated group. Upon making those payments, the Westgold group companies will be released from those tax sharing agreements and the Metals X group will have no right to make any claim against any Westgold group company in respect of a tax liability.

(m) **Confidentiality**

Westgold and Metals X must not use the other's confidential information for any purposes other than purposes permitted by the Demerger Deed or other agreements between them, must store the other's confidential information securely and must not allow any person access to the other's confidential information except to the extent that the disclosure is strictly necessary and is permitted under the Demerger Deed.

Transitional Services Agreement

On the Restructure Date, Metals X and Westgold will enter into an agreement pursuant to which Metals X will provide Westgold with certain services to facilitate the transfer and continued operation of their respective businesses following the Demerger. It is expected that the transitional period will be for a period of 24 months unless terminated by Westgold earlier.

The services to be provided include:

Service	Description
Accounting (including payroll function)	Monthly processing of invoices, preparation of monthly management accounts, and running monthly payroll services
Treasury	Banking and other treasury functions
Administration (including company secretarial)	General office administration and company secretarial duties including corporate governance
Management	Managing corporate transactions
Technical	Resources and reserves estimation and modelling, developing and overseeing drill programs, related database management
Tax support	Preparation of income tax return, BAS preparation and lodging, and PAYG lodgement
Investor relations	News and media support incorporating presentations and broker liaison as required
Information technology	Information technology hardware and software provision and on-going support
Human resources	HR, OH&S and information management including HR policies and procedures
Serviced office facilities	Provision and maintenance of serviced office facilities and related support

The services will be charged on a cost recovery basis.

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Except in the case of negligence or wilful acts or omissions, each party indemnifies the other party for any losses, costs or damages incurred by the other party. The maximum liability of each party under the Transitional Services Agreement is $50,000. Each party is not liable for any loss of profits or indirect or consequential loss in relation to the provision of the services.

Either party may terminate the agreement for an unremedied breach by the other, if an insolvency event occurs in relation to the other party or by mutual agreement. Westgold may also terminate by giving twenty Business Days' notice to Metals X.

Set out in Annexure A is a non-exhaustive summary of the key terms of material contracts of Westgold. In addition, Westgold has numerous contracts in connection with the Gold Business (including supply of power, fuel, haulage, toll treatment, joint ventures and royalties) none of which are presently considered material and/or outside of the ordinary course of business.

5. Financial Information for Westgold

The financial information contained in this section has been prepared by Metals X in relation to Westgold Resources Pty Limited (Westgold) in connection with the Demerger. The financial information for Westgold includes:

- The historical balance sheet as at 30 June 2016 (Westgold Historical Balance Sheet); and
- The pro forma historical balance sheet as at 30 June 2016 (Westgold Pro Forma Historical Balance Sheet).

The Westgold Historical Balance Sheet and Westgold Pro Forma Historical Balance Sheet together form the "Westgold Financial Information".

The Westgold Financial Information presented in this section should be read in conjunction with the risk factors set out in Section 11 and other information in this Notice of Meeting. Investors should note that past results are not a guarantee of future performance.

All amounts disclosed in this section are presented in Australian dollars.

5.1 Basis of preparation and presentation of the Westgold Financial Information

The Metals X Directors are responsible for the preparation and presentation of the Westgold Financial Information. The Westgold Financial Information included in this Notice of Meeting is intended to present potential investors with information to assist them in understanding the historical financial position of Westgold Resources Pty Limited.

The Westgold Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements and comparative information as required by Australian Accounting Standards ("AAS") applicable to general purpose financial reports prepared in accordance with the Corporations Act.

5.2 Westgold Historical Balance Sheet

The Westgold Historical Balance Sheet has been prepared in accordance with the recognition and measurement principles prescribed in AAS issued by the Australian Accounting Standards Board ("AASB"), which is consistent with International Financial Reporting Standards ("IFRS") and interpretations issued by the International Accounting Standards Board ("IASB").

In preparing the Westgold Historical Balance Sheet, the accounting policies of Westgold Resources Pty Limited have been applied[2].

The Historical Balance Sheet has been derived from general purpose financial statements of Westgold Resources Pty Limited as at 30 June 2016 which are unaudited as at the date of the Notice of Meeting.

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[2] Such policies are materially consistent with the policies of Metals X (refer Metals X's most recent accounts lodged on ASX).

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5.3 Westgold Historical and Westgold Pro Forma Historical Balance Sheet as at 30 June 2016

	Historical Balance Sheet	Pro Forma Adjustments				Pro Forma Historical Balance Sheet
	Westgold Group 30 June 2016	Transfer of Assets [1]	Transaction Costs [2]	Cash & Working Capital [3]	Trade and Intercompany Payables [4]	Westgold Group 30 June 2016
CURRENT ASSETS						
Cash and cash equivalents	478,316	-	(510,000)	110,000,000	-	**109,968,316**
Trade and other receivables	6,315,677	-	-	-	-	**6,315,677**
Inventories	35,881,732	-	-	-	-	**35,881,732**
Prepayments	309,817	-	-	-	-	**309,817**
Other financial assets	-	2,104,548	-	-	-	**2,104,548**
Total current assets	**42,985,542**	**2,104,548**	**(510,000)**	**110,000,000**	**-**	**154,580,090**
NON-CURRENT ASSETS						
Property, plant and equipment	59,494,359	-	-	-	-	**59,494,359**
Mine properties and development costs	87,891,163	-	-	-	-	**87,891,163**
Exploration and evaluation expenditure	164,583,986	-	-	-	-	**164,583,986**
Total non-current assets	**311,969,507**	**-**	**-**	**-**	**-**	**311,969,507**
TOTAL ASSETS	**354,955,049**	**2,104,548**	**(510,000)**	**110,000,000**	**-**	**466,549,597**
CURRENT LIABILITIES						
Trade payables and Intercompany payables	96,888,886	2,104,548	-	110,000,000	(171,579,007)	**37,414,427**
Provisions	2,135,089	-	-	-	-	**2,135,089**
Interest bearing loans and borrowings	3,609,778	-	-	-	-	**3,609,778**
Unearned income	22,493,125	-	-	-	-	**22,493,125**
Total current liabilities	**125,126,878**	**2,104,548**	**-**	**110,000,000**	**(171,579,007)**	**65,652,419**
NON-CURRENT LIABILITIES						
Provisions	83,430,643	-	-	-	-	**83,430,643**
Interest bearing loans and borrowings	4,325,307	-	-	-	-	**4,325,307**
Unearned income	5,812,500	-	-	-	-	**5,812,500**
Deferred Tax Liability	32,149,109	-	-	-	-	**32,149,109**
Total non-current liabilities	**125,717,559**	**-**	**-**	**-**	**-**	**125,717,559**
TOTAL LIABILITIES	**250,844,436**	**2,104,548**	**-**	**110,000,000**	**(171,579,007)**	**191,369,978**
NET ASSETS	**104,110,613**	**-**	**(510,000)**	**-**	**171,579,007**	**275,179,620**
TOTAL EQUITY	**104,110,613**	**-**	**(510,000)**	**-**	**171,579,007**	**275,179,620**

5.4 Westgold Pro Forma Historical Financial

(a) Basis of preparation

The Westgold Pro Forma Historical Balance sheet of the Westgold Group as at 30 June 2016 set out above is provided for illustrative purposes only and is prepared on the assumption that the Demerger was implemented on 30 June 2016. If approved, the transaction is expected to be implemented in December 2016. The Westgold Group comprises Westgold Resources Pty Limited and each of its subsidiaries. It does not illustrate the financial position that may be contained in future financial statements of Westgold Resources Pty Limited as a result of the Demerger.

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The Westgold Pro Forma Historical Balance Sheet has been prepared solely for inclusion in this Notice of Meeting and has been derived from the Westgold Historical Balance Sheet as at 30 June 2016, adjusted for the effects of the pro forma adjustments described below.

The Westgold Pro Forma Historical Balance Sheet has been prepared in accordance with the recognition and measurement, but not all of the disclosure requirements, of the AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions contemplated to occur as part of the Demerger and listing of Westgold on ASX as if they occurred as at 30 June 2016. The Westgold Financial Information has also been prepared on a historical cost basis.

In preparing the Westgold Pro Forma Historical Financial Information, no adjustments have been made for potential changes in cost or operating structure resulting from the demerger of Westgold Resources Pty Limited from Metals X Limited.

(b) **Pro forma Adjustments**

The pro forma adjustments are as follows:

(1) **Transfer of Assets**

In 2014, Metals X Limited entered into a mine financing and profit sharing agreement with Southern Gold Limited (SAU) for the development of the Cannon open pit mine. In addition, Metals X entered into a $2,500,000 debt facility agreement with SAU to provide them with funding for regulatory approvals and other working capital requirements. As at 30 June 2016 SAU had drawn down $2,000,000 under the debt facility and had accrued $104,548 in interest (noting that as at the date of this Notice of Meeting the amount drawn has increased to $2,500,000). As the mining financing and profit sharing agreement is operated and managed by HBJ Minerals Limited (a subsidiary of Westgold) with ore being processed at the SKO, the debt facility agreement and associated receivable has been assigned from Metals X to Westgold, and the associated receivable of $2,104,548 will be recognised as an intercompany loan from Metals X (see pro-forma adjustment (4)).

(2) **Transaction Costs**

Estimated total demerger transaction costs of $510,000 post-tax. The transaction costs have been expensed.

(3) **Cash and Working Capital**

As part of the demerger there is an agreement between Metals X and Westgold whereby Westgold will receive funding to the value of $110,000,000 from Metals X for the development of the gold projects and to ensure Westgold's working capital requirements are met. The funding of $110,000,000 is initially recognised as an intercompany loan from Metals X (see pro-forma adjustment (4)).

(4) **Intercompany Loan**

In accordance with the Demerger Deed all intercompany loans between Metals X and Westgold will be forgiven as part of the Demerger. The debt forgiveness will be credited to equity within the Statement of Financial Position of Westgold.

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6. Effect of the Demerger on Metals X

6.1 Principal Effect of the Demerger on Metals X

The principal effect of the Demerger on Metals X will be that:

(a) cash reserves of Metals X will decrease by $110 million from $159.7 million to $49.7 million;

(b) change in net assets due to the deconsolidation of Westgold; and

(c) Metals X share capital will reduce by an amount up to the market value of all the fully paid shares in Westgold, less a Demerger Dividend (if any).

6.2 Board Structure following Demerger

Following the Demerger, the board of Metals X will be represented as follows:

- Peter Newton - Chairman
- Warren Hallam – Managing Director
- Simon Heggen – Non-Executive Director
- Stephen Robinson – Non-Executive Director
- Xie Penggen – Non-Executive Director
- Fiona Van Maanen – Company Secretary

The composition of Westgold's Board is described in section 4.7 above.

6.3 Impact of the Demerger on Metals X capital structure

At the date of this notice of meeting, Metals X has 605,952,748 Metals X Shares on issue.

Metals X has 3,388,155 Performance Rights on issue which have not been exercised. Each Performance Right entitles the holder to subscribe for one share in Metals X on exercise of the Performance Right. The Board has determined that all Performance Rights will vest and be exercisable prior to the Demerger.

The capital structure of Metals X following the demerger, assuming exercise of the above Performance Rights, is as follows:

Table 2 – Capital structure of Metals X following Demerger

Capital structure	Pre Demerger Number	Post Demerger Number
Shares on issue	605,952,748	609,340,903
Performance Rights on Issue	3,388,155	-
TOTAL	**609,340,903**	**609,340,903**

6.4 Metals X post Demerger Objectives, Funding and Strategy

Following the Demerger, the diversified base metals focus of Metals X will remain and continue to function. This was significantly enhanced with the completion of the takeover of Aditya Birla Minerals Ltd and consolidation of the Nifty Copper mine into the Base Metals Business Unit of Metals X.

Metals X is a well-funded and secure fully funded diversified base metals company having enough cash to continue with its existing mining operations and develop development strategies for its growth projects.

The Company has production and revenue across both tin and copper from its 50% in the Renison mine and Nifty Copper mine respectively.

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Strategically, Metals X will continue to focus on its immediate growth projects and expansion opportunity in tin through the Rentails (tin tailings re-treatment) Project and in copper through the Maroochydore Copper Project approximately 90km east of Nifty. In addition Metals X wholly owns one of the largest undeveloped nickel projects in the world with the Wingellina Ni-Co-Fe deposit which is environmentally approved and development ready. An upturn in the nickel market is expected to see this project re-emerge to prominence.

6.5 Assets and Operation of Metals X post Demerger

Metals X completed its acquisition of Aditya Birla in August 2016, adding the Nifty Copper Mine to the current nickel and tin Base Metals Business Unit. With the proposed Demerger of the Gold Business Unit, Metals X will continue as a diversified base metals miner with the following assets:

- **Tin**: through its 50% joint ownership of the operating Renison Tin Mine, the Rentails Project and Mt Bischoff Project on the west coast of Tasmania (collectively the **Renison Tin Project**);
- **Copper**: the operating Nifty Copper Operation at the western margin of the Great Sandy Desert in Western Australia and the Maroochydore Project located 90 km from Nifty; and
- **Nickel**: the Wingellina Nickel Project located on the triple-point borders of Western Australia, Northern Territory and South Australia.

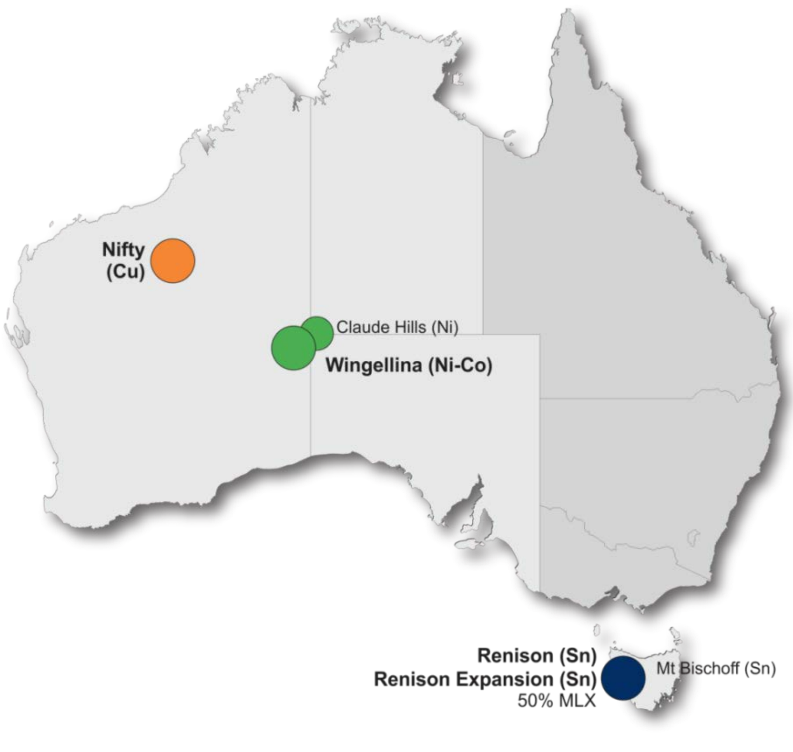

Figure 2 - Location map of Metals X Base Metals Assets

For the financial year ended 30 June 2016 the Metals X share of the Renison Tin Project production was 3,181 tonnes of tin at an All-in Sustaining Cost of A$19,952 per tonne of tin produced.

For the year ended 31 March 2016 (Aditya Birla reports to a financial year end of 31 March), the Nifty Copper Operation produced 32,098 tonnes of copper in concentrate at a C1 cost of A$2.62 per pound of contained copper (see *Table 8*).

Metals X also holds some smaller legacy investments, the only significant one being Brainchip Holdings Limited (formerly Aziana Limited) (ASX:BRN) 7.10%.

Shareholders are encouraged to read Annexure B which contains an overview of Metals X assets post Demerger and the Base Metals Business Unit.

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7. Financial Information for Metals X Post Demerger

The financial information contained in this section has been prepared by Metals X in connection with the Demerger.

The financial information for the Company includes:

- The historical balance sheet for the Company as at 30 June 2016 (Metals X Historical Balance Sheet); and
- The pro forma historical balance sheet for the Company as at 30 June 2016 (Metals X Pro Forma Historical Balance Sheet).

The Metals X Historical Balance Sheet and Metals X Pro Forma Historical Balance Sheet together form the "Metals X Financial Information".

The Metals X Financial Information presented in this section should be read in conjunction with the risk factors set out in Section 11 and other information in this Notice of Meeting. Investors should note that past results are not a guarantee of future performance.

All amounts disclosed in this section are presented in Australian dollars.

7.1 Basis of preparation and presentation of the Metals X Financial Information

The Directors are responsible for the preparation and presentation of the Metals X Financial Information. The Metals X Financial Information included in this Notice of Meeting is intended to present potential investors with information to assist them in understanding the historical financial position of Metals X Limited.

The Metals X Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements and comparative information as required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act.

7.2 Preparation of Historical Balance Sheet

The Metals X Historical Balance Sheet has been prepared in accordance with the recognition and measurement principles prescribed in AAS issued by the AASB, which is consistent with IFRS and interpretations issued by the IASB.

In preparing the Metals X Historical Balance Sheet, the accounting policies of Metals X Limited have been applied. The Metals X Historical Balance Sheet has been derived from audited general purpose financial statements of Metals X Limited for the year ended 30 June 2016. These general purpose financial statements of Metals X Limited were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unqualified audit opinion on these financial statements.

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7.3 Metals X Historical and Metals X Pro Forma Historical Balance Sheet as at 30 June 2016

	Historical Balance Sheet	Pro Forma Adjustments						Pro Forma Adjustments		Pro Forma Historical Balance Sheet
	Metals X Group 30 June 2016	Placement & SPP [1]	Transaction Costs [2]	Payment of 30 June 2016 Creditors [3]	Aditya Birla Acquisition [4]	Aditya Birla Consolidation [4]	Metals X Group prior to Demerger	Deconsolidate Westgold [5]	Derecognition of Deferred Tax Asset[6]	Metals X Group 30 June 2016
CURRENT ASSETS										
Cash and cash equivalents	39,184,787	110,513,000	(520,000)	(25,199,850)	(28,419,804)	64,106,998	159,665,131	(109,968,316)	-	**49,696,815**
Trade and other receivables	15,799,458	-	-	-	-	12,486,538	28,285,996	(6,315,677)	-	**21,970,319**
Inventories	52,173,412	-	-	-	-	28,338,924	80,512,336	(35,881,732)	-	**44,630,604**
Prepayments	528,564	-	-	-	-	1,444,469	1,973,033	(309,817)	-	**1,663,215**
Other financial assets	5,802,625	-	-	-	-	8,112,281	13,914,906	(2,104,548)	-	**11,810,358**
Total current assets	**113,488,846**	**110,513,000**	**(520,000)**	**(25,199,850)**	**(28,419,804)**	**114,489,209**	**284,351,401**	**(154,580,090)**	**-**	**129,771,311**
NON-CURRENT ASSETS										
Investment in controlled entity	-	-	-	-	135,923,473	(135,923,473)	-	-	-	**-**
Available-for-sale financial assets	43,238,834	-	-	-	(35,752,267)		7,486,567	-	-	**7,486,567**
Property, plant and equipment	79,343,202	-	-	-	-	24,474,940	103,818,142	(59,494,359)	-	**44,323,784**
Mine properties and development costs	197,832,376	-	-	-	-	54,647,701	252,480,077	(87,891,163)	-	**164,588,914**
Exploration and evaluation expenditure	165,083,986	-	-	-	-	2,000,000	167,083,986	(164,583,986)	-	**2,500,000**
Deferred tax assets		-	-	-	-		-	32,149,109	(32,149,109)	**-**
Total non-current assets	**485,498,398**	**-**	**-**	**-**	**100,171,206**	**(54,800,831)**	**530,868,772**	**(279,820,398)**	**(32,149,109)**	**218,899,265**
TOTAL ASSETS	**598,987,244**	**110,513,000**	**(520,000)**	**(25,199,850)**	**71,751,402**	**59,688,377**	**815,220,173**	**(434,400,488)**	**(32,149,109)**	**348,670,576**
CURRENT LIABILITIES										
Trade and other payables	68,289,529	-	-	(25,199,850)	-	17,532,772	60,622,451	(37,414,427)	-	**23,208,024**
Provisions	5,347,668	-	-	-	-	5,408,549	10,756,217	(2,135,089)	-	**8,621,128**
Interest bearing loans and borrowings	5,201,279	-	-	-	-	-	5,201,279	(3,609,778)	-	**1,591,501**
Unearned income	22,493,125	-	-	-	-	-	22,493,125	(22,493,125)	-	**-**
Total current liabilities	**101,331,601**	**-**	**-**	**(25,199,850)**	**-**	**22,941,322**	**99,073,073**	**(65,652,419)**	**-**	**33,420,654**
NON-CURRENT LIABILITIES										
Provisions	86,692,744	-	-	-	-	36,747,056	123,439,800	(83,430,643)	-	**40,009,157**
Interest bearing loans and borrowings	10,242,066	-	-	-	-	-	10,242,066	(4,325,307)	-	**5,916,759**
Unearned income	5,812,500	-	-	-	-	-	5,812,500	(5,812,500)	-	**-**
Total non-current liabilities	**102,747,310**	**-**	**-**	**-**	**-**	**36,747,056**	**139,494,366**	**(93,568,450)**	**-**	**45,925,916**
TOTAL LIABILITIES	**204,078,911**	**-**	**-**	**(25,199,850)**	**-**	**59,688,377**	**238,567,438**	**(159,220,869)**	**-**	**79,346,570**
NET ASSETS	**394,908,333**	**110,513,000**	**(520,000)**	**-**	**71,751,402**	**-**	**576,652,735**	**(275,179,620)**	**(32,149,109)**	**269,324,006**
TOTAL EQUITY	**394,908,333**	**110,513,000**	**(520,000)**	**-**	**71,751,402**	**-**	**576,652,735**	**(275,179,620)**	**(32,149,109)**	**269,324,006**

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7.4 Pro Forma Historical Financial Information for Metals X Limited

(a) Basis for preparation

The Pro Forma Historical Balance Sheet of the Metals X Group as at 30 June 2016 set out above is provided for illustrative purposes only and is prepared on the assumption that the transaction was implemented as at 30 June 2016. If approved, the Demerger is expected to be implemented in December 2016. The Metals X Group comprises Metals X Limited and each of its subsidiaries. The Pro Forma Historical Balance Sheet does not illustrate the financial position that may be contained in future financial statements of Metals X Limited following the Demerger.

The Metals X Pro Forma Historical Financial Information has been prepared solely for inclusion in this Notice of Meeting and has been derived from the Historical Balance Sheet of Metals X Limited as at 30 June 2016, adjusted for the effects of the pro forma adjustments described below.

The Metals X Pro Forma Historical Balance Sheet has been prepared in accordance with the recognition and measurement, but not all of the disclosure requirements, of the AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions contemplated to occur as part of the Demerger of Westgold from the Company as if they occurred as at 30 June 2016. The Metals X Financial Information has also been prepared on a historical cost basis.

In preparing the Metals X Pro Forma Historical Financial Information, no adjustments have been made for potential changes in cost or operating structure resulting from the Demerger of Westgold from Metals X. However, adjustments have been made for capital restructures that will take place as a result of the Demerger.

Impact of the Demerger on accounting

Accounting for demerger transactions is addressed in the Australian Accounting Standards Board Interpretation 17 'Distributions of Non-cash Assets to Owners'. That interpretation requires that any obligations for distributions made by a company to its shareholders should be recognised once declared and, where required, approved by the shareholders. Furthermore, the distribution payable must be measured at the fair value of the assets to be distributed.

The distribution payable is charged to equity. In this regard, the fair value of the distribution payable will be allocated between share capital (Capital Reduction) and accumulated losses (demerger dividend). The value of the Capital Reduction will be determined by reference to the tax allocation which is expected to be supported by an ATO ruling. The amount recorded in accumulated losses, the Demerger Dividend, will be the difference between the distribution payable and the Capital Reduction amount.

On the Record Date, Metals X will recognise a distribution payable based on the fair value of Westgold Shares, which is expected to exceed the carrying value of Westgold's assets and liabilities. This liability will be settled through the transfer of the Westgold Shares. At that time, the difference between the historic cost of the net assets distributed and the fair value of the distribution payable will be recognised in Metals X's income statement.

(b) Pro forma Adjustments

The pro forma adjustments are as follows:

(1) Placement and Share Purchase Plan

In August and September 2016 Metals X undertook a capital raising comprised of an institutional placement and a Share Purchase Plan ("SPP") to raise $115,640,000 (before capital raising costs of $5,127,000) to provide funding for development of certain gold projects and additional working capital. Metals X issued 78,134,315 new fully paid ordinary shares at $1.48.

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(2) **Transaction costs**

Estimated total demerger transaction costs of $520,000. These costs will be expensed on a post-tax basis by Metals X for the year ending 30 June 2017.

(3) **30 June 2016 Trade and Other Payables**

Trade and other payables that were due for payment on behalf of Westgold on 30 June 2016 were paid on 1 July 2016. An adjustment has been made to reflect the settlement of trade and other payables amounting to $25,199,850 due as at 30 June 2016.

(4) **Aditya Birla Minerals Limited Acquisition and Consolidation**

On 29 August 2016 Metals X completed the off-market takeover to acquire 100% of the issued capital in Aditya Birla Minerals Limited ("Aditya Birla") for consideration transferred of 1 Metals X share for every 4.5 Aditya Birla shares and $0.08 for every Aditya Birla share. Prior to the completion of this acquisition, Metals X held an available for sale investment in Aditya Birla with a fair value of $35,752,267 at 30 June 2016 and $43,923,135 at 22 July 2016, being the date Metals X gained control of Aditya Birla. The acquisition accounting for the acquisition has been determined on a provisional basis as reflected in subsequent event disclosures in Note 39 of the Consolidated Financial Statements of Metals X for the year ended 30 June 2016. Metals X incurred additional cash costs of $8,171,746 post 30 June 2016 relating to the acquisition of 1,1194,757 Aditya Birla shares. This amount was paid to Aditya Birla shareholders who had accepted the offer prior to the final increase in consideration on 22 July 2016. Subsequent to the acquisition, Aditya Birla was changed from a public company limited by shares to a proprietary company limited by shares and its name was changed to Cupric Pty Ltd.

(5) **Westgold Demerger**

In accordance with the Notice of Meeting, accounting entries arising from the Demerger and associated Capital Reduction will be implemented the Restructure Date. The Capital Reduction and Demerger Dividend will be recognised as part of the implementation of the Demerger. The principal assets to be distributed in accordance with the Notice of Meeting include the HGO, SKO, the Central Murchison Gold Operations and the Rover Exploration Project. The pro forma adjustment for the Westgold Demerger is based on the Westgold Pro Forma Balance Sheet as at 30 June 2016 as set out in Section 5 of this Explanatory Memorandum. The actual measurement of the distribution payable will be based on the fair value as at the date of settlement. As described further in Section 2.2, Metals X has agreed to provide cash of $110,000,000 to Westgold to assist in funding Westgold's ongoing operations.

(6) **Derecognition of Deferred Tax Asset**

Following the Demerger, a deferred tax asset amounting to $32,149,109 will not qualify for recognition as it is not probable that future taxable profit will be available against which the deferred tax asset can be utilised.

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8. Demerger

8.1 Reasons for the Demerger

The Demerger is considered the best opportunity for Shareholders to realise maximum value from both of the Gold Business Unit and the other base metals assets of Metals X. The Capital Reduction and Demerger Dividend (if any) will distribute to Shareholders that part of Metals X capital that represents the value of the Gold Business Unit and Westgold, as determined by the Directors.

The Capital Reduction and demerger dividend is considered by the Board to be the most effective means of:

- distributing the surplus capital of Metals X to Shareholders;
- providing Shareholders with a greater choice of investment through a direct investment in the Gold Business Unit through Westgold; and
- maximising Shareholder value.

Westgold will have a separate management team which will allow it to focus solely on the realisation of value from the Gold Business Unit. Following the Demerger and proposed restructure of Metals X, Westgold will seek a separate ASX listing.

The Demerger of Westgold and its subsequent listing on the ASX makes strategic sense, as it will allow Metals X to focus on its tin, copper and nickel Business Units, and for Westgold to focus purely on the Gold Business Unit.

The Demerger will result in:

- each operation and entity being able to be valued separately and appropriately as opposed to the value of Metals X as a whole;
- transparency for investors (as the gold and other assets have different risk profiles, different funding requirements and are in disparate geographical locations);
- more efficient and focused operating and capital structures for each asset;
- equity and debt financing able to be developed for each asset without any impact from the other asset; and
- investors being able to match their equity risk to the corresponding geography and commodity.

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8.2 Change of structure of Metals X Group Companies

(a) Current Structure of Metals X Group Companies

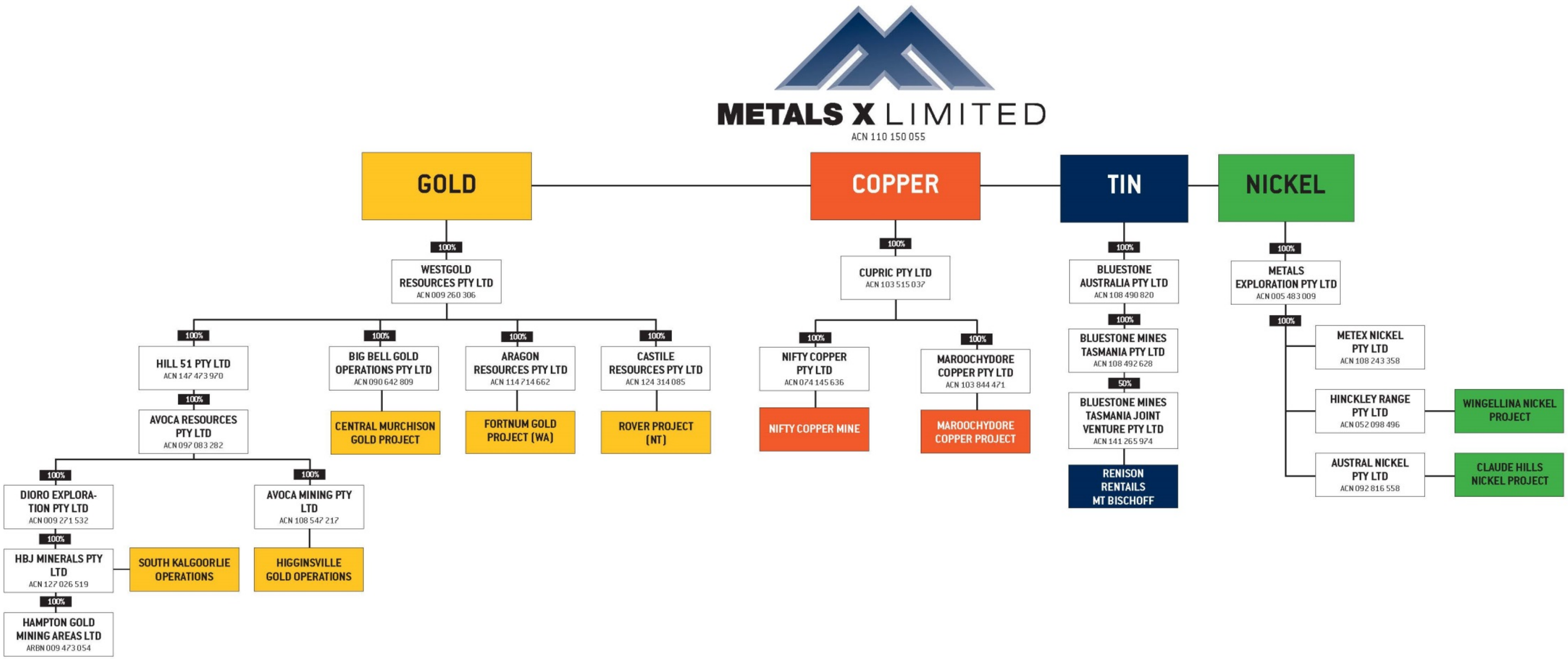

Figure 3 - Current company structure of the Metals X Group Companies

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(b) **Structure of Metals X and Westgold following the Demerger**

The company structure of Metals X and Westgold following the Demerger will be as follows:

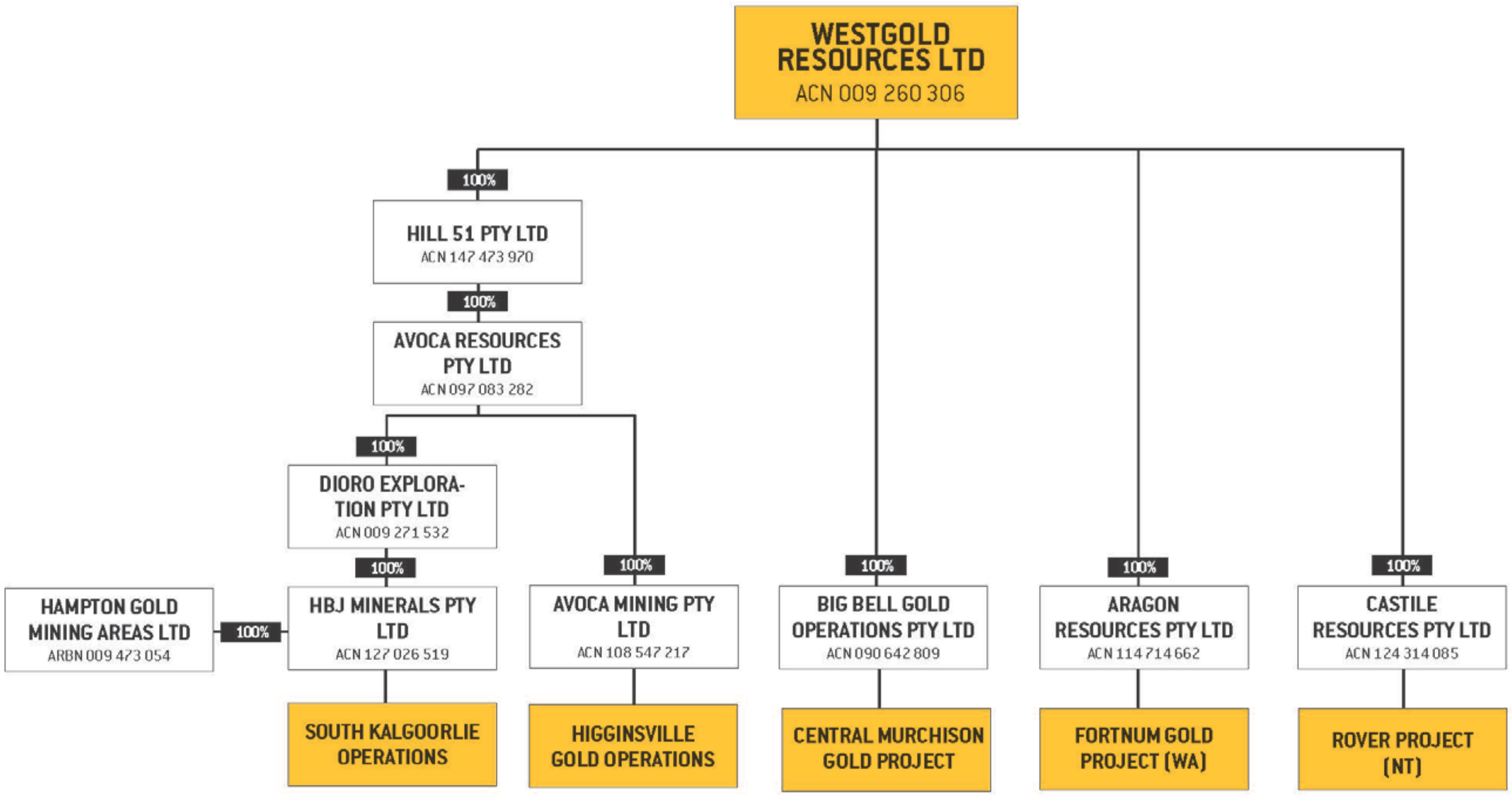

Figure 4 – Company Structure of Westgold following Demerger

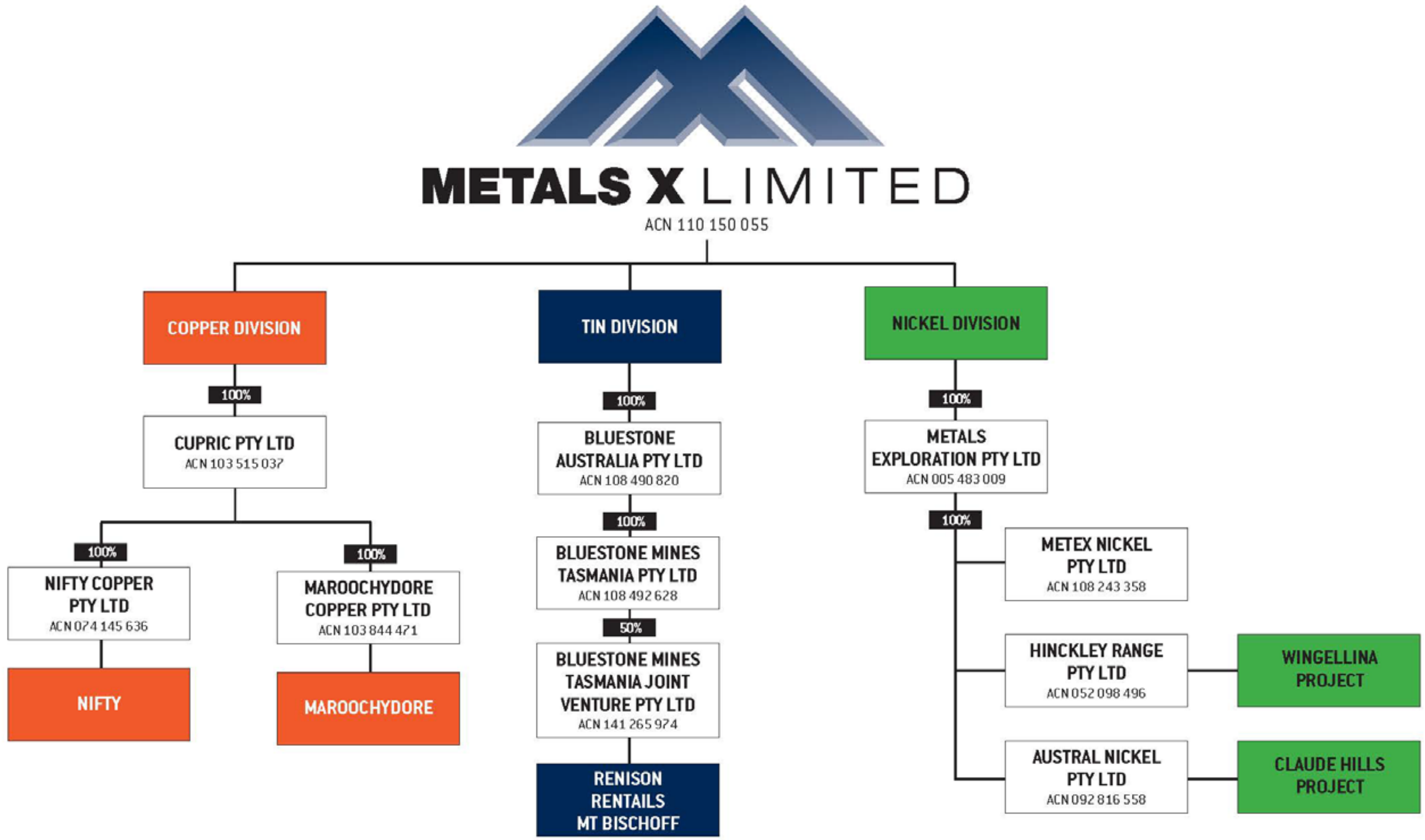

Figure 5 – Company Structure of Metals X following Demerger

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(c) **Shareholder Approval and transaction mechanism**

Subject to satisfaction of the Demerger Conditions, Metals X will distribute all Westgold Shares by effecting an equal pro-rata reduction of the share capital of Metals X on the basis of 1 Westgold Share for every 2 Metals X Shares held. Each Metals X Shareholder will receive:

(1) an in-specie return of capital by way of the distribution of Westgold Shares in proportion to the number of Metals X Shares held by that Shareholder as at the Record Date; and

(2) subject to the determination by the Board of the value of the Westgold Shares, a dividend in an amount equal to the difference between the Westgold market value and the capital reduction amount.

As a result of this, Metals X Shareholders will retain direct ownership of Metals X and will convert their indirect ownership of Westgold into a direct ownership by way of holding Westgold Shares.

(d) **Board retains ultimate discretion whether to proceed with Demerger**

The Board retains discretion whether to proceed with the proposed Demerger. Even if Shareholders approve Resolution 1, the Board may still resolve not to proceed with the Demerger should market conditions and other factors impacting on the Demerger cause the Directors to believe that proceeding with the Demerger would not be in the best interests of Shareholders.

8.3 Requirements under section 256B and section 256C of the Corporations Act

Metals X is authorised by its Constitution to reduce its share capital in accordance with Division 1 of Part 2J.1, which contains section 256B and Section 256C, of the Corporations Act.

(a) **Capital Reduction**

The proposed Capital Reduction to Eligible Shareholders is an equal capital reduction under the Corporations Act, as each Shareholder will receive either Shares in Westgold, or if they are an Ineligible Overseas Shareholder, the cash value of their entitlement to Shares in Westgold (less any costs to Metals X) (**Entitlement**). As such, even though Ineligible Overseas Shareholders may never physically receive shares in Westgold, they will still receive the same Entitlement as Eligible Shareholders.

(b) **Section 256B of the Corporations Act**

Section 256B of the Corporations Act relevantly provides that a company may only reduce its share capital if the reduction:

(1) is fair and reasonable to shareholders as a whole;

(2) does not materially prejudice the company's ability to pay its creditors; and

(3) is approved by shareholders under section 256C of the Corporations Act.

Fair and Reasonable to Shareholders as a whole

The Board considers that the proposed Capital Reduction is fair and reasonable to Metals X Shareholders as a whole. This is because each Metals X Shareholder is treated equally and in the same manner since the terms of the reduction of capital are the same for each Metals X Shareholder (regardless of whether a Metals X Shareholder receives Westgold Shares or funds in lieu of those Westgold Shares, as will occur in the case of Ineligible Overseas Shareholders) and the distribution is on a pro-rata basis.

The Board commissioned Stantons International Securities Pty Ltd to prepare a report on the question of whether the Demerger is in the best interests of and fair and reasonable to Metals X Shareholders.

Shareholders should read the Independent Expert's Report at Annexure C in full.

The Independent Expert has concluded that the Demerger, including the Capital Reduction, is in the best interests of and fair and reasonable to Metals X Shareholders.

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Does not materially prejudice the Company's ability to pay its Creditors

The Board has determined that although the Capital Reduction will reduce the total equity of Metals X, it will not materially prejudice the ability of Metals X to pay its creditors.

Shareholder Approval under section 256C of the Corporations Act

Under section 256C(1) of the Corporations Act, an equal reduction of capital must be approved by an ordinary resolution passed at a general meeting of the company. Resolution 1 of this Extraordinary General Meeting seeks such approval and must be passed by a majority of validly cast votes of those present in person or by proxy, attorney or representative at the Meeting.

8.4 **Requirements under section 254T(1) of the Corporations Act**

The Board will determine the demerger dividend as an amount equal to the difference between the Westgold market value and the Capital Reduction amount. This will be effected by the in-specie distribution of Westgold Shares, to Metals X Shareholders out of the "demerger reserve" created in the Company's equity account in its balance sheet as at the Record Date.

In summary, under section 254T(1) of the Corporations Act, the Company must not pay a dividend (in cash or in-specie) unless:

(a) the Company's assets exceed its liabilities immediately before the dividend is paid and the excess is sufficient for the satisfaction of the dividend amount;

(b) the payment of the dividend amount is fair and reasonable to Metals X Shareholders as a whole; and

(c) the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

Under the Corporations Act, Metals X Shareholder approval is not a pre-requisite to the determination of the dividend. However, the dividend will only be determined if Resolution 1 is passed. After having carefully considered all of the circumstances, the Directors consider that:

(d) the Company's assets are expected to exceed its liabilities immediately before the dividend is paid and the excess is sufficient for the payment of the dividend, having regard to the Company's assets and liabilities as at the date of this Notice of Meeting (including the "demerger reserve" established by the Company), and the Director's expectations in relation to the Company's trading in the period up to the declaration of the dividend;

(e) in their opinion, the dividend is fair and reasonable to all Metals X Shareholders, as it applies to all Metals X Shareholders fairly as between them having regard to the number of Metals X Shares held by each of them; and

(f) the Company has sufficient reserves to satisfy the proposed dividend without materially prejudicing the Company's ability to pay its creditors.

8.5 **Advantages and Disadvantages of the Capital Reduction and Demerger**

The advantages and disadvantages to Shareholders of the Capital Reduction and Demerger are as follows:

(a) **Advantages**

(1) Metals X Shareholders will retain their current percentage ownership interest in Metals X share capital;

(2) Westgold may add portfolio value because the demand for a gold only company may exceed demand for a company with diversified mineral assets that include gold;

(3) Westgold and Metals X will be able to focus on developing assets with similar properties and as a result, each company may progress or improve projects quicker;

(4) The Demerger will create a transparent valuation and immediate value recognition for the Gold Business Unit;

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(5) Flexibility to allow investors to be able to pursue their specific investment preferences separately;

(6) The clear separation of the distinctive businesses will allow each entity to separately access capital markets for their respective projects;

(7) Both companies will have sufficient working capital funding in the short to medium term;

(8) Separation of Westgold provides an opportunity for potential acquirers to access Westgold as a stand-alone entity;

(9) Separate management teams will allow a greater focus on each individual project;

(10) Enables Eligible Shareholders to retain a direct and ongoing interest in the Gold Business Unit through their pro-rata shareholding in Westgold;

(11) Westgold Shares will be quoted on the ASX and transferable; and

(12) Enables Metals X to return value to Metals X Shareholders without selling its Gold Business Unit on market, which could cause a decrease in the value of Metals X Shares generally.

(b) **Disadvantages**

(1) ASIC has provided technical relief to allow secondary sales to occur before Westgold is listed on ASX, however, unless and until Westgold becomes listed on ASX, the shares in Westgold will not have a liquid market and may be difficult to sell. Although Westgold intends to seek listing on ASX, there can be no assurance that Westgold will be listed or will trade at a particular price;

(2) Westgold and its subsidiaries will have a different tax profile to Metals X and immediately after the Demerger will have no carried forward tax losses to offset against their future taxable profits. By way of background, the Metals X tax consolidated group has estimated available carried forward tax losses of $150,104,338 as at 30 June 2016. All historical tax losses incurred and carried forward by the Metals X tax consolidated group, up to the time of the Demerger, will remain with Metals X following the Demerger. This includes all tax losses generated by Westgold and its subsidiaries whilst they are members of that tax group;

(3) It cannot be predicted how the market will react to the Demerger and accordingly, a fundamental change in the structure of Metals X could have adverse effects on the share prices of Metals X and Westgold;

(4) The liquidity of Westgold may be less than that currently exhibited by Metals X due to the reduction in size of the entity and focus on gold assets;

(5) Reduction in scale of Westgold means the company may not be an attractive investment to some institutional investors who follow indices and it may be more difficult for Westgold to access debt or equity funding;

(6) Metals X and Westgold will incur Demerger expenses of approximately $520,000 to list Westgold on the ASX (whether or not the Demerger is approved) and a further approximately $510,000 will be incurred if approved in connection with listing Westgold on ASX. Metals X will incur costs for legal, advisory and listing expenses in conducting the Demerger;

(7) There are costs associated with the restructure which will be incurred by Metals X;

(8) There may be tax consequences for Metals X Shareholders (refer to Section 9 below for additional information);

(9) Additional costs will be incurred by Westgold as a result of the need to maintain its own board of directors, share register, corporate and administrative functions; and

(10) Metals X and Westgold Shareholders who chose to subsequently dispose of their Metals X and Westgold Shares may incur transaction and brokerage costs associated with selling shares in two different companies instead of one.

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8.6 General

The Corporations Act and the ASX Listing Rules set out the procedure and timing for a capital reduction. Refer to Section 2.3 for an indicative timetable in respect of the Demerger. The Capital Reduction will become effective from the Record Date provided that after the Record Date has been set, the Directors have not provided a notice to ASX stating that the Company does not intend to proceed with the reduction of capital contemplated by Resolution 1.

Generally, the standard record date for a reorganisation of capital of an ASX listed company is the third business day after shareholders approve the reorganisation. However, in relation to the Capital Reduction, the Company has provided for flexibility in the setting of the Record Date, such that the Directors may elect to defer the implementation of the Capital Reduction depending on the timing of satisfaction of the Demerger Conditions.

As a result, the Record Date to determine entitlements of Shareholders to participate in the Capital Reduction is to be set by the Directors after the date Resolution 1 is passed, such that the Record Date will be not less than three business days after the date on which Resolution 1 is passed and not later than six months after the date on which Resolution 1 is passed.

9. Australian Income Tax Implications

Metals X considers the proposed Demerger should qualify for demerger tax relief. However, Metals X has applied to the Commissioner of Taxation (**Commissioner**) for a class ruling in connection with the Demerger. Metals X considers that a decision from ATO not to grant demerger tax relief would make the Demerger unviable from a value perspective. Accordingly, one of the Demerger Conditions is that Metals X obtains a draft class ruling from the ATO confirming the availability of demerger relief.

On the assumption that a favourable class ruling is obtained from the ATO, the following is a general summary of the Australian taxation consequences for Australian resident Metals X Shareholders who receive Westgold Shares in respect of the Capital Reduction. The taxation information below is applicable to Australian residents who hold their Metals X shares on capital account and are not subject to the taxation of financial arrangement provisions contained in Division 230 of the Income Tax Assessment Act (1997) (**ITAA 1997**).

The information below is not a complete analysis of all taxation implications relevant to the proposed Demerger and all Metals X shareholders should obtain independent tax advice regarding the income tax and capital gains tax implications specific to their circumstances. Specifically, Metals X shareholders who hold their Metals X shares on revenue account (for example, Metals X shareholders who are share traders and certain institutional investors), and Metals X shareholders who are not residents of Australia for income tax purposes, should all seek independent taxation advice. The information below does not consider the future tax implications associated with holding or selling the Metals X shares or Westgold shares following implementation of the Demerger.

The information below has been prepared based on the taxation laws, regulations, rulings and administrative guidance and judicial interpretations as at 22 September 2016. It is important to note the ultimate interpretation of taxation law rests with the courts and that the law, and the way the revenue authorities seek to administer the law, may change over time. Accordingly, information below represents an interpretation of existing law based upon generally accepted interpretations of that law.

Australian Tax laws are complicated and subject to legislative and interpretive change both prospectively and (occasionally) retrospectively. Changes in the tax law or interpretation of the tax law subsequent to the date of this Explanatory Memorandum may alter the tax treatment of the Demerger.

There could also be implications for Metals X shareholders in addition to those described above. The information provided below is general in nature and the individual circumstances of each shareholder may affect the tax implications of the Demerger for that shareholder. Metals X shareholders should seek appropriate independent professional advice that considers the tax implications in respect of their own specific circumstances.

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(a) **Demerger tax relief**

The information below has been prepared on the basis that shareholders who are residents of Australia and who hold their Metals X Shares on capital account for tax purposes should be eligible to choose Demerger Relief. Broadly, Demerger Relief ensures that any CGT consequences from the transaction may be deferred, and that the dividend component (if any) of a distribution is not taxed in the hands of the Metals X Shareholders.

(b) **CGT Consequences**

The Capital Reduction will give rise to a CGT event for Metals X shareholders representing the distribution of Westgold shares. The CGT event will happen at the time Metals X completes the Demerger.
Metals X shareholders can choose whether or not to obtain demerger roll-over relief.

(1) **Where demerger roll-over relief is chosen**

(A) **Capital gain is disregarded**

If Demerger Relief is available, for Metals X shareholders who choose demerger roll-over relief, any capital gain made arising from the CGT event happening to their Metals X shares under the Demerger will be disregarded.

(B) **CGT cost base in Metals X shares and Westgold shares**

Metals X shareholders will need to apportion the CGT cost base of their original Metals X shares between their original Metals X shares and new Westgold shares in accordance with the market values of the Metals X shares and Westgold shares (or a reasonable approximation of these market values) just after the Demerger.

Further information in relation to the apportionment of costs bases will be provided by Metals X subsequent to the Demerger being implemented.

(C) **Time of acquisition of Westgold shares**

For Metals X shareholders who choose demerger roll-over relief, their Westgold shares will have the same CGT characteristics as the underlying Metals X shares. For the purposes of determining the availability of the CGT discount on a subsequent sale of Westgold shares, Westgold shares should be taken to have been acquired at the time the shareholder acquired their original Metals X shares. Metals X shareholders should seek appropriate tax advice to determine the application of the CGT discount in their specific circumstances.

(2) **Where demerger roll-over relief is not chosen**

(A) **Capital gain is not disregarded**

If Demerger Relief is available, for Metals X shareholders who do not choose to obtain demerger roll-over relief, any capital gain made arising from the Capital Reduction under the Demerger will not be disregarded.

Metals X shareholders may be entitled to discount CGT treatment. Metals X shareholders should seek appropriate tax advice to determine the application of the CGT discount in their specific circumstances.

If the capital component of the Capital Reduction does not exceed the CGT cost base in the Metals X shares, no capital gain should be made. Metals X shareholders will not make a capital loss as a result of the return of capital under the Demerger.

(B) **CGT cost base in Metals X shares and Westgold shares**

Metals X shareholders who do not choose to obtain demerger roll-over relief should apportion the first element of the CGT cost base in their Metals X shares between those Metals X shares and Westgold shares received under the Demerger. The method of apportionment is the same as the method for Metals X shareholders who choose to obtain demerger roll-over relief as discussed above.

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(C) **Time of acquisition of Westgold shares**

Where demerger roll-over relief is not chosen, all of the Westgold shares transferred to Metals X shareholders will be treated as having been acquired at the time they are transferred to the Metals X shareholders. This will be relevant to Metals X shareholders in determining the availability of the CGT discount on a subsequent sale of Westgold shares. Metals X shareholders should seek appropriate tax advice to determine the application of the CGT discount in their specific circumstances.

(c) **Application of demerger tax integrity measures**

In certain circumstances part of an in-specie distribution can be treated as a dividend for Australian tax purposes. The dividend component would be that amount of the in-specie distribution by which Metals X does not reduce share capital. Metals X expects to determine the Capital Reduction amount by reference to the allocation required by the ATO class ruling. The dividend component should therefore be that amount by which the market value of the in-specie distribution exceeds the Capital Reduction amount. Where Demerger Relief is available, this dividend would not be assessable to Metals X shareholders.

However, the Commissioner may make a determination under Section 45B of the Income Tax Assessment Act 1936 (**ITAA 1936**) to deem certain payments to be treated as taxable dividends for taxation purposes. Having regard to the circumstances of the Demerger, Metals X does not consider the Commissioner should apply Section 45B to the proposed Demerger. For completeness, the following is an outline of the potential Australian income tax implications for Australian resident Metals X shareholders who hold their shares on capital account should the Commissioner make a determination under Section 45B in respect of the Demerger:

- All or part of the Capital Reduction may be treated as an unfranked dividend. This amount would be assessable income for Australian resident Shareholders.
- The CGT cost base in the Metals X shares would not change as a result of the Demerger.
- The CGT cost base in Westgold shares would be equal to the Demerger Entitlement.
- Westgold shares would be treated as having been acquired at the time they are transferred to Metals X shareholders.

10. Ineligible Overseas Shareholders

Distribution of Westgold Shares to overseas Shareholders under the Capital Reduction will be subject to the legal and regulatory requirements in their relevant overseas jurisdictions. Metals X has decided that it is unreasonable to distribute Westgold Shares to Ineligible Overseas Shareholders (those overseas Shareholders with a registered address outside of the Eligible Countries), due to the substantial costs of complying with the legal and regulatory requirements in the various overseas jurisdictions.

As such, Westgold Shares to which Ineligible Overseas Shareholders in certain circumstances would otherwise be entitled will be sold by Metals X on their behalf within one month of the date that Westgold becomes listed on the ASX.

If Metals X elects to sell Westgold Shares on a relevant Westgold Shareholder’s behalf, Metals X will then account to those Westgold Shareholders for the net proceeds of such a sale (less any costs or expenses in relation to the sale incurred by Metals X). The capital reduction is being satisfied by the pro-rata in-specie distribution of Westgold Shares. As the share price of Westgold once (and if) it becomes listed may be subject to fluctuation (assuming a liquid market exists), the net proceeds of the sale of those Westgold Shares to Westgold Shareholders may be more or less than the notional dollar value placed on the reduction of capital.

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11. Risk Factors

11.1 Risk Factors common to Westgold and Metals X

Both Metals X and Westgold are subject to risks relating to the exploration, development and production of mineral properties. Many of the circumstances giving rise to these risks are beyond the control of Metals X and Westgold and their respective directors and management. The following list of risks should be considered as a guide only and is not intended to be exhaustive in any way:

(a) **Division of assets**

Under the Demerger, Metals X will cease to hold an interest in the gold assets held by Westgold, and Westgold will no longer be part of the Metals X group holding the base metals assets. Accordingly, Shareholders need to be aware that any investment made in Metals X should be undertaken in the knowledge that Metals X (or its subsidiaries) will not be holding those gold assets. However, investors in Metals X who hold Metals X Shares on the Record Date will received Westgold Shares and so will continue to have an ownership interest in the gold assets for so long as they retain those Westgold Shares.

(b) **Environment**

Metals X's and Westgold's projects are subject to laws and regulations in relation to environmental matters. As a result, there is the risk that Metals X or Westgold may incur liability under these laws and regulations. Metals X and Westgold proposes to comply with applicable laws and regulations and conduct its programs in a responsible manner with regard to the environment.

(c) **Additional Requirements for Capital**

Metals X's and Westgold's activities will require substantial expenditure. There can be no guarantees that the funds held by Metals X or Westgold will be sufficient to successfully achieve all of the objectives of Metals X or Westgold's business strategy. Any equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If Metals X or Westgold is unable to obtain additional financing as needed, it may be required to reduce the scope of its production operations and scale back its additional exploration programs. In addition, Metals X's or Westgold's ability to continue as a going concern may be diminished. There is no guarantee that Metals X or Westgold will be able to secure any additional funding or be able to secure funding on terms favourable to Metals X or Westgold. Such circumstances would adversely affect Metals X or Westgold and their activities.

(d) **Reliance on Key Personnel**

Metals X and Westgold will be dependent on their directors', managers' and consultants' abilities to implement its business strategy. A number of factors, including the departure of senior management of Metals X or Westgold or a failure to attract or retain suitably qualified key employees, could adversely affect Metals X's or Westgold's business strategy.

(e) **Insurance**

Metals X and Westgold intend to adequately insure its operations in accordance with industry practice and applicable laws in the jurisdiction(s) where it operates. However, in certain circumstances Metals X or Westgold may not be able to obtain insurance or the insurance that it can obtain may not be of a nature or level to provide adequate insurance cover. As such, the occurrence of an event that is not covered by insurance could have a material adverse effect on Metals X or Westgold.

(f) **Economic**

Factors such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation have an impact on operating costs, commodity prices, and the parameters in which Metals X or Westgold operates.

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(g) **Industrial**

Industrial disruptions, work stoppages and accidents in the course of Metals X's or Westgold's operations could result in losses and delays, which may adversely affect profitability.

(h) **Management Actions**

The Directors of Metals X and Westgold will, to the best of their knowledge, experience and ability (in conjunction with management) endeavour to anticipate, identify and manage the risks inherent in the activities of Metals X or Westgold, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of Metals X or Westgold and its securities.

(i) **Government Policy and Legislative Change**

Capacity to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of Metals X and Westgold and which may materially adversely affect Metals X or Westgold and the value of their securities. Both Metals X and Westgold's activities in the mining industry are subject to various legislation, regulation and approvals. The introduction of any new legislation, be it amendments, the application of developments in existing common law or policies or the interpretation of those laws or policies could have a material adverse effect on both Metals X and Westgold. Changes in government regulations may adversely affect the financial performance or the current and proposed operations generally of Metals X and Westgold and the value of their securities.

In addition, Metals X and Westgold's projects may require from time to time various licences, regulatory renewals or approvals by government for their operations and accordingly must comply with those approvals, applicable laws, regulations, guidelines and policies.

Specifically, Metals X and Westgold may require licenses, renewals and approvals in relation to environmental matters, exploration, development and production of gold. There is a risk that Metals X and Westgold may not obtain, or may be delayed in obtaining the necessary licenses, renewals and approvals in relation to their operations. This may affect the timing and scope of Metals X and Westgold's operations. The loss of granted tenements or the delay in obtaining lease renewals may have a material adverse effect on Metals X and Westgold.

(j) **Taxation**

In all places where Metals X and Westgold has operations, in addition to the normal level of income tax imposed on all industries, Metals X or Westgold may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

(k) **Foreign Exchange**

Foreign exchange rates fluctuate over time. Fluctuating exchange rates have a direct effect on Metals X's and Westgold's operating costs and cash flows expressed in Australian dollars.

(l) **Commodity Price**

Metals X's and Westgold's prospects and Share prices will be influenced by the price obtained from time to time for gold and any other commodities produced and targeted in its exploration programs. Commodity prices fluctuate and are affected by factors including the relationship between global supply and demand for minerals, forward selling by producers, costs of production and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. These factors may have an adverse effect on Metals X's or Westgold's production and exploration activities and any subsequent development and production activities, as well as its ability to fund its future activities.

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(m) **Contractual arrangements**

Metals X and Westgold are parties to a number of material contracts and may be advanced in the finalisation of other contracts. Failure by any other party to a contract with Metals X or Westgold to comply with their obligations could have a material adverse effect on Metals X or Westgold. Additionally, the failure by Metals X or Westgold to finalise and execute contracts presently under negotiation or to finalise conditions arising under existing conditional material contracts could have a material adverse effect on Metals X or Westgold.

(n) **Joint venture partners**

Financial failure or default by any participant in a joint venture to which Metals X or Westgold is a party may have a material adverse effect on Metals X or Westgold insofar as it may have to bear that share of the joint venture costs which would otherwise have been borne by the relevant participant in the joint venture.

(o) **Tenure and native title risks**

Interests in exploration and mining tenements in Australia are governed by State legislation and are evidenced by the granting of leases or licences. Each lease or licence is for a specific term and carries with it annual expenditure and reporting conditions as well as other conditions requiring compliance. These conditions include the requirement, for exploration licences, for reduction in the area held under licence from time to time unless it is considered that special circumstances apply. Consequently Metals X or Westgold could lose title to, or its interest in, its tenements if licence conditions are not met or if expenditure commitments are not met.

It is possible that, in relation to tenements in which Metals X or Westgold has an interest or may acquire such an interest, there may be areas over which legitimate native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of Metals X or Westgold to obtain the consent of any relevant land owner, or to progress from the exploration phase to the development and mining phases of the operation, may be adversely affected.

It is possible that there will exist on Metals X's or Westgold's mining tenements, areas containing sacred sites or sites of significance to Aboriginal people subject to the provisions of the Aboriginal Heritage Act 1972 (WA), or areas subject to the Native Title Act 1993 (Cth) in Australia. As a result land within the tenements may be subject to exploration, mining or other restrictions as a result of claims of Aboriginal heritage sites or native title.

(p) **Land access risk**

Land access is critical for Metals X's and Westgold's exploration and production programs to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and native title land or claims under the Native Title Act 1993 (Cth) (NTA).

In addition, rights to mineral tenements carry with them various obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area.

(q) **Exploration and development**

There can be no assurance that any exploration or development activity in regard to Metals X's or Westgold's properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic resource.

Mineral exploration, development and mining/extraction may be hampered by circumstances beyond the control of Metals X or Westgold.

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(r) **Exploration risks**

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. Metals X or Westgold's exploration activities will be subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during exploration and development are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

(s) **Resource estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may alter when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates may change. Accordingly, the actual resources may materially differ from these estimates and assumptions and no assurances can be given that the resource estimates and the underlying assumptions will be realised. This could result in alterations to development and mining/extraction plans, which may, in turn, affect Metals X's or Westgold's operations and ultimately Metals X's or Westgold's financial performance and value.

11.2 Risk Factors specific to Westgold

Although no consideration is payable for Westgold Shares, there are further specific risks associated with Westgold. Shareholders should consider that an investment in Westgold Shares is speculative and they should consult their professional advisers when deciding how to vote on the Resolution.

(a) **Liquidity**

There may be relatively few buyers or sellers of Westgold securities on ASX at any given time. This may affect the volatility of the market price of the securities and the prevailing market price at which Westgold Shareholders hold their Westgold Shares. This may result in Westgold Shareholders receiving a market price for their Westgold Shares that is less or more than the value attributed to them on the Demerger Effective Date.

12. Additional Information

12.1 Additional Corporations Act and ASX Listing Rule Requirements

(a) **Corporations Act**

Pursuant to section 256C(4) of the Corporations Act, this Explanatory Memorandum sets out all information known to Metals X that is material to the decision on how to vote on this Resolution 1 (except where it would be unreasonable to do so because Metals X has previously disclosed the information to its Shareholders). Metals X has also lodged with ASIC a copy of this Notice of Meeting and accompanying documentation prior to sending them to Metals X Shareholders in accordance with section 256C(5) of the Corporations Act.

(b) **ASIC Relief**

The Corporations Act restricts:

(1) Metals X from transferring Westgold Shares to Eligible Shareholders within 12 months of their issue, by way of the proposed Demerger, without Metals X issuing a Prospectus (under section 707(2) of the Corporations Act); and

(2) Westgold Shareholders from on-selling Westgold Shares which are transferred by Metals X to the Eligible Shareholders under the proposed Demerger, within the first 12 months after receiving them from Metals X (under section 707(5) of the Corporation Act).

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As a result, a compliance prospectus would be required to be sent to all Shareholders with this Notice of Meeting in order to comply with the disclosure obligations of Chapter 6D of the Corporations Act.

The Board is of the view that the disproportionately high costs involved in preparing a compliance prospectus to accompany this Notice of Meeting for the Demerger approval are not justified, and consider that the costs outweigh any benefit to Metals X Shareholders in receiving a compliance prospectus. No application form is necessary to effect the transfer of Westgold Shares from Metals X to Metals X Shareholders.

As a result of this, the Board submitted an application to ASIC for relief from the requirement to issue a compliance prospectus, in accordance with ASIC Regulatory Guide 188 which provides that relief is possible where the proposed distribution in-specie involves a capital reduction where there is no significant change to the Shareholders' overall investment, and no change to the underlying business or assets.

ASIC has granted the relief, allowing Metals X to provide all information required by the Corporations Act in relation to the Capital Reduction (and subsequent Demerger), in this Notice of Meeting, without the need to also issue and dispatch a compliance prospectus. This has avoided the unnecessary expenditure by Metals X on fees to produce, print and post a compliance prospectus.

(c) **ASX Listing Rules**

Metals X has applied for and obtained confirmations and waivers (as applicable) from ASX regarding the operation of the following Listing Rules in relation to the Capital Reduction including Listing Rule 1.1, Listing Rule 2.1, Listing Rule 7.17, Listing Rule 10.1, Listing Rule 10.14, Listing Rule 11.1, Listing Rule 11.2 and Listing Rule 11.4.

12.2 **Entitlement to Westgold Shares**

If the Demerger Conditions are satisfied, Metals X Shareholders (as at the Record Date) will receive a pro-rata beneficial entitlement to Westgold Shares (of 1 Westgold Share for every 2 Metals X Shares held). The reduction in the Metals X's share capital and the distribution of Westgold Shares will become effective from the Effective Date. Any fractional entitlement to a part of a Westgold Share will be rounded up or down to the nearest whole number of a Westgold Share (and if the fractional entitlement would include one half of a Westgold Share, the entitlement will be rounded up to the nearest whole number of Westgold Shares). Shares in Westgold are to be held subject to its Constitution which is in a standard form and which has been approved by ASX as complying with the ASX Listing Rules and is further summarised in Section 12.3.

12.3 **Rights of Westgold Shares**

(a) **Constitution and Rights Attaching to Shares**

On or about 20 October 2016, and in any event by the Record Date, Westgold will be converted to a public company and from that date the Company's constitution (the **Constitution**) is of the kind usually adopted by a public company, with certain provisions taking effect once (and for so long as) the Company is listed on the ASX. A summary of the rights attaching to Shares under the Constitution is set out below. The summary is qualified by the full terms of the Constitution (copies of the Constitution may be inspected at the registered office of the Company during normal business hours by appointment with the Company secretary). These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory, ASX Listing Rules and common law requirements. This summary is not intended to be exhaustive.

(b) **Rights Attaching to Shares in the Company**

(1) **Voting**

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

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(2) **Meeting of members**

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act, Listing Rules and ASX Settlement Operating Rules.

(3) **Dividends**

The Shares will rank equally with all other issued Shares in the capital of the Company and will participate in dividends out of profits earned by the Company from time to time. Subject to the rights of holders of Shares of any special preferential or qualified rights attaching thereto, the profits of the Company are divisible amongst the holders of Shares in proportion to the Shares held by them and in proportion to the amounts paid up on such Shares as at the date of declaration of the dividend. The Directors may from time to time pay to Shareholders such interim dividends as in their judgement the position of the Company justifies.

(4) **Dividend reinvestment plan**

The Constitution authorises Directors, at their discretion, establish a dividend reinvestment plan (under which shareholders are given the option to elect that the dividend payable by the Company being reinvested by a subscription of securities). The Company currently has a dividend reinvestment plan.

(5) **Winding Up**

Upon paying the Application moneys, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the *Corporations Act*.

(6) **Transfer of Securities**

Generally, the Shares in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of Shares but only where permitted to do so under its Constitution or the ASX Listing Rules.

(7) **Issue of further Shares**

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the company may issue, or grant options in respect of further share on such terms and conditions as the Directors resolve.

(8) **Sale of Non-Marketable Holdings**

(A) The Company may take steps in respect of non-marketable holdings of Shares in the Company to effect an orderly sale of those Shares in the event that holders do not take steps to retain their holdings.

(B) The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the ASX Listing Rules.

(C) For more particular details of the rights attaching to Shares in the Company, investors should refer to the Constitution of the Company.

(9) **Share buy-back**

Subject to the Corporations Act and Listing Rules, the Company may buy back shares in itself and is entitled to give financial assistance to an entity for the purpose of the same.

(10) **Variation of class rights**

At present, the Company's only class of shares on issue are ordinary shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

(A) with the consent in writing of holders of 75% of the issued shares included in that class; or

(B) by a special resolution passed at a separate meeting of holders of those shares.

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(11) **Directors – appointment and removal**

At the first annual general meeting, all directors shall retire from office, and at subsequent annual general meetings, one third of the directors, or if their number is not a multiple of three, then the greater of one or the number nearest to but not exceeding one-third, shall retire.

A retiring director is eligible for re-election. The directors may appoint a director either in addition to existing directors or to fill a casual vacancy, who then holds office until the next annual general meeting. The Company may elect a person as a Director by resolution passed at a general meeting.

(12) **Directors – fees and remuneration**

The remuneration of the Directors is determined by the Board and must not include a commission on or percentage of operating revenue. The total amount of Director's fees payable by the Company to non-executive Directors must not exceed the maximum amount determined by shareholders at a general meeting.

(13) **Alteration of Constitution**

The Constitution may only be amended by special resolution passed by at least 75% of the Company's members present and voting at a general meeting.

12.4 Consent to be member of Westgold

For the avoidance of any uncertainty, should Resolution 1 be approved at the Meeting, all Metals X Shareholders (including those who did not vote or who did not vote in favour of Resolution 1) will be taken to have implicitly consented to becoming a member of Westgold and to being bound by its Constitution.

12.5 Employee Share Option Plan

Westgold has adopted an employee share and option plan (**ESOP**) pursuant to which issued capital of Westgold may be made available to directors, senior management and staff as a form of longer term equity incentive. The key terms of the ESOP are summarised below:

(a) The ESOP is to extend to eligible persons or eligible associate (as the case may be) of Westgold or an associated body corporate of Westgold as the board of Westgold may in its discretion determine.

(b) The total number of securities which may be offered by Westgold under the ESOP shall not at any time exceed 5% of Westgold's total issued shares when aggregated with the number of securities issued or that may be issued as a result of offers made at any time during the previous 3 year period under:

(1) an employee incentive scheme covered by ASIC CO 14/1000; or

(2) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

(c) The shares are to be issued at a price determined by the Westgold board.

(d) The options are to be issued for no consideration and may be issued subject to such Performance Hurdle (if any) as determined by the Westgold board at its sole discretion.

(e) The exercise price of an option is to be determined by the Westgold board at its sole discretion.

(f) The option commencement date will be any such date or dates with respect to the options or tranches of options (as the case may be) as may be determined by the Westgold board prior to the issuance of the relevant options.

(g) The option period commences on the option commencement date and ends on the earlier of:

(1) the expiration of such period nominated by the Westgold board at its sole discretion at the time of the grant of the option but being not less than two years;

(2) if an eligible person's employment or engagement with Westgold or an associated body corporate ceases because of an Uncontrollable Event, the earlier of:

(A) the expiry of the option period; or

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(B) six months (or such other period as the Westgold board shall, in its absolute discretion, determine) from the date on which the eligible person ceased that employment or engagement;

(3) if an eligible person's employment or engagement with Westgold or an associated body corporate ceases because of a Controllable Event:

(A) the expiry of the option period; or

(B) three months (or such other period as the Westgold board shall, in its absolute discretion, determine) from the date on which the eligible person ceased that employment or engagement; or

(4) the Westgold board determining in its absolute discretion that the eligible person ceased to be employed or engaged by Westgold or an associated body corporate of Westgold due to fraud, dishonesty or being in material breach of their obligations to Westgold or an associated body corporate.

(h) If an eligible person's employment or engagement with the Company ceases because of an Uncontrollable Event the Westgold Board in its absolute discretion may determine to reduce, vary or waive any Performance Hurdle that has not been satisfied as at the date of the Uncontrollable Event so that the options subject to the Performance Hurdle may be exercised and, unless so determined by the Westgold Board in its absolute discretion, if an eligible person's employment or engagement with Westgold or an associated body corporate ceases because of a Controllable Event, options the subject of any unsatisfied Performance Hurdle shall lapse as at the date of the Controllable Event.

(i) Eligibility to participate is determined by the Westgold board. Eligibility is restricted to eligible persons (or their eligible associates where applicable) of Westgold or an associated body corporate of Westgold. The Westgold board is entitled to determine:

(1) subject to paragraph (b) above, the total number of shares and options to be offered in any one year to eligible persons or eligible associates;

(2) the eligible persons to whom offers will be made; and

(3) the terms and conditions of any shares and options granted, subject to the ESOP.

(j) In respect of options, option holders do not participate in dividends or in bonus issues unless the options are exercised.

(k) Option holders do not have any right to participate in new issues of securities in Westgold made to shareholders generally. Westgold will, where required pursuant to the ASX Listing Rules, provide option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the options, in accordance with the requirements of the ASX Listing Rules.

(l) In the event of a pro rata issue (except a bonus issue) made by Westgold during the term of the options Westgold may adjust the exercise price for the options in accordance with the formula in the terms of the ESOP.

(m) The Westgold board has the right to vary the entitlements of participants to take account of the effect of capital reorganisations, bonus issues or rights issues.

(n) The terms of the options shall only be changed if holders (whose votes are not to be disregarded) of shares in Westgold approve of such a change. However, the terms of the options shall not be changed to reduce the exercise price, increase the number of options or change any period for exercise of the options, unless so permitted by ASX.

(o) The Westgold board may impose as a condition of any offer of shares and options under the ESOP any restrictions on the transfer or encumbrance of such shares and options as it determines.

(p) The Westgold board may vary the ESOP.

(q) The ESOP is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of an eligible person under the terms of his or her employment or arrangement.

(r) At any time from the date of an offer until the acceptance date of that offer, the board undertakes that it shall provide information as to:

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(1) the current market price of the shares; and

(2) the acquisition price of the shares or options offered where this is calculated by reference to a formula, as at the date of the offer,

to any participant within 3 Business Days of a written request to Westgold from that participant to do so.

(s) Any offer made pursuant to this ESOP will specify whether subdivision 83A-C of the applicable Tax Laws applies to that offer such that any tax payable by a participant under the offer will be deferred to the applicable deferred taxing point described in that subdivision.

In the ESOP:

Controllable Event means cessation of employment or engagement other than by an Uncontrollable Event.

Performance Hurdle means criterion, condition or other requirement that must be satisfied.

Uncontrollable Event means:

(1) death, serious injury, disability or illness which renders the Eligible Person incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or Associated Body Corporate;

(2) forced early retirement, retrenchment or redundancy; or

(3) such other circumstances which results in an Eligible Person leaving the employment of or ceasing their engagement with the Company or Associated Body Corporate and which the Board determines is an Uncontrollable Event.

12.6 Dividend Policy

Westgold aims to establish and maintain a minimum dividend payment payout ratio of up to 30% net profit after tax.

Westgold will also have a dividend reinvestment plan (**DRP**) which provides eligible Westgold shareholders with the option to elect to reinvest all or part of any dividends payable on their Westgold Shares to acquire further Westgold Shares.

Under the DRP, Shares allotted in respect of a dividend may be issued at a discount of up to 5% of the daily VWAP for the 5 business days from the commencement of the second trading day after the record date. Eligible shareholder who elects to participate in the DRP will not pay brokerage or commission.

12.7 Directors' Interest in Demerger

The Directors who are Metals X shareholders will receive Westgold Shares as part of the Demerger. The Directors' shareholdings in Metals X prior to the Demerger and the number of Westgold Shares they are likely to have an interest in if the Demerger is implemented is set out below.

Director	Number of Metals X Shares (fully diluted)	Number of Westgold Shares each Director will receive
Peter Gerard Cook	19,078,943	9,539,472
Warren Shaye Hallam	2,121,209	1,060,605
Xie Penggen[1]	44,000,000	22,000,000
Simon David Heggen	6,689	3,345
Peter John Newton	13,883,311	6,941,656

Note 1: this is an indirect holding through Jinchuan Group Limited
Note 2: Mr Cook will also receive options in Westgold after listing on ASX (refer section 4.6)

The additional Director of Westgold will receive Westgold Shares as part of the Demerger as set out below:

Director	Number of Metals X Shares (fully diluted)	Number of Westgold Shares each Director will receive
Fiona Van Maanen	871,041	435,521

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12.8 Disclosure of interests of certain persons

Except as set out in this Notice of Meeting, no:

(a) director or proposed director of Metals X or Westgold;

(b) person named in this Notice of Meeting as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Notice of Meeting;

(c) promoter of Metals X or Westgold; or

(d) underwriter to the transfer of Westgold Shares or financial services licensee named in this Notice of Meeting as being involved in the transfer of Westgold Shares or,

(together, the **Interested Persons**) holds at the date of this Notice of Meeting or held at any time during the last two years, any interest in:

(e) the formation or promotion of Metals X or Westgold;

(f) property acquired or proposed to be acquired by Metals X of Westgold in connection with its formation or promotion of the Capital Reduction and listing of Westgold; or

(g) the transfer of Westgold Shares.

12.9 Disclosure of fees or benefits received by certain persons

Other than as set out below or elsewhere in this Notice of Meeting, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

(a) to a director or proposed director of Westgold to induce them to become, or to qualify as, a director of Westgold; or

(b) for services provided by an Interested Person in connection with the formation or promotion of Westgold or the offer by transfer of Westgold Shares under the Demerger.

HopgoodGanim Lawyers has acted as legal advisor to Metals X in relation to the Capital Reduction. HopgoodGanim Lawyers are entitled to professional fees in accordance with its time-based charges.

12.10 Competent Person statement

The information in this Notice of Meeting that relates to Mineral Resources (excluding the Nifty and Maroochydore projects) was compiled by Metals X technical employees under the supervision of Mr Jake Russell B.Sc. (Hons), who is a member of the Australian Institute of Geoscientists. Mr Russell is a fulltime employee of Metals X, and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Russell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Russell is eligible to participate in short and long term incentive plans and holds performance rights in Metals X Ltd as has been previously disclosed.

The information in this report that relate to Ore Reserves (excluding the Nifty and Maroochydore projects) has been compiled by Metals X Ltd technical employees under the super vision of Mr Michael Poepjes BEng (Mining Engineering).MSc (Min. Econ) MAusIMM. Mr Poepjes is a full-time employee of Metals X Ltd. Mr Poepjes has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Poepjes consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Poepjes is eligible to participate in short and long term incentive plans and holds performance rights in Metals X Limited as has been previously disclosed by MLX.

The information in this Notice of Meeting that relates to Mineral Resources for Nifty and Maroochydore has been extracted from Aditya Birla Minerals Limited's Mineral Resource Estimate Update, released on 16 May 2016 and is available to view at http://www.asx.com.au. Metals X confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant

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market announcement continue to apply and have not materially changed. Metals X confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

The information in this Notice of Meeting that relates to Ore Reserves at Nifty has been extracted from Aditya Birla Minerals Limited's Nifty Underground Ore Reserves Estimate, released on 23 May 2016 and is available to view at http://www.asx.com.au. Metals X confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Metals X confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

12.11 Consents

This Notice of Meeting contains statements made by or statements based on statements made by Metals X, Westgold and its directors. Metals X, Westgold and its directors have consented to the inclusion of:

(a) each statement made by Metals X, Westgold or its Directors; and

(b) each statement which is based on a statement made by Metals X, Westgold or its directors,

in the form and context in which the statement appears, and have not withdrawn their consent.

Stantons International Securities Pty Ltd has given, and has not withdrawn, its written consent to be named as the Independent Expert, and to the inclusion of its Independent Expert's Report at Annexure C. To the maximum extent permitted by law, Stantons International Securities Pty Ltd expressly disclaims and takes no responsibility for any part of this Notice of Meeting, other than its Independent Expert's Report.

HopgoodGanim Lawyers has given, and has not withdrawn, its written consent to be named as the Australian Legal Adviser of Metals X in the form and context in which it is named in this Notice of Meeting. To the maximum extent permitted by law, HopgoodGanim Lawyers expressly disclaims and takes no responsibility for any part of this Notice of Meeting, other than a reference to its name.

Ernst & Young has given, and has not withdrawn, its written consent to be named as the Auditor and Tax Adviser for Metals X in the form and context in which it is named. To the maximum extent permitted by law, Ernst & Young expressly disclaims and takes no responsibility for any part of this Notice of Meeting, other than a reference to its name.

Security Transfer Australia Pty Ltd has given, and has not withdrawn, its written consent to be named as the Share Registry of Metals X and Westgold in the form and context in which it is named in this Notice of Meeting. To the maximum extent permitted by law, Security Transfer Australia Pty Ltd expressly disclaims and takes no responsibility for any part of this Notice of Meeting, other than a reference to its name.

Other than as specifically outlined above, each of HopgoodGanim, Ernst & Young and Security Transfer Australia has not caused or authorised the issue of this Notice of Meeting and does not make or purport to make any statement in this Notice of Meeting or any statement on which a statement in this Notice of Meeting is based.

12.12 Continuous Disclosure

As a company listed on ASX and a disclosing entity under the Corporations Act, Metals X is subject to regular reporting and disclosure obligations. Broadly, these require Metals X to announce price sensitive information as soon as it becomes aware of the information, subject to exceptions for certain confidential information.

Metals X's recent announcements are available from www.asx.com.au. Further announcements concerning developments at Metals X will continue to be made available on that website after the date of this Notice of Meeting and Explanatory Memorandum.

Metals X is required to prepare and lodge with ASIC and ASX both annual and half yearly financial statement accompanied by a statement and report from Metals X Directors and an audit or review report. Metals X also lodges quarterly activity reports with ASX.

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Copies of these and other documents lodged with ASIC and ASX may be retained from an ASIC office and are accessible from ASX's website at www.asx.com.au. Copies of these documents will also be made available free of charge on a request be made at any time before the Demerger Effective Date or to Metals X's Company Secretary at Metals X Limited, Level 3, 18-32 Parliament Place, West Perth, Western Australia.

12.13 Other material information

Except as disclosed in this Notice of Meeting, and having regard to the information already disclosed to Metals X Shareholders, there is no other material information known to Metals X which is material to the making of the decision by a Metals X Shareholder as to whether to vote in favour of Resolution 1.

12.14 Directors' Recommendation

The Board of Metals X unanimously recommends that Metals X Shareholders vote in favour of Resolution 1.

13. Voting Entitlement and Action to be Taken by Shareholders

For the purposes of determining voting entitlements at the Meeting, Metals X Shares will be taken to be held by the persons who are registered as holding the Metals X Shares at 5:00pm (Perth time) on Tuesday, 22 November 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Extraordinary General Meeting.

Shareholders should read the Explanatory Memorandum carefully before voting on the Resolution.

A Proxy Form is attached to this Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to sign and return the Proxy Form to the Company in accordance with the instructions set out on the Proxy Form so that they are received by the Company by no later than 10:00am (Perth time) on Tuesday, 22 November 2016.

To vote by attorney, the attorney must have a duly executed power of attorney, specifying the name of the Metals X Shareholders, the attorney, the meeting at which the appointment may be used and that the power of attorney applies in relation to Metals X. The appointment may be a standing one and the attorney need not be a Metals X Shareholder.

For a body corporate to vote by corporate representative, the representative must have a duly executed appointment which complies with the requirements of Section 250D of the Corporations Act. The representative should bring the appointment to the meeting. The appointment may set out the restrictions on the representatives powers.

14. Interpretation

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited;

ASX Listing Rules or **Listing Rules** means the official Listing Rules of the ASX;

Board means the board of directors of Metals X;

Capital Reduction has the meaning in Section 3;

Company or **Metals X** means Metals X Limited ACN 110 150 055;

Constitution or **Metals X Constitution** means the Constitution of Metals X;

Corporations Act means the Corporations Act 2001 (Cth);

Demerger means the proposed demerger of Westgold from Metals X by way of the Capital Reduction, referred to in Section 2;

Demerger Conditions has the meaning in Section 3;

Demerger Dividend has the meaning in Section 2.2;

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Demerger Effective Date means the date the distribution of Westgold Shares to Eligible Shareholders is effected;

Directors means the of directors of Metals X;

Entitlement means the entitlement to receive Westgold Shares (which applies regardless of whether Metals X Shareholders actually receive Westgold Shares or, in the case of Ineligible Overseas Shareholders, cash in lieu of said Shares);

Eligible Countries means Australia, New Zealand, China, United Kingdom and Hong Kong or such other jurisdictions as the Directors consider reasonable to extend the distribution of Westgold Shares to;

Eligible Shareholder means a person register as the holder of Metals X Shares on the Record Date and a registered address in the Eligible Countries;

Explanatory Memorandum means the Explanatory Memorandum accompanying this Notice;

Gold Business Unit has the meaning given in Section 4.4;

Independent Expert means Stantons International Securities Pty Ltd;

Independent Expert's Report means the report prepared by Stantons International Securities Pty Ltd attached to this Explanatory Memorandum as Annexure C;

Ineligible Overseas Shareholder means a Shareholder with a registered address outside of the Eligible Countries on the Record Date;

JORC Code 2012 means the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves";

Meeting or **EGM** means the Extraordinary General Meeting to be held on 24 November 2016 as convened by the accompanying Notice of Meeting;

Metals X Group Companies means any subsidiary company of Metals X;

Metals X Shareholder or **Shareholders** means holders of Shares in Metals X;

Metals X Share means a fully paid ordinary share in the capital of Metals X;

Mineral Resources has the meaning as defined in the JORC Code 2012;

Notice of Meeting or **Notice** means the notice of meeting giving notice to Shareholders of the Meeting, accompanying this Explanatory Memorandum;

Option means an option to subscribe for Shares;

Ore Reserves has the meaning as defined in the JORC Code 2012;

Performance Right means a performance right in Metals X issued pursuant to the Company's Long Term Incentive Plan;

Record Date means the record date for the Capital Reduction;

Resolution means Resolution 1 as set out in the Notice of Meeting;

Restructure Date means the business day immediately prior to the Record Date;

Westgold means Westgold Resources Pty Ltd ACN 009 260 306 (to become Westgold Resources Limited on or about 20 October 2016 and in any event prior to official quotation on ASX of Westgold Shares);

Westgold Share means a fully paid ordinary share in the capital of Westgold;

Westgold Shareholders means holders of Shares in Westgold; and

VWAP means the volume weighted average market price.

Any inquiries in relation to the Resolution or the Explanatory Memorandum should be directed to Metals X Limited, Fiona Van Maanen (Company Secretary):

PO Box 1959, West Perth WA 6872
Telephone: +61 8 9220 5700
Fax: +61 8 9220 5757
Email: fiona.vanmaanen@metalsx.com.au

Explanatory Memorandum

Annexure A - Westgold Assets, Geological Information on the Gold Business Unit

An overview of Westgold's assets and the Gold Business Unit is provided in Section 4.4 of the Explanatory Memorandum. This Annexure provides further geological and detailed information in relation to the Westgold group's assets post Demerger.

DESCRIPTION

Westgold currently owns three operating gold projects, with a fourth under refurbishment, with a combined 5.5 million tonnes per annum processing capacity. Total production for the financial year ended 30 June 2016 was 173,956 ounces of gold at an All-in Sustaining Cost of A$1,363 per ounce. The full year result did not fully reflect the ramp-up of the Central Murchison Gold Project and the South Kalgoorlie Operations. Westgold's current operating strategy is to build production to more than 400,000 ounces of gold per annum over the ensuing years.

In addition Westgold holds a significant gold dominant polymetallic deposit at Rover 1 in the Northern Territory.

OPERATIONAL PERFORMANCE

Westgold's production and unit cost performance for the financial year ended 30 June 2016 is summarised in (*Table 3*).

Table 3 - Westgold Production and Unit Costs for Financial Year ended 30 June 2016

		HGO	SKO	CMGP	Group
Physical Summary	**Units**				
UG Ore Mined	t	672,732	427,136	203,815	**1,303,682**
UG Grade Mined	g/t	3.35	2.35	2.25	**2.85**
OP BCM Mined	BCM	1,409,986	1,437,269	5,909,584	**8,756,839**
OP Ore Mined	t	342,727	261,072	892,848	**1,496,648**
OP Grade Mined	g/t	1.78	1.98	1.26	**1.50**
Ore Processed	t	1,114,145	884,854	925,069	**2,924,068**
Head Grade	g/t	2.78	1.76	1.36	**2.02**
Recovery	%	91.07%	90.49%	91.94%	**91.17%**
Gold Produced	oz	91,371	45,403	37,182	**173,956**
Gold Sold	oz	95,461	44,520	33,757	**173,738**
Achieved Gold Price	A$/oz	1,614	1,614	1,614	**1,614**
Cost Summary					
Mining	A$/oz	700	877	746	**756**
Processing	A$/oz	310	288	390	**322**
Admin	A$/oz	114	57	187	**114**
Stockpile Adj	A$/oz	30	(73)	(68)	**(18)**
C1 Cash Cost (produced oz) *	**A$/oz**	**1,154**	**1,149**	**1,255**	**1,174**
Royalties	A$/oz	146	34	60	**98**
Marketing/Cost of sales	A$/oz	2	2	0	**2**
Sustaining Capital	A$/oz	53	98	109	**77**
Corporate Costs	A$/oz	8	18	12	**12**
All-in Sustaining Costs **	**A$/oz**	**1,363**	**1,301**	**1,436**	**1,363**
Project Startup Capital	A$/oz	109	436	1,394	**469**
Exploration Holding Cost	A$/oz	42	105	324	**119**
All-in Cost **	**A$/oz**	**1,514**	**1,842**	**3,154**	**1,951**

***** C1 Cash Cost ("C1"): represents the cost for mining, processing and administration after accounting for movements in inventory (predominantly ore stockpiles). It includes net proceeds from by-product credits, but excludes the cost of royalties and capital costs for exploration, mine development and plant and equipment.

** All-in Sustaining Cost ("AISC"): is made up of the C1 cash cost plus royalty expense, sustaining capital expense and general corporate and administration expenses.

*** All-in Cost ("AIC"): is made up of the AISC plus growth (major project) capital and discovery expenditure.

C1, AISC and AIC are non-IFRS financial information and are not subject to audit or review.

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The operational performance for the year represents a year of significant expansion and growth for Metals X with its CMGP and SKO in development phases. CMGP was commissioned during October 2015 and therefore represents only three quarters of production during the period.

HIGGINSVILLE GOLD OPERATION

Overview

The HGO comprises an operating underground and open pit gold operation in the Norseman region of Western Australia.

HGO Processing Plant

HGO has a modern 1.3 million tonne-per-annum Carbon-in-Pulp (CIP) gold processing plant, a 300-person village, the Trident underground mine (multiple open-pit mines and requisite mine and process infrastructure). Mining at HGO currently is focused on the Mt Henry Gold Project replacing the Trident underground mine as the key long-term source of gold production. Ore is also supplied from some short-term open pits at Lake Cowan and HGO.

Mineral Resources and Ore Reserves

At 30 June 2016 HGO had the following Mineral Resources and Ore Reserves:

- A Measured, Indicated and Inferred Resource of 33.6 million tonnes at 2.04 g/t gold, containing 2.2 million ounces of gold (*Table 4*); and
- A Proved and Probable Reserve of 7.6 million tonnes at 1.78 g/t gold, containing 433,000 ounces of gold (*Table 6*).

Production and Mine Plan

The Mt Henry Gold Project, located approximately 70km south of HGO, was acquired by Westgold in September 2015. Mt Henry consists of three main deposits: Mt Henry, Selene and North Scotia, all of which are conventional open pit mining propositions.

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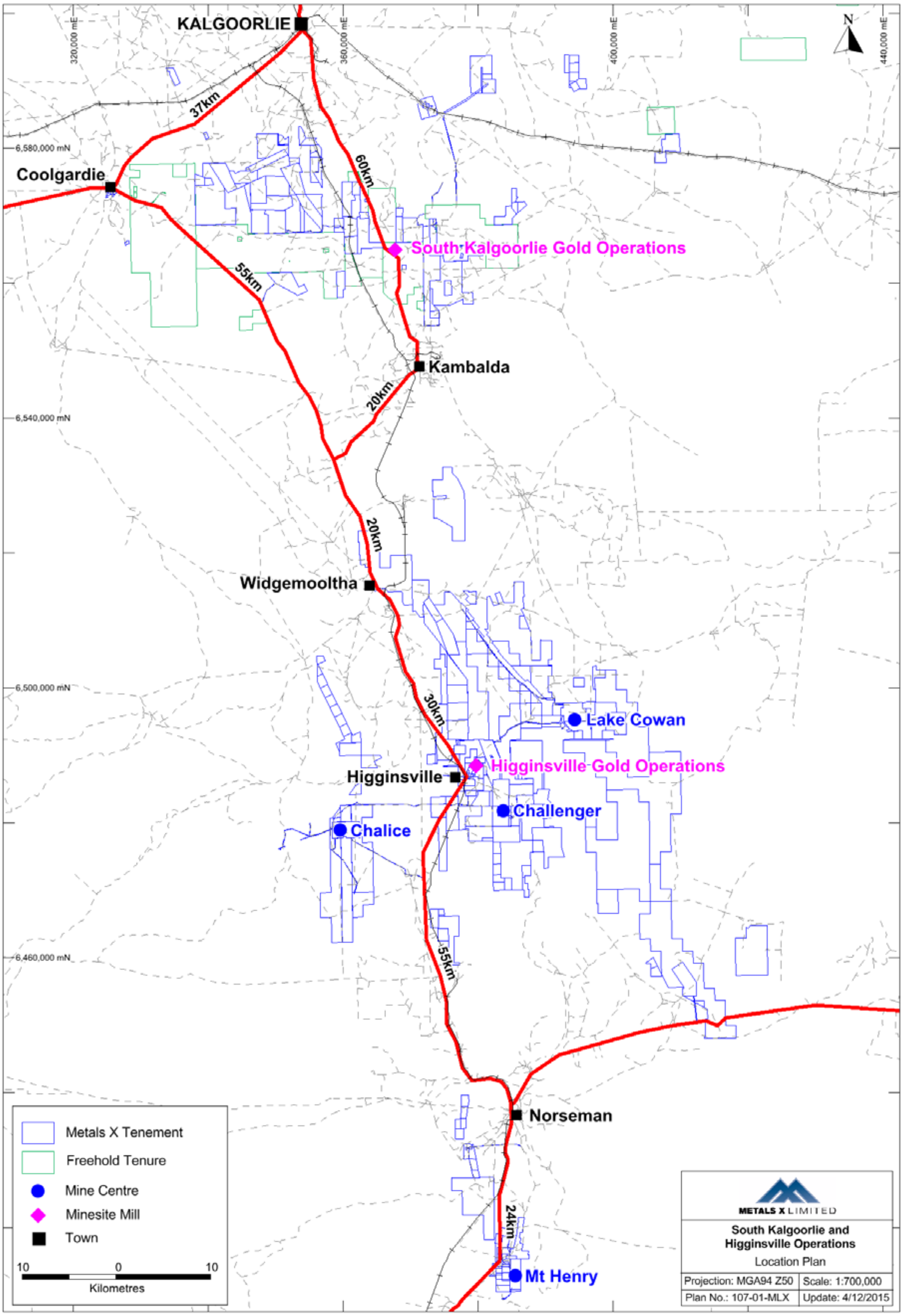

Figure 6 – Plan View of Higginsville

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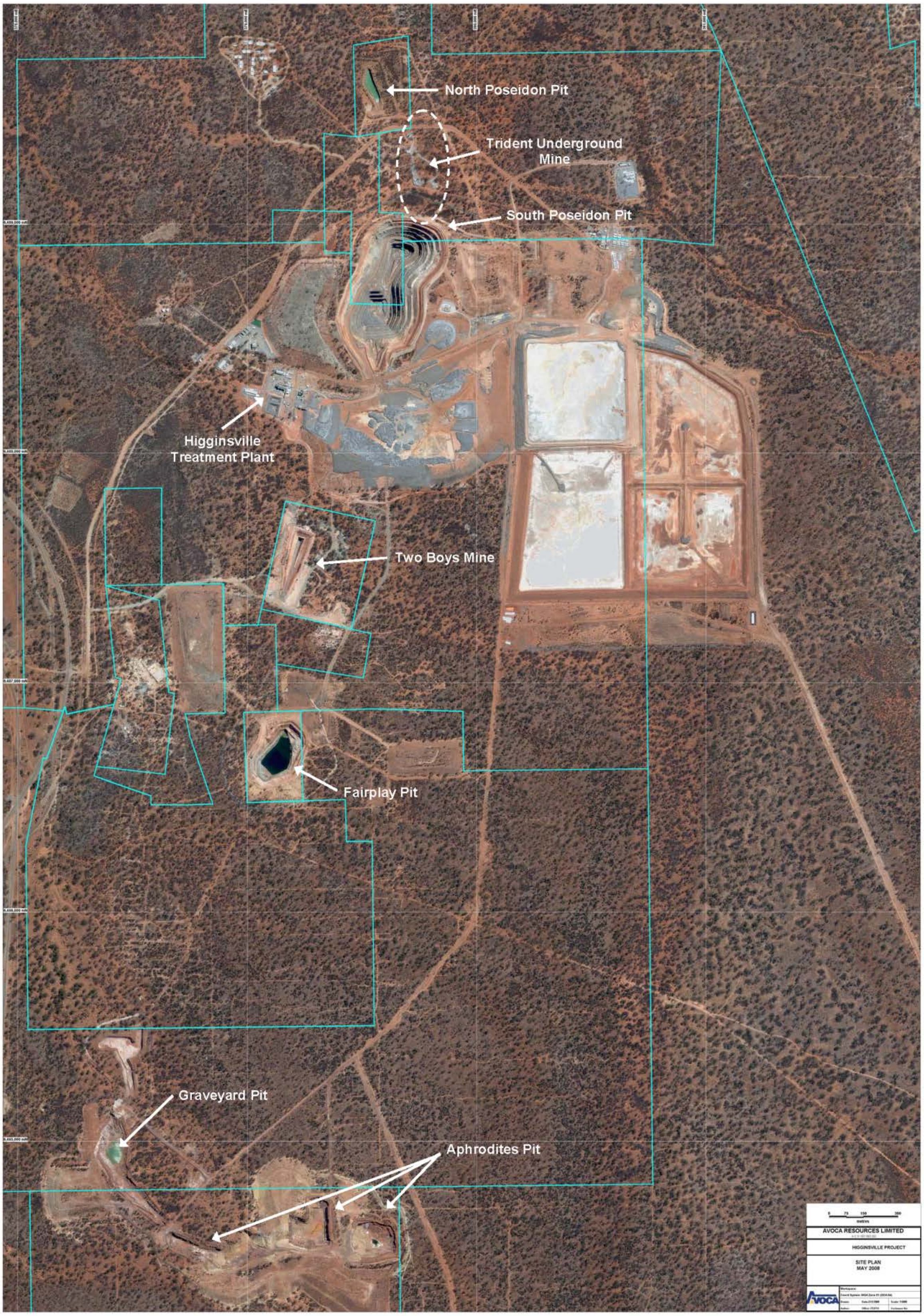

Figure 7 – Location of infrastructure and key deposits at Higginsville

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Mining at Mt Henry commenced in late August 2016 and is currently being integrated into HGO. Ore is carted approximately 80km's north to the HGO processing plant. The acquisition of Mt Henry has added an immediate 5 years of mine life to the current HGO plan. Significant potential to further expand this life exists from the known resource base at Mt Henry. Mining is currently dominated by production from the last stages of the Trident underground mine. This ore is blended with feeds from the Lake Cowan group of open pits and also from the Fairplay open pit at HGO.

Exploration

With the long-term future of the HGO enhanced by the recent acquisition of the Mt Henry Project, there has been a renewed focus on grassroots exploration in the heavily endowed region. Strong anomalies have already been defined along and / or adjacent to the prospective Speedway shear system (the control on the Invincible deposit at the St Ives gold mining operation further north) in both the Republican and Implausible areas. In addition to aggressive follow-up of these targets and continued evaluation of other open pit and underground resource opportunities, it is intended to test the highly prospective Igloo target with a lake diamond rig.

SOUTH KALGOORLIE OPERATION

Overview

The SKO comprises the HBJ underground mine, a number of open pits and the Jubilee Mill, a 1.2 million tonne-per-annum CIP gold processing plant and associated infrastructure. Numerous open pits and underground options previously have been mined within the project area since the late 1980s.

SKO Processing Plant

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Mineral Resources and Ore Reserves

At 30 June 2016 SKO had the following Mineral Resources and Ore Reserves:

- A Measured, Indicated and Inferred Resource of 50.9 million tonnes at 2.27 g/t gold, containing 3.7 million ounces of gold (*Table 4*); and
- A Proved and Probable Reserve of 2.3 million tonnes of ore at 2.60 g/t gold, containing 192,000 ounces of gold (*Table 6*).

Production and Mine Plan

Since the acquisition of SKO from Alacer in 2013, Westgold has moved the project from one of imminent closure to a steady state operation. The early phases of this transition was primarily the processing of existing low-grade ore stocks in combination with small-scale open pits and toll processing (the latter comprising one third of ore feed for the June 2016 quarter). The focus on future and the key to the re-invigoration of the project has been the re-development of the HBJ underground mine. Initial refurbishment works including the reclamation of the old decline, its extension and the mining of remnant ore positions (with some extensions) has been completed and ore stoping commenced in early 2016. The decline has approached the bottom of the old workings and ore development on the higher grade and virgin primary lodes is about to recommence. Production from the HBJ mine is expected to be approximately 500,000 tonnes per annum, providing a steady and consistent base load of higher grade ore to the SKO processing plant.

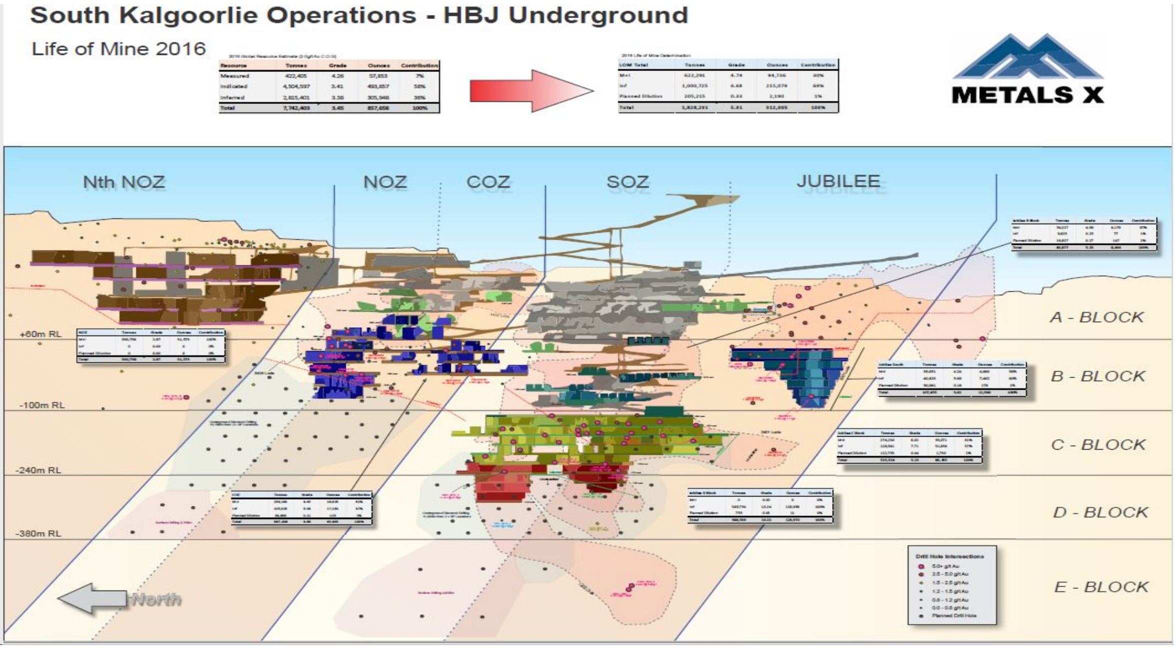

Figure 8 – Long Section of HBJ Underground Mine

As part of its re-build strategy, Westgold acquired 100% of the Georges Reward prospect at Bulong and gained access to additional ore feed in an enlarged open pit via a contract mining and profit sharing agreement over the adjacent Cannon Gold Mine resource with Southern Gold Limited. Mining commenced during November 2015 at the Cannon open pit mine. Under the agreement SKO operates and manages the mine. Ore is batch processed in parcels of approximately 40,000 tonnes through the SKO processing plant. Batch processing commenced in November 2015 with proceeds from the sale of the Cannon production being first used to repay all costs incurred by the project, with SKO then having the right to a 50% share of surplus profits. During the financial year ended 30 June 2016 a total of 163,827 tonnes of ore were processed at a grade of 2.50 g/t to produce 12,074 ounces. The estimated all-in-sustaining cost of production from Cannon is approximately A$1,000 per ounce for its life, with an expected completion date in early 2017.

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In July 2015, SKO acquired the George's Reward Project which has an adjoining lease boundary with the Cannon open pit. The existing agreement with SAU was modified to allow the mining of a larger open pit combining the Cannon (50% profit share) with George's Reward (100%-owned by Westgold). Mining of the larger open pit commenced in November 2015.

The Cannon-Georges Reward ore system has potential for an underground mine when the opens pits are complete.

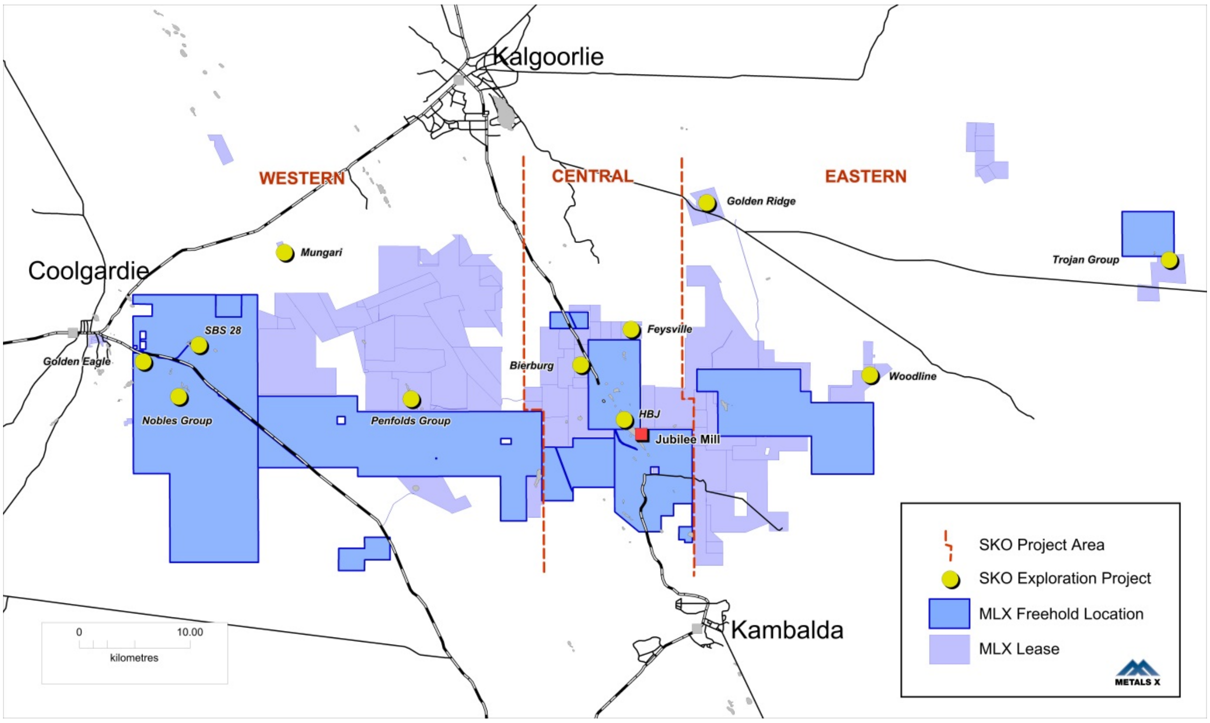

Figure 9 – South Kalgoorlie Tenure Map

In June 2016, SKO acquired the Gunga Project, 30km west of the processing facility with the objective of having an addition blended feed source with HBJ when the Cannon and Georges Reward mines are mined out. Gunga has a current Mineral Resource of 1.33 million tonnes at 1.7 g/t gold, for contained gold of approximately 73,000 ounces. Gunga is proposed to provide a blended feed for South Kalgoorlie, commencing in the 2017 and 2018 years.

Exploration

The HBJ underground mine is comparatively shallow and the ore system remains open. As underground drill platforms become available from the refurbished mine and new development, diamond drilling is occurring with an objective to expand and enhance the operation. So far, good results have been returned from drilling below the central ore zone and southern ore zone areas of the mine as development approaches the upper limits of the virgin section of the orebody. Recent drill hole results reported (ASX:MLX June 2016 Quarterly) included 7.66m at 10.08 g/t Au from 67.3m in HBJUG0174, 5.83m at 23.5 g/t Au from 103.4m in HBJUG0198 and 29.87m at 2.37 g/t Au from 18.0m in HBJUG0200.

Exploration drilling for extensions to open pit targets is continuing at both the recently acquired Gunga West deposit (19m at 5.65 g/t Au from 64.0m in GURC008) and at the Company's existing Hansel Mundey project (21m at 2.21 g/t Au from 3.0m in HMRC0029 and 20m at 2.12 g/t Au from 11.0m in HMRC0043) (ASX: MLX June 2016 Quarterly).

Grassroots exploration has also recommenced at SKO with drilling along the Wildcatter Shear and on the Zuleika shear zone covering the southern and sometimes undercover extensions of the prolific and new Kundana gold camp.

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THE CENTRAL MURCHISON GOLD PROJECT

Overview

The CMGP is located in the Murchison Goldfields of Western Australia around the regional towns of Cue and Meekatharra. The CMGP project strategy has a number of current and proposed underground mines and open pits being developed over time. After a refurbishment, integration of assets and completion of an initial development strategy the project started in the second half of 2015 with the plant commissioned in October 2015.

Central Murchison Gold Processing Plant

CMGP has a nominal 2.0 million tonne-per-annum CIP gold processing plant and associated infrastructure, with a significant number of historical open pit and underground mines. The consolidation of the Meekatharra Gold Operation the Nannine Project tenements and recently the Comet Project increased Westgold's Mineral Resource base in the district to its current level of 7.7 million ounces. The acquisition of the Meekatharra assets provided the opportunity for an expanded CMGP to commence production in October 2015 with an initial 12-year mine plan.

Mineral Resources and Ore Reserves

At 30 June 2016 the CMGP had the following Mineral Resources and Ore Reserves:

- A Measured, Indicated and Inferred Resource of 108.7 million tonnes at 2.21 g/t gold, containing 7.7 million ounces of gold (*Table 4*); and
- A Proved and Probable Reserve of 22.8 million tonnes at 2.63 g/t gold, containing 1.9 million ounces of gold (*Table 6*).

Project development

The overall CMGP has for the first time consolidated all the major historic gold mining centres in the Central Murchison region. These have an aggregated gold production history of approximately 10 million ounces. These include the Day Dawn, Cuddingwarra, Big Bell, Reedy, Nannine, Yaloginda, Paddy's Flat and Meekatharra North gold mining centres. Within these the dominant historic production was sourced from a handful of larger underground mines, namely the Big Bell Mine, the Great Fingall and Golden Crown Mines (at Day-Dawn), the Triton Mine at Reedy's, and the Fenians Mine at Paddy's Flat. With the exception of Big Bell and Golden Crown, none of these have been subject to modern mining and the re-invigoration of all these mines to again become long-term and sustainable gold producers is a key objective of the CMGP's long-term strategy.

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A revised Feasibility Study and Development Plan for the expanded CMGP was completed in January 2015. The feasibility study showed a robust project producing approximately 200,000 ounces of gold per annum at an all-in-sustaining cost of A$1,180 per ounce over an initial 13 year mine life. The fundamental approach taken in the development is the progressive (over time) re-start of the larger historic underground mines, primarily funded by internal cash flow. With the pre-demerger capital raisings, Westgold intends to more aggressively bring production from these operations forward.

As part of its positioning to enable this growth, Westgold also acquired a near-new 260 person village at Cue in January 2016 to serve the southern operations and give it large accommodation capacity in the north and south of its overall CMGP footprint.

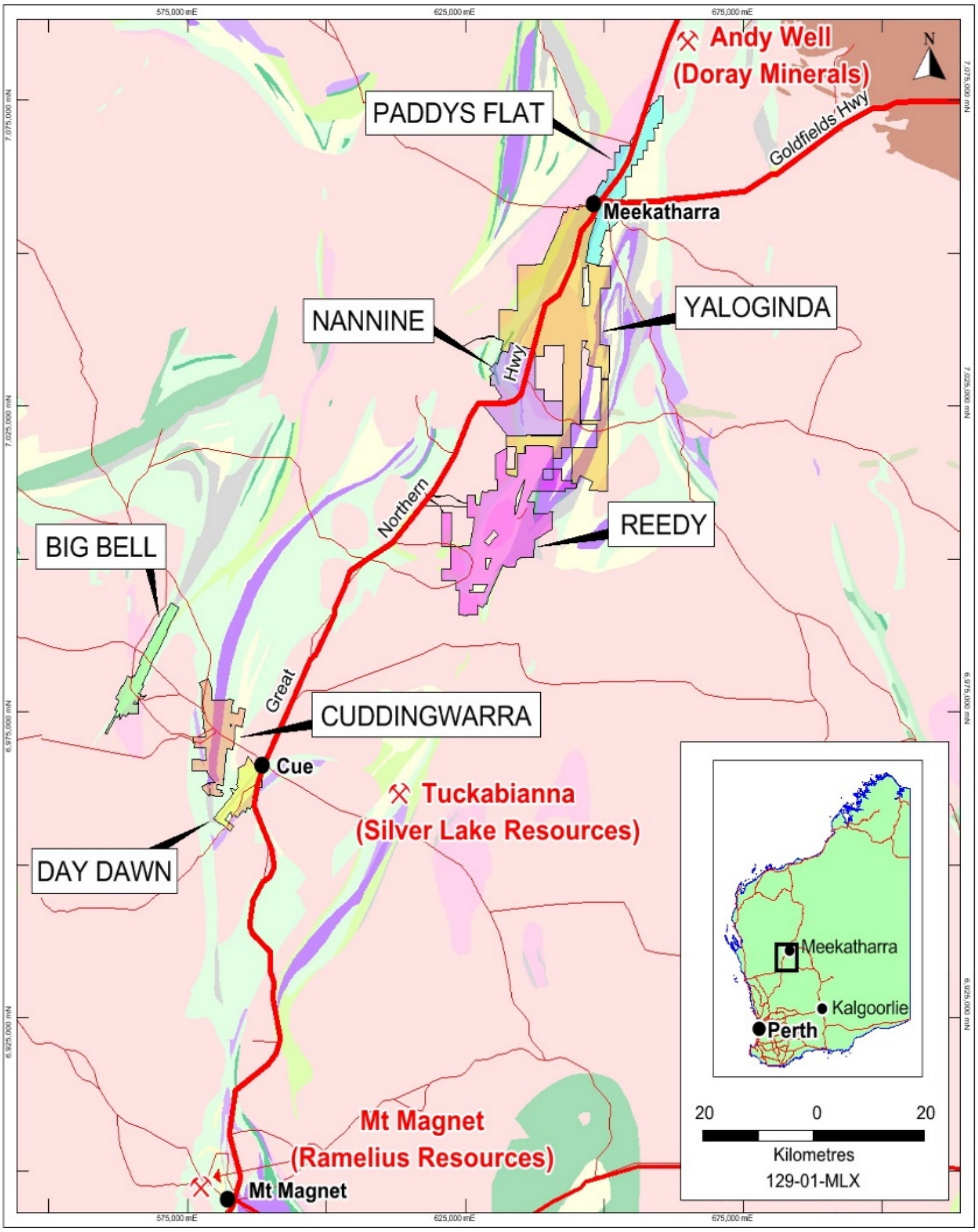

Figure 10 – CMGP Project Map

Explanatory Memorandum

Production and Mine Plan

Open pit mining at the CMGP commenced in June 2015 with a number of mines operated during the financial year ended 30 June 2016 including Whangamata, Batavia, Jack Ryan, Callisto, Bluebird and Surprise West. Underground mining at Paddy's Flat commenced in mid-October 2015.

The Bluebird process plant was commissioned on a campaign basis in October 2015 on open pit and low grade stockpile ore. Successful optimisation of the process plant continued during 2015/16. Ore stope production from Paddy's Flat underground commenced in the June quarter, 2016. The Paddy's Flat decline is now well established and stoping is being carried out on both the Prohibition and the Vivien-Consols lodes. Monthly ore production is now at steady state levels with stope grades reporting positive reconciliations against pre-mine estimates. The CMGP transitioned to net cash-generating by the end of the June 2016 quarter.

Open pit mining for the 2016/17 financial year will primarily be from the following open pits: Jack Ryan, Callisto, Surprise with additional feeds from Anarchist, Rhens Hope, Mickey Doolan, Gibraltar, Aladdin and Culiculli and Turn of the Tide open pits under evaluation.

The major uplift in steady state production for the CMGP comes from the re-establishment of production from the Big Bell underground mine. Dewatering activities at the Big Bell underground mine have been underway for over 6 months and exposure of the old mine portal is imminent and refurbishment works of the decline are expected to commence in the first half of 2017 as dewatering of the old cave advances sufficiently. A revised development plan for Big Bell using a higher cut-off grade for the resource estimate has been completed and will be initiated. When operational, Big Bell is expected to become the mainstay of production feed for the CMGP, providing up to 50% of long-term ore to Bluebird Mill and approximately100,000 ounces per annum in overall output.

A development plan to commence underground mining at the Comet mine near Cue has commenced and submissions for statutory approvals have been lodged. Comet is expected to provide a bridge in production feed whilst Big Bell is re-established and ramped up to full production.

Planning works to speed up access to the Golden Crown and Great Fingall mines utilising the same capital development are underway as part of the plan to bring forward the uplifts in outputs for Westgold.

Exploration

As mining progresses at the Paddy's Flat underground mine, the focus for the site geology team has been on defining the orebody in advance of development. Completion of the first program of drilling within both the Prohibition and Vivian-Consol's areas of the mine demonstrated the potential of this significant historical producer.

Resource definition of the proposed open pit developments is continuing in the area immediately to the north of Paddy's Flat, and at Reedys where Westgold is currently undertaking open pit mining.

Explanatory Memorandum

THE FORTNUM GOLD PROJECT

Overview

Fortnum Gold Process Plant and Infrastructure

In October 2015 Westgold acquired the Fortnum Gold Project (**FGP**) from RNI NL.

The FGP is located in the western Bryah Basin approximately 150km northwest of Meekatharra. The FGP encapsulates the historic mining centres of Labouchere, Fortnum, Horseshoe and Peak Hill. A 1.0 million tonne-per-annum carbon-in-leach (CIL) plant, a 100-person village and all the plant and infrastructure required to operate the project is in place but hasn't operated for nearly 10 years. Refurbishment of the plant has commenced and re-commissioning and hence gold production is expected late in calendar 2016.

Mineral Resources and Ore Reserves

Fortnum has the following Mineral Resources and Ore Reserves as at 30 June 2016:

- A Measured, Indicated and Inferred Resource of 29.7 million tonnes at 1.84 g/t gold, containing 1.75 million ounces of gold (*Table 4*); and
- A Proved and Probable Reserve of 5.4 million tonnes at 1.95 g/t gold, containing 339,000 ounces of gold (*Table 6*).

Project Development

A re-start plan for the gold operations at the FGP with an initial five year development plan was released in July 2016 (ASX:MLX 15 July 2016). This plan was formulated around the strategy of commissioning and operating the plant on existing low-grade stocks, progressively replacing low-grade stock with new open-pit ore and progressively re-accessing and progressing the Starlight underground mine.

This plan concluded a robust and low-capital risk start-up plan for the project.

There is the opportunity to accelerate project ramp-up, and increase the scale of the proposed operation. This will involve a more capital intensive start-up but will bring on the higher-grade Starlight underground mine earlier and speed up payback In addition, there is significant opportunity for longer mine life, beyond the initial five year plan, from known resources which require further validation and drilling. In particular, the Peak Hill region which is yet to be considered in the development strategy.

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Exploration

A maiden drilling campaign was conducted during the June 2016 quarter at Yarlarweelor, the resource which will be the first open pit mined during the restart of operations. Best results from the limited campaign of confirmatory drilling included 13m at 4.65g/t Au from 31.0m in MXC0387, 7m at 33.06g/t Au from 51.0m in MXC0392 and 0.54m at 120g/t Au from 124.7m in MXC0405 (ASX:MLX June 2016 Quarterly).

Initial exploration drilling has commenced at the Peak Hill district where significant validation and data-integrity checks are required before it can be brought into the development plan.

THE ROVER PROJECT

Overview

The Rover Project is a postulated undercover repetition of the prolific Tennant Creek goldfield located 80km to the north-east. The project area is proximal to a major infrastructure corridor adjacent to Central Australian Railway, gas pipeline and Stuart Highway.

Exploration to date has tested a small number of anomalies and significant mineralised IOCG (iron oxide copper-gold) systems have been discovered at the Rover 1 and Explorer 142 prospects. In addition, significant lead-zinc-silver discoveries have been made at Explorer 108 and recently at the Curiosity Prospect to the south.

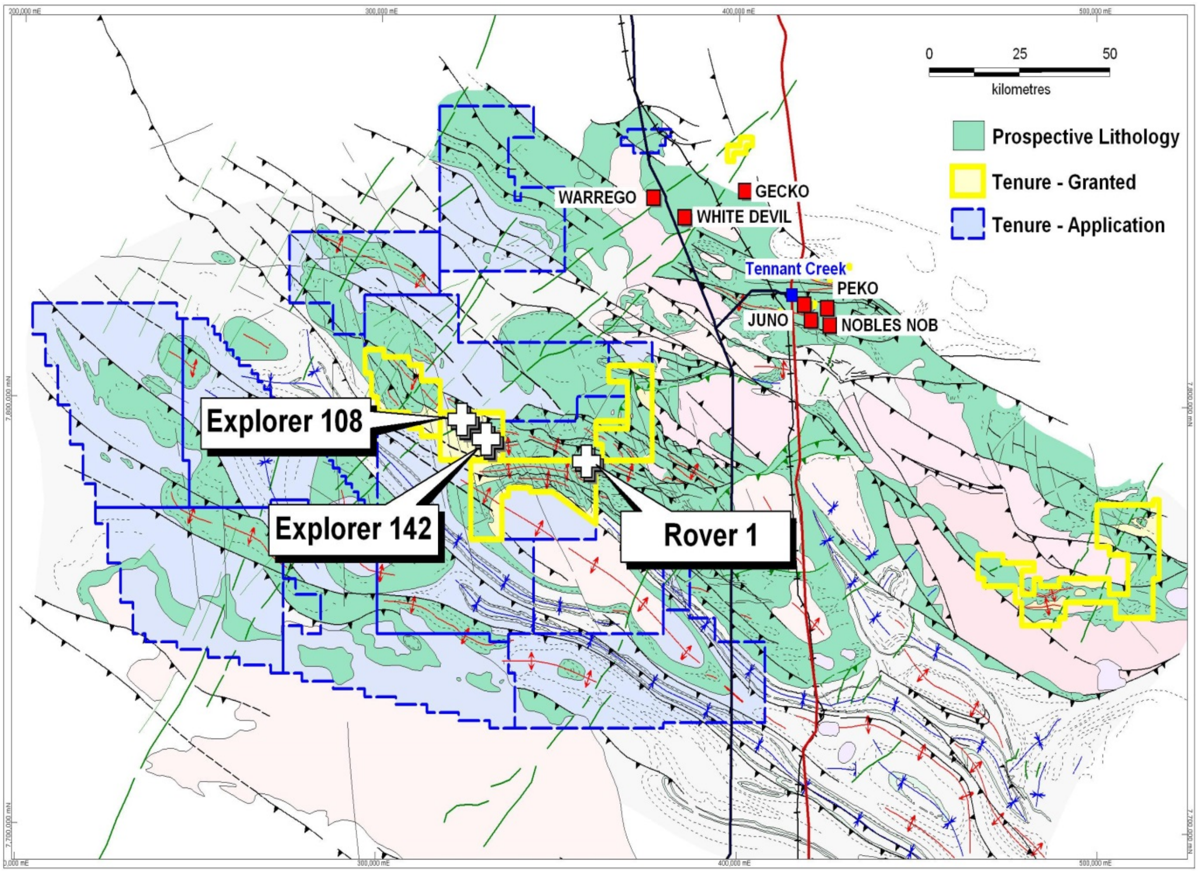

Figure 11 – Rover Location Map

Mineral Resources and Ore Reserves

Rover has the following Mineral Resource as at 30 June 2016:

- Rover 1: Indicated and Inferred Resource of 6.81 million tonnes at 1.73g/t gold, 1.2% copper, 0.14% bismuth, 0.06% cobalt and 2.07 g/t silver (*Table 5*);
- Explorer 108 prospect: Indicated and Inferred Resource estimate of 11.87 million tonnes at 3.24% zinc, 2.0% lead, 0.36% copper and 11.1g/t silver (*Table 5*).

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Exploration

Work in the Tennant Creek district continues to be focused on defining the optimal development pathway for the Rover 1 deposit including additional drilling into a postulated second bonanza gold and copper zone located between a vertical depth of 600m to 800m. Drilling during 2015/16 successfully outlined this zone with excellent results, as summarised in *Figure 12* below:

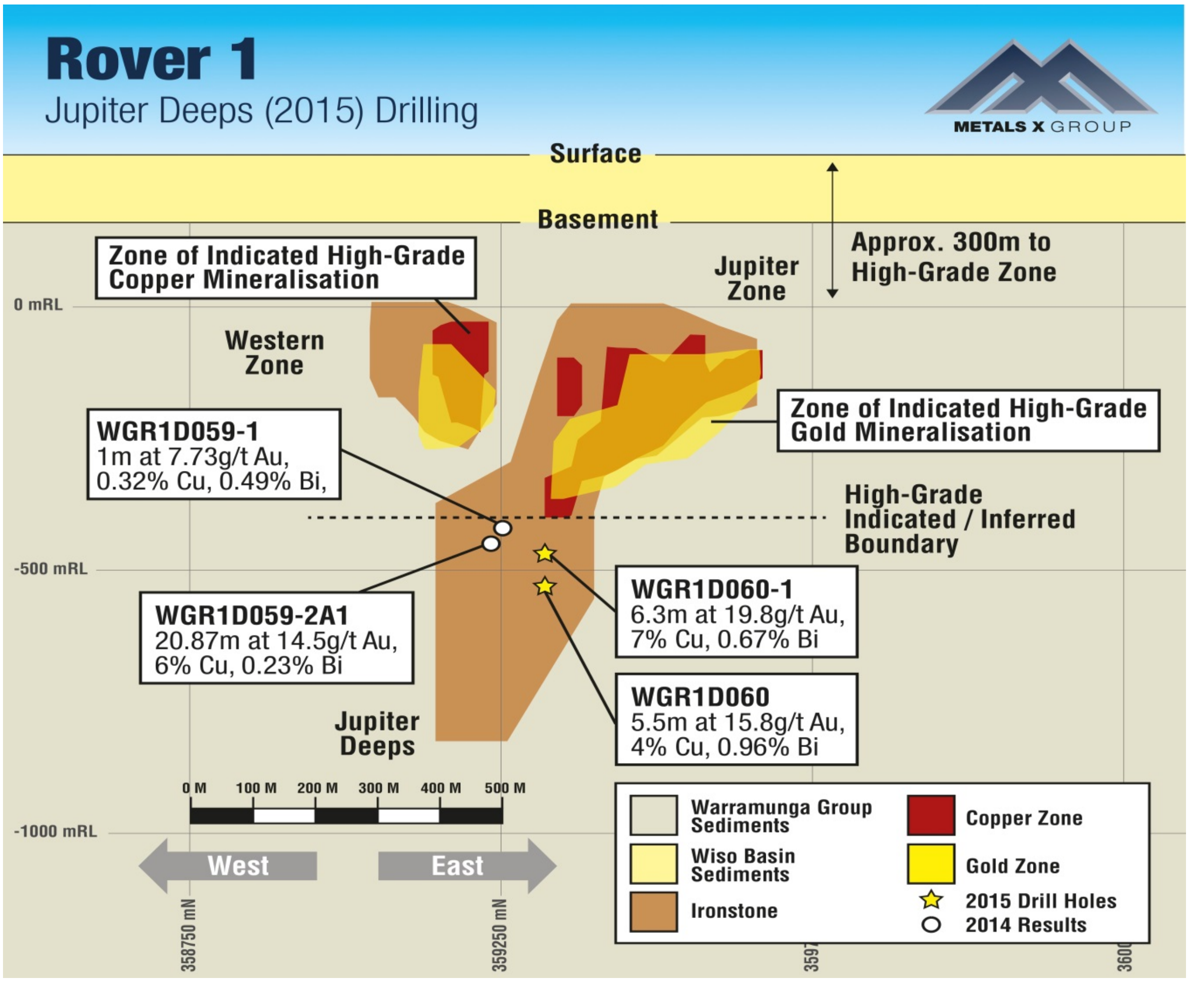

Figure 12 – Rover 1 Long Section

OTHER EXPLORATION ASSETS

Warumpi

Warumpi is a significant grass roots exploration project, 100%-owned by Westgold, within the prolific basement rocks of the West-Arunta province in the Northern Territory. These rocks, which have recently been identified as being geologically, tectono-thermally and temporally similar to Proterozoic basins in Eastern Australia that host five of the world's ten largest stratabound Pb-Zn deposits (Broken Hill, Hilton-George Fisher, Mount Isa, MacArthur River and Century). Westgold is undertaking the first modern exploration program in this highly underexplored region.

During 2014, on-ground reconnaissance discovered an outcropping gossan at the Huron Prospect with rock chip results at surface returning results up to 120g/t Ag, 9.89% Cu and 4.73% Zn (WR0343). Further reconnaissance revealed a cluster of gossanous outcrops with highly anomalous base and precious metal results (silver, copper and zinc). Infill sampling surrounding this zone was completed during the last financial year with results returning up to 182g/t Ag (WR0381), 7.72%Cu (WR0373) and 8.55% Zn (WR0351) (ASX:MLX 22 December 2014). Access arrangements for further exploration are currently being negotiated.

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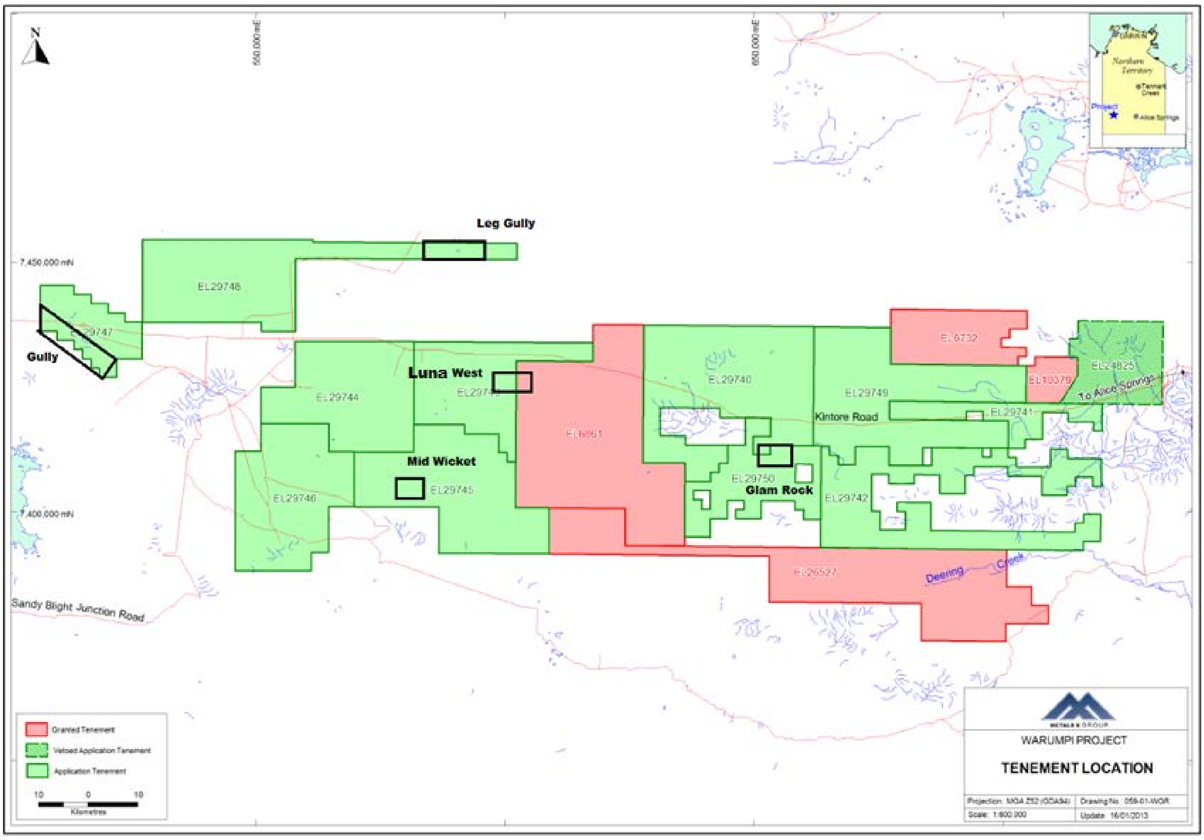

Figure 13 – Warumpi Location Map

Independence Group (ASX: IGO) also has a joint operation with Metals X on one of the 14 (12 application) Warumpi Tenements EL29748, where they are currently farming in through the management and exploration on the tenement.

Explanatory Memorandum

MINERAL RESOURCE ESTIMATE

The Westgold Mineral Resource statement, published on 18 August 2016, is as of 30 June 2016 and is in compliance with the JORC Code (2012 Edition). The Company is of the opinion that there have been no material changes to the Mineral Resource estimates since the date of publication. The Measured and Indicated Mineral Resources tabled are inclusive of those Mineral Resources modified to produce the Ore Reserve.

Table 4 - Westgold Mineral Resource Statement – Gold (at 30.6.2016)

Deposit	Category	Tonnes	Au (g/t)	Au (oz)
Higginsville Gold Operation	*Measured*	*1,508,100*	*3.62*	*175,313*
	Indicated	*21,810,140*	*2.00*	*1,401,131*
	Inferred	*10,282,569*	*1.90*	*627,493*
	Total	***33,600,809***	***2.04***	***2,203,938***
South Kalgoorlie Operation	*Measured*	*1,162,181*	*3.33*	*124,461*
	Indicated	*25,825,675*	*2.35*	*1,953,937*
	Inferred	*23,893,647*	*2.13*	*1,636,630*
	Total	***50,881,503***	***2.27***	***3,715,028***
Central Murchison Gold Project	*Measured*	*292,290*	*1.74*	*16,346*
	Indicated	*60,722,469*	*2.37*	*4,623,392*
	Inferred	*47,711,475*	*2.02*	*3,101,959*
	Total	***108,726,234***	***2.21***	***7,741,697***
Fortnum Gold Project	*Measured*	*9,032*	*2.22*	*644*
	Indicated	*21,776,976*	*1.77*	*1,237,999*
	Inferred	*7,909,252*	*2.03*	*515,019*
	Total	***29,695,260***	***1.84***	***1,753,662***
Total Westgold (Gold Projects)	*Measured*	*2,971,603*	*3.32*	*316,764*
	Indicated	*130,135,260*	*2.20*	*9,216,459*
	Inferred	*89,796,943*	*2.04*	*5,881,101*
	Total	***222,903,806***	***2.15***	***15,414,325***

Competent Person Statement

The information in this report that relates to Mineral Resources was compiled by Metals X Ltd technical employees under the supervision of Mr Jake Russell B.Sc. (Hons), who is a member of the Australian Institute of Geoscientists. Mr Russell is a fulltime employee of Metals X Ltd, and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Russell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Russell is eligible to participate in short and long term incentive plans and holds performance rights in Metals X Ltd as has been previously disclosed.

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Table 5 - Westgold Mineral Resource Statement – Rover Polymetallic Projects (at 30.6.2016)

		Tonnage	Gold		Copper		Bismuth		Silver		Cobalt	
Project	**Category**	**Kt**	**Au (g/t)**	**Au (koz)**	**Cu (%)**	**Cu (kt)**	**Bi (%)**	**Bi (kt)**	**Ag (g/t)**	**Ag (koz)**	**Co (%)**	**Co (kt)**
Rover 1 Project	*Measured*	-	-	-	-	-	-	-	-	-	-	-
	Indicated	*2,741*	*2.42*	*213*	*1.42*	*59*	*0.18*	*5*	*2.33*	*205*	*0.04*	*1*
	Inferred	*4,073*	*1.27*	*168*	*1.06*	*52*	*0.11*	*4*	*1.90*	*249*	*0.08*	*3*
	Total	***6,841***	***1.73***	***381***	***1.20***	***112***	***0.14***	***9***	***2.07***	***454***	***0.06***	***4***

		Tonnage	Zinc		Lead		Silver		Copper		
Project	**Category**	**Kt**	**Zn (%)**	**Zn (kt)**	**Pb (%)**	**Pb (kt)**	**Ag (g/t)**	**Ag (koz)**	**Kt**	**Cu (%)**	**Cu (kt)**
Explorer 108 Project	*Measured*	-	-	-	-	-	-	-	-		-
	Indicated	*8,438*	*3.41*	*288*	*2.05*	*173*	*14.32*	*3,886*	*5,689*	*0.36*	*20*
	Inferred	*3,429*	*2.81*	*96*	*1.88*	*64*	*3.32*	*366*	-	-	-
	Total	***11,868***	***3.24***	***384***	***2.00***	***237***	***11.14***	***4,252***	***5,689***	***0.36***	***20***

		Tonnage	Gold		Copper	
Project	**Category**	**Kt**	**Au (g/t)**	**Au (koz)**	**Cu (%)**	**Cu (kt)**
Explorer 142 Project	*Measured*	-	-	-	-	-
	Indicated	-	-	-	-	-
	Inferred	*176*	*0.21*	*1*	*5.21*	*9*
	Total	***176***	***0.21***	***1***	***5.21***	***9***

Note: numbers may not add up due to rounding.

Explanatory Memorandum

ORE RESERVE ESTIMATE

The Westgold Ore Reserve estimate, published on 18 August 2016, is as of 30 June 2016 and is in compliance with the JORC Code (2012 Edition). The Company is of the opinion that there have been no material changes to the Ore Reserve estimates since the date of publication.

Table 6 - Westgold Ore Reserve Estimate (at 30.6.2016)

Deposit	Reserve Category	Ore Tonnes	Au (g/t)	Au (oz)
Higginsville Gold Operation	*Proved*	*568,739*	*3.58*	*65,514*
	Probable	*7,000,169*	*1.63*	*367,381*
	Total	***7,568,908***	***1.78***	***432,895***
South Kalgoorlie Operation	*Proved*	*434,871*	*2.71*	*37,946*
	Probable	*1,858,750*	*2.58*	*154,123*
	Total	***2,293,621***	***2.60***	***192,068***
Central Murchison Gold Project	*Proved*	*141,099*	*1.70*	*7,694*
	Probable	*22,667,457*	*2.64*	*1,921,295*
	Total	***22,808,556***	***2.63***	***1,928,989***
Fortnum Gold Project	*Proved*	-	-	-
	Probable	*5,391,588*	*1.95*	*338,779*
	Total	***5,391,588***	***1.95***	***338,779***
Total Westgold	*Proved*	*1,144,709*	*3.02*	*111,154*
	Probable	*36,917,964*	*2.34*	*2,781,578*
	Total	***38,062,673***	***2.36***	***2,892,731***

Note: numbers may not add up due to rounding.

Competent Person Statement

The information in this report that relate to Ore Reserves has been compiled by Metals X Ltd technical employees under the super vision of Mr Michael Poepjes BEng (Mining Engineering).MSc (Min. Econ) MAusIMM. Mr Poepjes is a full-time employee of Metals X Ltd. Mr Poepjes has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Poepjes consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Poepjes is eligible to participate in short and long term incentive plans and holds performance rights in Metals X Limited as has been previously disclosed.

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WESTGOLD MATERIAL CONTRACTS

The material contracts pertaining to the Demerger are set out in Section 4.9 above. Set out below is a non-exhaustive summary of the key terms of material contracts of Westgold. In addition, Westgold has numerous contracts in connection with the Gold Business Unit (including supply of power, fuel, haulage, toll treatment, joint ventures and royalties) none of which are presently considered material and/or outside of the ordinary course of business.

Managing Director Employment Agreement

Executive Director, Peter Cook is employed under an annual salary employment contract. The current employment contract with Metals X commenced on 1 January 2013 and new employment will commence with Westgold with effect from the Demerger on the same terms. Under the terms of the present contract:

- Mr Cook receives a fixed remuneration of $635,100 (including superannuation) per annum.
- Mr Cook may resign from his position and thus terminate his contract by giving three months written notice. On resignation any unvested options and performance rights will be forfeited.
- The employer may terminate the employment agreement by providing three months written notice or providing payment in lieu of notice period (based on the fixed component of Mr Cook's remuneration). On termination on notice by the employer Mr Cook will still be entitled to any options and performance rights that have vested or that will vest during the notice period. Options and performance rights that have not yet vested will be forfeited.
- The employer may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs the CEO is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. On termination with cause by the employer Mr Cook will still be entitled to any options and performance rights that have vested. Options and performance rights that have not yet vested will be forfeited.

Hedging Agreement

Westgold has entered into a hedging agreement with Citibank N.A. (**Citi**). At the end of September 2016 Westgold had hedging contracts for 176,000oz at A$1634/oz).

Royalty Obligations

At HGO, Morgan Stanley Australia Finance Limited, Morgan Stanley Capital Group Inc hold a royalty pursuant to an Amending Agreement between Morgan Stanley Australia Finance Pty Ltd, Morgan Stanley Capital Group and Avoca Mining Limited dated 17 April 2014. The royalty is 1.75% net smelter return of gold produced with additional gold price participation of:

- < A$1340 – Nil.
- A$1340 > A$1500 – 12.5% of the difference between A$1340 and the quarterly average gold price.
- A$1500 > A$1600 – 15% of the difference between A$1340 and the quarterly average gold price.
- A$1600 > A$1700 – 20% of the difference between A$1340 and the quarterly average gold price.
- A$1700 > A$1800 – 27.5% of the difference between A$1340 and the quarterly average gold price.
- A$1800 > A$1900 – 37.50% of the difference between A$1340 and the quarterly average gold price.
- > A$1900 - 50% of the difference between A$1340 and the quarterly average gold price.

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Encumbered tenements (including replacements and conversions) are:

E15/828	M15/348	M15/616	M15/685	P15/5418	P15/5432
E15/838	M15/351	M15/620	M15/748	P15/5419	P15/5433
E63/1071	M15/352	M15/629	M15/757	P15/5420	P15/5434
M15/1132	M15/375	M15/639	M15/758	P15/5421	P15/5435
M15/1790	M15/506	M15/640	M15/786	P15/5422	P15/5437
M15/1792	M15/507	M15/642	M15/815	P15/5423	P15/5438
M15/225	M15/512	M15/665	M15/817	P15/5424	P15/5439
M15/231	M15/528	M15/680	M15/820	P15/5425	P15/5441
M15/289	M15/580	M15/681	M15/1790	P15/5426	P15/5534
M15/31	M15/581	M15/682	M63/647	P15/5429	
M15/325	M15/597	M15/683	P15/5414	P15/5430	
M15/338	M15/610	M15/684	P15/5415	P15/5431	

At SKO, Franco-Nevada Australia Pty holds a royalty pursuant to a New Celebration Royalty Deed between Newcrest Operations Limited, Newcrest Mining Limited and HTA Limited dated 11 February 1998 (as amended and assigned). The royalty is 1.75% net smelter return of precious metals produced and 1% NSR of other minerals produced. Encumbered tenements include:

E15/985	M15/663	M15/747	M26/224	M26/493	P26/3500
E26/122	M15/717	M15/753	M26/245	M26/567	P26/3527
East Location 48	M15/721	M15/937	M26/328	P15/5049	P26/3528
East Location 50	M15/722	M15/938	M26/441	P15/5050	P26/3531
L26/122	M15/723	M26/118	M26/452	P15/5130	P26/3532
L26/123	M15/724	M26/143	M26/458	P15/5131	P26/3533
M15/469	M15/740	M26/204	M26/482	P15/5132	

At SKO, Newcrest Operations Limited holds a royalty pursuant to a Royalty Deed between Newcrest Operations Limited and South Kal Mines Pty Ltd dated 26 July 2001 (as amended and assigned). The royalty is $10 per ounce and discovery royalty of $1M payable for each new orebody discovered exceeding 250,000 ounces. Encumbered tenements include:

E15/985	M15/469	M15/726	M26/143	M26/482	P15/5050
E26/122	M15/663	M15/740	M26/204	M26/493	P15/5130
East Location 48	M15/717	M15/747	M26/224	M26/567	P15/5131
East Location 50	M15/721	M15/753	M26/245	P15/3529	P15/5132
L15/221	M15/722	M15/937	M26/328	P15/3532	P26/3500
L26/122	M15/723	M15/938	M26/441	P15/3533	P26/3527
L26/123	M15/724	M26/118	M26/458	P15/5049	P26/3528

At CMGP, International Royalty Corporation Inc holds a royalty pursuant to a Royalty Deed between St Barbara Mines Limited and Resource Capital Fund III L.P. dated 29 March 2005 (as amended and assigned). The royalty is generally 1.5% of the proceeds of sale, however is reduced down to 0.45% on some tenements. Encumbered tenements (including replacements and conversions) are:

G51/13	L51/18	L51/55	M20/107	M20/438	M20/70
G51/14	L51/29	L51/56	M20/12	M20/443	M20/71
G51/15	L51/30	L51/67	M20/212	M20/444	M20/73
G51/17	L51/31	L51/71	M20/214	M20/445	M20/77
G51/26	L51/33	L51/72	M20/219	M20/45	M51/12
G51/9	L51/34	L51/73	M20/249	M20/476	M51/132
L20/10	L51/35	L51/77	M20/309	M20/477	M51/161
L20/17	L51/41	L51/78	M20/420	M20/496	M51/180
L20/18	L51/43	L51/79	M20/421	M20/68	M51/187
L20/8	L51/51	L51/81	M20/437	M20/69	M51/190

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M51/199	M51/409	M51/483	M51/557	M51/666	M51/79
M51/200	M51/418	M51/484	M51/560	M51/667	M51/793
M51/203	M51/419	M51/485	M51/561	M51/668	M51/794
M51/209	M51/422	M51/486	M51/568	M51/669	M51/795
M51/211	M51/423	M51/487	M51/569	M51/670	M51/796
M51/233	M51/424	M51/488	M51/570	M51/671	M51/798
M51/235	M51/427	M51/489	M51/571	M51/672	M51/799
M51/236	M51/433	M51/490	M51/572	M51/673	M51/800
M51/237	M51/437	M51/491	M51/573	M51/674	M51/801
M51/254	M51/438	M51/492	M51/575	M51/675	M51/803
M51/256	M51/439	M51/493	M51/576	M51/678	M51/805
M51/257	M51/440	M51/494	M51/581	M51/679	M51/807
M51/27	M51/441	M51/495	M51/582	M51/680	M51/809
M51/28	M51/445	M51/496	M51/586	M51/688	M51/810
M51/280	M51/446	M51/500	M51/587	M51/718	M51/811
M51/281	M51/447	M51/501	M51/6	M51/737	M51/819
M51/31	M51/454	M51/502	M51/613	M51/738	M51/820
M51/320	M51/455	M51/503	M51/62	M51/740	M51/822
M51/321	M51/456	M51/504	M51/628	M51/741	M51/823
M51/325	M51/459	M51/51	M51/637	M51/746	M51/824
M51/33	M51/462	M51/516	M51/638	M51/75	M51/825
M51/334	M51/463	M51/521	M51/639	M51/757	M51/830
M51/35	M51/465	M51/523	M51/640	M51/758	M51/834
M51/374	M51/468	M51/524	M51/643	M51/762	M51/849
M51/381	M51/469	M51/525	M51/644	M51/778	M51/91
M51/385	M51/471	M51/526	M51/645	M51/781	M51/92
M51/386	M51/472	M51/528	M51/649	M51/782	M51/96
M51/39	M51/477	M51/53	M51/653	M51/783	
M51/393	M51/482	M51/539	M51/654	M51/788	

At CMGP, International Royalty Corporation Inc holds a royalty pursuant to a Royalty Deed dated 29 March 2005 between Zygot Limited and Resources Capital Fund III L.P. (as amended and assigned). The royalty is generally 1.5% of the proceeds of sale, however is reduced to 0.45% on some tenements. Encumbered tenements (including replacements and conversions) are:

M51/584	M51/611	M51/652	M51/717	M51/784
M51/605	M51/612	M51/677	M51/780	

At CMGP, Royal Gold Inc. holds a royalty pursuant to a Deed of Settlement between Homestake Australia Limited and Metana Minerals NL dated 4 November 1991 (as amended and assigned). The royalty rate varies between 1% and 2.5% of gold produced depending on the area and production history. Encumbered tenements (including replacements and conversions) are:

M20/107	M20/219	M20/68	M20/71	M51/233	M51/237
M20/12	M20/249	M20/69	M20/73	M51/235	M51/254
M20/214	M20/45	M20/70	M20/77	M51/236	

At CMPG, Royal Gold holds a royalty pursuant to a Deed of Sale - Meekatharra Gold Project between Plutonic Operations Limited and St Barbara Mines Limited dated 8 October 2002 (as amended and assigned). The royalty is $10 per ounce on all gold produced from the tenement area. Encumbered tenements (including replacements and conversions) are:

M51/199	M51/437	M51/653	M51/439	M51/667	M51/504	M51/669	M51/688	M51/671	M51/673
M51/200	M51/438	M51/654	M51/440	M51/668	M51/521	M51/670		M51/672	

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Fortnum Acquisition Agreement

Metals X, Aragon Resources Pty Ltd (**Aragon**), RNI NL (**RNI**), Peak Hill Metals Pty Ltd (**Peak Hill**) and Grosvenor Gold Pty Limited (**Grosvenor**) entered into a Sale of Mining Interests Agreement (**Fortnum Agreement**) on 6 October 2015.

Under the terms of the Fortnum Agreement, Aragon (a wholly owned subsidiary of Westgold) acquired specified tenements together with associated assets collectively comprising the Fortnum Gold Project. Certain of these tenements were acquired subject to specified third party interests, including royalty obligations, joint venture interests and pre-emptive rights.

In addition, under the Fortnum Agreement, Aragon was granted a right of first refusal in relation to a number of other tenements held by RNI, Peak Hill and Grosvenor. This right of first refusal is exercisable by Aragon in the event that the holder of a relevant tenement wishes to transfer its interest in that tenement to a third party.

By a separate gold rights letter agreement dated 13 October 2015 between Metals X, RNI, Grosvenor and Jackson Minerals Pty Ltd, Metals X (to be assigned to Westgold) was granted gold rights in relation to three of the additional tenements (comprising two exploration licences and a prospecting licence), as well the right to have the relevant tenements transferred to it in the event the holder wished to relinquish them.

Southern Gold Financing and Management Agreement

An agreement for financing and management of Cannon Mine was entered into between Southern Gold Limited, Metals X and HBJ Minerals Pty Ltd dated 7 November 2014. HBJ Minerals Pty Ltd manages and operates the Cannon Mine for and on behalf of Southern Gold. All mining, ore cartage and processing is completed on an agreed cost basis. All revenue from production is applied first to repay costs and then profits are split on a 50:50 basis. The agreement is secured via a mortgage over the Cannon Mine tenement. The agreement expires on the completion of the material obligations under the agreement unless terminated earlier. As part of the package of agreements, Metals X (to be assigned to Westgold) also provided a financing facility of $2.5M to Southern Gold which has been fully drawn).

Acquisition agreement with GMK Exploration

On 27 June 2014 Big Bell Gold Operations Pty Ltd (a wholly owned subsidiary of Westgold) completed the acquisition of the assets of GMK Exploration Pty Ltd (GMKE) from GMKE's Administrator. The assets comprised the fully refurbished processing plant, other supporting infrastructure and tenements of the Meekatharra Gold Operation, forming part of the CMGP. The consideration for the acquisition was $9,400,000 and 24,000,000 Reed Resources Limited shares.

Acquisition agreement with Alacer Gold Corporation

On 29 October 2013, Metals X entered into an agreement to acquire the Australian gold portfolio of Alacer via the acquisition of all of the shares in the entity now named Hill 51 Pty Ltd, which owns the HGO and the SKO. The final purchase consideration was $44,000,000.

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WESTGOLD TENEMENT SCHEDULE

Below is a listing of the tenements owned or controlled by the Westgold Group, or over which it has material rights, as at 15 September 2016:

Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
FORTNUM GOLD PROJECT									
E52/1832	Aragon (100%)	Aragon (100%)	$70,000.00	Exploration Licence WA	10 BL	Granted	16/03/2009	$5,006.00	$596.16
E52/2059	Aragon (100%)	Aragon (100%)	$30,000.00	Exploration Licence WA	2 BL	Granted	17/02/2010	$528.70	$350.00
E52/2237	Aragon (100%)	Aragon (100%)	$50,000.00	Exploration Licence WA	4 BL	Granted	24/02/2009	$2,002.40	$350.00
E52/3165	Aragon (100%)	Aragon (100%)	$20,000.00	Exploration Licence WA	8 BL	Granted	5/12/2014	$1,036.00	$476.92
E52/3257	Aragon (100%)	Aragon (100%)	$15,000.00	Exploration Licence WA	4 BL	Granted	28/04/2015	$501.00	$350.00
L52/0002	Aragon (100%)	Aragon (100%)		Miscellaneous Licence	3.68 HA	Granted	27/04/1983	$58.40	N/A
L52/0019	Aragon (100%)	Aragon (100%)		Miscellaneous Licence	16.18 HA	Granted	25/08/1988	$256.70	N/A
L52/0020	Aragon (100%)	Aragon (100%)		Miscellaneous Licence	56 HA	Granted	26/02/1988	$817.60	N/A
L52/0039	Aragon (100%)	Aragon (100%)		Miscellaneous Licence	36.5 HA	Granted	24/05/1990	$540.20	N/A
L52/0062	Aragon (100%)	Aragon (100%)		Miscellaneous Licence	14 HA	Granted	10/06/1993	$204.40	N/A
L52/0063	Aragon (100%)	Aragon (100%)		Miscellaneous Licence	24 HA	Granted	10/06/1993	$350.40	N/A
L52/0102	Aragon (100%)	Aragon (100%)		Miscellaneous Licence	9 HA	Granted	11/11/2008	$135.90	N/A
M52/0005	Aragon (100%)	Aragon (100%)	$46,500.00	Mining Lease	464.85 HA	Granted	20/04/1983	$7,672.50	$7,374.80
M52/0006	Aragon (100%)	Aragon (100%)	$48,000.00	Mining Lease	479.6 HA	Granted	20/04/1983	$7,920.00	$7,610.40
M52/0035	Aragon (100%)	Aragon (100%)	$91,800.00	Mining Lease	917.15 HA	Granted	16/01/1985	$15,147.00	$14,490.11
M52/0056	Aragon (100%)	Aragon (100%)	$11,500.00	Mining Lease	114.05 HA	Granted	19/11/1986	$1,960.75	$1,937.53
M52/0093	Aragon (100%)	Aragon (100%)	$79,600.00	Mining Lease	795.65 HA	Granted	8/02/1988	$13,134.00	$12,573.85
M52/0095	Aragon (100%)	Aragon (100%)	$65,000.00	Mining Lease	649.3 HA	Granted	8/02/1988	$10,725.00	$10,280.61
M52/0096	Aragon (100%)	Aragon (100%)	$68,300.00	Mining Lease	682.7 HA	Granted	8/02/1988	$11,269.50	$10,798.94
M52/0098	Aragon (100%)	Aragon (100%)	$91,100.00	Mining Lease	910.6 HA	Granted	8/02/1988	$15,031.50	$14,380.16
M52/0099	Aragon (100%)	Aragon (100%)	$48,700.00	Mining Lease	486.15 HA	Granted	8/02/1988	$8,035.50	$7,720.35
M52/0125	Aragon (100%)	Aragon (100%)	$31,000.00	Mining Lease	309.8 HA	Granted	30/12/1988	$5,285.50	$5,102.51
M52/0132	Aragon (100%)	Aragon (100%)	$69,900.00	Mining Lease	698.2 HA	Granted	11/05/1989	$11,533.50	$11,050.26
M52/0133	Aragon (100%)	Aragon (100%)	$88,000.00	Mining Lease	879.7 HA	Granted	11/05/1989	$14,520.00	$13,893.24
M52/0297	Aragon (100%)	Aragon (100%)	$96,200.00	Mining Lease	961.55 HA	Granted	4/02/1992	$15,873.00	$15,181.22
M52/0338	Aragon (100%)	Aragon (100%)	$68,500.00	Mining Lease	684.35 HA	Granted	28/10/1992	$11,679.25	$11,189.00

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Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
M52/0474	Aragon (100%)	Aragon (100%)	$10,000.00	Mining Lease	18.625 HA	Granted	8/03/1994	$313.50	$421.00
M52/0801	Aragon (85%), Horseshoe Gold Mine Pty Ltd (15%)	Aragon (85%), Horseshoe Gold Mine Pty Ltd (15%)	$98,100.00	Mining Lease	981 HA	Granted	19/05/2003	$16,186.50	$15,479.66
P52/1189	Aragon (85%), Horseshoe Gold Mine Pty Ltd (15%)	Aragon (85%), Horseshoe Gold Mine Pty Ltd (15%)	$7,440.00	Prospecting Licence	186 HA	Granted	14/01/2009	$446.40	$424.95
P52/1190	Aragon (85%), Horseshoe Gold Mine Pty Ltd (15%)	Aragon (85%), Horseshoe Gold Mine Pty Ltd (15%),	$7,520.00	Prospecting Licence	188 HA	Granted	14/01/2009	$451.20	$429.52
P52/1191	Aragon (85%), Horseshoe Gold Mine Pty Ltd (15%)	Aragon (85%), Horseshoe Gold Mine Pty Ltd (15%)	$7,560.00	Prospecting Licence	189 HA	Granted	14/01/2009	$453.60	$431.80
P52/1192	Aragon (85%), Horseshoe Gold Mine Pty Ltd (15%)	Aragon (85%), Horseshoe Gold Mine Pty Ltd (15%)	$7,640.00	Prospecting Licence	191 HA	Granted	14/01/2009	$458.40	$436.37
P52/1193	Aragon (85%), Horseshoe Gold Mine Pty Ltd (15%)	Aragon (85%), Horseshoe Gold Mine Pty Ltd (15%)	$6,200.00	Prospecting Licence	155 HA	Granted	14/01/2009	$372.00	$354.12
E52/2471	Aragon (85%), Walter Scott Wilson (15%)	Aragon (85%), Walter Scott WILSON (15%)	$58,000.00	Exploration Licence WA	29 BL	Granted	16/10/2009	$15,010.40	$1,728.85
P52/1344	Aragon (85%), Walter Scott Wilson (15%)	Aragon (85%), Walter Scott WILSON (15%)	$7,560.00	Prospecting Licence	189 HA	Granted	20/01/2010	$453.60	$431.80
E52/3328	OMNI Projects Pty Ltd (100%)	Aragon (100%)	$20,000.00	Exploration Licence WA	8 BL	Granted	15/10/2015	$1,036.00	$476.92
P52/1498	OMNI Projects Pty Ltd (100%)	Aragon (100%)	$7,680.00	Prospecting Licence	191.8917 HA	Granted	6/03/2015	$460.80	$438.66
P52/1499	OMNI Projects Pty Ltd (100%)	Aragon (100%)	$6,280.00	Prospecting Licence	156.8202 HA	Granted	6/03/2015	$376.80	$358.69
P52/1500	OMNI Projects Pty Ltd (100%)	Aragon (100%)	$4,400.00	Prospecting Licence	109.1518 HA	Granted	6/03/2015	$264.00	$350.00
P52/1501	OMNI Projects Pty Ltd (100%)	Aragon (100%)	$4,000.00	Prospecting Licence	99.0895 HA	Granted	6/03/2015	$240.00	$350.00
P52/1502	OMNI Projects Pty Ltd (100%)	Aragon (100%)	$7,640.00	Prospecting Licence	190.7545 HA	Granted	6/03/2015	$458.40	$436.37
P52/1505	OMNI Projects Pty Ltd (100%,	Aragon (100%)	$7,800.00	Prospecting Licence	194.1182 HA	Granted	6/03/2015	$468.00	$445.51
P52/1506	OMNI Projects Pty Ltd (100%)	Aragon (100%)	$7,560.00	Prospecting Licence	188.0714 HA	Granted	6/03/2015	$453.60	$431.80
P52/1507	OMNI Projects Pty Ltd (100%)	Aragon (100%)	$7,600.00	Prospecting Licence	189.75 HA	Granted	6/03/2015	$456.00	$434.09
P52/1508	OMNI Projects Pty Ltd (100%)	Aragon (100%)	$6,600.00	Prospecting Licence	164.8312 HA	Granted	6/03/2015	$396.00	$376.97
P52/1509	OMNI Projects Pty Ltd (100%)	Aragon (100%)	$7,000.00	Prospecting Licence	174.7392 HA	Granted	6/03/2015	$420.00	$399.82
P52/1510	OMNI Projects Pty Ltd (100%)	Aragon (100%)	$6,560.00	Prospecting Licence	163.9124 HA	Granted	6/03/2015	$393.60	$374.69
P52/1511	OMNI Projects Pty Ltd (100%)	Aragon (100%)	$8,000.00	Prospecting Licence	200 HA	Granted	6/03/2015	$480.00	$456.93
P52/1512	OMNI Projects Pty Ltd (100%)	Aragon (100%)	$4,200.00	Prospecting Licence	104.2116 HA	Granted	6/03/2015	$252.00	$350.00
P52/1493	Grosvenor Gold Pty Limited (100%)	Aragon	$7,680.00	Prospecting Licence	191.66 HA	Granted	6/03/2015	$460.80	$438.66
E52/1659	Grosvenor Gold Pty Limited (80%), Jackson Minerals Pty Ltd (20%)	Aragon	$70,000.00	Exploration Licence WA	13 BL	Granted	27/01/2004	$6,507.80	$775.00

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E52/1671	Grosvenor Gold Pty Limited (80%), Jackson Minerals Pty Ltd (20%)	Aragon	$183,000.00	Exploration Licence WA	61 BL	Granted	23/11/2004	$31,573.60	$3,636.55
M52/1048	Horseshoe Manganese Pty Ltd (100%)	Aragon	$79,700.00	Mining Lease	797 HA	Granted	22/02/2011	$13,150.50	$12,589.55
HIGGINSVILLE GOLD OPERATION									
L63/0065	Australian Strategic and Precious Metals Investment Pty Ltd (100%)	Avoca (100%)		Miscellaneous Licence	10.78 HA	Application			N/A
L63/0071	Australian Strategic and Precious Metals Investment Pty Ltd (30%), Mt Henry Gold Pty Ltd (70%)	Avoca (100%)		Miscellaneous Licence	58.66 HA	Application			N/A
E15/1512	Avoca (100%)	Avoca (100%)		Exploration Licence WA	2 BL	Application			N/A
E63/1763	Avoca (100%)	Avoca (100%)		Exploration Licence WA	12 BL	Application			N/A
G15/0026	Avoca (100%)	Avoca (100%)		General Purpose Lease	93.7528 HA	Application			N/A
G15/0027	Avoca (100%)	Avoca (100%)		General Purpose Lease	148.5222 HA	Application			N/A
P63/2011	Avoca (100%)	Avoca (100%)		Prospecting Licence	169.745 HA	Application			N/A
P63/2012	Avoca (100%)	Avoca (100%)		Prospecting Licence	163.6279 HA	Application			N/A
P63/2013	Avoca (100%)	Avoca (100%)		Prospecting Licence	180.7167 HA	Application			N/A
P63/2014	Avoca (100%)	Avoca (100%)		Prospecting Licence	146.5004 HA	Application			N/A
P63/2015	Avoca (100%)	Avoca (100%)		Prospecting Licence	117.0852 HA	Application			N/A
P63/2021	Avoca (100%)	Avoca (100%)		Prospecting Licence	198.2025 HA	Application			N/A
P63/2022	Avoca (100%)	Avoca (100%)		Prospecting Licence	197.8809 HA	Application			N/A
P63/2023	Avoca (100%)	Avoca (100%)		Prospecting Licence	147.5176 HA	Application			N/A
P63/2024	Avoca (100%)	Avoca (100%)		Prospecting Licence	176.6979 HA	Application			N/A
P63/2025	Avoca (100%)	Avoca (100%)		Prospecting Licence	143.8339 HA	Application			N/A
P63/2050	Avoca (100%)	Avoca (100%)		Prospecting Licence	182.0207 HA	Application			N/A
P63/2051	Avoca (100%)	Avoca (100%)		Prospecting Licence	150.96 HA	Application			N/A
P63/2064	Avoca (100%)	Avoca (100%)		Prospecting Licence	20.8466 HA	Application			N/A
P63/2065	Avoca (100%)	Avoca (100%)		Prospecting Licence	69.0621 HA	Application			N/A
P63/2067	Avoca (100%)	Avoca (100%)		Prospecting Licence	171.7013 HA	Application			N/A
E15/0828	Avoca (100%)	Avoca (100%)	$75,334.00	Exploration Licence WA	20 BL	Granted	17/11/2004	$10,352.00	$1,352.88
E15/0838	Avoca (100%)	Avoca (100%)	$70,000.00	Exploration Licence WA	7 BL	Granted	28/09/2004	$3,623.20	$450.65
E15/1402	Avoca (100%)	Avoca (100%)	$10,000.00	Exploration Licence WA	1 BL	Granted	8/04/2014	$301.35	$415.00
E63/1071	Avoca (100%)	Avoca (100%)	$72,000.00	Exploration Licence WA	24 BL	Granted	4/02/2008	$12,014.40	$1,283.52

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G15/0019	Avoca (100%)	Avoca (100%)		General Purpose Lease	65.82 HA	Granted	3/10/2007	$996.60	$1,024.50
G15/0023	Avoca (100%)	Avoca (100%)		General Purpose Lease	3.1637 HA	Granted	2/06/2015	$58.40	$415.00
G63/0006	Avoca (100%)	Avoca (100%)		General Purpose Lease	281 HA	Granted	28/08/2015	$4,243.10	$2,860.60
G63/0007	Avoca (100%)	Avoca (100%)		General Purpose Lease	182.8984 HA	Granted	27/04/2016	$2,671.80	$1,887.72
L15/0259	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	28 HA	Granted	2/06/2006	$408.80	N/A
L15/0261	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	3 HA	Granted	2/06/2006	$43.80	N/A
L15/0272	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	12 HA	Granted	9/08/2006	$181.20	N/A
L15/0282	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	73.39 HA	Granted	13/03/2008	$1,080.40	N/A
L15/0288	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	34.86 HA	Granted	27/11/2008	$528.50	N/A
L15/0298	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	51.4 HA	Granted	24/06/2009	$759.20	N/A
L15/0302	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	8.1 HA	Granted	17/12/2010	$135.90	N/A
L15/0308	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	44.19 HA	Granted	17/12/2010	$679.50	N/A
L15/0322	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	25.84 HA	Granted	6/10/2011	$392.60	N/A
L15/0346	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	33.2399 HA	Granted	13/05/2014	$496.40	N/A
L15/0347	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	11.8219 HA	Granted	25/07/2014	$181.20	N/A
L63/0058	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	32 HA	Granted	19/07/2007	$483.20	N/A
L63/0064	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	6.62 HA	Granted	29/04/2010	$102.20	N/A
L63/0072	Avoca (100%)	Avoca (100%)		Miscellaneous Licence	2.7 HA	Granted	7/10/2015	$45.30	N/A
M15/0031	Avoca (100%)	Avoca (100%)	$10,000.00	Mining Lease	9.7125 HA	Granted	24/08/1983	$170.50	$486.00
M15/0225	Avoca (100%)	Avoca (100%)	$10,000.00	Mining Lease	17.04 HA	Granted	28/01/1987	$297.00	$486.00
M15/0231	Avoca (100%)	Avoca (100%)	$10,000.00	Mining Lease	19.42 HA	Granted	3/11/1987	$341.00	$486.00
M15/0289	Avoca (100%)	Avoca (100%)	$10,000.00	Mining Lease	9.656 HA	Granted	3/11/1987	$170.50	$486.00
M15/0325	Avoca (100%)	Avoca (100%)	$5,000.00	Mining Lease	2.103 HA	Granted	9/03/1988	$49.50	$486.00
M15/0338	Avoca (100%)	Avoca (100%)	$13,000.00	Mining Lease	129.45 HA	Granted	14/03/1988	$2,145.00	$2,276.06
M15/0348	Avoca (100%)	Avoca (100%)	$49,500.00	Mining Lease	494.75 HA	Granted	25/03/1988	$8,167.50	$8,467.19
M15/0351	Avoca (100%)	Avoca (100%)	$34,300.00	Mining Lease	342.55 HA	Granted	2/05/1988	$5,659.50	$5,888.97
M15/0352	Avoca (100%)	Avoca (100%)	$10,000.00	Mining Lease	23.3 HA	Granted	2/05/1988	$396.00	$486.00
M15/0375	Avoca (100%)	Avoca (100%)	$39,800.00	Mining Lease	397.4 HA	Granted	22/04/1988	$6,567.00	$6,821.88
M15/0506	Avoca (100%)	Avoca (100%)	$77,900.00	Mining Lease	778.95 HA	Granted	7/05/1990	$12,853.50	$13,284.40
M15/0507	Avoca (100%)	Avoca (100%)	$36,000.00	Mining Lease	360 HA	Granted	7/05/1990	$5,940.00	$6,177.32

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M15/0528	Avoca (100%)	Avoca (100%)	$10,000.00	Mining Lease	10.395 HA	Granted	21/03/1991	$181.50	$486.00
M15/0580	Avoca (100%)	Avoca (100%)	$96,200.00	Mining Lease	961.65 HA	Granted	1/08/1991	$16,402.10	$16,932.36
M15/0581	Avoca (100%)	Avoca (100%)	$48,100.00	Mining Lease	480.1 HA	Granted	1/08/1991	$8,201.05	$8,501.68
M15/0597	Avoca (100%)	Avoca (100%)	$59,400.00	Mining Lease	594 HA	Granted	6/01/1992	$9,801.00	$10,146.43
M15/0610	Avoca (100%)	Avoca (100%)	$17,400.00	Mining Lease	173.65 HA	Granted	10/12/1991	$2,966.70	$3,120.77
M15/0616	Avoca (100%)	Avoca (100%)	$69,600.00	Mining Lease	696 HA	Granted	18/11/1992	$11,866.80	$12,270.07
M15/0620	Avoca (100%)	Avoca (100%)	$12,000.00	Mining Lease	120 HA	Granted	20/10/1992	$2,046.00	$2,174.29
M15/0629	Avoca (100%)	Avoca (100%)	$12,100.00	Mining Lease	120.1 HA	Granted	20/10/1992	$2,063.05	$2,191.82
M15/0639	Avoca (100%)	Avoca (100%)	$84,700.00	Mining Lease	847 HA	Granted	25/01/1993	$13,975.50	$14,437.81
M15/0640	Avoca (100%)	Avoca (100%)	$72,700.00	Mining Lease	726.1 HA	Granted	25/01/1993	$11,995.50	$12,402.37
M15/0642	Avoca (100%)	Avoca (100%)	$93,500.00	Mining Lease	934.4 HA	Granted	25/01/1993	$15,427.50	$15,930.47
M15/0665	Avoca (100%)	Avoca (100%)	$100,000.00	Mining Lease	1000 HA	Granted	14/10/1993	$17,050.00	$17,598.40
M15/0680	Avoca (100%)	Avoca (100%)	$68,600.00	Mining Lease	685.85 HA	Granted	1/03/1994	$11,319.00	$11,706.93
M15/0681	Avoca (100%)	Avoca (100%)	$94,400.00	Mining Lease	943.35 HA	Granted	1/03/1994	$15,576.00	$7,780.45
M15/0682	Avoca (100%)	Avoca (100%)	$87,700.00	Mining Lease	876.3 HA	Granted	30/03/1994	$14,470.50	$14,946.67
M15/0683	Avoca (100%)	Avoca (100%)	$81,500.00	Mining Lease	815 HA	Granted	1/03/1994	$13,447.50	$13,895.03
M15/0684	Avoca (100%)	Avoca (100%)	$81,500.00	Mining Lease	815 HA	Granted	1/03/1994	$13,447.50	$13,895.03
M15/0685	Avoca (100%)	Avoca (100%)	$83,700.00	Mining Lease	837 HA	Granted	1/03/1994	$13,810.50	$14,268.19
M15/0748	Avoca (100%)	Avoca (100%)	$10,000.00	Mining Lease	11 HA	Granted	8/02/1995	$181.50	$486.00
M15/0757	Avoca (100%)	Avoca (100%)	$41,800.00	Mining Lease	417.7 HA	Granted	3/03/1995	$6,897.00	$7,161.12
M15/0758	Avoca (100%)	Avoca (100%)	$90,200.00	Mining Lease	901.01 HA	Granted	3/03/1995	$14,883.00	$15,370.72
M15/0786	Avoca (100%)	Avoca (100%)	$95,500.00	Mining Lease	954.15 HA	Granted	27/04/1995	$15,757.50	$16,269.71
M15/0815	Avoca (100%)	Avoca (100%)	$94,800.00	Mining Lease	948 HA	Granted	8/01/1997	$15,642.00	$16,150.98
M15/0817	Avoca (100%)	Avoca (100%)	$91,900.00	Mining Lease	918.65 HA	Granted	23/09/1996	$15,668.95	$16,178.68
M15/0820	Avoca (100%)	Avoca (100%)	$96,800.00	Mining Lease	967.95 HA	Granted	19/08/1996	$16,504.40	$17,037.52
M15/1132	Avoca (100%)	Avoca (100%)	$92,000.00	Mining Lease	919.35 HA	Granted	2/10/2002	$15,686.00	$16,196.21
M15/1790	Avoca (100%)	Avoca (100%)	$62,300.00	Mining Lease	622.95 HA	Granted	8/07/2013	$10,622.15	$10,990.57
M63/0165	Avoca (100%)	Avoca (100%)	$20,200.00	Mining Lease	201.75 HA	Granted	16/02/1988	$3,333.00	$2,337.31
M63/0236	Avoca (100%)	Avoca (100%)	$10,000.00	Mining Lease	9.099 HA	Granted	9/08/1991	$170.50	$413.00
M63/0366	Avoca (100%)	Avoca (100%)	$10,000.00	Mining Lease	55 HA	Granted	30/07/2010	$937.75	$688.00

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M63/0515	Avoca (100%)	Avoca (100%)	$70,900.00	Mining Lease	708.9 HA	Granted	29/08/2007	$12,088.45	$8,025.44
M63/0516	Avoca (100%)	Avoca (100%)	$71,100.00	Mining Lease	710.1 HA	Granted	29/08/2007	$12,122.55	$8,047.88
P15/5414	Avoca (100%)	Avoca (100%)	$8,000.00	Prospecting Licence	200 HA	Granted	28/04/2010	$480.00	$493.44
P15/5415	Avoca (100%)	Avoca (100%)	$3,920.00	Prospecting Licence	97.8 HA	Granted	15/07/2010	$245.00	$415.00
P15/5418	Avoca (100%)	Avoca (100%)	$7,720.00	Prospecting Licence	192.5 HA	Granted	28/04/2010	$463.20	$476.17
P15/5419	Avoca (100%)	Avoca (100%)	$7,880.00	Prospecting Licence	196.2 HA	Granted	28/04/2010	$472.80	$486.04
P15/5420	Avoca (100%)	Avoca (100%)	$7,880.00	Prospecting Licence	196.2 HA	Granted	28/04/2010	$472.80	$486.04
P15/5421	Avoca (100%)	Avoca (100%)	$7,960.00	Prospecting Licence	199 HA	Granted	28/04/2010	$477.60	$490.97
P15/5422	Avoca (100%)	Avoca (100%)	$7,960.00	Prospecting Licence	199 HA	Granted	28/04/2010	$477.60	$490.97
P15/5423	Avoca (100%)	Avoca (100%)	$7,960.00	Prospecting Licence	199 HA	Granted	28/04/2010	$477.60	$490.97
P15/5424	Avoca (100%)	Avoca (100%)	$7,880.00	Prospecting Licence	196.9 HA	Granted	28/04/2010	$472.80	$486.04
P15/5425	Avoca (100%)	Avoca (100%)	$7,880.00	Prospecting Licence	196.1 HA	Granted	28/04/2010	$472.80	$486.04
P15/5426	Avoca (100%)	Avoca (100%)	$7,960.00	Prospecting Licence	199 HA	Granted	28/04/2010	$477.60	$490.97
P15/5429	Avoca (100%)	Avoca (100%)	$5,880.00	Prospecting Licence	146.7 HA	Granted	28/04/2010	$352.80	$415.00
P15/5430	Avoca (100%)	Avoca (100%)	$7,200.00	Prospecting Licence	179.1 HA	Granted	28/04/2010	$432.00	$444.10
P15/5431	Avoca (100%)	Avoca (100%)	$2,320.00	Prospecting Licence	57.7 HA	Granted	28/04/2010	$139.20	$415.00
P15/5432	Avoca (100%)	Avoca (100%)	$2,000.00	Prospecting Licence	30.2 HA	Granted	28/04/2010	$74.40	$415.00
P15/5433	Avoca (100%)	Avoca (100%)	$7,880.00	Prospecting Licence	196.2 HA	Granted	15/07/2010	$492.50	$506.29
P15/5434	Avoca (100%)	Avoca (100%)	$2,000.00	Prospecting Licence	32.9 HA	Granted	15/07/2010	$82.50	$415.00
P15/5435	Avoca (100%)	Avoca (100%)	$2,000.00	Prospecting Licence	9 HA	Granted	28/04/2010	$24.00	$415.00
P15/5437	Avoca (100%)	Avoca (100%)	$2,000.00	Prospecting Licence	46.3 HA	Granted	15/07/2010	$117.50	$415.00
P15/5438	Avoca (100%)	Avoca (100%)	$4,400.00	Prospecting Licence	109.2 HA	Granted	15/07/2010	$275.00	$415.00
P15/5439	Avoca (100%)	Avoca (100%)	$4,280.00	Prospecting Licence	106.8 HA	Granted	15/07/2010	$267.50	$415.00
P15/5441	Avoca (100%)	Avoca (100%)	$7,800.00	Prospecting Licence	194.1 HA	Granted	15/07/2010	$487.50	$501.15
P15/5534	Avoca (100%)	Avoca (100%)	$2,000.00	Prospecting Licence	7.5 HA	Granted	7/01/2011	$24.00	$415.00
M15/0512	Avoca (90%), Noel Arthur Paynter (10%)	Avoca (90%), Noel Arthur Paynter (10%)	$10,000.00	Mining Lease	19.135 HA	Granted	2/04/1990	$330.00	$486.00
E15/1533	Avoca Resources (100%)	Avoca Resources (100%)		Exploration Licence WA	5 BL	Application			N/A
E15/0949	Avoca Resources (100%)	Avoca Resources (100%)	$50,000.00	Exploration Licence WA	3 BL	Granted	17/03/2008	$1,501.80	$415.00
L63/0073	Avoca Resources (100%)	Avoca Resources (100%)		Miscellaneous Licence	38.1462 HA	Granted	1/09/2015	$588.90	N/A
E15/0786	Avoca Resources (100%)	Avoca Resources (100%)	$70,000.00	Exploration Licence WA	14 BL	Granted	28/10/2005	$7,246.40	$901.30

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E15/0808	Avoca Resources (100%)	Avoca Resources (100%)	$70,000.00	Exploration Licence WA	9 BL	Granted	5/07/2006	$8,799.20	$579.41
E15/0810	Avoca Resources (100%)	Avoca Resources (100%)	$111,000.00	Exploration Licence WA	37 BL	Granted	4/08/2004	$19,151.20	$2,382.00
E15/0951	Avoca Resources (100%)	Avoca Resources (100%)	$20,000.00	Exploration Licence WA	1 BL	Granted	17/03/2008	$301.35	$415.00
E15/1037	Avoca Resources (100%)	Avoca Resources (100%)	$105,000.00	Exploration Licence WA	35 BL	Granted	30/09/2008	$18,116.00	$2,508.58
E15/1094	Avoca Resources (100%)	Avoca Resources (100%)	$70,000.00	Exploration Licence WA	8 BL	Granted	13/08/2009	$4,140.80	$515.03
E15/1117	Avoca Resources (100%)	Avoca Resources (100%)	$50,000.00	Exploration Licence WA	4 BL	Granted	13/08/2009	$2,070.40	$415.00
E15/1197	Avoca Resources (100%)	Avoca Resources (100%)	$50,000.00	Exploration Licence WA	16 BL	Granted	7/02/2011	$4,229.60	$1,030.06
E15/1199	Avoca Resources (100%)	Avoca Resources (100%)	$30,000.00	Exploration Licence WA	2 BL	Granted	10/11/2010	$546.70	$415.00
E15/1203	Avoca Resources (100%)	Avoca Resources (100%)	$54,000.00	Exploration Licence WA	27 BL	Granted	17/12/2010	$7,380.45	$1,738.22
E15/1223	Avoca Resources (100%)	Avoca Resources (100%)	$52,000.00	Exploration Licence WA	26 BL	Granted	8/09/2011	$7,107.10	$1,673.84
E15/1260	Avoca Resources (100%)	Avoca Resources (100%)	$10,000.00	Exploration Licence WA	1 BL	Granted	12/10/2011	$311.60	$415.00
E15/1304	Avoca Resources (100%)	Avoca Resources (100%)	$20,000.00	Exploration Licence WA	3 BL	Granted	12/06/2012	$584.55	$415.00
E15/1355	Avoca Resources (100%)	Avoca Resources (100%)	$20,000.00	Exploration Licence WA	3 BL	Granted	29/07/2013	$604.35	$415.00
E15/1356	Avoca Resources (100%)	Avoca Resources (100%)	$10,000.00	Exploration Licence WA	1 BL	Granted	29/07/2013	$311.60	$415.00
E15/1357	Avoca Resources (100%)	Avoca Resources (100%)	$10,000.00	Exploration Licence WA	1 BL	Granted	29/07/2013	$311.60	$415.00
E15/1358	Avoca Resources (100%)	Avoca Resources (100%)	$10,000.00	Exploration Licence WA	1 BL	Granted	29/07/2013	$311.60	$415.00
E15/1359	Avoca Resources (100%)	Avoca Resources (100%)	$10,000.00	Exploration Licence WA	1 BL	Granted	29/07/2013	$311.60	$415.00
E15/1370	Avoca Resources (100%)	Avoca Resources (100%)	$30,000.00	Exploration Licence WA	8 BL	Granted	28/08/2013	$1,611.60	$515.03
E15/1376	Avoca Resources (100%)	Avoca Resources (100%)	$20,000.00	Exploration Licence WA	3 BL	Granted	10/09/2013	$604.35	$415.00
E15/1439	Avoca Resources (100%)	Avoca Resources (100%)	$15,000.00	Exploration Licence WA	4 BL	Granted	7/04/2015	$501.00	$415.00
E15/1448	Avoca Resources (100%)	Avoca Resources (100%)	$10,000.00	Exploration Licence WA	1 BL	Granted	6/05/2015	$301.35	$415.00
E15/1462	Avoca Resources (100%)	Avoca Resources (100%)	$10,000.00	Exploration Licence WA	1 BL	Granted	22/09/2015	$311.60	$415.00
E63/0856	Avoca Resources (100%)	Avoca Resources (100%)	$96,000.00	Exploration Licence WA	32 BL	Granted	6/09/2004	$16,563.20	$5,308.04
E63/1051	Avoca Resources (100%)	Avoca Resources (100%)	$50,000.00	Exploration Licence WA	4 BL	Granted	3/07/2007	$2,070.40	$350.32
E63/1064	Avoca Resources (100%)	Avoca Resources (100%)	$50,000.00	Exploration Licence WA	3 BL	Granted	6/09/2007	$1,552.80	$153.39
E63/1165	Avoca Resources (100%)	Avoca Resources (100%)	$70,000.00	Exploration Licence WA	11 BL	Granted	15/04/2008	$5,506.60	$963.50
E63/1724	Avoca Resources (100%)	Avoca Resources (100%)	$10,000.00	Exploration Licence WA	1 BL	Granted	1/09/2015	$311.60	$342.00
M15/1792	Avoca Resources (100%)	Avoca Resources (100%)	$108,800.00	Mining Lease	1087.5 HA	Granted	25/07/2013	$18,550.40	$19,140.81
M63/0647	Avoca Resources (100%)	Avoca Resources (100%)	$99,800.00	Mining Lease	998 HA	Granted	6/08/2013	$17,015.90	$11,267.90
P15/5375	Avoca Resources (100%)	Avoca Resources (100%)	$2,000.00	Prospecting Licence	18.44 HA	Granted	15/07/2010	$47.50	$415.00

Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
P15/5376	Avoca Resources (100%)	Avoca Resources (100%)	$2,000.00	Prospecting Licence	41.02 HA	Granted	15/07/2010	$105.00	$415.00
P15/5634	Avoca Resources (100%)	Avoca Resources (100%)	$4,160.00	Prospecting Licence	104 HA	Granted	21/10/2011	$260.00	$415.00
P15/5960	Avoca Resources (100%)	Avoca Resources (100%)	$5,280.00	Prospecting Licence	131.0781 HA	Granted	24/08/2015	$330.00	$415.00
P15/5961	Avoca Resources (100%)	Avoca Resources (100%)	$7,520.00	Prospecting Licence	187.3175 HA	Granted	24/08/2015	$470.00	$483.16
P63/1732	Avoca Resources (100%)	Avoca Resources (100%)	$8,000.00	Prospecting Licence	199.35 HA	Granted	2/10/2009	$0.00	$326.38
P63/1733	Avoca Resources (100%)	Avoca Resources (100%)	$7,720.00	Prospecting Licence	192.37 HA	Granted	2/10/2009	$0.00	$308.29
P63/1977	Avoca Resources (100%)	Avoca Resources (100%)	$3,520.00	Prospecting Licence	87.5836 HA	Granted	3/03/2015	$211.20	$342.00
P63/2006	Avoca Resources (100%)	Avoca Resources (100%)	$7,400.00	Prospecting Licence	184.2994 HA	Granted	25/11/2015	$462.50	$301.90
P63/2007	Avoca Resources (100%)	Avoca Resources (100%)	$5,120.00	Prospecting Licence	127.9935 HA	Granted	25/11/2015	$320.00	$284.00
E63/1117	Avoca Resources (93.33%), Trent Paterson Stehn (6.66%)	Avoca Resources (93.33%), Trent Paterson Stehn (6.66%)	$50,000.00	Exploration Licence WA	5 BL	Granted	7/10/2008	$2,588.00	$437.89
M63/0329	Avoca Resources (93.33%), Trent Paterson Stehn (6.66%)	Avoca Resources (93.33%), Trent Paterson Stehn (6.66%)	$10,000.00	Mining Lease	67.51 HA	Granted	23/07/2001	$1,159.40	$833.92
M63/0368	Avoca Resources (93.33%), Trent Paterson Stehn (6.66%)	Avoca Resources (93.33%), Trent Paterson Stehn (6.66%)	$38,300.00	Mining Lease	383 HA	Granted	23/07/2001	$6,530.15	$4,367.94
P63/1468	Avoca Resources (93.33%), Trent Paterson Stehn (6.66%)	Avoca Resources (93.33%), Trent Paterson Stehn (6.66%)	$2,000.00	Prospecting Licence	13 HA	Granted	3/06/2008	$31.20	$284.00
M63/0660	Avoca Resources (93.33%), Trent Paterson Stehn (6.66%)	Avoca Resources (93.33%), Trent Paterson Stehn (6.66%)		Mining Lease	276.9007 HA	Application			N/A
E39/1299	Hawthorn Resources Ltd (100%)	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	$20,000.00	Exploration Licence WA	1 BL	Granted	24/10/2008	$311.60	$270.00
E39/1301	Hawthorn Resources Ltd (100%)	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	$50,000.00	Exploration Licence WA	2 BL	Granted	24/10/2008	$1,035.20	$270.00
P39/4704	Hawthorn Resources Ltd (100%)	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	$2,000.00	Prospecting Licence	47 HA	Granted	24/10/2008	$117.50	$240.00
E31/0789	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	$20,000.00	Exploration Licence WA	1 BL	Granted	13/03/2009	$301.35	$270.00
E39/1294	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	$50,000.00	Exploration Licence WA	5 BL	Granted	22/08/2008	$2,503.00	$304.00
E39/1295	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	$70,000.00	Exploration Licence WA	10 BL	Granted	22/08/2008	$5,006.00	$458.07
E39/1298	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	$20,000.00	Exploration Licence WA	1 BL	Granted	22/08/2008	$301.35	$270.00
P39/4695	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	$2,000.00	Prospecting Licence	22 HA	Granted	9/12/2008	$55.00	$304.00
P39/4698	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	$3,800.00	Prospecting Licence	95 HA	Granted	24/10/2008	$237.50	$304.00

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P39/4699	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	Hawthorn Resources Ltd (80%), Avoca Resources (20%)	$5,880.00	Prospecting Licence	147 HA	Granted	24/10/2008	$367.50	$262.03
P39/4703	Hawthorn Resources Ltd (80%), Avoca (20%)	Hawthorn Resources Ltd (80%), Avoca (20%)	$2,000.00	Prospecting Licence	47 HA	Granted	24/10/2008	$117.50	$240.00
CENTRAL MURCHISON GOLD PROJECT									
L20/0008	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	33.3 HA	Granted	24/03/1987	$496.40	N/A
L20/0010	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	135 HA	Granted	23/02/1988	$1,971.00	N/A
L51/0030	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	1.65 HA	Granted	26/02/1987	$29.20	N/A
M51/0679	Big Bell Gold (100%)	Big Bell Gold (100%)	$11,900.00	Mining Lease	118.3 HA	Granted	31/08/2012	$2,028.95	$2,002.45
G20/0021	Big Bell Gold (100%)	Big Bell Gold (100%)		General Purpose Lease	161.1415 HA	Application			N/A
G20/0022	Big Bell Gold (100%)	Big Bell Gold (100%)		General Purpose Lease	41.8009 HA	Application			N/A
G20/0023	Big Bell Gold (100%)	Big Bell Gold (100%)		General Purpose Lease	0.994 HA	Application			N/A
E51/1484	Big Bell Gold (100%)	Big Bell Gold (100%)	$29,167.00	Exploration Licence WA	3 BL	Granted	13/10/2011	$820.05	$350.00
E51/1487	Big Bell Gold (100%)	Big Bell Gold (100%)	$20,000.00	Exploration Licence WA	2 BL	Granted	14/12/2011	$546.70	$440.00
E51/1496	Big Bell Gold (100%)	Big Bell Gold (100%)	$30,000.00	Exploration Licence WA	6 BL	Granted	31/07/2012	$1,208.70	$357.69
G20/0001	Big Bell Gold (100%)	Big Bell Gold (100%)		General Purpose Lease	241.35 HA	Granted	3/04/1986	$3,533.20	$5,515.33
G20/0002	Big Bell Gold (100%)	Big Bell Gold (100%)		General Purpose Lease	203.4 HA	Granted	3/04/1986	$2,978.40	$4,649.28
G20/0003	Big Bell Gold (100%)	Big Bell Gold (100%)		General Purpose Lease	33.5748 HA	Granted	3/04/1986	$496.40	$774.88
G20/0011	Big Bell Gold (100%)	Big Bell Gold (100%)		General Purpose Lease	1.2135 HA	Granted	19/05/1999	$29.20	$440.00
G51/0009	Big Bell Gold (100%)	Big Bell Gold (100%)		General Purpose Lease	33.64 HA	Granted	10/04/1986	$496.40	$472.55
G51/0013	Big Bell Gold (100%)	Big Bell Gold (100%)		General Purpose Lease	9.1118 HA	Granted	10/04/1987	$146.00	$440.00
G51/0014	Big Bell Gold (100%)	Big Bell Gold (100%)		General Purpose Lease	9.255 HA	Granted	10/04/1987	$146.00	$440.00
G51/0015	Big Bell Gold (100%)	Big Bell Gold (100%)		General Purpose Lease	8.2105 HA	Granted	10/04/1987	$131.40	$440.00
G51/0017	Big Bell Gold (100%)	Big Bell Gold (100%)		General Purpose Lease	9.105 HA	Granted	10/04/1987	$146.00	$440.00
G51/0026	Big Bell Gold (100%)	Big Bell Gold (100%)		General Purpose Lease	9.8965 HA	Granted	15/11/1990	$151.00	$440.00
L20/0017	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	44.8 HA	Granted	26/07/1988	$679.50	N/A
L20/0018	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	50 HA	Granted	28/06/1988	$730.00	N/A
L20/0021	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	158.22 HA	Granted	18/04/1989	$2,321.40	N/A
L20/0029	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	3 HA	Granted	29/01/1991	$43.80	N/A
L20/0038	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	9.97 HA	Granted	23/11/1995	$151.00	N/A
L20/0039	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	51.43 HA	Granted	27/12/1996	$785.20	N/A

Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
L20/0040	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	139.2 HA	Granted	27/10/1998	$2,114.00	N/A
L20/0041	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	9.43 HA	Granted	27/10/1998	$151.00	N/A
L20/0052	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	25 HA	Granted	17/04/2007	$365.00	N/A
L21/0011	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	0.935 HA	Granted	27/02/1990	$14.60	N/A
L21/0014	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	6 HA	Granted	31/07/2012	$90.60	N/A
L21/0016	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	20 HA	Granted	23/01/2012	$292.00	N/A
L21/0017	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	65.3 HA	Granted	23/01/2012	$963.60	N/A
L21/0019	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	2.3355 HA	Granted	4/12/2015	$45.30	N/A
L51/0018	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	0.8355 HA	Granted	26/02/1985	$14.60	N/A
L51/0029	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	18.2 HA	Granted	26/02/1987	$277.40	N/A
L51/0031	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	13.5 HA	Granted	26/02/1987	$204.40	N/A
L51/0033	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	0.33 HA	Granted	25/03/1987	$14.60	N/A
L51/0034	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	0.19 HA	Granted	25/03/1987	$14.60	N/A
L51/0035	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	45.5 HA	Granted	25/03/1987	$671.60	N/A
L51/0041	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	154.5 HA	Granted	23/03/1988	$2,263.00	N/A
L51/0043	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	19 HA	Granted	23/12/1987	$286.90	N/A
L51/0051	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	16.3 HA	Granted	21/11/1988	$256.70	N/A
L51/0055	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	20.55 HA	Granted	28/06/1989	$306.60	N/A
L51/0056	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	0.04 HA	Granted	28/03/1990	$14.60	N/A
L51/0067	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	18 HA	Granted	12/05/1993	$262.80	N/A
L51/0071	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	27 HA	Granted	8/08/1994	$407.70	N/A
L51/0072	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	200 HA	Granted	8/08/1994	$3,020.00	N/A
L51/0073	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	310 HA	Granted	25/10/1995	$4,681.00	N/A
L51/0077	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	118 HA	Granted	27/01/2000	$1,722.80	N/A
L51/0078	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	75 HA	Granted	24/02/2000	$1,095.00	N/A
L51/0079	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	19 HA	Granted	15/03/2001	$277.40	N/A
L51/0081	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	4 HA	Granted	26/07/2001	$60.40	N/A
L51/0091	Big Bell Gold (100%)	Big Bell Gold (100%)		Miscellaneous Licence	3.9 HA	Granted	19/06/2013	$58.40	N/A
M20/0012	Big Bell Gold (100%)	Big Bell Gold (100%)	$97,000.00	Mining Lease	969.8 HA	Granted	18/04/1984	$16,005.00	$25,054.81
M20/0017	Big Bell Gold (100%)	Big Bell Gold (100%)	$53,500.00	Mining Lease	534.5 HA	Granted	5/11/1984	$9,121.75	$14,310.05

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M20/0021	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,100.00	Mining Lease	100.8 HA	Granted	29/08/1985	$1,722.05	$2,759.12
M20/0022	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	8.4 HA	Granted	29/08/1985	$153.45	$511.00
M20/0045	Big Bell Gold (100%)	Big Bell Gold (100%)	$98,900.00	Mining Lease	988.8 HA	Granted	26/08/1986	$16,862.45	$26,393.28
M20/0050	Big Bell Gold (100%)	Big Bell Gold (100%)	$15,500.00	Mining Lease	154.0934 HA	Granted	25/02/1987	-$1,060.00	$511.00
M20/0068	Big Bell Gold (100%)	Big Bell Gold (100%)	$71,800.00	Mining Lease	717.25 HA	Granted	18/07/1988	$12,241.90	$19,180.61
M20/0069	Big Bell Gold (100%)	Big Bell Gold (100%)	$61,300.00	Mining Lease	612.3 HA	Granted	18/07/1988	$10,451.65	$16,386.03
M20/0070	Big Bell Gold (100%)	Big Bell Gold (100%)	$79,000.00	Mining Lease	789.5 HA	Granted	18/07/1988	$13,469.50	$21,096.89
M20/0071	Big Bell Gold (100%)	Big Bell Gold (100%)	$99,700.00	Mining Lease	996.6 HA	Granted	18/07/1988	$16,998.85	$26,606.20
M20/0073	Big Bell Gold (100%)	Big Bell Gold (100%)	$69,400.00	Mining Lease	693.45 HA	Granted	18/07/1988	$11,832.70	$18,541.84
M20/0077	Big Bell Gold (100%)	Big Bell Gold (100%)	$77,100.00	Mining Lease	770.2 HA	Granted	8/02/1988	$12,721.50	$19,929.26
M20/0078	Big Bell Gold (100%)	Big Bell Gold (100%)	$15,200.00	Mining Lease	151.9 HA	Granted	14/01/1988	$2,508.00	$3,985.99
M20/0098	Big Bell Gold (100%)	Big Bell Gold (100%)	$26,800.00	Mining Lease	267.1241 HA	Granted	19/02/1988	$4,422.00	$6,973.74
M20/0099	Big Bell Gold (100%)	Big Bell Gold (100%)	$24,600.00	Mining Lease	245.9 HA	Granted	19/02/1988	$4,059.00	$6,407.10
M20/0102	Big Bell Gold (100%)	Big Bell Gold (100%)	$58,500.00	Mining Lease	584.05 HA	Granted	27/07/1988	$9,974.25	$15,640.80
M20/0103	Big Bell Gold (100%)	Big Bell Gold (100%)	$56,900.00	Mining Lease	569 HA	Granted	19/05/1988	$9,388.50	$14,726.45
M20/0104	Big Bell Gold (100%)	Big Bell Gold (100%)	$35,300.00	Mining Lease	352.25 HA	Granted	19/05/1988	$5,824.50	$9,163.04
M20/0105	Big Bell Gold (100%)	Big Bell Gold (100%)	$86,600.00	Mining Lease	865.4 HA	Granted	19/05/1988	$14,289.00	$22,376.13
M20/0107	Big Bell Gold (100%)	Big Bell Gold (100%)	$71,000.00	Mining Lease	709.1 HA	Granted	10/10/1988	$12,105.50	$18,967.69
M20/0171	Big Bell Gold (100%)	Big Bell Gold (100%)	$19,800.00	Mining Lease	197.55 HA	Granted	29/06/1989	$3,267.00	$5,170.79
M20/0192	Big Bell Gold (100%)	Big Bell Gold (100%)	$16,200.00	Mining Lease	161.4741 HA	Granted	11/09/1990	$2,762.10	$4,382.64
M20/0197	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	96.6181 HA	Granted	14/06/1990	$1,600.50	$2,569.38
M20/0202	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	41.695 HA	Granted	24/10/1991	$716.10	$1,188.83
M20/0212	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	94.96 HA	Granted	11/07/1991	$1,619.75	$2,599.43
M20/0214	Big Bell Gold (100%)	Big Bell Gold (100%)	$46,900.00	Mining Lease	468.7 HA	Granted	2/09/1991	$7,996.45	$12,553.46
M20/0218	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	76.625 HA	Granted	2/04/1992	$1,270.50	$2,054.25
M20/0219	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	8.9425 HA	Granted	2/09/1991	$153.45	$511.00
M20/0249	Big Bell Gold (100%)	Big Bell Gold (100%)	$91,600.00	Mining Lease	916 HA	Granted	2/02/1993	$15,114.00	$23,663.95
M20/0252	Big Bell Gold (100%)	Big Bell Gold (100%)	$80,000.00	Mining Lease	799.5 HA	Granted	16/12/1992	$13,640.00	$21,363.04
M20/0256	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	87.985 HA	Granted	18/05/1993	$1,452.00	$2,337.57
M20/0293	Big Bell Gold (100%)	Big Bell Gold (100%)	$84,800.00	Mining Lease	847.15 HA	Granted	28/11/1995	$14,458.40	$22,640.56

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M20/0297	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,900.00	Mining Lease	108.8 HA	Granted	17/05/1999	$1,798.50	$2,878.46
M20/0299	Big Bell Gold (100%)	Big Bell Gold (100%)	$13,500.00	Mining Lease	135 HA	Granted	27/02/1996	$2,227.50	$3,548.13
M20/0301	Big Bell Gold (100%)	Big Bell Gold (100%)	$17,000.00	Mining Lease	169.5 HA	Granted	27/02/1996	$2,805.00	$4,449.61
M20/0307	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	41.7987 HA	Granted	3/04/1996	$693.00	$1,152.77
M20/0309	Big Bell Gold (100%)	Big Bell Gold (100%)	$56,200.00	Mining Lease	561.25 HA	Granted	31/05/1996	$9,273.00	$14,546.15
M20/0332	Big Bell Gold (100%)	Big Bell Gold (100%)	$21,200.00	Mining Lease	212 HA	Granted	13/03/2015	$3,498.00	$5,531.38
M20/0333	Big Bell Gold (100%)	Big Bell Gold (100%)	$12,200.00	Mining Lease	121.25 HA	Granted	13/03/2015	$2,013.00	$3,213.29
M20/0354	Big Bell Gold (100%)	Big Bell Gold (100%)	$42,200.00	Mining Lease	421.45 HA	Granted	16/06/1999	$6,963.00	$10,940.24
M20/0418	Big Bell Gold (100%)	Big Bell Gold (100%)	$40,600.00	Mining Lease	405.7 HA	Granted	13/03/2015	$6,699.00	$10,528.14
M20/0420	Big Bell Gold (100%)	Big Bell Gold (100%)	$49,000.00	Mining Lease	489.3 HA	Granted	22/11/2012	$8,354.50	$13,112.37
M20/0421	Big Bell Gold (100%)	Big Bell Gold (100%)	$69,300.00	Mining Lease	692.2 HA	Granted	22/11/2012	$11,815.65	$18,515.23
M20/0435	Big Bell Gold (100%)	Big Bell Gold (100%)	$13,600.00	Mining Lease	135.9 HA	Granted	13/03/2015	$2,244.00	$3,573.88
M20/0437	Big Bell Gold (100%)	Big Bell Gold (100%)	$78,600.00	Mining Lease	786 HA	Granted	5/06/2013	$12,969.00	$20,315.61
M20/0438	Big Bell Gold (100%)	Big Bell Gold (100%)	$15,500.00	Mining Lease	155 HA	Granted	5/06/2013	$2,557.50	$4,063.26
M20/0443	Big Bell Gold (100%)	Big Bell Gold (100%)	$48,800.00	Mining Lease	488 HA	Granted	21/09/2010	$8,320.40	$13,059.14
M20/0444	Big Bell Gold (100%)	Big Bell Gold (100%)	$62,100.00	Mining Lease	621 HA	Granted	21/09/2010	$10,588.05	$16,598.95
M20/0445	Big Bell Gold (100%)	Big Bell Gold (100%)	$91,300.00	Mining Lease	913 HA	Granted	21/09/2010	$15,566.65	$24,370.54
M20/0456	Big Bell Gold (100%)	Big Bell Gold (100%)	$23,700.00	Mining Lease	236.8237 HA	Granted	13/03/2015	$3,910.50	$6,175.29
M20/0476	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	19.86 HA	Granted	5/06/2013	$330.00	$586.13
M20/0477	Big Bell Gold (100%)	Big Bell Gold (100%)	$82,700.00	Mining Lease	826.4 HA	Granted	5/06/2013	$13,645.50	$21,371.63
M20/0496	Big Bell Gold (100%)	Big Bell Gold (100%)	$11,500.00	Mining Lease	115 HA	Granted	21/09/2010	$1,960.75	$3,131.73
M21/0007	Big Bell Gold (100%)	Big Bell Gold (100%)	$100,000.00	Mining Lease	999.9 HA	Granted	1/10/1985	$17,050.00	$26,686.05
M21/0008	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	47.68 HA	Granted	16/05/1986	$792.00	$1,307.31
M21/0010	Big Bell Gold (100%)	Big Bell Gold (100%)	$13,600.00	Mining Lease	135.55 HA	Granted	29/04/1986	$2,244.00	$3,573.88
M21/0014	Big Bell Gold (100%)	Big Bell Gold (100%)	$13,100.00	Mining Lease	130.55 HA	Granted	6/06/1986	$2,161.50	$3,445.10
M21/0024	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	18.005 HA	Granted	20/04/1989	$313.50	$560.37
M21/0044	Big Bell Gold (100%)	Big Bell Gold (100%)	$21,800.00	Mining Lease	217.1 HA	Granted	3/08/1989	$3,716.90	$5,873.08
M21/0049	Big Bell Gold (100%)	Big Bell Gold (100%)	$11,800.00	Mining Lease	117.6 HA	Granted	3/03/1989	$1,947.00	$3,110.27
M21/0055	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	2.639 HA	Granted	14/10/1991	$51.15	$511.00
M21/0056	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	9.2865 HA	Granted	14/10/1991	$170.50	$511.00

Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
M21/0065	Big Bell Gold (100%)	Big Bell Gold (100%)	$64,500.00	Mining Lease	644.8 HA	Granted	25/10/1991	$10,997.25	$17,237.71
M21/0069	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	78.23 HA	Granted	7/07/1992	$1,346.95	$2,173.59
M21/0072	Big Bell Gold (100%)	Big Bell Gold (100%)	$74,600.00	Mining Lease	745.3 HA	Granted	2/09/1991	$12,719.30	$19,925.83
M21/0074	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	83.62 HA	Granted	2/04/1992	$1,386.00	$2,234.55
M21/0075	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	5.0585 HA	Granted	2/09/1991	$102.30	$511.00
M21/0083	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	58.425 HA	Granted	22/09/1993	$1,005.95	$1,641.29
M21/0089	Big Bell Gold (100%)	Big Bell Gold (100%)	$20,400.00	Mining Lease	203.25 HA	Granted	29/09/1995	$3,478.20	$5,500.47
M21/0093	Big Bell Gold (100%)	Big Bell Gold (100%)	$14,800.00	Mining Lease	147.4 HA	Granted	14/12/1995	$2,523.40	$4,010.03
M21/0096	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	41 HA	Granted	17/09/2014	$699.05	$1,162.22
M21/0097	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	8.285 HA	Granted	17/09/2014	$153.45	$511.00
M21/0102	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	80.37 HA	Granted	22/03/1999	$1,336.50	$2,157.28
M21/0105	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	19.415 HA	Granted	15/07/1996	$341.00	$603.30
M21/0122	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	2.6465 HA	Granted	17/09/2014	$51.15	$511.00
M21/0123	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	50.18 HA	Granted	17/09/2014	$869.55	$1,428.37
M21/0141	Big Bell Gold (100%)	Big Bell Gold (100%)	$12,200.00	Mining Lease	121.2 HA	Granted	17/09/2014	$2,080.10	$3,318.04
M51/0006	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	40.4 HA	Granted	29/12/1982	$699.05	$736.46
M51/0012	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	8.45 HA	Granted	29/03/1983	$148.50	$421.00
M51/0027	Big Bell Gold (100%)	Big Bell Gold (100%)	$19,700.00	Mining Lease	196.2 HA	Granted	9/05/1984	$3,250.50	$3,165.30
M51/0028	Big Bell Gold (100%)	Big Bell Gold (100%)	$17,500.00	Mining Lease	174.55 HA	Granted	9/05/1984	$2,887.50	$2,819.74
M51/0031	Big Bell Gold (100%)	Big Bell Gold (100%)	$26,300.00	Mining Lease	262.8 HA	Granted	26/07/1984	$4,484.15	$4,339.66
M51/0033	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	25.025 HA	Granted	5/09/1984	$443.30	$493.00
M51/0035	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	8.9035 HA	Granted	7/09/1984	$153.45	$421.00
M51/0039	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	15.81 HA	Granted	23/10/1984	$272.80	$421.00
M51/0051	Big Bell Gold (100%)	Big Bell Gold (100%)	$13,300.00	Mining Lease	132.7 HA	Granted	3/04/1986	$2,194.50	$2,160.04
M51/0053	Big Bell Gold (100%)	Big Bell Gold (100%)	$19,800.00	Mining Lease	197.4 HA	Granted	19/08/1985	$3,375.90	$3,284.67
M51/0062	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	14.665 HA	Granted	23/09/1985	$255.75	$421.00
M51/0075	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	55.315 HA	Granted	18/03/1986	$924.00	$950.60
M51/0079	Big Bell Gold (100%)	Big Bell Gold (100%)	$24,100.00	Mining Lease	240.05 HA	Granted	26/06/1986	$3,976.50	$3,856.41
M51/0091	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	4.856 HA	Granted	10/12/1986	$85.25	$421.00
M51/0092	Big Bell Gold (100%)	Big Bell Gold (100%)	$34,400.00	Mining Lease	343.55 HA	Granted	25/07/1986	$5,865.20	$9,226.58

Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
M51/0096	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	9.7145 HA	Granted	19/12/1986	$170.50	$421.00
M51/0132	Big Bell Gold (100%)	Big Bell Gold (100%)	$86,800.00	Mining Lease	867.55 HA	Granted	25/09/1987	$14,799.40	$14,159.21
M51/0161	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	4.861 HA	Granted	8/02/1988	$82.50	$421.00
M51/0180	Big Bell Gold (100%)	Big Bell Gold (100%)	$22,900.00	Mining Lease	228.6 HA	Granted	29/03/1988	$3,778.50	$3,667.92
M51/0187	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	71.62 HA	Granted	19/05/1988	$1,188.00	$1,201.91
M51/0190	Big Bell Gold (100%)	Big Bell Gold (100%)	$49,200.00	Mining Lease	491.15 HA	Granted	6/05/1988	$8,118.00	$7,798.89
M51/0199	Big Bell Gold (100%)	Big Bell Gold (100%)	$20,400.00	Mining Lease	203.05 HA	Granted	19/05/1988	$3,366.00	$3,275.25
M51/0200	Big Bell Gold (100%)	Big Bell Gold (100%)	$81,800.00	Mining Lease	817.7 HA	Granted	19/05/1988	$13,497.00	$12,919.40
M51/0203	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	87.565 HA	Granted	12/07/1988	$1,500.40	$1,499.30
M51/0209	Big Bell Gold (100%)	Big Bell Gold (100%)	$11,800.00	Mining Lease	117.4 HA	Granted	8/08/1988	$2,011.90	$1,986.22
M51/0211	Big Bell Gold (100%)	Big Bell Gold (100%)	$78,300.00	Mining Lease	782.05 HA	Granted	30/08/1988	$13,350.15	$12,779.61
M51/0233	Big Bell Gold (100%)	Big Bell Gold (100%)	$84,200.00	Mining Lease	841.85 HA	Granted	22/09/1988	$14,356.10	$22,480.87
M51/0235	Big Bell Gold (100%)	Big Bell Gold (100%)	$14,900.00	Mining Lease	148.65 HA	Granted	22/09/1988	$2,540.45	$4,036.64
M51/0236	Big Bell Gold (100%)	Big Bell Gold (100%)	$99,200.00	Mining Lease	991.85 HA	Granted	22/09/1988	$16,913.60	$26,473.13
M51/0237	Big Bell Gold (100%)	Big Bell Gold (100%)	$99,800.00	Mining Lease	998 HA	Granted	22/09/1988	$17,015.90	$18,338.77
M51/0254	Big Bell Gold (100%)	Big Bell Gold (100%)	$92,500.00	Mining Lease	924.35 HA	Granted	17/01/1989	$15,262.50	$23,895.76
M51/0256	Big Bell Gold (100%)	Big Bell Gold (100%)	$74,200.00	Mining Lease	741.75 HA	Granted	23/09/1988	$12,651.10	$12,114.15
M51/0257	Big Bell Gold (100%)	Big Bell Gold (100%)	$85,000.00	Mining Lease	849.5 HA	Granted	23/09/1988	$14,492.50	$13,867.06
M51/0280	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	99.435 HA	Granted	14/07/1989	$1,705.00	$1,694.07
M51/0281	Big Bell Gold (100%)	Big Bell Gold (100%)	$48,200.00	Mining Lease	482 HA	Granted	22/03/1990	$7,953.00	$7,641.82
M51/0320	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	7.7085 HA	Granted	3/08/1989	$136.40	$421.00
M51/0321	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	3.045 HA	Granted	25/08/1989	$68.20	$421.00
M51/0322	Big Bell Gold (100%)	Big Bell Gold (100%)	$12,000.00	Mining Lease	120 HA	Granted	25/08/1989	$2,046.00	$2,018.68
M51/0325	Big Bell Gold (100%)	Big Bell Gold (100%)	$63,400.00	Mining Lease	633.5 HA	Granted	4/12/1989	$10,809.70	$10,361.24
M51/0334	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,500.00	Mining Lease	104.85 HA	Granted	5/10/1989	$1,790.25	$1,775.22
M51/0374	Big Bell Gold (100%)	Big Bell Gold (100%)	$20,300.00	Mining Lease	202.6 HA	Granted	11/09/1990	$3,461.15	$3,365.82
M51/0381	Big Bell Gold (100%)	Big Bell Gold (100%)	$13,100.00	Mining Lease	130.4 HA	Granted	20/03/1991	$2,161.50	$3,445.10
M51/0385	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	27.905 HA	Granted	27/11/1991	$477.40	$525.46
M51/0386	Big Bell Gold (100%)	Big Bell Gold (100%)	$11,400.00	Mining Lease	113.4 HA	Granted	11/03/1992	$1,881.00	$1,861.61
M51/0393	Big Bell Gold (100%)	Big Bell Gold (100%)	$70,400.00	Mining Lease	703.95 HA	Granted	4/11/1991	$12,003.20	$11,497.39

Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
M51/0409	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	54.84 HA	Granted	4/11/1991	$937.75	$963.69
M51/0418	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	4.8565 HA	Granted	2/04/1992	$82.50	$421.00
M51/0419	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	4.5025 HA	Granted	21/05/1992	$82.50	$421.00
M51/0422	Big Bell Gold (100%)	Big Bell Gold (100%)	$98,800.00	Mining Lease	988 HA	Granted	8/07/1992	$16,845.40	$18,603.78
M51/0423	Big Bell Gold (100%)	Big Bell Gold (100%)	$94,500.00	Mining Lease	945 HA	Granted	8/07/1992	$16,112.25	$15,408.98
M51/0424	Big Bell Gold (100%)	Big Bell Gold (100%)	$96,000.00	Mining Lease	960 HA	Granted	8/07/1992	$16,368.00	$15,652.44
M51/0427	Big Bell Gold (100%)	Big Bell Gold (100%)	$92,500.00	Mining Lease	925 HA	Granted	8/07/1992	$15,771.25	$15,084.36
M51/0433	Big Bell Gold (100%)	Big Bell Gold (100%)	$27,800.00	Mining Lease	277.55 HA	Granted	3/09/1992	$4,739.90	$4,583.12
M51/0437	Big Bell Gold (100%)	Big Bell Gold (100%)	$93,700.00	Mining Lease	936.675 HA	Granted	10/08/1993	$15,975.85	$15,279.13
M51/0438	Big Bell Gold (100%)	Big Bell Gold (100%)	$79,500.00	Mining Lease	794.35 HA	Granted	10/08/1993	$13,554.75	$12,974.38
M51/0439	Big Bell Gold (100%)	Big Bell Gold (100%)	$75,100.00	Mining Lease	750.25 HA	Granted	10/08/1993	$12,804.55	$12,260.23
M51/0440	Big Bell Gold (100%)	Big Bell Gold (100%)	$82,400.00	Mining Lease	823.3 HA	Granted	10/08/1993	$14,049.20	$13,445.07
M51/0441	Big Bell Gold (100%)	Big Bell Gold (100%)	$24,500.00	Mining Lease	245 HA	Granted	6/10/1992	$4,177.25	$4,047.51
M51/0445	Big Bell Gold (100%)	Big Bell Gold (100%)	$80,000.00	Mining Lease	800 HA	Granted	20/01/1993	$13,200.00	$12,636.67
M51/0446	Big Bell Gold (100%)	Big Bell Gold (100%)	$59,700.00	Mining Lease	597 HA	Granted	20/01/1993	$9,850.50	$9,448.13
M51/0447	Big Bell Gold (100%)	Big Bell Gold (100%)	$20,000.00	Mining Lease	200 HA	Granted	14/01/1993	$3,300.00	$3,212.42
M51/0455	Big Bell Gold (100%)	Big Bell Gold (100%)	$33,500.00	Mining Lease	335 HA	Granted	15/01/1993	$5,527.50	$5,332.88
M51/0456	Big Bell Gold (100%)	Big Bell Gold (100%)	$60,000.00	Mining Lease	600 HA	Granted	15/01/1993	$9,900.00	$14,247.97
M51/0459	Big Bell Gold (100%)	Big Bell Gold (100%)	$93,600.00	Mining Lease	935.2 HA	Granted	5/02/1993	$15,444.00	$14,772.84
M51/0462	Big Bell Gold (100%)	Big Bell Gold (100%)	$76,900.00	Mining Lease	769 HA	Granted	13/05/1993	$12,688.50	$12,149.75
M51/0463	Big Bell Gold (100%)	Big Bell Gold (100%)	$80,000.00	Mining Lease	800 HA	Granted	13/05/1993	$13,200.00	$12,636.67
M51/0465	Big Bell Gold (100%)	Big Bell Gold (100%)	$92,000.00	Mining Lease	920 HA	Granted	3/06/1993	$15,180.00	$14,521.53
M51/0468	Big Bell Gold (100%)	Big Bell Gold (100%)	$90,300.00	Mining Lease	903 HA	Granted	3/06/1993	$14,899.50	$14,254.50
M51/0469	Big Bell Gold (100%)	Big Bell Gold (100%)	$72,300.00	Mining Lease	723 HA	Granted	3/06/1993	$11,929.50	$12,059.69
M51/0471	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	6.9 HA	Granted	24/05/1993	$115.50	$421.00
M51/0472	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	7.9245 HA	Granted	10/06/1993	$132.00	$421.00
M51/0477	Big Bell Gold (100%)	Big Bell Gold (100%)	$50,000.00	Mining Lease	500 HA	Granted	12/08/1993	$8,525.00	$8,186.33
M51/0482	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	9 HA	Granted	27/10/1993	$153.45	$421.00
M51/0483	Big Bell Gold (100%)	Big Bell Gold (100%)	$87,900.00	Mining Lease	878.1 HA	Granted	19/02/2013	$14,503.50	$13,877.53
M51/0484	Big Bell Gold (100%)	Big Bell Gold (100%)	$92,900.00	Mining Lease	928.6 HA	Granted	31/07/2007	$15,839.45	$15,149.29

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M51/0485	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	9.6 HA	Granted	3/11/1993	$170.50	$421.00
M51/0486	Big Bell Gold (100%)	Big Bell Gold (100%)	$66,400.00	Mining Lease	663.3 HA	Granted	9/11/1993	$11,321.20	$10,848.16
M51/0487	Big Bell Gold (100%)	Big Bell Gold (100%)	$65,900.00	Mining Lease	659 HA	Granted	11/11/1993	$11,235.95	$10,767.01
M51/0488	Big Bell Gold (100%)	Big Bell Gold (100%)	$41,700.00	Mining Lease	417 HA	Granted	11/11/1993	$7,109.85	$6,839.19
M51/0489	Big Bell Gold (100%)	Big Bell Gold (100%)	$23,800.00	Mining Lease	238 HA	Granted	9/11/1993	$4,057.90	$3,933.90
M51/0490	Big Bell Gold (100%)	Big Bell Gold (100%)	$24,000.00	Mining Lease	240 HA	Granted	13/12/1993	$4,092.00	$3,966.36
M51/0491	Big Bell Gold (100%)	Big Bell Gold (100%)	$75,000.00	Mining Lease	749.55 HA	Granted	8/03/1994	$12,375.00	$11,851.32
M51/0492	Big Bell Gold (100%)	Big Bell Gold (100%)	$100,000.00	Mining Lease	1000 HA	Granted	2/02/1994	$16,500.00	$15,778.09
M51/0493	Big Bell Gold (100%)	Big Bell Gold (100%)	$94,700.00	Mining Lease	947 HA	Granted	2/02/1994	$15,625.50	$14,945.62
M51/0494	Big Bell Gold (100%)	Big Bell Gold (100%)	$98,900.00	Mining Lease	989 HA	Granted	2/02/1994	$16,318.50	$15,605.31
M51/0495	Big Bell Gold (100%)	Big Bell Gold (100%)	$74,900.00	Mining Lease	749 HA	Granted	2/02/1994	$12,358.50	$11,835.61
M51/0496	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	4 HA	Granted	11/01/1994	$66.00	$421.00
M51/0500	Big Bell Gold (100%)	Big Bell Gold (100%)	$26,900.00	Mining Lease	269 HA	Granted	23/05/1994	$4,438.50	$4,296.21
M51/0501	Big Bell Gold (100%)	Big Bell Gold (100%)	$15,500.00	Mining Lease	155 HA	Granted	18/07/1994	$2,642.75	$2,586.75
M51/0502	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	18.68 HA	Granted	7/12/1994	$323.95	$421.00
M51/0503	Big Bell Gold (100%)	Big Bell Gold (100%)	$20,000.00	Mining Lease	200 HA	Granted	2/08/1994	$3,410.00	$3,317.13
M51/0504	Big Bell Gold (100%)	Big Bell Gold (100%)	$18,200.00	Mining Lease	181.9 HA	Granted	1/09/1994	$3,103.10	$3,024.98
M51/0516	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	61.38 HA	Granted	8/11/1994	$1,057.10	$1,077.30
M51/0521	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	4.36 HA	Granted	6/12/1994	$85.25	$421.00
M51/0523	Big Bell Gold (100%)	Big Bell Gold (100%)	$51,500.00	Mining Lease	515 HA	Granted	23/12/1994	$8,780.75	$8,429.79
M51/0524	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	84 HA	Granted	23/12/1994	$1,432.20	$1,434.38
M51/0525	Big Bell Gold (100%)	Big Bell Gold (100%)	$33,000.00	Mining Lease	330 HA	Granted	23/12/1994	$5,626.50	$5,427.12
M51/0526	Big Bell Gold (100%)	Big Bell Gold (100%)	$18,000.00	Mining Lease	180 HA	Granted	23/12/1994	$3,069.00	$2,992.52
M51/0528	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	54 HA	Granted	21/12/1994	$920.70	$947.46
M51/0539	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	5 HA	Granted	26/07/1995	$85.25	$421.00
M51/0557	Big Bell Gold (100%)	Big Bell Gold (100%)	$24,100.00	Mining Lease	241 HA	Granted	17/10/2012	$4,109.05	$3,982.59
M51/0560	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	11 HA	Granted	28/02/1996	$181.50	$421.00
M51/0561	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	19 HA	Granted	31/08/2012	$323.95	$421.00
M51/0568	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	2.5 HA	Granted	17/10/2012	$51.15	$421.00
M51/0569	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	8.946 HA	Granted	17/10/2012	$153.45	$421.00

Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
M51/0570	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	10.5 HA	Granted	17/10/2012	$187.55	$421.00
M51/0571	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	9.8 HA	Granted	17/10/2012	$170.50	$421.00
M51/0572	Big Bell Gold (100%)	Big Bell Gold (100%)	$85,200.00	Mining Lease	852 HA	Granted	5/06/2013	$14,058.00	$13,453.44
M51/0573	Big Bell Gold (100%)	Big Bell Gold (100%)	$12,000.00	Mining Lease	120 HA	Granted	17/10/2012	$2,046.00	$2,018.68
M51/0575	Big Bell Gold (100%)	Big Bell Gold (100%)	$78,700.00	Mining Lease	787 HA	Granted	17/10/2012	$13,418.35	$12,844.53
M51/0576	Big Bell Gold (100%)	Big Bell Gold (100%)	$11,700.00	Mining Lease	117 HA	Granted	17/10/2012	$1,994.85	$1,969.99
M51/0581	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	6 HA	Granted	17/10/2012	$102.30	$421.00
M51/0582	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	2.7855 HA	Granted	17/10/2012	$51.15	$421.00
M51/0584	Big Bell Gold (100%)	Big Bell Gold (100%)	$97,100.00	Mining Lease	971 HA	Granted	18/10/2012	$16,555.55	$15,830.97
M51/0586	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	7 HA	Granted	18/10/2012	$119.35	$421.00
M51/0587	Big Bell Gold (100%)	Big Bell Gold (100%)	$19,800.00	Mining Lease	198 HA	Granted	18/10/2012	$3,375.90	$3,284.67
M51/0605	Big Bell Gold (100%)	Big Bell Gold (100%)	$15,400.00	Mining Lease	154 HA	Granted	30/08/2010	$2,625.70	$2,570.52
M51/0611	Big Bell Gold (100%)	Big Bell Gold (100%)	$77,700.00	Mining Lease	777 HA	Granted	30/08/2010	$13,247.85	$12,682.22
M51/0612	Big Bell Gold (100%)	Big Bell Gold (100%)	$56,000.00	Mining Lease	560 HA	Granted	30/08/2010	$9,548.00	$9,160.17
M51/0613	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	9 HA	Granted	18/10/2012	$153.45	$421.00
M51/0628	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	52 HA	Granted	18/10/2012	$886.60	$914.99
M51/0637	Big Bell Gold (100%)	Big Bell Gold (100%)	$98,600.00	Mining Lease	986 HA	Granted	18/10/2012	$16,811.30	$16,074.43
M51/0638	Big Bell Gold (100%)	Big Bell Gold (100%)	$22,200.00	Mining Lease	222 HA	Granted	25/10/2012	$3,785.10	$3,674.21
M51/0639	Big Bell Gold (100%)	Big Bell Gold (100%)	$92,800.00	Mining Lease	928 HA	Granted	25/10/2012	$15,822.40	$15,133.05
M51/0640	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	26 HA	Granted	18/10/2012	$443.30	$493.00
M51/0643	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	90 HA	Granted	1/10/1997	$1,534.50	$1,531.76
M51/0644	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	68 HA	Granted	18/10/2012	$1,159.40	$1,174.69
M51/0645	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	76 HA	Granted	18/10/2012	$1,295.80	$1,304.53
M51/0649	Big Bell Gold (100%)	Big Bell Gold (100%)	$43,600.00	Mining Lease	436 HA	Granted	28/09/2010	$7,433.80	$11,675.16
M51/0652	Big Bell Gold (100%)	Big Bell Gold (100%)	$71,400.00	Mining Lease	714 HA	Granted	5/06/2013	$11,781.00	$11,285.86
M51/0653	Big Bell Gold (100%)	Big Bell Gold (100%)	$11,500.00	Mining Lease	115 HA	Granted	5/06/2013	$1,897.50	$1,877.32
M51/0654	Big Bell Gold (100%)	Big Bell Gold (100%)	$17,200.00	Mining Lease	172 HA	Granted	5/06/2013	$2,838.00	$2,772.62
M51/0666	Big Bell Gold (100%)	Big Bell Gold (100%)	$58,400.00	Mining Lease	583.875 HA	Granted	5/06/2013	$9,636.00	$9,243.94
M51/0667	Big Bell Gold (100%)	Big Bell Gold (100%)	$60,600.00	Mining Lease	606 HA	Granted	5/06/2013	$9,999.00	$9,589.50
M51/0668	Big Bell Gold (100%)	Big Bell Gold (100%)	$69,500.00	Mining Lease	695 HA	Granted	5/06/2013	$11,467.50	$10,987.43

Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
M51/0669	Big Bell Gold (100%)	Big Bell Gold (100%)	$86,900.00	Mining Lease	869 HA	Granted	5/06/2013	$14,338.50	$13,720.46
M51/0670	Big Bell Gold (100%)	Big Bell Gold (100%)	$86,000.00	Mining Lease	860 HA	Granted	5/06/2013	$14,190.00	$13,579.10
M51/0671	Big Bell Gold (100%)	Big Bell Gold (100%)	$79,400.00	Mining Lease	794 HA	Granted	5/06/2013	$13,101.00	$12,542.43
M51/0672	Big Bell Gold (100%)	Big Bell Gold (100%)	$82,500.00	Mining Lease	825 HA	Granted	5/06/2013	$13,612.50	$13,029.35
M51/0673	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	88 HA	Granted	5/06/2013	$1,452.00	$1,453.22
M51/0674	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	14.565 HA	Granted	18/10/2012	$255.75	$421.00
M51/0675	Big Bell Gold (100%)	Big Bell Gold (100%)	$21,700.00	Mining Lease	216.3558 HA	Granted	22/11/2012	$3,699.85	$5,846.47
M51/0677	Big Bell Gold (100%)	Big Bell Gold (100%)	$13,400.00	Mining Lease	133.03 HA	Granted	18/10/2012	$2,284.70	$2,245.91
M51/0678	Big Bell Gold (100%)	Big Bell Gold (100%)	$59,700.00	Mining Lease	596.37 HA	Granted	19/10/2012	$10,178.85	$9,760.71
M51/0680	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	10 HA	Granted	19/10/2012	$170.50	$421.00
M51/0688	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	46 HA	Granted	19/10/2012	$784.30	$817.61
M51/0717	Big Bell Gold (100%)	Big Bell Gold (100%)	$87,600.00	Mining Lease	875.5 HA	Granted	30/08/2010	$14,935.80	$14,289.06
M51/0718	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	6.59 HA	Granted	19/10/2012	$119.35	$421.00
M51/0737	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	5 HA	Granted	19/10/2012	$85.25	$421.00
M51/0738	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	8.2995 HA	Granted	3/09/2008	$153.45	$421.00
M51/0740	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	4.6982 HA	Granted	19/10/2012	$85.25	$421.00
M51/0741	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	41 HA	Granted	5/06/2013	$676.50	$714.99
M51/0746	Big Bell Gold (100%)	Big Bell Gold (100%)	$38,100.00	Mining Lease	380.7072 HA	Granted	22/11/2012	$6,496.05	$10,211.33
M51/0757	Big Bell Gold (100%)	Big Bell Gold (100%)	$56,900.00	Mining Lease	568.4 HA	Granted	22/11/2012	$9,701.45	$11,783.96
M51/0758	Big Bell Gold (100%)	Big Bell Gold (100%)	$12,300.00	Mining Lease	123 HA	Granted	19/10/2012	$2,097.15	$2,067.37
M51/0762	Big Bell Gold (100%)	Big Bell Gold (100%)	$84,600.00	Mining Lease	845.1 HA	Granted	28/09/2010	$14,424.30	$22,587.33
M51/0778	Big Bell Gold (100%)	Big Bell Gold (100%)	$69,000.00	Mining Lease	690 HA	Granted	5/06/2013	$11,385.00	$17,842.99
M51/0780	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	10 HA	Granted	19/10/2012	$170.50	$421.00
M51/0781	Big Bell Gold (100%)	Big Bell Gold (100%)	$70,000.00	Mining Lease	700 HA	Granted	5/06/2013	$11,550.00	$12,173.76
M51/0782	Big Bell Gold (100%)	Big Bell Gold (100%)	$37,600.00	Mining Lease	376 HA	Granted	19/10/2012	$6,410.80	$6,173.73
M51/0783	Big Bell Gold (100%)	Big Bell Gold (100%)	$41,400.00	Mining Lease	414 HA	Granted	19/10/2012	$7,058.70	$6,790.49
M51/0784	Big Bell Gold (100%)	Big Bell Gold (100%)	$22,800.00	Mining Lease	228 HA	Granted	19/10/2012	$3,887.40	$3,771.59
M51/0788	Big Bell Gold (100%)	Big Bell Gold (100%)	$83,600.00	Mining Lease	836 HA	Granted	5/06/2013	$13,794.00	$13,202.13
M51/0793	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	4.857 HA	Granted	11/12/2000	$85.25	$421.00
M51/0794	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	18.65 HA	Granted	11/12/2000	$323.95	$421.00

Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
M51/0795	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	9.7064 HA	Granted	11/12/2000	$170.50	$421.00
M51/0796	Big Bell Gold (100%)	Big Bell Gold (100%)	$72,800.00	Mining Lease	728 HA	Granted	5/06/2013	$12,012.00	$11,505.76
M51/0798	Big Bell Gold (100%)	Big Bell Gold (100%)	$91,700.00	Mining Lease	917 HA	Granted	5/06/2013	$15,130.50	$14,474.40
M51/0799	Big Bell Gold (100%)	Big Bell Gold (100%)	$91,700.00	Mining Lease	917 HA	Granted	5/06/2013	$15,130.50	$14,474.40
M51/0800	Big Bell Gold (100%)	Big Bell Gold (100%)	$91,700.00	Mining Lease	917 HA	Granted	5/06/2013	$15,130.50	$14,474.40
M51/0801	Big Bell Gold (100%)	Big Bell Gold (100%)	$91,700.00	Mining Lease	917 HA	Granted	5/06/2013	$15,130.50	$14,474.40
M51/0803	Big Bell Gold (100%)	Big Bell Gold (100%)	$30,600.00	Mining Lease	306 HA	Granted	8/02/2001	$5,049.00	$4,877.37
M51/0805	Big Bell Gold (100%)	Big Bell Gold (100%)	$47,400.00	Mining Lease	473.55 HA	Granted	3/09/2008	$8,081.70	$7,764.33
M51/0807	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	4 HA	Granted	5/06/2013	$66.00	$421.00
M51/0809	Big Bell Gold (100%)	Big Bell Gold (100%)	$94,200.00	Mining Lease	942 HA	Granted	5/06/2013	$15,543.00	$24,032.49
M51/0810	Big Bell Gold (100%)	Big Bell Gold (100%)	$30,600.00	Mining Lease	306 HA	Granted	5/06/2013	$5,049.00	$4,877.37
M51/0811	Big Bell Gold (100%)	Big Bell Gold (100%)	$29,800.00	Mining Lease	298 HA	Granted	19/10/2012	$5,080.90	$4,907.74
M51/0819	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	1.5006 HA	Granted	17/06/2002	$33.00	$421.00
M51/0820	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	9.7059 HA	Granted	17/06/2002	$165.00	$421.00
M51/0822	Big Bell Gold (100%)	Big Bell Gold (100%)	$91,800.00	Mining Lease	917.6628 HA	Granted	5/06/2013	$15,147.00	$14,490.11
M51/0823	Big Bell Gold (100%)	Big Bell Gold (100%)	$91,900.00	Mining Lease	918.0606 HA	Granted	5/06/2013	$15,163.50	$14,505.82
M51/0824	Big Bell Gold (100%)	Big Bell Gold (100%)	$22,900.00	Mining Lease	228.4087 HA	Granted	5/06/2013	$3,778.50	$3,667.92
M51/0825	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	49 HA	Granted	5/06/2013	$808.50	$840.65
M51/0830	Big Bell Gold (100%)	Big Bell Gold (100%)	$19,900.00	Mining Lease	199 HA	Granted	5/06/2013	$3,283.50	$3,196.71
M51/0834	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	93.105 HA	Granted	19/10/2012	$1,602.70	$1,596.68
M51/0849	Big Bell Gold (100%)	Big Bell Gold (100%)	$10,000.00	Mining Lease	52 HA	Granted	5/06/2013	$858.00	$887.77
M51/0871	Big Bell Gold (100%)	Big Bell Gold (100%)	$5,000.00	Mining Lease	2.4 HA	Granted	24/12/2012	$51.15	$421.00
P20/2011	Big Bell Gold (100%)	Big Bell Gold (100%)	$2,000.00	Prospecting Licence	16.35 HA	Granted	15/07/2009	$42.50	$440.00
P20/2243	Big Bell Gold (100%)	Big Bell Gold (100%)	$2,000.00	Prospecting Licence	2.425 HA	Granted	27/08/2015	$25.00	$440.00
P21/0681	Big Bell Gold (100%)	Big Bell Gold (100%)	$2,000.00	Prospecting Licence	0.063 HA	Granted	8/12/2010	$25.00	$440.00
P21/0684	Big Bell Gold (100%)	Big Bell Gold (100%)	$8,000.00	Prospecting Licence	199.86 HA	Granted	9/06/2009	$480.00	$749.28

Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
SOUTH KALGOORLIE OPERATION									
M27/0181-c	Cove Mining Pty Ltd (90%), Dioro Exploration (10%)	Perilya Limited (25.64%), Cove Mining Pty Ltd (7.95%), Dioro Exploration (3.73%), Northern Star (Kanowna) Pty Ltd (62.68%)	$24,300.00	Mining Lease	242.6 HA	Granted	7/04/1994	$4,009.50	$3,615.82
E15/0985	Dioro Exploration (100%)	Dioro Exploration (100%)	$70,000.00	Exploration Licence WA	23 BL	Granted	2/07/2009	$11,904.80	$1,480.71
E15/1211	Dioro Exploration (100%)	Dioro Exploration (100%)	$50,000.00	Exploration Licence WA	17 BL	Granted	7/02/2011	$4,493.95	$1,094.43
M15/0456	Dioro Exploration (100%)	Dioro Exploration (100%)	$43,400.00	Mining Lease	433.25 HA	Granted	3/08/1990	$7,399.70	$7,677.89
M15/0469	Dioro Exploration (100%)	Dioro Exploration (100%)	$90,100.00	Mining Lease	900.8 HA	Granted	28/11/1989	$15,362.05	$15,863.19
M15/0533	Dioro Exploration (100%)	Dioro Exploration (100%)	$10,000.00	Mining Lease	50.215 HA	Granted	21/09/1990	$869.55	$964.90
M15/0652	Dioro Exploration (100%)	Dioro Exploration (100%)	$10,000.00	Mining Lease	5.26 HA	Granted	2/02/1993	$99.00	$486.00
M15/0663	Dioro Exploration (100%)	Dioro Exploration (100%)	$57,300.00	Mining Lease	572.7 HA	Granted	8/06/1993	$9,454.50	$9,790.23
M15/0721	Dioro Exploration (100%)	Dioro Exploration (100%)	$99,400.00	Mining Lease	994 HA	Granted	19/09/1994	$16,947.70	$8,888.19
M15/0722	Dioro Exploration (100%)	Dioro Exploration (100%)	$76,600.00	Mining Lease	766 HA	Granted	19/09/1994	$13,060.30	$13,496.99
M15/0723	Dioro Exploration (100%)	Dioro Exploration (100%)	$35,900.00	Mining Lease	359 HA	Granted	19/09/1994	$6,120.95	$3,298.62
M15/0724	Dioro Exploration (100%)	Dioro Exploration (100%)	$21,300.00	Mining Lease	212.7 HA	Granted	10/02/1995	$3,514.50	$3,683.91
M15/0726	Dioro Exploration (100%)	Dioro Exploration (100%)	$84,100.00	Mining Lease	840.25 HA	Granted	21/09/1994	$14,339.05	$14,811.54
M15/0740	Dioro Exploration (100%)	Dioro Exploration (100%)	$86,700.00	Mining Lease	866.3 HA	Granted	21/11/1994	$14,782.35	$15,267.26
M15/0747	Dioro Exploration (100%)	Dioro Exploration (100%)	$47,700.00	Mining Lease	476.45 HA	Granted	21/12/1994	$8,132.85	$8,431.57
M15/0753	Dioro Exploration (100%)	Dioro Exploration (100%)	$85,700.00	Mining Lease	856.9 HA	Granted	31/01/1995	$14,140.50	$14,607.43
M15/0937	Dioro Exploration (100%)	Dioro Exploration (100%)	$83,600.00	Mining Lease	835.65 HA	Granted	7/05/2003	$13,794.00	$14,251.23
M15/0938	Dioro Exploration (100%)	Dioro Exploration (100%)	$99,700.00	Mining Lease	996.5 HA	Granted	8/05/2003	$16,450.50	$16,982.11
M15/1204	Dioro Exploration (100%)	Dioro Exploration (100%)	$10,000.00	Mining Lease	15.95 HA	Granted	2/06/1998	$264.00	$486.00
M15/1306	Dioro Exploration (100%)	Dioro Exploration (100%)	$24,400.00	Mining Lease	244 HA	Granted	6/09/2012	$4,160.20	$4,347.69
M26/0204	Dioro Exploration (100%)	Dioro Exploration (100%)	$95,700.00	Mining Lease	956.6 HA	Granted	22/04/1988	$15,790.50	$14,031.37
M26/0245	Dioro Exploration (100%)	Dioro Exploration (100%)	$24,000.00	Mining Lease	239.15 HA	Granted	29/03/1989	$3,960.00	$3,572.05
M26/0328	Dioro Exploration (100%)	Dioro Exploration (100%)	$12,800.00	Mining Lease	127.1 HA	Granted	14/05/1991	$2,112.00	$1,938.23
M26/0441	Dioro Exploration (100%)	Dioro Exploration (100%)	$23,800.00	Mining Lease	237.543 HA	Granted	21/09/1994	$4,057.90	$3,542.88
M26/0452	Dioro Exploration (100%)	Dioro Exploration (100%)	$40,000.00	Mining Lease	399.2 HA	Granted	14/12/1994	$6,820.00	$5,906.09
M26/0458	Dioro Exploration (100%)	Dioro Exploration (100%)	$56,100.00	Mining Lease	560.45 HA	Granted	21/08/1996	$9,565.05	$8,655.66
M26/0482	Dioro Exploration (100%)	Dioro Exploration (100%)	$76,300.00	Mining Lease	762.4 HA	Granted	21/08/1996	$13,009.15	$11,201.35
M26/0567	Dioro Exploration (100%)	Dioro Exploration (100%)	$49,200.00	Mining Lease	491.65 HA	Granted	7/05/2003	$8,118.00	$7,248.16

Explanatory Memorandum

Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
P15/4979	Dioro Exploration (100%)	Dioro Exploration (100%)	$2,000.00	Prospecting Licence	9.71 HA	Granted	2/09/2010	$25.00	$415.00
P15/4980	Dioro Exploration (100%)	Dioro Exploration (100%)	$2,000.00	Prospecting Licence	13.3 HA	Granted	2/09/2010	$35.00	$415.00
P15/4981	Dioro Exploration (100%)	Dioro Exploration (100%)	$2,000.00	Prospecting Licence	20.3 HA	Granted	2/09/2010	$52.50	$415.00
P15/4982	Dioro Exploration (100%)	Dioro Exploration (100%)	$2,000.00	Prospecting Licence	16.14 HA	Granted	2/09/2010	$42.50	$415.00
P15/4983	Dioro Exploration (100%)	Dioro Exploration (100%)	$2,000.00	Prospecting Licence	24 HA	Granted	2/09/2010	$60.00	$415.00
P15/4984	Dioro Exploration (100%)	Dioro Exploration (100%)	$2,000.00	Prospecting Licence	0.17 HA	Granted	14/07/2010	$25.00	$415.00
P15/5049	Dioro Exploration (100%)	Dioro Exploration (100%)	$7,880.00	Prospecting Licence	196.7 HA	Granted	31/12/2009	$492.50	$506.29
P15/5050	Dioro Exploration (100%)	Dioro Exploration (100%)	$4,840.00	Prospecting Licence	121 HA	Granted	31/12/2009	$302.50	$415.00
P15/5130	Dioro Exploration (100%)	Dioro Exploration (100%)	$3,000.00	Prospecting Licence	74.77 HA	Granted	22/07/2009	$187.50	$415.00
P15/5131	Dioro Exploration (100%)	Dioro Exploration (100%)	$2,000.00	Prospecting Licence	28.72 HA	Granted	22/07/2009	$72.50	$415.00
P15/5132	Dioro Exploration (100%)	Dioro Exploration (100%)	$2,000.00	Prospecting Licence	20.11 HA	Granted	22/07/2009	$52.50	$415.00
P26/3500	Dioro Exploration (100%)	Dioro Exploration (100%)	$2,000.00	Prospecting Licence	44.98 HA	Granted	2/07/2009	$112.50	$686.00
P26/3529	Dioro Exploration (100%)	Dioro Exploration (100%)	$6,280.00	Prospecting Licence	156.25 HA	Granted	2/07/2009	$392.50	$350.72
P26/3531	Dioro Exploration (100%)	Dioro Exploration (100%)	$7,880.00	Prospecting Licence	196.23 HA	Granted	2/07/2009	$492.50	$440.08
P26/3532	Dioro Exploration (100%)	Dioro Exploration (100%)	$4,520.00	Prospecting Licence	112.01 HA	Granted	2/07/2009	$282.50	$271.00
P26/3533	Dioro Exploration (100%)	Dioro Exploration (100%)	$7,920.00	Prospecting Licence	197.82 HA	Granted	2/07/2009	$495.00	$442.31
East Location 32	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	85.38 Km2	Granted	18/06/1890		$944.00
East Location 35	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	10.18 Km2	Granted	18/06/1890		$944.00
East Location 36	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	25.92 Km2	Granted	18/06/1890		$944.00
East Location 37	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	12.15 Km2	Granted	18/06/1890		$944.00
East Location 39	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	7.77 Km2	Granted	18/06/1890		$944.00
East Location 40	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	31.12 Km2	Granted	18/06/1890		$944.00
East Location 41	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	16.22 Km2	Granted	18/06/1890		$944.00
East Location 48	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	50.19 Km2	Granted	18/06/1890		$18,117.17
East Location 53	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	141.3 Km2	Granted	18/06/1890		
East Location 55	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	8.1 Km2	Granted	18/06/1890		
East Location 59	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	206.7 Km2	Granted	18/06/1890		
East Location 61	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	4 Km2	Granted	18/06/1890		
East Location 62	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	4.12 Km2	Granted	18/06/1890		$944.00
East Location 51	Hampton Gold (100%)	Hampton Gold (100%)		Freehold Land	25.91 Km2	Granted	18/06/1890		$944.00

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Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
M26/0534	Haoma Mining NL (100%)	HBJ Minerals (100%)	$41,800.00	Mining Lease	417.75 HA	Granted	3/10/1997	$7,126.90	$6,168.67
E25/0543	HBJ Minerals (100%)	HBJ Minerals (100%)		Exploration Licence WA	5 BL	Application			N/A
L26/0276	HBJ Minerals (100%)	HBJ Minerals (100%)		Miscellaneous Licence	142.0469 HA	Application			N/A
E25/0268	HBJ Minerals (100%)	HBJ Minerals (100%)	$50,000.00	Exploration Licence WA	5 BL	Granted	23/03/2006	$2,503.00	$24.34
E26/0122	HBJ Minerals (100%)	HBJ Minerals (100%)	$70,000.00	Exploration Licence WA	10 BL	Granted	31/01/2008	$5,006.00	$582.86
E26/0139	HBJ Minerals (100%)	HBJ Minerals (100%)	$30,000.00	Exploration Licence WA	5 BL	Granted	30/11/2010	$1,366.75	$291.34
E26/0148	HBJ Minerals (100%)	HBJ Minerals (100%)	$50,000.00	Exploration Licence WA	11 BL	Granted	17/05/2011	$2,907.85	$600.74
L15/0221	HBJ Minerals (100%)	HBJ Minerals (100%)		Miscellaneous Licence	22 HA	Granted	2/05/2000	$321.20	N/A
L15/0233	HBJ Minerals (100%)	HBJ Minerals (100%)		Miscellaneous Licence	89 HA	Granted	16/09/2002	$1,343.90	N/A
L15/0356	HBJ Minerals (100%)	HBJ Minerals (100%)		Miscellaneous Licence	11.4837 HA	Granted	9/09/2016	$175.20	N/A
L25/0048	HBJ Minerals (100%)	HBJ Minerals (100%)		Miscellaneous Licence	159.51 HA	Granted	21/07/2015	$2,416.00	N/A
L26/0122	HBJ Minerals (100%)	HBJ Minerals (100%)		Miscellaneous Licence	4 HA	Granted	20/01/1989	$58.40	N/A
L26/0123	HBJ Minerals (100%)	HBJ Minerals (100%)		Miscellaneous Licence	11 HA	Granted	20/01/1989	$160.60	N/A
L26/0233	HBJ Minerals (100%)	HBJ Minerals (100%)		Miscellaneous Licence	54.6 HA	Granted	22/11/2004	$830.50	N/A
L26/0260	HBJ Minerals (100%)	HBJ Minerals (100%)		Miscellaneous Licence	5.3 HA	Granted	17/08/2012	$90.60	N/A
L26/0273	HBJ Minerals (100%)	HBJ Minerals (100%)		Miscellaneous Licence	5.0589 HA	Granted	9/07/2015	$90.60	N/A
M15/0026	HBJ Minerals (100%)	HBJ Minerals (100%)	$13,300.00	Mining Lease	132.8 HA	Granted	21/03/1983	$2,194.50	$2,326.95
M15/0518	HBJ Minerals (100%)	HBJ Minerals (100%)	$10,000.00	Mining Lease	8.804 HA	Granted	17/09/1990	$153.45	$486.00
M15/0637	HBJ Minerals (100%)	HBJ Minerals (100%)	$10,000.00	Mining Lease	11.445 HA	Granted	15/12/1992	$204.60	$486.00
M15/1133	HBJ Minerals (100%)	HBJ Minerals (100%)	$79,300.00	Mining Lease	792.1 HA	Granted	2/10/2002	$13,520.65	$13,970.23
M15/1134	HBJ Minerals (100%)	HBJ Minerals (100%)	$60,000.00	Mining Lease	599.166 HA	Granted	2/10/2002	$10,230.00	$10,587.44
M15/1135	HBJ Minerals (100%)	HBJ Minerals (100%)	$90,600.00	Mining Lease	905.002 HA	Granted	2/10/2002	$15,447.30	$15,950.82
M15/1272	HBJ Minerals (100%)	HBJ Minerals (100%)	$10,000.00	Mining Lease	9.3005 HA	Granted	8/06/1999	$165.00	$486.00
M15/1361	HBJ Minerals (100%)	HBJ Minerals (100%)	$10,000.00	Mining Lease	9 HA	Granted	8/05/2001	$148.50	$486.00
M25/0104	HBJ Minerals (100%)	HBJ Minerals (100%)	$87,200.00	Mining Lease	872 HA	Granted	18/11/1992	$14,867.60	$12,791.50
M25/0357	HBJ Minerals (100%)	HBJ Minerals (100%)	$11,700.00	Mining Lease	117 HA	Granted	18/08/2015	$1,994.85	$1,777.68
M26/0041	HBJ Minerals (100%)	HBJ Minerals (100%)	$10,000.00	Mining Lease	32.14 HA	Granted	4/01/1984	$544.50	$552.31
M26/0118	HBJ Minerals (100%)	HBJ Minerals (100%)	$38,000.00	Mining Lease	379.8 HA	Granted	16/12/1986	$6,479.00	$5,614.34
M26/0132	HBJ Minerals (100%)	HBJ Minerals (100%)	$10,000.00	Mining Lease	65.505 HA	Granted	17/03/1987	$1,089.00	$1,033.79
M26/0143	HBJ Minerals (100%)	HBJ Minerals (100%)	$100,000.00	Mining Lease	1000 HA	Granted	7/08/1987	$17,050.00	$14,658.73

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Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
M26/0224	HBJ Minerals (100%)	HBJ Minerals (100%)	$10,000.00	Mining Lease	40.55 HA	Granted	31/05/1988	$676.50	$669.01
M26/0433	HBJ Minerals (100%)	HBJ Minerals (100%)	$10,000.00	Mining Lease	5.675 HA	Granted	14/12/1993	$102.30	$449.00
M26/0493	HBJ Minerals (100%)	HBJ Minerals (100%)	$10,000.00	Mining Lease	9.71 HA	Granted	21/08/1996	$170.50	$449.00
M26/0494	HBJ Minerals (100%)	HBJ Minerals (100%)	$20,000.00	Mining Lease	200 HA	Granted	3/10/1997	$3,410.00	$2,988.55
M26/0782	HBJ Minerals (100%)	HBJ Minerals (100%)	$50,700.00	Mining Lease	506.9 HA	Granted	24/11/2006	$8,644.35	$7,466.89
P15/4848	HBJ Minerals (100%)	HBJ Minerals (100%)	$6,840.00	Prospecting Licence	171 HA	Granted	21/11/2008	$427.50	$439.47
P15/4849	HBJ Minerals (100%)	HBJ Minerals (100%)	$5,280.00	Prospecting Licence	132 HA	Granted	21/11/2008	$330.00	$415.00
P15/4851	HBJ Minerals (100%)	HBJ Minerals (100%)	$5,600.00	Prospecting Licence	140 HA	Granted	21/11/2008	$350.00	$415.00
P15/4852	HBJ Minerals (100%)	HBJ Minerals (100%)	$4,000.00	Prospecting Licence	100 HA	Granted	21/11/2008	$250.00	$415.00
P15/5234	HBJ Minerals (100%)	HBJ Minerals (100%)	$6,200.00	Prospecting Licence	155 HA	Granted	29/01/2010	$372.00	$415.00
P15/5235	HBJ Minerals (100%)	HBJ Minerals (100%)	$2,000.00	Prospecting Licence	9 HA	Granted	29/01/2010	$24.00	$415.00
P15/5910	HBJ Minerals (100%)	HBJ Minerals (100%)	$2,000.00	Prospecting Licence	29 HA	Granted	16/11/2015	$72.50	$415.00
P26/3527	HBJ Minerals (100%)	HBJ Minerals (100%)	$6,880.00	Prospecting Licence	171.83 HA	Granted	10/10/2008	$430.00	$384.23
P26/3528	HBJ Minerals (100%)	HBJ Minerals (100%)	$5,360.00	Prospecting Licence	133.86 HA	Granted	10/10/2008	$335.00	$299.34
P26/4019	HBJ Minerals (100%)	HBJ Minerals (100%)	$5,280.00	Prospecting Licence	131.63HA	Granted	28/05/2015	$316.80	$270.61
East Location 45	Pacific-Nevada Mining Pty Ltd (100%)	HBJ Minerals (100%)		Freehold Land	76.45 Km2	Granted	18/06/1890		$944.00
East Location 50	Pacific-Nevada Mining Pty Ltd (100%)	HBJ Minerals (100%)		Freehold Land	32.42 Km2	Granted	18/06/1890		$3,042.47
M15/0717	Reed Industrial Minerals Pty Ltd (100%)	HBJ Minerals	$98,100.00	Mining Lease	980.6 HA	Granted	19/09/1994	$16,726.05	$17,265.38
ROVER									
EL24541	Castile (100%)	Castile (100%)	$10,000.00	Exploration Licence	128 Blocks	Granted	30/12/2004	$26,015.00	N/A
EL25345	Aragon (100%)	Castile (100%)	$65,000.00	Exploration Licence	373 Blocks	Application	4/05/2006	$0.00	N/A
EL25506	Aragon (100%)	Castile (100%)	$52,000.00	Exploration Licence	224 Blocks	Application	26/07/2006	$0.00	N/A
EL25507	Aragon (100%)	Castile (100%)	$65,000.00	Exploration Licence	345 Blocks	Application	26/07/2006	$0.00	N/A
EL25511	Castile (100%)	Castile (100%)	$10,000.00	Exploration Licence	38 Blocks	Granted	27/07/2006	$7,925.00	N/A
EL26537	AngloGold Ashanti Australia Ltd (100%)	Castile (100%)	$35,500.00	Exploration Licence	85 Blocks	Application	30/12/2004	$0.00	N/A
EL26538	Aragon (100%)	Castile (100%)	$45,000.00	Exploration Licence	21 Blocks	Application	27/07/2006	$0.00	N/A
EL27039	Castile (100%)	Castile (100%)	$10,000.00	Exploration Licence	77 Blocks	Granted	23/10/2008	$15,764.00	N/A
ELR29957	Castile (100%)	Castile (100%)	$40,000.00	Exploration Licence in Retention	771.8 HA	Granted	26/04/2013	$15,670.00	N/A
ELR29958	Castile (100%)	Castile (100%)	$10,000.00	Exploration Licence in Retention	3 HA	Granted	26/04/2013	$290.00	N/A

Tenement	Registered Holder	Beneficial Holder	Commitment	Tenement Type	Area	Status	Grant Date	Rent	Shire Rates
WARUMPI									
EL10379	Castile (100%)	Castile (100%)	$66,000.00	Exploration Licence	28 Blocks	Granted	14/08/1989	$5,915.00	N/A
EL24825	Castile (100 %)	Castile (100%)	$0.00	Exploration Licence	97 Blocks	Application	14/08/1989	$0.00	N/A
EL29740	Castile (100%)	Castile (100%)	$147,000.00	Exploration Licence	248 Blocks	Application	22/10/2012	$0.00	N/A
EL29741	Castile (100%)	Castile (100%)	$123,000.00	Exploration Licence	56 Blocks	Application	22/10/2012	$0.00	N/A
EL29742	Castile (100%)	Castile (100%)	$123,000.00	Exploration Licence	200 Blocks	Application	22/10/2012	$0.00	N/A
EL29743	Castile (100%)	Castile (100%)	$12,300.00	Exploration Licence	137 Blocks	Application	22/10/2012	$0.00	N/A
EL29744	Castile (100%)	Castile (100%)	$123,000.00	Exploration Licence	172 Blocks	Application	22/10/2012	$0.00	N/A
EL29745	Castile (100%)	Castile (100%)	$137,000.00	Exploration Licence	204 Blocks	Application	22/10/2012	$0.00	N/A
EL29746	Castile (100%)	Castile (100%)	$137,000.00	Exploration Licence	181 Blocks	Application	22/10/2012	$0.00	N/A
EL29747	Castile (100%)	Castile (100%)	$51,000.00	Exploration Licence	70 Blocks	Application	22/10/2012	$0.00	N/A
EL29748	Castile (100%)	Castile (100%)	$137,000.00	Exploration Licence	218 Blocks	Application	22/10/2012	$0.00	N/A
EL29749	Castile (100%)	Castile (100%)	$133,000.00	Exploration Licence	236 Blocks	Application	22/10/2012	$0.00	N/A
EL29750	Castile (100%)	Castile (100%)	$81,000.00	Exploration Licence	103 Blocks	Application	22/10/2012	$0.00	N/A
EL6861	Castile (100%)	Castile (100%)	$493,250.00	Exploration Licence	246 Blocks	Granted	13/11/1989	$49,733.00	N/A

Key:

Aragon Resources Pty Ltd – Aragon
Avoca Resources Pty Ltd - Avoca Resources
Castile Resources Pty Ltd – Castile
Hampton Gold Mining Areas Ltd – Hampton Gold

Avoca Mining Pty Ltd – Avoca
Big Bell Gold Operations Pty Ltd - Big Bell Gold
Dioro Exploration Pty Ltd – Dioro Exploration
HBJ Minerals Pty Ltd – HBJ Minerals

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Annexure B - Information on Metals X's Base Metals Post Demerger

An overview of Metals X's assets and the Base Metals Business Units comprised of tin, copper and nickel is provided in Section 6.5 of the Explanatory Memorandum. This Annexure provides further geological and detailed information in relation to the Metals X group's assets post Demerger.

TIN BUSINESS UNIT

Renison Tin Project (MLX 50%)

Metals X is a globally significant tin producer through its 50% ownership of the Renison Tin Project in Tasmania, consisting of the following three key assets:

- the world class Renison Tin Mine which is located approximately 15km north-east of Zeehan on Tasmania's west coast and has operated for over 50 years;
- the Renison Expansion Project (Rentails Project) which is a planned tailings re-treatment project and located at the Renison Tin Mine; and
- the Mount Bischoff Project (currently idle) located approximately 80km north of the Renison Tin Mine.

Renison Tin Mine

Metals X is the only significant tin producer in Australia and has the largest Mineral Resources and Ore Reserves of tin in the country. The Renison Tin Mine has a 700,000 tonnes-per-annum tin concentrator, a fully developed underground mine, site infrastructure and a 100 person camp. An owner-operator mining fleet provides competitive performance and productivity. The mine produces a tin concentrate which is exported to 3rd party smelters in Asia for refining to LME grade ingot. Outputs for Metals X' 50% share of the mine for the year ended 30 June 2016, is summarised below.

Table 7 - Renison (50%) Production and Unit Costs for Financial Year ended 30 June 2016

Physical Summary	**Units**	30 June 2016
UG Ore Mined	t	342,138
UG Grade Mined	% Sn	1.29%
Ore Processed	t	344,759
Head Grade	g/t	1.29%
Recovery	% Sn	71.22%
Tin Produced	t	3,181
Tin Sold	t	3,236
Achieved Tin Price	A$/t	21,316
Cost Summary		
Mining	A$/t	9,112
Processing	A$/t	4,424
Admin	A$/t	952
Stockpile Adjustment	A$/t	174
C1 Cash Cost (produced t) *	**A$/t**	14,662
Royalties	A$/t	570
Marketing/Cost of sales	A$/t	2,170
Sustaining Capital	A$/t	2,482
Reclamation & other adj.	A$/t	42
Corporate Costs	A$/t	25
All-in Sustaining Costs **	**A$/t**	19,952
Project Startup Capital	A$/t	741
Exploration Holding Cost	A$/t	-
All-in Cost ***	**A$/t**	20,693

** C1 Cash Cost ("C1"): represents the cost for mining, processing and administration after accounting for movements in inventory (predominantly ore stockpiles). It includes net proceeds from by-product credits, but excludes the cost of royalties and capital costs for exploration, mine development and plant and equipment.*

*** All-in Sustaining Cost ("AISC"): is made up of the C1 cash cost plus royalty expense, sustaining capital expense and general corporate and administration expenses.*

**** All-in Cost ("AIC"): is made up of the AISC plus growth (major project) capital and discovery expenditure.*

C1, AISC and AIC are non-IFRS financial information and are not subject to audit or review.

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Metals X is on a drive to lower overall costs at the operation with the first step being a shift to owner operator mining where higher productivity and lower unit costs have already been achieved. Metals X is investigating options to further optimise the tin concentrator circuit and its overall head-grade by applying modern ore sorting technology to remove intercalated gangue and ore dilution from the mill feed.

The Renison Tin Mine has a Mineral Resource estimate of 11.5 million tonnes at 1.44% tin containing 166,000 tonnes of tin metal with an Ore Reserve estimate of 5.69 million ore tonnes at 1.28% tin containing 73,000 tonnes of tin metal providing for a long-life project.

Rentails Project

In the past three decades when concentrator tailings have been stored in engineered ponds, a significant quantity of lower grade tailings have accumulated. As the economic driver has been producing a tin of concentrate grade above 55% as opposed to metallurgical recovery, the grade of this material remains fairly high (0.45% Sn). In addition, no copper recovery was in place for majority of the ore so a significant copper co-product also exists. The Rentails Project aims to re-process and recover tin and copper from the tailings by the application of modern processing technology in flotation, gravity and tin-fuming methods. A Definitive Feasibility Study ("DFS") of the mining and re-processing of the tailings for the project was completed in 2009 and is in the process of being re-worked with the objective of lowering the capital cost and increasing the efficiency of the process.

The DFS concluded that a 10-year project could be established using an integrated 2 million tonne-per-annum tin concentrator and tin-fumer plant that could be constructed to produce approximately 5,300 tonnes of tin and 2,000 tonnes of copper in concentrate per annum.

The economics of the project are improving with rising tin prices and the project partners continue to review development options for the Rentails Project. The Rentails Project has a Mineral Resource estimate of 22.5 million tonnes at 0.45% tin containing 100,000 tonnes of tin metal with an Ore Reserve estimate of 21.6 million tonnes at 0.45% tin containing 97,000 tonnes of tin metal. This increases on a daily basis as the Renison mine continues.

Mt Bischoff

The Mt Bischoff Project is located approximately 80km north of the Renison mine. Mt Bischoff was a significant historical tin operation, producing some 60,000 tonnes of tin metal since the late 1800's. Open pit mining by Metals X between 2009 and 2011 produced a further 5,000 tonnes of tin metal before the initial open pit mine was depleted. Whilst the mine remains on care and maintenance, significant resources remain at depth and numerous historically mined areas remain underexplored and offer future development opportunity at higher tin prices.

The Mt Bischoff Project has a total Mineral Resource estimate of 1.7 million tonnes at 0.54% tin, containing 9,000 tonnes of tin metal.

COPPER BUSINESS UNIT

Nifty Copper Operation

The Nifty Copper Operation ("Nifty") produces a clean copper concentrate which is shipped to the Hindalco copper smelter in India for refining. There is currently an agreement to sell the concentrates to Hindalco Industries Limited.

The Nifty operation is an underground copper sulphide mine with an associated 2.5Mtpa copper concentrator. Site infrastructure is extensive, including a powerhouse, camp and airfield, Processing of sulphide copper ore is by conventional comminution, grinding and flotation to produce a copper concentrate. A concentrate storage facility is located at Port Hedland where concentrate is accumulated before shipping.

The historic open pit operation mined oxide, transitional and chalcocite (a secondary sulphide) copper ores from which copper cathode was recovered by SXEW methods. Open pit mining operations ceased in June 2006 and heap leach operations ceased in January 2009. The underground mining operation, to exploit the primary chalcopyrite rich ores, commenced in December 2005 with the 2.5Mt processing facility being commissioned in March 2006.

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Table 8 - Nifty Copper Operation Production and Unit Costs for Financial Year ended 31 March 2016

Measure	Unit	FY to 31 March 2016
Concentrate Operations:		
Mining		
Ore Mined	Tonnes	1,582,452
Grade	%	2.10%
Contained copper	Tonnes	33,272
Processing:		
Ore Processed	Tonnes	1,601,110
Grade	%	2.10%
Copper Contained in Ore Processed	Tonnes	33,576
Recovery	%	95.60%
Concentrate produced	Dry Tonnes	137,311
Concentrate grade	% Cu	23.38%
Copper in Concentrate Produced	Tonnes Cu	32,098
Total Copper Sales	Tonnes	36,826
Nifty C1 cost (excl. suspension period cost)	A$/lb Cu	2.62

Note: as reported by Aditya Birla in their Annual Report for the Year Ended 31 March 2016

At 31 March 2015 Nifty had a Mineral Resource estimate of 31.1 million tonnes at 1.73% copper containing 539,000 tonnes of copper metal. The Ore Reserve subset of this resource is estimated at 5.24 million ore tonnes grading1.85% copper and containing 97,000 tonnes of copper metal.

Maroochydore Project

The Maroochydore Project is located 110 km from the Nifty Copper Operations and manifests as a large copper oxide and secondary chalcocite blanket of mineralisation. Drilling defined a small amount of copper sulphide mineralisation at depth, although this is sparsely drilled and inadequately defined. The oxide and secondary sulphide (chalcocite) blanket has an estimated total mineral resource estimate (0.5% cut-off) of 43.2 million tonnes at 0.91% copper and 391ppm cobalt. The deeper copper sulphide zone is categorised as an Inferred Mineral Resource of 5.43 million tonnes at 1.66% copper and 292ppm cobalt above a cut-off of 1.1% copper, containing approximately 90,000 tonnes of copper (ASX:ABY 30 April 2014). Geophysical modelling of high resolution aeromagnetic data suggests that the Maroochydore deposit lies within a north-trending structural corridor and that a possibility exists for a structural repetition of the mineralised horizon to occur to the west of the resource area. Primary copper sulphide mineralisation remains open along-strike and down-dip.

NICKEL BUSINESS UNIT

Central Musgrave Project (Wingellina)

Metals X's nickel strategy remains focused on the Central Musgrave Project ("CMP") which straddles the triple-point of the WA/NT/SA borders. The project represents the Company's key nickel assets and comprises of the globally significant Wingellina Ni–Co-Fe rich Limonite deposit, the similar Claude Hills deposit and the Mt Davies exploration prospects. The project encompasses a large tract of prospective exploration tenure encompassing the whole of the Wingellina layered intrusive sub-set of the Giles Complex rocks in Western and Southern Australia.

The key focus of the Nickel Business Unit is to bring the Wingellina Nickel–Cobalt Project into production.

The Board had previously reached a decision to defer the expenditure on the updated feasibility due to the continuum of a depressed nickel market.

Whilst the engineering works for an updated feasibility study by HPAL (high pressure acid leach) technology has been halted, Metals X continues to use its internal resources to complete other long lead-time studies required for the DFS, including infrastructure, roads, rail and ports studies.

The final Public Environmental Review ("PER") document was completed and approved by the Environmental Protection Authority ("EPA") for release to the public for an 8-week review period in September 2015 and ended in November 2015 and the final EPA approval (subject to the general conditions) was received on 1 September 2016.

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Interaction with the State and Federal Governments in relation to infrastructure requirements within Central Australia continues. An application was made to the Northern Territory ("NT") Government to obtain "Significant Project Status" for the road and gas infrastructure, which was recommended and presented to the NT Cabinet. Although Major Project Status was not obtained, the potential benefits that the project brings to the NT were recognised and as such the NT Government has agreed to work with Metals X towards the realising these benefits and in particular the logistic opportunities. Strong support from the other states and Commonwealth is ongoing.

Metals X also continues to discuss development options using alternate technology and scales which have significantly changed as a result of the lower nickel price environment.

Within the CMP, the total Mineral Resource Estimate (0.5% cut-off) of the nickeliferous limonite is 215.8 million tonnes at 0.9% nickel, 0.07% cobalt and 44.29% Fe_2O_3, containing 2.0 million tonnes of nickel metal.

MINERAL RESOURCE ESTIMATE

The Metals X Mineral Resource statements, published on 18 August 2016, are as of 30 June 2016 and are in compliance with the JORC Code (2012 Edition). The Company is of the opinion that there have been no material changes to the Mineral Resource estimates since the date of publication.

Table 9 - Renison Tin Project Mineral Resource Statement (at 30.6.2016)

MLX equity share is 50% of the Mineral Resource Estimate shown below

		Tin			Copper		
Project	**Category**	**Kt**	**Sn (%)**	**Sn (kt)**	**Kt**	**Cu (%)**	**Cu (kt)**
Renison Tin Project	*Measured*	*23,940*	*0.54*	*130.0*	*23,863*	*0.24*	*56.6*
	Indicated	*7,706*	*1.22*	*93.9*	*6,303*	*0.32*	*20.2*
	Inferred	*4,055*	*1.26*	*51.0*	*3,057*	*0.22*	*6.8*
	Total	***35,701***	***0.77***	***275.0***	***33,224***	***0.25***	***83.6***

Note: numbers may not add up due to rounding.

Table 10 - Wingellina Mineral Resource Statement (at 30.6.2016)

		Tonnage	Nickel		Cobalt		Fe_2O_3	
Project	**Category**	**Kt**	**Ni (%)**	**Ni (kt)**	**Co (%)**	**Co (kt)**	**Fe_2O_3 (%)**	**Fe_2O_3 (kt)**
Wingellina Project	*Measured*	*37,567*	*0.98*	*368*	*0.07*	*28.0*	*45.94*	*17,259*
	Indicated	*130,855*	*0.91*	*1,193*	*0.07*	*94.6*	*45.55*	*59,611*
	Inferred	*47,415*	*0.83*	*392*	*0.07*	*31.8*	*39.48*	*18,721*
	Total	***215,838***	***0.91***	***1,953***	***0.07***	***154.4***	***44.29***	***95,590***

Note: numbers may not add up due to rounding.

Competent Person Statement

The information in this Notice of Meeting that relates to Mineral Resources for the Renison Tin Project and Wingellina Project has been extracted from Metals X's Annual Mineral Resources and Ore Reserves Statements released on 18 August 2016 and is available to view at http://www.metalsx.com.au. Metals X confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Metals X confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

The Nifty and Maroochydore Mineral Resources statements are as reported by Aditya Birla Minerals Limited (ASX:ABY) on 16 May 2016. The Mineral Resource estimates are at 31 March 2016 and were reported in accordance with JORC Code 2012 guidelines.

Explanatory Memorandum

Table 11 - Nifty Mineral Resource Statement (at 31.3.2016)

Mineral Type	Category	Cut-off Cu (%)	Ore Mt	Grade Cu (%)	Metal Cu (kt)
Chalcocite and Chalcopyrite	*Measured*	*1.2*	*17.34*	*2.16*	*375*
	Indicated		*3.29*	*1.80*	*59*
	Inferred		*2.83*	*1.52*	*43*
	Total		***23.46***	***2.03***	***477***
Oxide	*Measured*	*0.4*	*1.43*	*0.91*	*13*
	Indicated		*1.22*	*0.86*	*10*
	Inferred		*1.68*	*0.83*	*14*
	Total		***4.33***	***0.86***	***37***
Heap Leach Pad	*Measured*	*0.5*	-	-	-
	Indicated		*2.85*	*0.75*	*21*
	Inferred		*0.46*	*0.66*	*3*
	Total		***3.31***	***0.74***	***24***
Total Nifty	*Measured*		*18.77*	*2.06*	*368*
	Indicated		*7.36*	*1.24*	*91*
	Inferred		*4.97*	*1.21*	*60*
	Total		***31.10***	***1.73***	***539***

Note: numbers may not add up due to rounding.

Table 12 - Maroochydore Mineral Resource Statement (at 31.3.2016)

Mineral Type	Category	Cut-off Cu (%)	Ore Mt	Grade Cu (%)	Metal Cu (kt)	Grade Co (ppm)	Metal Co (kt)
Oxide	*Measured*	*0.5*	-	-	-	-	-
	Indicated		*40.80*	*0.92*	*375*	*388*	*15.8*
	Inferred		*2.40*	*0.81*	*19*	*451*	*1.1*
	Total		***43.20***	***0.91***	***394***	***391***	***16.9***
Sulphide	*Measured*	*1.1*	-	-	-	-	-
	Indicated		-	-	-	-	-
	Inferred		*5.43*	*1.66*	*90*	*292*	*1.6*
	Total		***5.43***	***1.66***	***90***	***292***	***1.6***
Total Maroochydore	*Measured*		-	-	-	-	-
	Indicated		*40.80*	*0.92*	*375*	*388*	*15.8*
	Inferred		*7.83*	*1.40*	*110*	*341*	*2.7*
	Total		***48.63***	***1.00***	***486***	***380***	***18.5***

Note: numbers may not add up due to rounding.

Competent Person Statement

The information in this Notice of Meeting that relates to Mineral Resources for Nifty and Maroochydore has been extracted from Aditya Birla Minerals Limited's Mineral Resource Estimate Update, released on 16 May 2016 and is available to view at http://www.asx.com.au. Metals X confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Metals X confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement. The Measured and Indicated Mineral Resources tabled above are inclusive of those Mineral Resources modified to produce the Ore Reserve. In all Resources tables, significant figures do not imply precision. Figures are rounded according to JORC Code guidelines.

Explanatory Memorandum

ORE RESERVE ESTIMATE

Table 13 - Renison Tin Project Ore Reserve Statement (at 30.6.2016)

MLX equity share is 50% of the Ore Reserve Estimate shown below

		Tin			Copper		
Project	**Category**	**Kt ore**	**Sn (%)**	**Sn (t)**	**Kt ore**	**Cu (%)**	**Cu (t)**
Renison Tin Project	*Proved*	*1,105*	*1.29*	*14,251*	*1,077*	*0.43*	*4,599*
	Probable	*26,214*	*0.59*	*155,252*	*25,947*	*0.23*	*59,331*
	Total	***27,319***	***0.62***	***169,502***	***27,024***	***0.24***	***63,930***

Note: numbers may not add up due to rounding.

Competent Person Statement

The information in this Notice of Meeting relating to the Renison Tin Project and Wingellina Project has been extracted from Metals X's Annual Mineral Resources and Ore Reserves Statements released on 18 August 2016 and is available to view at http://www.metalsx.com.au. Metals X confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Metals X confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

Table 14 - Wingellina Ore Reserve Statement (at 30.6.2016)

		Tonnage	Nickel		Cobalt		Fe_2O_3	
Project	**Category**	**Kt ore**	**Ni (%)**	**Ni (kt)**	**Co (%)**	**Co (kt)**	**Fe_2O_3 (%)**	**Fe_2O_3 (kt)**
Wingellina Project	*Proved*	-	-	-	-	-	-	-
	Probable	*168,422*	*0.93*	*1,561*	*0.07*	*122.6*	*45.64*	*76,870*
	Total	***168,422***	***0.93***	***1,561***	***0.07***	***122.6***	***45.64***	***76,870***

Note: numbers may not add up due to rounding.

The Nifty Sulphide Ore Reserve estimate is as reported by Aditya Birla Minerals Limited (ABY) on 23 May 2016. The Ore Reserve estimate is as at 31 March 2016 (2016 Ore Reserve) and was reported in accordance with JORC Code 2012 guidelines.

Table 15 - Nifty Sulphide Ore Reserve Estimate

	Reserve Category	**Ore Tonnes (Mt)**	**Grade (% Cu)**	**Metal (kt Cu)**
Nifty Sulphide Ore Reserve	*Proved*	*3.63*	*1.88*	*68*
	Probable	*1.61*	*1.78*	*29*
	Total	***5.24***	***1.85***	***97***

Note: numbers may not add up due to rounding.
Note: the Ore Reserve was estimated at a 1.5% Cu cut-off grade.

Competent Person Statement:

The information in this Notice of Meeting that relates to Ore Reserves at Nifty has been extracted from Aditya Birla Minerals Limited's Nifty Underground Ore Reserve Estimate, released on 23 May 2016 and is available to view at http://www.asx.com.au. Metals X confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Metals X confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

Explanatory Memorandum

Annexure C - Independent Expert's Report - Stantons International Securities Pty Ltd

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12 October 2016

The Directors
Metals X Limited
Level 3, 18-31 Parliament Place
WEST PERTH WA 6005

Dear Sirs

RE: METALS X LIMITED ("MLX") PLANNED SPIN OFF OF THE GOLD ASSETS OF MLX BY DISTRUBUTIING ALL OF THE SHARES OWNED BY MLX IN WESTGOLD RESOURCES LIMITED ("WESTGOLD") BY WAY OF AN IN-SPECIE DISTRIBTION ("DEMERGER") UNDER SECTION 256 C OF THE CORPORATIONS ACT 2001 TO THE SHAREHOLDERS OF MLX. REPORT TO SHAREHOLDERS OF MLX ON WHETHER THE ADVANTAGES OF AN IN SPECIE DISTRIBUTION OF SHARES IN WESTGOLD TO THE MLX SHAREHOLDERS IS MORE ADVANTAGEOUS THAN THE POSITION IF THE DEMERGER IS NOT APPROVED AND THUS FAIR AND REASONABLE AND IN THE BEST INTERESTS TO THE MLX SHAREHOLDERS.

1. Introduction

1.1 MLX has engaged Stantons International Securities Pty Ltd (trading as Stantons International Securities) ("SIS") to prepare an Independent Experts Report to determine whether it is fair and reasonable and in the best interests for MLX shareholders to allow the "spin off" of MLX's gold assets (via MLX's current wholly owned subsidiary, Westgold Resources Pty Ltd to be renamed Westgold Resources Limited ("Westgold")) so that the MLX shareholders will own an equal number of shares in MLX and Westgold. The "spin-off' is in effect a capital reduction by MLX and a demerger and we refer to the spin-off in this report as the Gold Demerger (but also refer to spin-off).

Westgold owns the shares in various wholly owned subsidiaries that own three operating gold projects, four processing plants with 5mta combined capacity and has gold resources of approximately 15.4 million ounces and ore reserves of approximately 2.89 million ounces. The Westgold Group currently produces at a run rate of 250,000 ounces pa and has plans to double this over the next few years.

1.2 The "spin off' of the gold assets is proposed to be undertaken via an in-specie distribution of 100% of the shares in Westgold owned by MLX to the shareholders of MLX and approval from the MLX Shareholders is being sought under Section 256 C (1) of the Corporations Act 2001 ("TCA") for a capital reduction and demerger dividend. It is our understanding that MLX will place cash funds into Westgold and all costs relating to employees that work on the gold business will be assumed by Westgold from MLX.

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In addition, a Transitional Services Agreement will be entered into between both companies that will deal with various operational matters such as rental of premises and use of computer systems to name several. A draft of such agreement has been prepared but not finalised and executed.

1.3 In effect, the MLX shareholders will own 100% of MLX that will retain all assets and liabilities that relate to the non gold business and the MLX shareholders will own 100% of Westgold that will own and operate the gold business previously owned by MLX (via its then 100% shareholding in Westgold). In effect from a MLX shareholder point of view there is no underlying change in value.

1.4 A Notice of Meeting ("Notice") and Explanatory Memorandum ("EM") to be attached to the Notice will outline the resolution on the in specie distribution (in effect the demerger of the gold assets) pursuant to Section 256 C of TCA and the Notice is planned to be mailed to shareholders in October 2016, for a shareholders meeting in November 2016 (Resolution 1 in the Notice).

Section 256 C (1) of TCA states that "A company may reduce its share capital in a way that is not otherwise authorised by law if the reduction:

(a) is fair and reasonable to the company's shareholders as a whole; and

(b) does not materially prejudice the company's ability to pay its creditors; and

(c) is approved by shareholders under section 256C".

"The reduction is either an equal reduction or a selective reduction. The reduction is an equal reduction if:

(a) it relates only to ordinary shares; and

(b) it applies to each holder of ordinary shares in proportion to the number of ordinary shares they hold; and

(c) the terms of the reduction are the same for each holder of ordinary shares. Otherwise, the reduction is a selective reduction".

Section 256 C (1) - Ordinary resolution required for equal reduction.

If the reduction is an equal reduction, it must be approved by a resolution passed at a general meeting of the company.

The proposed in-specie distribution of all of the shares in Westgold to the Shareholders of MLX is in effect a capital reduction and is an equal reduction in terms of TCA.

1.5 To assist shareholders in making a decision as to whether or not to approve the resolution (Resolution 1) relating to the in-specie distribution of shares in Westgold (the Gold Demerger) to the MLX shareholders, the directors have requested that Stantons International Securities Pty Ltd prepare an Independent Expert's Report, which must state whether, in the opinion of SIS, the position of the MLX Shareholders if the Gold Demerger is approved is more advantageous than the position if the Gold Demerger is not approved and thus conclude whether the Gold Demerger is fair and reasonable to the MLX Shareholders and in the best interests of MLX Shareholders.

1.6 Our report will comply with the requirements of Regulatory Guides 60 (Schemes of Arrangement), 111 (Content of Expert's Reports) and 112 (Independence of Expert's) of the Australian Securities and Investments Commission ("ASIC"). Our general approach is to assess;

(a) the advantage, disadvantages of the Gold Demerger proposal;

(b) other factors which we consider to be relevant to the Shareholders in their assessment of the Gold Demerger proposal; and

(c) the position of Shareholders should the Gold Demerger not proceed.

1.7 In general terms our report includes:

- An Introduction
- Summary of opinion
- Implementation of the proposals and background information
- Conclusion on the Fairness of the Gold Demerger
- Pro-forma statement of assets and liabilities
- Consideration of advantages
- Consideration of disadvantages
- Consideration of other matters
- Conclusion as to the Gold Demerger proposal
- Sources of information
- Authors Independent and Indemnity Appendix

1.8 **Summary of Opinion**

In determining the fairness and reasonableness of the Gold Demerger, we have had regard for the definitions set out by ASIC in its Regulatory Guide 111, "Content of Expert Reports". Regulatory Guide 111 states that an opinion as to whether an offer is fair and/or reasonable shall entail a comparison between the offer price and the value that may be attributed to the securities under offer (fairness) and an examination to determine whether there is justification for the offer price on objective grounds after reference to that value (reasonableness). The concept of "fairness" is taken to be the value of the offer price, or the consideration, being equal to or greater than the value of the securities in the above mentioned offer.

An offer is "reasonable" if it is fair. An offer may also be reasonable, if despite not being "fair", there are sufficient grounds for security holders to accept the offer in the absence of any higher bid before the close of the offer. In this case, there is no offer bid but we have considered other factors in determining whether the proposal (Gold Demerger) is reasonable and these are set out in section of this report.

Fairness

The value of MLX and Westgold post the Gold Demerger and the value of MLX before the Gold Demerger will remain at least the same. Therefore the Gold Demerger and the proposals outlined in the Resolution 1 are fair.

Reasonableness

We have considered the advantages and disadvantages and other factors pertaining to the Gold Demerger and the proposals outlined in Resolution 1 and conclude that in our opinion, in the absence of a superior proposal, the Gold Demerger proposal is reasonable to the Shareholders of MLX.

Best Interests

Taking into account all factors noted in this report, we are of the opinion that the Gold Demerger and the proposals outlined in Resolution 1 are, in the absence of a superior proposal, in the best interests of Shareholders at the date of this report.

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2. Scope of the Report

2.1 The Gold Demerger is to be implemented pursuant to an in-specie distribution under section 265 C of the Corporations Act. If this Gold Demerger was to be implemented as a scheme under section 411 of TCA, Part 3 of Schedule 8 to the Corporations Act Regulations 2001 (Cth) (Regulations) would prescribe the information to be sent to shareholders in relation to a scheme of arrangement pursuant to section 411 of TCA. Schedule 8 of the Corporations Regulations requires an independent expert's report if:

- the corporation that is the other party to the scheme has a common director or directors with the company which is the subject of the scheme; or
- the corporation that is the other party is entitled to more than 30% of the voting shares in the subject company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interests of the members of the company the subject of the scheme and setting out his or her reasons for that opinion.

There is no requirement for our Report pursuant to section 411 of TCA or pursuant to section 256C of TCA.

Notwithstanding the fact that there is no legal requirement to engage an independent expert to report on the Gold Demerger, the directors of MLX have requested that SIS prepare this report as if it were an independent expert's report pursuant to Section 411, and to provide an opinion as to whether the directors of MLX are justified in recommending the Gold Demerger in the absence of a superior proposal.

2.2 **Regulatory Guidance**

In determining the basis of our evaluation and opinion, we have had regard to the views expressed by ASIC in RG 111, RG 111.35 and RG 111.36 suggests that, in the case of a demerger, if there is not:

- a change in underlying economic interests of security holders;
- a change of control; or
- selective treatment of different security holders

then the issue of `value' may be of secondary importance.

2.3 **Advantages and Disadvantages**

An expert should provide an opinion as to whether the advantages of the demerger outweigh the disadvantages. An expert may choose to consider whether the value of the demerged entities is greater than or less than the value of the original entity.

RG 111.37 suggests that if the demerger involves a scheme of arrangement then the expert should comment on whether or not the demerger is in the best interest of security holders.

RG 111.38 states that in a demerger, security holders will typically have to balance issues such as the benefits of a greater focus afforded to the demerged entities against increased costs and reduction in diversified earnings streams.

In determining whether the advantages of the Gold Demerger outweigh the disadvantages, we have had regard to the views expressed by ASIC in RG 111. This Regulatory Guide suggests that an opinion as to whether the advantages of a transaction outweigh the disadvantages should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to affect it.

RG 111 sets out that the expert should inquire whether further transactions are planned between the entity, the vendor or their associates and if any are contemplated determine if these are at arm's length. RG 111 also suggests that an expert should consider whether the transaction will deter the making of a takeover bid.

2.4 **Adopted basis of evaluation**

RG 111 suggests that the main purpose of an independent expert's report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the transaction. Having regard to RG 111, we have completed our Report as follows:

- an investigation into the advantages and disadvantages of the Gold Demerger (Section 5); and
- an analysis of any other issues that could be reasonably anticipated to concern Shareholders as a result of the Gold Demerger (Section 6).

3. Implications of the Gold Demerger and background Information

3.1 Currently, MLX is a company that operates in tin mining and exploration, gold mining and exploration, copper mining and exploration and exploration of other minerals such as nickel.

The Company's major divisions/projects are as noted below. We have not verified the accuracy of the information but note that most of the information was provided by MLX via Annual Reports, ASX announcements and from information contained in the EM and Annexures A and B attached to the Notice and EM.

TIN DIVISION

The Renison Tin Joint Venture

The Renison Tin project (50%) held by a subsidiary Bluestone Mines Tasmania Pty Ltd is in Tasmania ("BMT").

The other 50% interest in the Renison Tin Project is owned by YTPAH and the project is effectively run as a joint venture. Tin is produced from the Renison Tin Joint Venture and to 30 June 2016 the Renison Tin mine is cash flow positive. The Renison Tin Project is comprised of the Renison Tin Mine, the Renison Expansion Project and the Mt Bischoff Project.

As at 30 June 2016, the announced (in August 2016) tin resources (MLX share) was 137,520 tonnes of tin metal and the mineral are reserves (MLX share) is 84,751 tonnes of tin metal. It has a copper by- product mineral resource of 31,965 tonnes of copper.

The JV is currently profitable and to 30 June 2016, MLX's share of the profits totalled approximately $8.255 million (year ended 30 June 2015 approximately $9.866 million). The JV has recently transitioned from contract mining to owner operated mining that had an initial impact on production but production is planned to increase in 2016/17 with lower operating costs.

The JV has a tin concentrator plant that to date has showed excellent availabilities and utilisation. The JV is looking to improve overall head grade and tin metal entering the tin concentrator circuit by applying modern ore sorting technology to remove intercalated gangue and ore dilution from the mill feed.

The Renison Tin Mine has a Total Mineral Resource Estimate of 11.5Mt at 1.44% tin, containing 166Ktn of tin metal with a Total Ore Reserve Estimate of 5.7Mt at 1.28% tin, containing 73Ktn of tin metal.

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Renison Expansion Project ("Rentails Project")

The Renison tin concentrator has generated a significant quantity of process tailings accumulated over its lifetime of operation. The Rentails Project aims to re-process and recover tin and copper from the tailings by the application of modern processing technology in flotation, gravity and tin-fuming methods. A Definitive Feasibility Study ("DFS") of the mining and re-processing of the tailings for the project was completed in 2009. The DFS concluded that a 10-year project could be established using an integrated 2mtpa tin concentrator and tin-fumer plant could be constructed to produce approximately 5,300 tonnes of tin and 2,000 tonnes of copper contained in concentrate per annum.

The Project partners continued to review the development options for the Rentails Project including the re-assessment of the technical and construction parameters of the tin fumer plant with a view to lowering the capital cost and efficiency of the process.

The Rentails Project has a Total Mineral Resource Estimate of 22.5Mt at 0.45% tin containing 100Kt of tin metal with a Total Ore Reserve Estimate of 21.6Mt at 0.455 tin containing 97Kt tin metal.

Mt Bischoff Project

The Mt Bischoff Project is located approximately 80km north of the Renison mine. Mt Bischoff was a significant historical tin operation, producing some 60,000 tonnes of tin metal since the late 1800's. Open pit mining by Metals X between 2009 and 2011 produced a further 5,000 tonnes of tin metal before the initial open pit mine was depleted. Whilst the mine remains on care and maintenance, significant resources remain at depth and numerous historically mined areas remain underexplored and offer future development opportunity at higher tin prices.

The Mt Bischoff Project has a Total Mineral Resource Estimate of 1.7Mt at 0.54% tin, containing 9 Ktn of tin metal.

NICKEL DIVISION

The Wingellina Project (100%)

Not yet in production. This project could also produce cobalt and ferrous oxide. Probably a joint venture partner will be required due the estimated high capital costs. Total mineral reserves are estimated at 215.8 million tonnes at 0.91% nickel, 0.7% cobalt and 44.3% ferrous oxide. The total reserve is 168.4 million tonnes at 0.93% nickel, 0.07% cobalt and 45.6% ferrous oxide.

Metals X's nickel strategy remains focused on the Central Musgrave Project ("CMP") which straddles the triple-point of the WA/NT/SA borders. The project represents the Company's key nickel assets and comprises of the globally significant Wingellina Ni-Co-Fe rich limonite deposit, the similar Claude Hills deposit and the Mt Davies exploration prospects. The project encompasses a large tract of prospective exploration tenure encompassing the whole of the Wingellina layered intrusive sub-set of the Giles Complex rocks in Western and Southern Australia. The key focus of the Nickel division is to bring the Wingellina Nickel-Cobalt Project into production.

The Board had previously reached a decision to defer the expenditure on the updated feasibility due to the continuum of a depressed nickel market.

Whilst the engineering works for an updated feasibility study by HPAL (high pressure acid leach) technology has been halted, Metals X continues to use its internal resources to complete other long lead-times studies required for the DFS, including infrastructure, roads, rail and ports studies.

The final the Public Environmental Review ("PER") document was completed and approved by the Environmental Protection Authority ("EPA") for release to the public for an 8-week review period in September 2015 and ended in November 2015. The final EPA report and recommendations were published in late June 2016 for a 14 days public review process. Metal X has been advised that there were no appeals received and that the general conditions of the approval have been finalised. Final approval by the Environmental minister (subject to general conditions) was received on 1 September 2016.

Interaction with the State and Federal Governments in relation to infrastructure requirements within Central Australia continued during the period. An application has been submitted to the Northern Territory ("NT") Government to obtain "Significant Project Status" for the road and gas infrastructure, which will result in further cooperation by the territory. The NT major Project Group sub-committee recommended that the project be presented to NT cabinet and although major project status was not received, the significant economic benefits to NT were recognised and as such the Government has assigned resources to the project to help realise these benefits. Strong support from the other states and Commonwealth is ongoing.

Metals X continues to discuss development options using alternate technology and scales which have significantly changed the game in this lower nickel price environment.

Within the CMP, Total Mineral Resource Estimates (0.5%cut-off) of the nickeliferous limonite are 215.8 Mt at 0.9% Ni, 0.07% Co and 44.29% Fe_2O_3 containing 2.0Mt nickel metal.

The Claude Hills Project

Not yet in production. This project is adjacent to the Wingellina project and has a Total Mineral Resource Estimate (0.5% cut-off) of 33.3Mt at 0.81% Ni, 0.07% Co and 39% Fe_2O_3.

COPPER DIVISION

Nifty Copper Operations

MLX acquired the Nifty Copper Operations via the takeover offer for all of the shares in Aditya Birla Mineral Limited ("ABY") and completion of 100% of the shares in ABY occurred in late August 2016.

The Nifty Copper Operation ("Nifty") produces a clean copper concentrate which is shipped to the Hindalco copper smelter in India for refining. There is currently an agreement to sell the concentrates to Hindalco Industries Limited.

The Nifty operation is an underground copper sulphide mine with an associated 2.5Mtpa copper concentrator. Site infrastructure is extensive, including a powerhouse, camp and airfield, Processing of sulphide copper ore is by conventional comminution, grinding and flotation to produce a copper concentrate. A concentrate storage facility is located at Port Hedland where concentrate is accumulated before shipping.

The historic open pit operation mined oxide, transitional and chalcocite (a secondary sulphide) copper ores from which copper cathode was recovered by heap leaching and SXEW methods. Open pit mining operations ceased in June 2006 and heap leach operations ceased in January 2009. The underground mining operation, to exploit the primary chalcopyrite rich ores, commenced in December 2005 with the 2.5Mt processing facility being commissioned in March 2006.

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Nifty Copper Operation Production and Unit Costs for Financial Year ended 31 March 2016 as reported by Aditya Birla in their Annual Report for the Year Ended 31 March 2016

Measure	Unit	FY to 31 March 2016
Concentrate Operations:		
Mining		
Ore Mined	Tonnes	1,582,452
Grade	%	2.10%
Contained copper	Tonnes	33,272
Processing:		
Ore Processed	Tonnes	1,601,110
Grade	%	2.10%
Copper Contained in Ore Processed	Tonnes	33,576
Recovery	%	95.60%
Concentrate produced	Dry Tonnes	137,311
Concentrate grade	% Cu	23.38%
Copper in Concentrate Produced	Tonnes Cu	32,098
Total Copper Sales	Tonnes	36,826
Nifty C1 cost (excl. suspension period	A$/lb Cu	2.62

At 31 March 2016 Nifty had a Mineral Resource estimate of 31.1 million tonnes at 1.73% copper containing 539,000 tonnes of copper metal. The Ore Reserve subset of this resource is estimated at 5.24 million ore tonnes grading1.85% copper and containing 97,000 tonnes of copper metal.

Maroochydore Project

The Maroochydore Project is located 90 km from the Nifty Copper Operations and manifests as a large copper oxide and secondary chalcocite blanket of mineralisation. Drilling defined a small amount of copper sulphide mineralisation at depth, although this is sparsely drilled and inadequately defined. The oxide and secondary sulphide (chalcocite) blanket has an estimated total mineral resource estimate (0.5% cut-off) of 43.2 million tonnes at 0.91% copper and 391ppm cobalt. The deeper copper sulphide zone is categorised as an Inferred Mineral Resource of 5.43 million tonnes at 1.66% copper and 292ppm cobalt above a cut-off of 1.1% copper, containing approximately 90,000 tonnes of copper (ASX:ABY 30 April 2014). Geophysical modelling of high resolution aeromagnetic data suggests that the Maroochydore deposit lies within a north-trending structural corridor and that a possibility exists for a structural repetition of the mineralised horizon to occur to the west of the resource area. Primary copper sulphide mineralisation remains open along-strike and down-dip.

INVESTMENTS

MLX as at 30 June 2016 has the following share investments:

Loan to Southern Gold Limited, an ASX listed company of $2,104,458 and the interest chargeable is 8% pa;

Loan to Mongolian Resource Corporation Limited (“MRC”) an ASX listed company of $392,758 and the interest chargeable is 10% pa. In addition, MLX owns 14.76% of MRC but MRC is currently suspended from trading on ASX and thus the carrying value of the share investment in MRC has been reduced to $nil;

MLX owns 1.22% of RNI NL (“RNI”) an ASX listed company. The 30 June 2016 carrying value of the share investment in RNI has been reduced to $195,000 and as 30 September 2016 has a value of approximately $175,000; and

MLX owns 7.10% (now approximately 7.00%) of Brainchip Holdings Limited ("Brainchip") an ASX listed company. The 30 June 2016 carrying value of the share investment in Brainchip was $7,292,444 based on a Brainchip share price of 14 cents (the 30 September 2016 share price is 22.0 cents for a value of approximately $11,459,000).

GOLD DIVISION (the division the subject of the Gold Demerger)

The chief entity of the gold division is Westgold (100% owned by MLX) and Westgold via various subsidiaries and joint ventures owns the following gold projects:

- Higginsville Gold Operations and exploration (100%);
- South Kalgoorlie Gold Operations and exploration (100%);
- The Central Murchison Gold Project and exploration;
- Cannon Gold Mine (50% profit share) - via a financing and profit sharing agreement with Southern Gold Limited;
- Fortnum Gold Project (100%) (not yet in operation) and exploration; and
- The Rover Project. The Rover Project - an exploration asset in the Northern Territory (100%) – this is a potential project that has resources of gold, copper, cobalt, silver and bismuth.
- Other Exploration Assets in the Northern Territory.

Westgold owns the shares in various wholly owned subsidiaries that own three operating gold projects, four processing plants with 5 Mtpa combined capacity and has gold resources of approximately 15.4 million ounces and ore reserves of approximately 2.89 million ounces as at 30 June 2016. This excludes the 381,000 ounces of gold resources at the Rover 1 Project (as a co-product as the primary metals are copper and cobalt). The Westgold Group currently produces at a run rate of 250,000 ounces pa and has plans to double this over the next few years.

The Higginsville Gold Operation ("HGO")

HGO is centred around the main infrastructure of a modern 1.3Mtpa CIP plant and its infrastructure, and a 300 person village. During the period the Company acquired the Mt Henry Gold Project south of Norseman which will be integrated with HGO.

Mining at HGO during the period was from the Trident underground mine and a group of open pits.

Production from the Trident underground mine during the period was from lower ore zones in the pinch-out of the Artemis Helios lodes. The lower grades and some challenging mining and paste filing aspects impacted productivity and costs for the Trident underground mine. Exploration has successfully delivered extensions to the Trident ore system, however, increasing depth, erratic grade distribution, increasing ventilation and royalty imposts have created a situation where the group is reviewing the timing of future capital development in the mine.

Open pit mining progresses as planned with the deeper parts of Napoleon giving way to slower ore production. During the period mining at the Fairplay open pit also commenced. In September 2015 HGO acquired the Mt Henry Gold Project which is located approximately 70 km south of HGO. The Mt Henry Gold Project consists of three main deposits, namely Mt Henry, Selene and North Scotia, all of which are simple open pit mining propositions. Work has commenced to integrate this project into HGO. Mining commenced in August 2016 with bulk- tonnage lower grade open pit ores being carted 70 km to HGO for processing.

HGO has a Total Mineral Resource Estimate of 33.6Mt at 2.04 g/t Au, containing 2.2Moz of gold with a Total Ore Reserve Estimate of 7.6Mt at 1.78 g/t, containing 433Koz of gold.

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The South Kalgoorlie Operation ("SKO")

The SKO operations are centred upon an older 1.2 Mtpa CIP plant and infrastructure. Numerous open pits underground deposits have previously been mined within the tenement area since the late 1980's.

The main focus of SKO during the period continued to be the HBJ underground mine which remained in a capital development phase for half of the period. HBJ underground mine transitioned to a production phase which significantly improved its physical and financial outputs. The smaller amounts of development ore from HBJ underground mine was blended with existing low-grade stocks and ores from small low grade open pits.

Mining commenced in 2015 at the Stage 1 Cannon open pit mine which is subject to a mine financing and profit sharing agreement with Southern Gold Limited ("SAU") for the development of the Cannon open pit mine and potential underground mine at Bulong. Under the agreement, SKO operates and manages the mine. Ore is batch processed in parcels of approximately 40,000 tonnes through the SKO process plant. The first batch of ore was successfully processed through the SKO process plant in November 2015. All proceeds from the sale of the Cannon production goes first to repay all costs incurred by the project and SKO has the right to a 50% share of all surplus profits. During the period to 30 June 2016 163,827 tonnes were processed at a grade of 2.50 g/t to produce 12,074 ounces.

In July 2015 SKO acquired the George's Reward Project which has an adjoining lease boundary with the cannon open pit. The existing agreement with SAU was extended to allow the mining of a larger open pit across combining the cannon (50% profit share) with George's Reward (100% MLX owned). Mining of the larger open pit commenced in November 2015.

In June 2016 SKO acquired the Gunga Project which will provide an alternate ore source at the end of the cannon campaigns.

SKO has a Total Mineral Resource Estimate of 50.9Mt at 2.27 g/t, containing 3.7Moz gold with a Total Ore Reserve Estimate of 2.3Mt at 2.60 g/t, containing 192Koz of gold.

<u>The Central Murchison Gold Project ("CMGP")</u>

The CMGP is centred upon the refurbished 2.0 Mtpa process CIP plant (Bluebird process plant) and associated infrastructure. The project has numerous open pit and underground production options.

The overall consolidated CMGP project area has a number of historic gold mining centres and an aggregated gold production of nearly 10 million ounces. These include the Day Dawn, Cuddingwarra, Bog Bell, Reedy, Nannine, Yaloginda, paddy's Flat and Meekatharra North gold mining centres with the bulk of historic production being sourced from a handful of lager underground mines.

The Bluebird process plant was commissioned on a campaign basis in October 2015 on open pit and low grade stockpile ores. Successful optimisation of the process plant continued during the period.

The Company acquired a new 260 person village at Cue to serve the southern operations and re-work the large Big Bell mineral resource at a higher cut –off grade to enable a better financial outcome for the planned underground mine.

Open pit mining commenced in June 2015. Open pit mining during the period was at Whangamata, Batavia, Jack Ryan, Callisto, Bluebird and Surprise West. Open pit mining in the ensuing period will be at Jack Ryan, Callisto, Bluebird, Surprise, Anarchist, Rhens Hope, Mickey Doolan, Gibraltar, Aladdin and Culiculli.

Underground mining at Paddy's Flat commenced in mid-October 2015 with the decline now being well established. The Company has completed the transition to stopping on both the Prohibition and the Vivien-Consols lodes and monthly production is now at steady state levels with both lots of stope grades reporting positive reconciliations against pre-mined estimates.

Dewatering at Big Bell underground commenced with re-access to the old portal expected late in the 2016 calendar year. A revised development plan using the higher cut-off resource estimate was completed. When operational, Big Bell will become the cornerstone production feed for the CMGP providing approximately 50% of long-term mill feed and over 80,000-100,000 ounces per annum to overall output.

A development plan to commence underground mining at the Comet mine near Cue commenced and submissions for statutory approvals have been lodged. Comet is expected to provide a bridge production feed whilst Big Bell is re-established and builds its production rates.

The CMGP has a Total Mineral Resource Estimate of 108.7Mt at 2.21 g/t, containing 7.7Moz of gold with a Total Ore Reserve Estimate of 22.8Mt at 2.63 g/t, containing 1.9Moz of gold.

The Fortnum Project

In October 2015 the Company acquired the Fortnum Gold Project ("FGP") (previously referred to as Grosvenor) from RNI NL. The FGP is centred upon the historic mining centres of Labouchere, Fortnum, Horseshoe and peak Hill. A 1.0M tpa CIL plant, a 100 person village and all the plant and infrastructure required to operate the project is in place but in need of re-permitting and refurbishment before production can recommence.

Metals X has taken over the operations and significant progress toward a re-start of gold operations at FGP was made during the period with the release of the initial five year development plan (refer ASX announcement 15 July 2016).

This plan concluded a robust and low-capital risk start-up plan for the project. The key outputs of the initial five year plan are summarised:

Capital and infrastructure refurbishment cost	A $15 million (incl. contingency)
Refurbishment time-frame	16 weeks

Initial Ore Feeds	
Existing Low Grade Stocks	1.1 million tonnes @ 1.1g/t
Planned Open Pits	4.4 million tonnes @ 1.9 g/t
Planned Underground Mining	560,000 tonnes @ 4.1 g/t
Sub-total	**5.4 million tonnes 2 2. g./t (338,500 oz)**

Average Cash Operating Cost	A$ 66 per tonne or A$1150 / ounce
All in Cost	A$ 76 per tonne or A$1280 / ounce
Estimate NPV 8%	A$ 180m
Estimated IRR	90%
Simple payback (including acquisition)	2 years

There remains significant opportunity to upscale and accelerate the project ramp-up by taking a more aggressive development approach, however this would require higher upfront capital development. Significantly, longer mine life exists beyond this initial five year plan from known resources which require more validation and drilling, especially the Peak Hill region which is yet to be considered in the development strategy.

The FGP has a Total Mineral resource estimate of 29.7 Mt at 1.84 g/t, containing 1.75 Moz of gold with a Total Ore Reserve Estimate of 5.4Mt at 1.95 g/t, containing 339Koz of gold.

The Rover Project

The Rover Project is a postulated undercover repetition of the rich Tennant Creek goldfield 80km to the north-east. Exploration to date has so far fully tested a small number of anomalies and significant mineralised IOCG ("Iron Oxide Copper Gold"). systems have been discovered at the Rover 1 and Explorer 142 prospects. In addition significant lead-zinc-silver discovered have been made at explorer 108 and recently at the Curiosity Prospect its south.

The Rover 1 Prospect is a virgin IOCG discovery and has a Total Mineral resource Estimate of 6.8 Mt at 1.73g/t Au, 1.2% Cu, 0.14% Bi and 0.06% Co although drilling is continuing. The Explorer 108 prospect has a Total Mineral Resource Estimate of 11.9Mt at 3.24% Zn, 2.00pb and 11.14g/t Ag.

The project area is proximal to a major infrastructure corridor adjacent to Central Australian Railway, gas pipeline and Stuart Highway.

Work in the Tennant Creek district continues to be focused on defining the optimal development pathway for the Rover 1 deposit including the additional drilling into a postulated second bonanza gold and copper zone sitting between the 600m and 800m vertical depth. Drilling during the period successfully outlined this zone with spectacular results.

Exploration Assets (owned by Castile Resources Pty Ltd, a subsidiary of Westgold)

- The Explorer 108 Project – has a small resource of lead, zinc, copper and silver;
- The Explorer 142 Project – has a small resource of copper and silver;
- Interest in a potential lithium royalty at Mt Marion (from Neometals Limited);
- The Warumpi Joint Operation.

Warumpi Joint Operation

Warupmi is a significant grass roots exploration play within the prolific basement rocks of the West-Arunta province in the Northern Territory. These rocks have recently been identified as being geologically, tectono-thermally and temporally similar to Proterozoic basins in Eastern Australia that host five of the world's ten largest stratabound Pb-Zn deposits (Broken Hill, Hilton-George Fisher, Mount Isa, MacArthur River and Century). Metals X is undertaking the first modern exploration program in this highly underexplored region.

In the previous period on ground reconnaissance discovered an outcropping gossan at the Huron Prospect with rock chip results at surface returning results up to 120g/t Ag, 9.89% Cu and 4.73% Zn (WR0343). Further reconnaissance revealed a cluster of gossanous outcrops with high anomalous base and precious metal results (silver, copper and zinc). Infill sampling surrounding this zone was completed with results returning up to 182g/t Ag (WR0373), 7.72%Cu (WR0373) and 8.55% Zn (WR0351) (announcement ASX:MLX 22 December 2014). Metals X has been negotiating access arrangements for further exploration.

In addition Metals X acquired all residual interests in the project during the period to 30 June 2016 and now owns the prospects outright.

Summary

Further details on the operations and assets of the MLX Group pre Gold Demerger are summarised in the EM and Annexures A and B attached to the Notice and in announcements made by MLX to the ASX over the past six months and to the date of this report. In particular Section 4 and Annexure A outlines further information on the Westgold Group.

The Structures of the MLX Group (without the Westgold Group) and a summary of the Westgold Group post Gold Demerger is outlined in Section 8 of the EM.

In addition, Section 5.3 of the EM outlines a pro-forma statement of financial position of Westgold post the Gold Demerger (Section 5.5 outlines the adjustments made to arrive at the pro-forma statement of financial position).

Furthermore, Section 7.3 of the EM outlines a pro-forma statement of financial position of the MLX Group post the Gold Demerger (without the Westgold Group) (Section 7.4 outlines the adjustments made to arrive at the pro-forma statement of financial position).

3.2 As at 28 August 2016 there were 592,164,090 ordinary shares on issue (after the issue of 68,000,000 shares at $1.48 to raise a gross $100,640,000 and a net approximate $95.514 million). In addition, on 29 August 2016, 3,654,343 shares in the Company were issued to complete the compulsory acquisition of ABY. The Company has completed a Share Purchase Plan to raise a gross $14,998,862 at $1.48 per share (a further maximum 10,134,315 shares were issued on 8 September 2016) to take the shares on issue to 605,952,748.

Furthermore, there are 1,637,020 Performance Rights expiring 1 July 2017 and 1,751,135 Performance Rights expiring 1 July 2018. We have been advised that the Company will allow the Performance Rights to vest as a result of and subject to shareholders approving the capital reduction and thus a further 3,388,155 ordinary shares are proposed to be issued prior to the Gold Demerger.

Thus, the maximum number of shares that may be on issue in MLX immediately prior to the Gold Demerger may be 609,340,903.

It is proposed that approximately 304,670,452 shares that MLX will own in Westgold will be distributed to the shareholders of MLX via, the in-specie distribution and thus the MLX shareholder will own approximately 304,670,452 shares in Westgold that will represent 100% of the issued capital of Westgold.

3.3 Under the Gold Demerger, the Company proposes to advance approximately $110,000,000 to Westgold as a loan but as part of the Gold Demerger the loan and all other loans due by the Westgold Group to MLX will be forgiven and/ or capitalised by MLX so that immediately prior to and immediately after the Gold Demerger:

- MLX will own 100% of Westgold but would reduce to nil post implementation of the Gold Demerger;
- Westgold will owe no loans to MLX;
- Westgold will have cash funds of approximately $110,000,000;
- Westgold will assume all employee and various consultant liabilities along with provisions for rehabilitation relating to the gold mining tenements;
- Westgold will have entered into a Transitional Services Agreement whereby Westgold agrees to pay MLX fees in relation to various services as noted elsewhere in this report.

3.4 Post the Gold Demerger, MLX will still be a public listed company and will operate the tin, nickel and copper operations and exploration activities. The reduced MLX Group will have cash funds of approximately $50,000,000 (using 30 June 2016 figures adjusted for the net capital raising in August 2016, including the SPP and allowing for the cash reserves of ABY) and only be responsible for employees and consultants that are involved in the tin, nickel and copper operations (plus a head office staff).

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MLX is entering into a Transitional Services Agreement with Westgold for an initial period of 1 year (may vary by agreement). MLX will receive fees from Westgold in relation to:

- Accounting function (including payroll)
- Treasury management
- Administration (including company secretarial)
- Management (ad hoc on particular Westgold transactions)
- Tax support (various tax returns)
- Technical support
- Investor relations
- Information technology and
- Serviced office facilities.

3.5 On completion of the Gold Demerger, Westgold will, subject to meeting ASX Listing Rules, become a listed company. The shareholders of MLX will also become the shareholders of Westgold. Westgold will retain the Gold Division and MLX will retain all base metal projects and other investments.

3.6 In effect, in theory there is no change in value to a current MLX Shareholder as collectively they will own 100% of MLX (with all metal divisions except the gold division) and will own 100% of the shares in Westgold (that will continue to own and operate the Gold Division).

3.7 The structure of the Gold Demerger is such that a portion of the cash funds raised from the recent capital raising of $106.4 million and SPP (approximately $15 million) is transferred to Westgold (approximately $110 million is to be transferred to Westgold) and MLX will transfer all of the shares in Westgold to the shareholders of MLX via an in-specie distribution of capital and thus the MLX shareholders will also be Westgold shareholders in equal proportions. Thus, the value of MLX before the Gold Demerger should be the same as the value of MLX and Westgold combined after the Gold Demerger. The only differences are Gold Demerger costs totalling approximately $1,030,000 as noted below.

Some Gold Demerger costs will be incurred that would not normally be incurred if the Gold Demerger did not take place. Any costs incurred as a result of the Gold Demerger can reasonably expected to be compensated by an increase in the value of Westgold shares due to the appetite the market currently shows for pure gold play companies.

The estimated costs of the Gold Demerger are estimated at $520,000 to be incurred by MLX and a further $510,000 to be incurred by Westgold (including ASX listing fees).

3.8 A comparison was made with 13 other gold producing and exploration companies listed on the ASX and share prices were noted at 1 March 2016 and 22 August 2016. All companies had significant share price increases with a low of 13.36% and a high of 211.2% with an average increase during the period of approximately 47.34% (39.92% removing two high increases over 150% and 28.89% removing increases over 65%). The increases to a large extent follow the increase in gold price as noted in the charts below (AUS and US dollar prices of gold) as sourced from Gold Bullion Australia.

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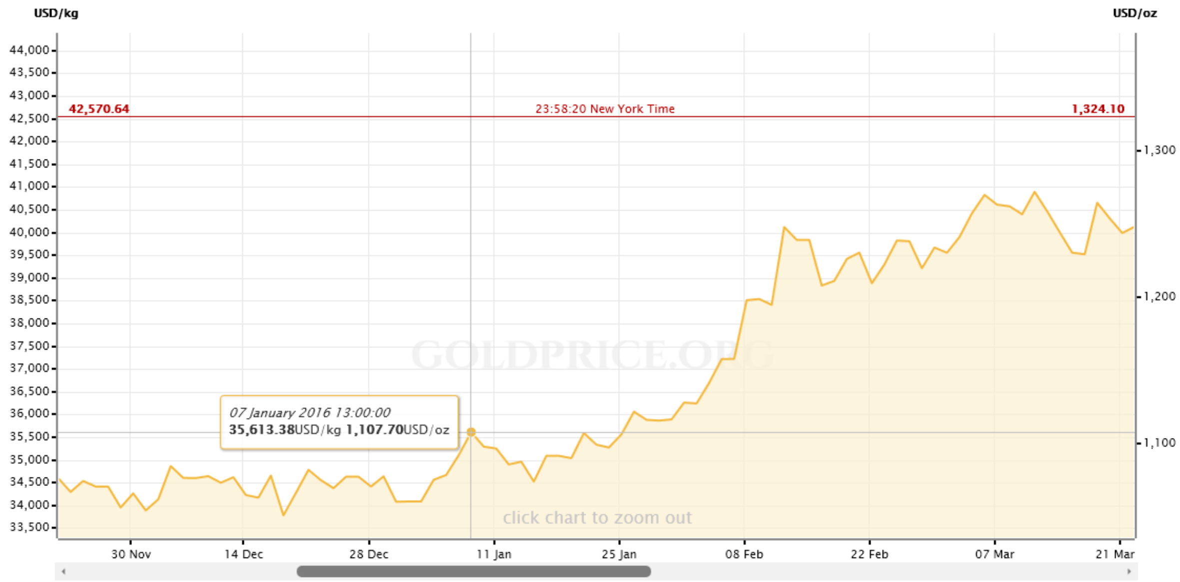

Source: Gold Price Org on 4 September 2016

As can been seen the values of gold focused companies listed on ASX have increased over the past 6 months (following increase in gold prices).

<u>It should be noted that there is no guarantee as to the market capitalisation of Westgold (and MLX) post Gold Demerger.</u>

4 <u>Conclusion on fairness of the Gold Demerger</u>

4.1 The MLX Shareholders collective interest in MLX will still be the same (estimated at up to 609,340,903 shares and the MLX Shareholders will post Gold Demerger own approximately 304,670,452 shares in Westgold. The ratio under the in-specie distribution is one new Westgold Share for every 2 MLX Shares. In effect, all MLX Shareholders will still own the same percentage in Westgold as they do in MLX and as noted above the combined value of MLX and Westgold post the Gold Demerger is the same as the value of MLX pre the Gold Demerger.

4.2 On such a basis, the Gold Demerger would be fair to the shareholders of MLX.

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5. Advantages and disadvantages of the Gold Demerger

In accordance with our evaluation, we have investigated other significant factors to which MLX Shareholders might give consideration to prior to approving the Gold Demerger. The matters we have considered are outlined below.

Advantages of the Gold Demerger

5.1 The Gold Demerger is fair. As noted above, we have assessed the Gold Demerger proposal to be fair to the MLX Shareholders. ASIC Regulatory Guide 111 states that "an offer is reasonable if it is fair".

5.2 **Dedicated Gold Producer and Explorer**

The exploration and development of gold is currently in favour with investors. By demerging, Westgold may add portfolio value because the demand for a gold only company may exceed the demand for a company with diversified mineral assets that includes gold.

This means that the Westgold shares that MLX Shareholders receive as a result of the Gold Demerger could increase in value beyond that ascribed by the ASX as the initial listing price. However, MLX Shareholders would only realise this potential increase in value if they sold their Westgold shares.

We note several research papers of 9 August 2016 by independent research houses that cover MLX and they noted that in their opinion, MLX is undervalued and effectively compared with “pure gold based companies”, MLX ascribes little value to the non-gold assets and believe that on a post Gold Merger basis, investors will re-rate both MLX (as a base metal company) and Westgold (assumes listing on ASX of Westgold) as a gold production and gold exploration company. The research houses consider that MLX is currently undervalued by the market and part of the reason is due to the diversified nature of MLX’s portfolio whereby it has not attracted the “gold premium” seen elsewhere with gold producers. The estimated price/net asset backing of MLX post the August capital raising and SPP and allowing for the completion of the acquisition of all of the shares in ABY approximates 94 cents (approximately 83 cents before consolidating ABY). Post the Gold Demerger, the book net asset backing of the Westgold Group will approximate 45.16 cents (net book value approximately $275,179,000) whilst the median price/net asset backing for a basket of Australian gold producers approximates 97 cents with a number over $1. Pre the Gold Demerger, the net book assets of the Westgold Group approximated $104,111,000.

The book net asset backing of the MLX Group post the Gold Demerger will approximate 44.20 cents and the net assets will approximate $269,324,000 (pre Gold Demerger, approximately $576,653,000).

5.3 **Less complexity**

Currently MLX maintains a diversified portfolio of mineral assets (refer above under section 2). Each of these assets are at different stages of development and require different strategies for future exploration or increase in output.

By separating the gold assets (Gold Division) from the other mineral assets (mainly tin, copper and nickel) via the Gold Demerger, MLX and Westgold will be able to concentrate on developing assets with similar properties (MLX would not need to spend time on the Gold Division and can concentrate on tin, nickel and copper projects).

This means that the resources of each company can be better concentrated on assets of similar properties or in the case of MLX resources not diverted to gold assets. As a result, it may be possible for each company to progress or improve projects quicker than if they operated as a single entity.

5.4 Choice of investment/ Shareholder flexibility

By demerging the gold assets of MLX and providing shareholders with direct ownership of shares in Westgold, shareholders have been provided with an opportunity to realise part of their investment if they only invest in gold or other mineral assets of MLX.

Shareholders can decide as to whether they wish to be exposed to base metal projects (excluding gold) some of which are in production (tin and copper) or choose to only invest in a gold focused company (some projects in production and others planned for production). Alternatively they can choose to keep both investments and retain exposure to gold via Westgold and other base metals via MLX. This provides shareholders with the flexibility to structure their portfolios as they see fit.

5.5 Suitable and focused management teams

Westgold will be led by Peter Cook a current executive director of MLX. Peter is a qualified geologist with over 30 years experience in the fields of exploration, project, operational and corporate management of mining companies and has served on other pubic listed and unlisted companies some of which were gold focused (including Westgold since March 2007 and Pacific Niugini Limited since August 2009.

A separate Board of Directors will steer Westgold and MLX will have its own Board, including Warren Hallam who is currently an executive director and a qualified metallurgist. The new Board members for Westgold as noted in the EM bring to Westgold years of mining and corporate experience.

In addition, the current management team that has run the Gold Division and all current employees on gold operations will continue to work in the Gold Division and thus there is no loss of experience. The current management team and employees of MLX who work on non gold projects will continue to be employed by MLX.

5.6 Dedicated funding

As part of the Gold Demerger, Westgold will be funded by way of a transfer of cash funds recently raised by MLX in August 2016. Approximately $110 million will be provided to Westgold. In a document released to the ASX on August 2016, MLX noted the following:

	$MIL
Cash funds as at 30 June 2016 (estimated)	73.0
Proceeds from Placement	100.6
Pro-forma	173.6
Potential additional funds from SPP	15.0
Potential cash funds post SPP	188.6
Fortnum Gold Project and Peak Hill evaluations (gold)	(25.0)
Mt Henry and Higginsville Plant modifications (gold)	(15.0)
Comet Underground Mine (pre-production) (gold)	(8.0)
Great Fingall- Stage 1 (pre-production) (gold)	(20.0)
Big Bell Rehabilitation and Pre Production (gold)	(35.0)
Nifty Capital Mine Development (copper)	(10.0)
Nifty Exploration Drilling (copper)	(5.0)
Cash Reserves	**70.6**

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By taking control of ABY in August 2016, the Company gained cash of approximately $50 million (based on unaudited consolidated statement of financial position of ABY as at 30 June 2016). This figure is included in the estimated opening cash funds as at 30 June 2016.

The preliminary cash flow forecasts for 2016/17 indicate that capital expenditure relating to the Westgold Group may approximate $96.5 million and approximately $36.5 million for the MLX Group without the Westgold Group.

$110 million has been allocated to the Gold Division and the balance of cash funds will remain in MLX. Both companies in the short to medium term should have sufficient working capital. If a development of a new gold mine (by Westgold) or a new base metal mine (by MLX) is to proceed to completion of construction, further capital may need to be raised by either or both companies.

To illustrate the importance of funding, we have set out the cash/gold position of various gold focused companies and the market capitalisation as at 30 June 2016:

Company	**Cash $m**	**Market capitalisation**
Regis Resources	123.3	$1.709 B
Evolution Mining	17.3	$3.421 B
Northern Star	315.3	$2.966 B
Ocean Gold	103.8	$3.112 B
Perseus Mining	166.0	$522.4 M
Ramelius	49.7	$206.7 M
Troy Resources	12.5	$181.8 M
Silverlake Resources	42.6	$259.4 M
Millenium Mining	20.8	$113.50 M
St Barbara	137.0	$1.460 B
Beadell Resources	30.9	$400.9 M
Resolute Mining	102.0	$824.5 M

Source: ASX and announcements by various companies and SIS.

As can be seen from the above table, the level of funds available covers a wide range of companies with different market capitalisations, which is a product of company specific factors.

The exploration budget for the Westgold Group based on the cash available extends to 30 June 2017. This will enable Westgold to potentially enhance the value of the gold assets prior to undertaking any further capital raisings or debt raisings. This insulates the shareholders from potential dilution in the short term.

It is noted that based on the estimated cash on hand (refer above), the market capitalisation of MLX approximates $819 million using a share price of $1.345 as at 12 September 2016 and approximately $917 million as at 30 September 2016. As at 11 October 2016, based on a share price of $1.325, the market capitalisation approximated $807 million. It is indeterminable as to what the share price and market capitalisation of MLX and Westgold will initially be immediately post the Gold Demerger.

5.7 Potential takeover target

If the Gold Demerger is implemented, the separation of Westgold from MLX may create an opportunity for potential acquirers to access Westgold as a stand-alone entity, which would not otherwise be available.

In addition, newly demerged entities are often identified by the market as potential takeover targets. Any takeover of Westgold would likely involve an acquirer paying a premium for control of the Westgold assets, which may not be factored in to any takeover of the entire of MLX alone (and which may even be factored in as a discount to the offer price by an acquirer, if the Westgold gold assets are unwanted).

Disadvantages of the Gold Demerger

5.8 **Market unpredictability**

It cannot be predicted how the market will react to the Gold Demerger. A fundamental change in the structure of MLX could have adverse effects on the share prices of MLX and Westgold.

When valuing a company, an assumption is that the market and market participants value that company similarly. In reality market participants use different methods and different reasons for valuing shares in a company. This means that when a company undergoes significant changes its shareholders and potential shareholders will assess individually the effect this change will have on the value or potential value of their shares. Therefore, the value one shareholder places on an MLX share will be different to the value another shareholder places on an MLX or Westgold share.

This means that the share price for MLX and Westgold following the Gold Demerger may fall if shareholders or potential shareholders conclude that one or both of these companies is overvalued. There is also an inherent risk that market factors outside the control of MLX or Westgold may affect the share prices of MLX and Westgold.

5.9 **Increased transaction costs**

Following the Gold Demerger and based on the theory for the issue of shares discussed in this report, a shareholder will need to sell 1 MLX share and 1 Westgold share in order to realise the same value that could have been achieved through the sale of 1 MLX share before the Gold Demerger. This means that shareholders may be required to pay the transaction costs associated with selling shares in two different companies instead of one.

5.10 **Loss of synergies/increased on-going costs**

The Gold Demerger will result in the creation of a new ASX listed entity with its own separate management structure. It is likely that some additional costs will be incurred by Westgold, as a result of the need to maintain its own board of directors, share register, and corporate and administrative functions. We note that if the Gold Demerger proposal was not available there would not be substantial reductions in overheads as the exploration staff would be still working on the various metal projects.

Westgold will also incur one-off listing expenses and adviser fees of approximately $510,000 to list on the ASX in addition to those incurred in undertaking the Gold Demerger.

5.11 **Reduced liquidity**

MLX's shares display a high level of liquidity, with over 100% of the issued capital trading in the 12 months prior to the announcement of the Gold Demerger proposal. It is likely that due to the reduction in size of the entity, and the focus on gold assets by Westgold that the liquidity of Westgold may be less than that currently exhibited by MLX.

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5.12 Reduction in size

MLX as at 11 October 2016 has a market capitalisation of approximately $807 million. MLX is also a member of the ASX 300 index which means that there is a degree of institutional shareholder support for the Company. Westgold will be significantly smaller than MLX as it now stands and as such, may not be as attractive an investment to some institutional investors who follow indices as MLX prior to the Gold Demerger. The reduced scale may also make it more difficult for Westgold to access debt or equity funding in comparison to MLX, but, as noted above Westgold will have adequate funding with approximately $110 million for working capital purposes. Offset against this is that equity and debt raisings for gold focussed companies is generally less complex than cash raisings for non gold mineral projects. Furthermore, as noted elsewhere in this report, many investors prefer to have investments in pure gold play companies (yet at the same time MLX Shareholders will still own MLX with the non-gold assets and own Westgold with all the gold assets).

6. Other Considerations

6.1 Alternative Proposal

We are not aware of any alternative proposal that might offer shareholders of MLX a premium over the value ascribed to that resulting from the Gold Demerger.

6.2 Consequences of not approving the Gold Demerger

If the Gold Demerger is not approved, the directors of MLX will continue to develop a large spread of mineral assets, rather than concentrating on mineral specific assets. This may cause delays in the development of assets.

6.3 Tax implications of the Gold Demerger

The tax implications for MLX Shareholders as a result of completing the Gold Demerger is set out in Section 9 of the EM attached to the Notice <u>and should be considered by MLX Shareholders in making their assessment in light of personal circumstances</u>.

All tax losses of the MLX Group remain with MLX. Currently, MLX is in a tax consolidation regime but once the Westgold Group leaves the MLX tax consolidation group, all losses that individual companies in the Westgold Group had would be lost. Currently some losses were utilised by MLX to reduce tax payable. This may result in tax being paid earlier than normal as tax losses of the Westfield Group (at least to 30 June 2016) are not available to be used by the Westgold Group in future years.
It is expected that the Westgold Group of companies will enter into their own tax consolidation group.

The pro-forma statement of consolidation of the Westgold Group has noted a non-current deferred tax liability of $32,149,109.

6.4 Value created by demergers

We have considered analysis of the value created by demergers historically. The general rationale of a demerger is based on the theory that the market does not attribute value to the diversification of assets held within a corporate portfolio unless there is a clear strategic purpose or substantial synergies that can be illustrated are available. In our view the data set is limited and the conclusions that can be drawn are not definitive. However, several research analysts covering MLX consider the Gold Demerger an advantage to MLX Shareholders.

6.5 **Ineligible overseas shareholders**

Any shareholders that are ineligible overseas shareholders will not receive Westgold shares under the Demerger Scheme. In those instances, a nominee will be appointed and will be issued the shares that would have otherwise been issued to the ineligible overseas shareholders. The nominee will then be required to sell those shares, and remit the proceeds (less any costs, brokerage etc.) to the ineligible overseas shareholders.

MLX Shareholders expected to be affected by this represents approximately 0.15% of MLX's issued capital.

7. Conclusions

7.1 We have considered the terms of the Gold Demerger as outlined in the body of this report and in the EM attached to the Notice and conclude that the Gold Demerger in addition to being fair is also reasonable and also in the best interests of MLX Shareholders.

8. Shareholder Decision

8.1 Stantons International Securities Pty Ltd has been engaged to prepare an independent expert's report setting out whether, the Gold Demerger is fair and reasonable and in the best interests of shareholders. Stantons International Securities Pty Ltd has not been engaged to provide a recommendation to shareholders in relation to the proposals under Resolution 1 (and any other Resolution as outlined in the Notice) but we have been requested to determine whether the proposals pursuant to Resolution 1 are fair and/or reasonable to the MLX Shareholders. The responsibility for such a voting recommendation lies with the directors of MLX.

8.2 In any event, the decision whether to accept or reject Resolution 1 is a matter for individual shareholders based on each shareholder's views as to value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If in any doubt as to the action they should take in relation to the proposals under Resolution 1, shareholders should consult their own professional adviser.

8.3 Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in MLX. This is an investment decision upon which Stantons International Securities Pty Ltd does not offer an opinion and is independent on whether to accept the proposals under Resolution 1. Shareholders should consult their own professional adviser in this regard.

9. Sources of Information

9.1 In making our assessment as to whether the proposals pursuant to Resolution 1 are fair and reasonable, we have reviewed relevant published available information and other unpublished information of the Company that is relevant to the current circumstances. In addition, we have held discussions with the management of MLX about the present and future operations of the MLX Group. Statements and opinions contained in this report are given in good faith, but in the preparation of this report, we have relied in part on information provided by the directors and management of MLX.

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9.2 Information we have received, includes but is not limited to:

- Drafts of the Notice of General Meeting of Shareholders and EM of MLX to 11 October 2016;
- Discussions with management of MLX;
- Shareholding details of MLX as at 4 August 2016 and 13 September 2016;
- Share issue prices relating to MLX shares from 1 July 2015 to 11 October 2016 as traded on ASX;
- Annual report of MLX for the years ended 30 June 2015 and 2016;
- Announcements by MLX to its shareholders from 1 January 2015 to 11 October 2016;
- The cash flow forecasts for the MLX Group for 2016/17 split between metal divisions;
- The tax implications of the Gold Demerger as noted in the EM;
- Various Broker Reports on MLX in 2015 and 2016;
- Consolidated pro-forma statement of financial position of MLX and Westgold immediately following the Gold Demerger using audited 30 June 2016 financial information as a base;
- The Transitional Services Agreement; and
- ABY unaudited financials for the three months ended 30 June 2016 and the audited accounts for the year ended 31 March 2016.

Our report includes Appendix A and our Financial Services Guide.

Yours faithfully
STANTONS INTERNATIONAL SECURITIES PTY LTD
(Trading as Stantons International Securities)

John Van Dieren - FCA
Director

APPENDIX A

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities Pty Ltd trading as Stantons International Securities dated 12 October 2016, relating to the proposals as referred to in Resolution 1 in the Notice.

At the date of this report, Stantons International Securities Pty Ltd does not have any interest in the outcome of the proposal. There are no relationships with MLX or Westgold other than acting as an independent expert for the purposes of this report. There are no existing relationships between Stantons International Securities Pty Ltd and the parties participating in the transactions detailed in this report which would affect our ability to provide an independent opinion. The fee (excluding disbursements) to be received for the preparation of this report is based on the time spent at normal professional rates plus out of pocket expenses and is estimated not to exceed $28,000. The fee is payable regardless of the outcome. With the exception of that fee, neither Stantons International Securities nor John Van Dieren or Martin Michalik have received, nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the making of this report.

Stantons International Securities does not hold any securities in MLX or Westgold. There are no pecuniary or other assets of Stantons International Securities that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities Pty Ltd, Mr John Van Dieren and Martin Michalik have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice.

QUALIFICATIONS

We advise Stantons International Securities Pty Ltd is the holder of an Australian Financial Services Licence (No 448697) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions involving securities. A number of the directors of Stantons International Audit and Consulting Pty Ltd who owns 100% of the shares in Stantons International Securities Pty Ltd are the directors and authorised representatives of Stantons International Securities Pty Ltd. Stantons International Securities Pty Ltd and Stantons International Audit and Consulting Pty Ltd (trading as Stantons International) have extensive experience in providing advice pertaining to mergers, acquisitions and strategic for both listed and unlisted companies and businesses.

John Van Dieren (FCA) and Martin Michalik (ACA), the persons responsible for the preparation of this report, have extensive experience in the preparation of valuations for companies and in advising corporations on takeovers generally and in particular on the valuation and financial aspects thereof, including the fairness and reasonableness of the consideration offered.

The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the task they have performed.

Stantons International Securities

DECLARATION

This report has been prepared at the request of the Directors of MLX in order to assist the shareholders of MLX to assess the merits of the proposals (Resolution 1) to which this report relates. This report has been prepared for the benefit of MLX and those persons only who are entitled to receive a copy for the purposes of section 265C of the Corporations Act 2001 and does not provide a general expression of Stantons International Securities Pty Ltd's opinion as to the longer term values of MLX and its subsidiaries and assets (including the MLX Group and Westgold Group post Gold Demerger). Stantons International Securities Pty Ltd does not imply, and it should not be construed, that is has carried out any form of audit on the accounting or other records MLX or its subsidiaries, businesses, other assets and liabilities. Neither the whole, nor any part of this report, nor any reference thereto may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities to the form and context in which it appears.

DUE CARE AND DILEGENCE

This report has been prepared by Stantons International Securities with due care and diligence. The report is to assist shareholders in determining the fairness and reasonableness of the proposal set out in Resolution 1 to the Notice and each individual shareholder may make up their own opinion as to whether to vote for or against Resolution 1.

DECLARATION AND INDEMNITY

Recognising that Stantons International Securities may rely on information provided by MLX and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities Pty Ltd's experience and qualifications), MLX has agreed:

(a) to make no claim by it or its officers against Stantons International Securities Pty Ltd (and Stantons International Audit and Consulting) to recover any loss or damage which MLX may suffer as a result of reasonable reliance by Stantons International Securities Pty Ltd on the information provided by MLX; and

(b) to indemnify Stantons International Securities Pty Ltd (and its parent entity) against any claim arising (wholly or in part) from MLX or any of its officers providing Stantons International Securities Pty Ltd any false or misleading information or in the failure of MLX or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities Pty Ltd.

A draft of this report was presented to MLX directors for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

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FINANCIAL SERVICES GUIDE
FOR STANTONS INTERNATIONAL SECURITIES PTY LTD
(Trading as Stantons International Securities)
Dated 12 October 2016

1. Stantons International Securities Pty Ltd (Trading as Stantons International Securities) ABN 42 128 908 289 and Financial Services Licence 448697 ("SIS" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. **Financial Services Guide**

In the above circumstances we are required to issue to you, as a retail client a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No: 448697;
- remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. **Financial services we are licensed to provide**

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and notes)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. **General Financial Product Advice**

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. **Benefits that we may receive**

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

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6. **Remuneration or other benefits received by our employees**

SIS has no employees and Stantons International Audit and Consulting Pty Ltd charges a fee to SIS. All Stantons International Audit and Consulting Pty Ltd employees receive a salary. Stantons International Audit and Consulting Pty Ltd employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. **Associations and relationships**

SIS is ultimately a wholly subsidiary of Stantons International Audit and Consulting Pty Ltd a professional advisory and accounting practice. Stantons International Audit and Consulting Pty Ltd trades as Stantons International that provides audit, corporate services, internal audit, probity, management consulting, accounting and IT audits.

From time to time, SIS and Stantons International Audit and Consulting Pty Ltd and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

9. **Complaints resolution**

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities
Level 2
1 Walker Avenue
WEST PERTH WA 6005

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

9.2 **Referral to External Dispute Resolution Scheme**

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("FOSL"). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
PO Box 3
MELBOURNE VIC 8007
Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. **Contact details**

You may contact us using the details set out above.
Telephone 08 9481 3188
Fax 08 9321 1204
Emai jvdieren@stantons.com.au

Schedule B – Westgold Financial Information

1. INTRODUCTION

This Schedule B contains the financial information of Westgold Resources Limited (**Westgold**) and has been provided in connection with Westgold's application to be admitted to the official list of the ASX with its shares being quoted on the stock market conducted by the ASX following Westgold's demerger from Metals X Limited (**Metals X**). Refer to section 1 of this Information Memorandum for further information.

This schedule contains the following financial information:

(a) The historical financial information of Westgold includes:

  (i) The historical consolidated statements of comprehensive income for Westgold for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 (**Historical Statements of Comprehensive Income**);

  (ii) The historical consolidated statements of cash flows for Westgold for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 (**Historical Statements of Cash Flows**); and

  (iii) The historical consolidated statements of financial position for Westgold as at 30 June 2014, 30 June 2015 and 30 June 2016 (**Historical Statements of Financial Position**).

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

(b) The pro forma historical consolidated statement of financial position of Westgold as at 30 June 2016 (**Pro Forma Historical Statement of Financial Position**).

The Historical Financial Information and Pro Forma Historical Statement of Financial Position together form the "**Financial Information**".

The Financial Information presented in this section should be read in conjunction with the risk factors incorporated under Section 3 of this Information Memorandum and other information in this Information Memorandum. Investors should note that past results are not a guarantee of future performance.

All amounts disclosed in this section are presented in Australian dollars.

The Historical Financial Information and the Pro Forma Historical Statement of Financial Position have been reviewed by Ernst & Young, in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and or Prospective Financial Information* as stated in its Independent Limited Assurance Report as set out in Schedule C.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

2.1 Overview

The Directors of Westgold are responsible for the preparation and presentation of the Financial Information contained in this Information Memorandum. The Financial Information is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of Westgold.

Westgold's accounting policies have been consistently applied throughout the periods presented in the Financial Information and are set out in Section 6 below and its critical accounting estimates and judgments are set out in Section 7 below.

The Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation, disclosures, statements and comparative information required by Australian Accounting Standards (**AAS**) applicable to general purpose financial reports prepared in accordance with the Corporations Act.

2.2 Preparation of Historical Financial Information

The Historical Financial Information has been derived from the respective general purpose statutory consolidated financial statements of Westgold for the years ended 30 June 2014, 30 June 2015 and 30 June 2016. These consolidated financial statements were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young has issued unqualified audit opinions in respect of these consolidated financial statements. Copies of these consolidated financial statements can be obtained from Westgold's website.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in AAS issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Refer to Westgold's consolidated financial statements for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 for a discussion of the operations.

2.3 Preparation of Pro Forma Historical Statement of Financial Position

The Pro Forma Historical Statement of Financial Position has been prepared solely for the purpose of inclusion in this Information Memorandum and has been derived from the historical statement of financial position of Westgold as at 30 June 2016, adjusted for the pro forma adjustments described in Section 5 below. The historical statement of financial position of Westgold as at 30 June 2016 has been derived from the general purpose statutory consolidated financial statements of Westgold for the year ended 30 June 2016. The Pro Forma Historical Statement of Financial Position is prepared on the assumption that the transaction was implemented as at 30 June 2016.

The Pro Forma Historical Statement of Financial Position has been prepared in accordance with the recognition and measurement principles of AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions contemplated to occur as part of the Demerger of Westgold from Metals X as if they occurred as at 30 June 2016.

In preparing the Pro Forma Historical Statement of Financial Position, no adjustments have been made for potential changes in the cost or operating structure resulting from the Demerger of Westgold from Metals X. However, adjustments have been made for capital restructures that will take place as a result of the Demerger.

Due to its nature, the Pro Forma Historical Statement of Financial Position does not represent Westgold's actual or prospective financial position.

3. WESTGOLD HISTORICAL STATEMENTS OF COMPREHENSIVE INCOME

The Westgold historical consolidated statements of comprehensive income for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 are:

	2014	**2015**	**2016**
Revenue	161,051,109	232,776,237	280,317,331
Cost of sales	(122,796,109)	(185,078,076)	(279,295,243)
Gross profit	**38,255,000**	**47,698,161**	**1,022,088**
Other income	3,891,829	2,188,475	3,314,900
Other expenses	(338,897)	(2,319,838)	(5,402,232)
Impairment loss on intercompany loan	-	(242,204)	-
Impairment loss on mine properties and development	-	(4,717,594)	-
Exploration and evaluation expenditure written off	(6,521,424)	(5,974,542)	(27,063,338)
(Loss)/profit before income tax and finance costs	**35,286,508**	**36,632,458**	**(28,128,582)**
Finance costs	(1,813,984)	(86,048)	(963,778)
(Loss)/profit before income tax	**33,472,524**	**36,546,410**	**(29,092,360)**
Income tax (expense)/benefit	(9,642,494)	(22,880,909)	8,522,713
Net (loss)/profit after tax	**23,830,030**	**13,665,501**	**(20,569,647)**
Other comprehensive profit for the period, net of tax	-	-	-
Total comprehensive (loss)/profit for the period	**23,830,030**	**13,665,501**	**(20,569,647)**

4. WESTGOLD HISTORICAL STATEMENTS OF CASH FLOWS

The Westgold historical consolidated statements of cash flows for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 are:

	2014	2015	2016
OPERATING ACTIVITIES			
Receipts from customers	163,980,444	217,609,363	260,094,831
Interest received	224,606	92,297	1,238
Other income	609,255	1,855,750	1,784,248
Payments to suppliers and employees	(98,850,819)	(149,597,475)	(212,018,299)
Interest paid	(7,600)	(8,152)	(234,252)
Net cash flows from operating activities	**65,955,886**	**69,951,783**	**49,627,766**
INVESTING ACTIVITIES			
Payments for property, plant and equipment	(3,387,459)	(5,913,613)	(11,990,644)
Payments for mine properties and development	(12,811,381)	(33,734,212)	(79,100,887)
Payments for exploration and evaluation expenditure	(6,789,782)	(21,664,559)	(28,339,756)
Proceeds from sale of property, plant and equipment	70,456	12,691	374,308
Net cash outflow on acquisition of subsidiary	(38,929,600)	-	-
Net cash flows used in investing activities	**(61,847,766)**	**(61,299,694)**	**(119,056,979)**
FINANCING ACTIVITIES			
Payment of finance lease liabilities	(469,744)	(664,990)	(2,555,428)
Proceeds from /(payment of) intercompany loans	(3,273,911)	(46,475,638)	43,361,807
Proceeds from gold prepayment	-	40,445,000	23,250,000
Proceeds from performance bond facility	-	3,149,000	-
Net cash flows (used in)/from financing activities	**(3,743,655)**	**(3,546,627)**	**64,056,379**
Net (decrease)/increase in cash and cash equivalents	364,465	5,105,461	(5,372,834)
Cash and cash equivalents at the beginning of the year	381,224	745,689	5,851,150
Cash and cash equivalents at the end of the year	**745,689**	**5,851,150**	**478,316**

5. WESTGOLD HISTORICAL AND PRO FORMA HISTORICAL STATEMENTS OF FINANCIAL POSITION

The Westgold historical consolidated statements of financial position as at 30 June 2014, 30 June 2015 and 30 June 2016 and Pro Forma Historical Statement of Financial Position as at 30 June 2016 are:

	Historical Statement of Financial Position	Historical Statement of Financial Position	Historical Statement of Financial Position	Pro Forma Adjustments				Pro Forma Historical Statement of Financial Position
	30 June 2014	30 June 2015	30 June 2016	Transfer of Assets [(a)]	Transaction Costs [(b)]	Cash & Working Capital [(c)]	Trade and Intercompany Payables [(d)]	30 June 2016
CURRENT ASSETS								
Cash and cash equivalents	745,689	5,851,150	478,316	-	(510,000)	110,000,000	-	109,968,316
Trade and other receivables	6,129,977	49,047,423	38,729,505	-	-	-	-	38,729,505
Inventories	16,092,302	21,206,601	35,881,733	-	-	-	-	35,881,733
Prepayments	351,365	250,549	309,810	-	-	-	-	309,810
Other financial assets	3,149,000	-	-	2,104,548	-	-	-	2,104,548
Total current assets	**26,468,333**	**76,355,723**	**75,399,364**	**2,104,548**	**(510,000)**	**110,000,000**	**-**	**186,993,912**
NON-CURRENT ASSETS								
Property, plant and equipment	53,842,450	54,172,787	59,494,356	-	-	-	-	59,494,356
Mine properties and development costs	50,892,563	52,622,589	87,891,162	-	-	-	-	87,891,162
Exploration and evaluation expenditure	93,171,427	97,854,736	164,583,990	-	-	-	-	164,583,990
Total non-current assets	**197,906,440**	**204,650,112**	**311,969,508**	**-**	**-**	**-**	**-**	**311,969,508**
TOTAL ASSETS	**224,374,773**	**281,005,835**	**387,368,872**	**2,104,548**	**(510,000)**	**110,000,000**	**-**	**498,963,420**
CURRENT LIABILITIES								
Trade and other payables	29,582,754	30,826,271	129,298,655	2,104,548	-	110,000,000	(171,579,007)	69,824,196
Provisions	38,142	2,343,014	3,021,268	-	-	-	-	3,021,268
Interest bearing loans and borrowings	2,069,886	1,603,643	3,130,282	-	-	-	-	3,130,282
Unearned income	-	20,222,500	22,493,125	-	-	-	-	22,493,125
Total current liabilities	**31,690,782**	**54,995,428**	**157,943,330**	**2,104,548**	**-**	**110,000,000**	**(171,579,007)**	**98,468,871**
NON-CURRENT LIABILITIES								
Provisions	79,501,166	66,496,164	83,147,893	-	-	-	-	83,147,893
Interest bearing loans and borrowings	-	3,258,005	4,205,433	-	-	-	-	4,205,433
Unearned income	-	5,055,625	5,812,500	-	-	-	-	5,812,500
Deferred tax liabilities	9,487,888	17,910,456	32,149,109	-	-	-	-	32,149,109
Total non-current liabilities	**88,989,054**	**92,720,250**	**125,314,935**	**-**	**-**	**-**	**-**	**125,314,935**
TOTAL LIABILITIES	**120,679,836**	**147,715,678**	**283,258,265**	**2,104,548**	**-**	**110,000,000**	**(171,579,007)**	**223,783,806**
NET ASSETS	**103,694,937**	**133,290,157**	**104,110,607**	**-**	**(510,000)**	**-**	**171,579,007**	**275,179,614**
EQUITY								
Issued capital	171,644,902	171,644,902	171,644,902	-	-	-	-	171,644,902
(Accumulated losses)/retained earnings	(73,614,368)	(59,948,867)	(80,518,514)	-	(510,000)	-	171,579,007	90,550,493
Share based payments reserve	5,664,403	5,664,403	5,664,403	-	-	-	-	5,664,403
Other reserves	-	15,929,719	7,319,816	-	-	-	-	7,319,816
TOTAL EQUITY	**103,694,937**	**133,290,157**	**104,110,607**	**-**	**(510,000)**	**-**	**171,579,007**	**275,179,614**

Pro forma adjustments

Details of the pro forma adjustments applied to the Historical Statement of Financial Position as at 30 June 2016 of Westgold are as follows:

(a) Transfer of Assets

In 2015, Metals X Limited entered into a mine financing and profit sharing agreement with Southern Gold Limited ("SAU") for the development of the Cannon open pit mine. In addition, Metals X entered into a $2,500,000 debt facility agreement with SAU to provide them with funding for regulatory approvals and other working capital requirements. As at 30 June 2016 SAU had drawn down $2,000,000 under the debt facility and had accrued $104,548 in interest (noting that as at the date of this Information Memorandum the amount drawn has increased to $2,500,000). As the mining financing and profit sharing agreement is operated and managed by HBJ Minerals Limited (a subsidiary of Westgold) with ore being processed at the South Kalgoorlie Gold Operation, the debt facility agreement and associated receivable has been assigned from Metals X to Westgold, and the associated receivable of $2,104,548 will be recognised as an intercompany loan from Metals X (see pro-forma adjustment (d)).

(b) Transaction Costs

Estimated total demerger transaction costs of $510,000 post-tax. The transaction costs have been expensed.

(c) Cash and Working Capital

As part of the demerger there is an agreement between Metals X and Westgold whereby Westgold will receive funding to the value of $110,000,000 from Metals X for the development of the gold projects and to ensure Westgold's working capital requirements are met. The funding of $110,000,000 is initially recognised as an intercompany loan from Metals X (see pro-forma adjustment (d)).

(d) Intercompany Loan

In accordance with the Demerger Deed all intercompany loans between Metals X and Westgold will be forgiven as part of the demerger. The debt forgiveness will be credited to equity within the Statement of Financial Position of Westgold.

Going concern

Westgold had historical consolidated net current liabilities of $82,543,964 as at 30 June 2016 (30 June 2015: net current assets of $21,360,297, 30 June 2014: net current liabilities of $5,222,448), including cash on hand of $478,316 as at 30 June 2016 (30 June 2015: $5,851,150, 30 June 2014: $745,689). Westgold generated positive operating cashflows throughout these historical periods.

The Directors of Westgold are satisfied that it is appropriate to prepare the Historical Financial Information on a going concern basis as Westgold is part of the Metals X closed group and party to a deed of cross guarantee, which the directors of Metals X have confirmed will not be removed unless the proposed demerger proceeds.

In addition, Metals X has committed to provide financial support to Westgold for a period of not less than 12 months from the date of issuing the Information Memorandum in the event that the proposed demerger does not proceed.

Should the proposed demerger proceed, Metals X will provide funding to the value of $110,000,000 to Westgold upon demerger and Westgold will concurrently be removed from the Metals X closed group. Following the demerger, Westgold expects to be in a pro forma historical consolidated net current assets position of $88,525,041 as at 30 June 2016 as reflected in the Pro Forma Historical Statement of Financial Position. The Directors of Westgold believe that it will generate sufficient cash flows from operations to finance its ongoing operations and meet its financial obligations. Accordingly, the Financial Information has been prepared on a going concern basis.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Changes in accounting policy

The accounting policies used in the preparation of the financial information are consistent with those used in previous years.

(b) Basis of consolidation

The consolidated Financial Information comprises the financial information of the parent entity and its subsidiaries ('the Consolidated Entity') as at 30 June each year. Control is achieved when the Consolidated Entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Consolidated Entity controls an investee if and only if the Consolidated Entity has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Consolidated Entity has less than a majority of the voting or similar rights of an investee, the Consolidated Entity considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Consolidated Entity's voting rights and potential voting rights

The Consolidated Entity re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Consolidated Entity obtains control over the subsidiary and ceases when the Consolidated Entity loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Consolidated Entity gains control until the date the Consolidated Entity ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Consolidated Entity and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with the Consolidated Entity's accounting policies. All intra-Consolidated Entity assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Consolidated Entity are eliminated in full on consolidation.

(c) Standards issued not yet effective

The following standards and interpretations have been issued but are not yet effective for the year ending 30 June 2016. The standards that are effective from 1 July 2016 for the Consolidated Entity are not expected to materially impact the Consolidated Entity. Standards impacting the Consolidated Entity in future periods are still currently being assessed.

Reference	Title	Summary	Application date of standard*	Application date for Consolidated Entity*
AASB 9	Financial Instruments	In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting **AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.** **Classification and measurement** **AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities.** The main changes are described below. Financial assets (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. Financial liabilities Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: • The change attributable to changes in credit risk are presented in other comprehensive income (OCI)	1 January 2018	1 July 2018

Reference	Title	Summary	Application date of standard*	Application date for Consolidated Entity*
		• The remaining change is presented in profit or loss These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. **Impairment** **The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.**		
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	AASB 2014-3 amends AASB 11 Joint Arrangements to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11 (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations This Standard also makes an editorial correction to AASB 11.	1 January 2016	1 July 2016
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	**AASB 116 Property Plant and Equipment and AASB 138 Intangible Assets** both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 July 2016
AASB 15	Revenue from Contracts with Customers	AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards. AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other	1 January 2018	1 July 2018

Reference	Title	Summary	Application date of standard*	Application date for Consolidated Entity*
		accounting standards such as leases or financial instruments).The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted. AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence and provides further practical expedients on transition to AASB 15.		
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	The subjects of the principal amendments to the Standards are set out below: AASB 5 Non-current Assets Held for Sale and Discontinued Operations: • Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. AASB 7 Financial Instruments: Disclosures: • Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. • Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required	1 January 2016	1 July 2016

Reference	Title	Summary	Application date of standard*	Application date for Consolidated Entity*
		by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134. AASB 119 Employee Benefits: • Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level. AASB 134 Interim Financial Reporting: • Disclosure of information 'elsewhere in the interim financial report' - amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.		
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016
AASB 16	Leases	The key features of AASB 16 are as follows: Lessee accounting • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-	1 January 2019	1 July 2019

Reference	Title	Summary	Application date of standard*	Application date for Consolidated Entity*
		cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. Lessor accounting • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.		
2016-1	Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]	This Standard amends AASB 112 Income Taxes (July 2004) and AASB 112 Income Taxes (August 2015) to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017	1 July 2017
2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	1 January 2017	1 July 2017
IFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions [Amendments to IFRS 2]	This standard amends to IFRS 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: ► The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments ► Share-based payment transactions with a net settlement feature for withholding tax obligations ► A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled	1 January 2018	1 July 2018

***** Designates the beginning of the applicable annual reporting period unless otherwise stated.

(d) Foreign currency translation

(i) Functional and presentation currency

Both the functional and presentation currency of Westgold and its Australian subsidiaries is Australian dollars (A$).

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the reporting date.

All exchange differences in the consolidated financial report are taken to the profit or loss.

(e) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdraft for the current period was nil (2015: nil).

(f) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment.

Collectability of trade and other receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment allowance is recognised when there is objective evidence that the Consolidated Entity will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost includes expenditure incurred in acquiring and bringing the inventories to their existing condition and location and is determined using the weighted average cost method.

(h) Joint arrangements

Joint arrangements are arrangements over which two or more parties have joint control. Joint Control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as either a joint operation or a joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

To the extent the joint arrangement provides the Consolidated Entity with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation and as such, the Consolidated Entity recognises its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of liabilities incurred jointly;
- Share of revenue from the sale of the output by the joint operation; and
- Expenses, including its share of any expenses incurred jointly

To the extent the joint arrangement provides the Consolidated Entity with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method. Under the equity method, the cost of the investment is adjusted by the post-acquisition changes in the Consolidated Entity's share of the net assets of the joint venture.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Rehabilitation costs

The Consolidated Entity is required to decommission and rehabilitate mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities.

The expected cost of any approved decommissioning or rehabilitation programme, discounted to its net present value, is provided when the related environmental disturbance occurs. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included in financing expenses. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. Where there is a change in the expected decommissioning and restoration costs, the value of the provision and any related asset are adjusted and the effect is recognised in profit or loss on a prospective basis over the remaining life of the operation.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by potential proceeds from the sale of assets or from plant clean up at closure.

(k) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the appropriate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Consolidated Entity acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated Entity's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in the host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 in profit or loss. If the contingent consideration is classified as equity, it shall not be remeasured and subsequent settlement is accounted for within equity. In instances, where the contingent consideration does not fall within the scope of AASB 139, it is measured in accordance with the appropriate AASB.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of the identifiable net assets acquired and liabilities assumed. If this consideration is lower than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Consolidated Entity's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

(l) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value.

Capital work-in-progress is stated at cost and comprises all costs directly attributable to bringing the assets under construction ready to their intended use. Capital work-in-progress is transferred to property, plant and equipment at cost on completion.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, or where appropriate, over the estimated life of the mine.

Major depreciation periods are:

- Mine specific plant and equipment is depreciated using – the shorter of life of mine or useful life. Useful life ranges from 2 to 10 years.
- Buildings – the shorter of life of mine or useful life. Useful life ranges from 5 to 40 years.
- Office equipment is depreciated at 33% per annum for computers and office machines and 20% per annum for other office equipment and furniture.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss in the period the item is derecognised.

(m) Exploration and evaluation expenditure

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area of interest are current and;

i) it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale and/or;

ii) exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off to the profit and loss or provided against.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment regularly and if after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely or that the Consolidated Entity no longer holds tenure, the relevant capitalised amount is written off to the profit or loss in the period when the new information becomes available.

(n) Mine properties and development

Expenditure on the acquisition and development of mine properties within an area of interest are carried forward at cost separately for each area of interest. Accumulated expenditure is amortised over the life of the area of interest to which such costs relate on a production output basis.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(o) Impairment of non-financial assets

The Consolidated Entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Consolidated Entity estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Consolidated Entity bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Consolidated Entity's CGUs to which the individual assets are allocated, based on the life-of-mine plans. The estimated cash flows are based on expected future production, metal selling prices, operating costs and forecast capital expenditure based on life-of-mine plans.

Value in use does not reflect future cash flows associated with improving or enhancing an asset's performance, whereas anticipated enhancements to assets are included in fair value less costs of disposal calculations.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Consolidated Entity estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(p) Trade and other payables

Trade payables and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services.

(q) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Borrowings are classified as current liabilities unless the Consolidated Entity has the unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(r) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(s) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

(i) Operating Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense in profit and loss on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the financial year in which they are incurred.

(ii) Finance Leases

Leases which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item to the Consolidated Entity are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit and loss.

Capitalised leased assets are depreciated over the estimated useful life of the asset or where appropriate, over the estimated life of the mine.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

(t) Issued capital

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

(u) Revenue

Revenue is measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) *Revenue from the sale of goods*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have passed to the buyer.

(ii) *Interest income*

Revenue is recognised as interest accrues using the effective interest method.

(v) Employee benefits

(i) *Wages, salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Long service leave*

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(iii) *Superannuation*

Contributions made by the Consolidated Entity to employee superannuation funds, which are defined contribution plans, are charged as an expense when incurred.

(w) Onerous operating lease provision

A provision for an onerous operating lease is recognised when the expected benefits to be derived from the lease are lower than the unavoidable cost of meeting the obligations under the lease. The provision is measured at the present value of the expected net cost of continuing with the lease.

(x) Other taxes

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

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

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

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

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

(y) Income tax

Tax consolidated group

With effect from 1 November 2012, Westgold became a member of the Metals X tax consolidated group. Metals X is the head entity of the tax consolidated group.

Members of the Metals X group have entered into a tax sharing agreement that determines the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. In accordance with the tax sharing agreement, Metals X must determine the contribution amount for each Member of the tax consolidated group on a stand-alone entity basis. However, at balance date, the possibility of default by the head entity is considered remote.

The tax consolidated group entered into a tax funding agreement that determines the amount payable by each Member for their portion of the group's current tax and deferred tax liability. The tax funding agreement determines that each Member's funding amount is calculated as if the Member is a stand-alone entity and not an entity of the tax consolidated group. Payment to the head entity is to be settled in cash or set-off against the Member's loan account. Taxation liabilities that are set-off against the Member's loan account are derecognised immediately after initial recognition.

Tax effect accounting by members of the tax consolidated group

The Consolidated Entity has applied the group allocation approach in determining the appropriate amount of current tax and deferred tax expenses (or benefits) to be allocated to members of the tax consolidated group. Under this approach temporary differences are measured with reference to the carrying amounts of the assets and liabilities in Westgold's financial information and the tax bases of the assets and liabilities as determined by the tax consolidated group.

Any difference between the taxation liability assumed by the Member in accordance with the tax funding agreement and the amount allocated to the Member in accordance with the group allocation approach is recognised as an equity contribution to (or distribution from) the Member.

7. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial information requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial information. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements have been made as well as the following key estimates and assumptions that have the most significant impact on the financial information. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial information.

Significant accounting estimates and assumptions

- **Determination of mineral resources and ore reserves**

  The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates and provisions for mine rehabilitation. The Consolidated Entity estimates its mineral resource and reserves in accordance with the *Australian code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (*the "JORC code"). The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

  There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

  Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

- **Mine rehabilitation provision**

  The Consolidated Entity assesses its mine rehabilitation provision on an annual basis in accordance with the accounting policy stated in section 6(i) of this Schedule B. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of those future costs (largely dependent on the life of mine) and the estimated level of inflation. The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Significant accounting estimates and assumptions (Continued)

- **Impairment of capitalised exploration and evaluation expenditure**

  The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Consolidated Entity decides to exploit the related area interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

  Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

  To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

  In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

- **Impairment of capitalised mine development expenditure**

  The future recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of proved, probable and inferred mineral resources, future technological changes, which could impact the cost, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

  The Consolidated Entity regularly reviews the carrying values of its mine development assets in the context of internal and external consensus forecasts for commodity prices and foreign exchange rates, with the application of appropriate discount rates for the assets concerned.

  To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profit in the period in which this determination is made. Capitalised mine development expenditure is assessed for recoverability in a manner consistent with property, plant and equipment as described below. Refer to section 6(n) of this Schedule B for further discussion on the impairment assessment process undertaken by the Consolidated Entity.

- **Impairment of property, plant and equipment**

  Property, plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of "value in use" (being net present value of expected future cash flows of the relevant cash generating unit) and "fair value less costs to sell".

  In determining the value in use, future cash flows for each cash generating unit (CGU) (ie each mine site) are prepared utilising managements latest estimates of;

  - the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
  - royalties and taxation;
  - future production levels;
  - future commodity prices;
  - future cash costs of production and capital expenditure; and
  - other relevant cash inflows and outflows.

  Cash flow scenarios for a range of commodity prices and foreign exchange rates are assessed using internal and external market forecasts, and the present value of the forecast cash flows is determined utilising a pre-tax discount rate.

  The Consolidated Entity's cash flows are most sensitive to movements in commodity price, expected quantities of ore reserves and mineral resources and key operating costs. The Higginsville and Central Murchison Gold Operations are most sensitive to expected quantities of ore reserves and mineral resources to be extracted and therefore the estimated future cash inflows resulting from the sale of product produced is dependent on these assumptions.

  Variations to the expected cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which in turn could impact future financial results. Refer to section 6(n) of this Schedule B for further discussion on the impairment assessment process undertaken by the Consolidated Entity.

- **Life of mine method of amortisation and depreciation**

  The Consolidated Entity applies the life of mine method of amortisation and depreciation to its mine specific plant and to mine properties and development based on ore tonnes mined. These calculations require the use of estimates and assumptions. Significant judgement is required in assessing the available reserves and the production capacity of the plants to be depreciated under this method. Factors that are considered in determining reserves and production capacity are the Consolidated Entity's history of converting resources to reserves and the relevant time frames, the complexity of metallurgy, markets and future developments. When these factors change or become known in the future, such differences will impact pre tax profit and carrying values of assets.

Schedule C – Independent Limited Assurance Report

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31 October 2016

The Board of Directors
Metals X Limited
Level 3, 18-32 Parliament Place
WEST PERTH WA 6005

The Board of Directors
Westgold Resources Limited
Level 3, 18-32 Parliament Place
WEST PERTH WA 6005

Dear Directors

Independent limited assurance report on historical financial information and pro forma historical statement of financial position

1. Introduction

We have been engaged by Metals X Limited ("Metals X") and Westgold Resources Limited ("Westgold") to report on the historical financial information and pro forma historical statement of financial position of Westgold for inclusion in the Information Memorandum to be dated on or about 31 October 2016 ("Information Memorandum"), and to be issued by Westgold, in respect of a demerger of the gold assets of Metals X through an in specie distribution of all of the shares in Westgold to Metals X shareholders by way of an equal capital reduction and the listing of Westgold on Australian Securities Exchange (the 'Proposed Transaction').

Expressions and terms defined in the Information Memorandum have the same meaning in this report.

2. Scope

Historical Financial Information

You have requested Ernst & Young to review the following historical financial information of Westgold:

- the historical consolidated statements of comprehensive income for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Section 3 of Schedule B of the Information Memorandum;
- the historical consolidated statements of cash flows for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Section 4 of Schedule B of the Information Memorandum; and
- the historical consolidated statements of financial position as at 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Section 5 of Schedule B of the Information Memorandum.

(Hereafter "the Historical Financial Information".)

The Historical Financial Information has been derived from the respective general purpose statutory consolidated financial statements of Westgold for the years ended 30 June 2014, 30 June 2015 and 30 June 2016, which were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued unqualified audit opinions on these consolidated financial statements.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles prescribed in Australian Accounting Standards ('AAS'), which are consistent with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Pro Forma Historical Statement of Financial Position

You have requested Ernst & Young to review the following pro forma historical statement of financial position of Westgold:

- the pro forma historical consolidated statement of financial position as at 30 June 2016 as set out in Section 5 of Schedule B of the Information Memorandum.

(Hereafter the "Pro Forma Historical Statement of Financial Position".)

The Historical Financial Information and Pro Forma Historical Statement of Financial Position are collectively referred to as the Financial Information.

The Pro Forma Historical Statement of Financial Position has been derived from the historical statement of financial position of Westgold as at 30 June 2016, and adjusted for the effects of pro forma adjustments described in Section 5 of Schedule B of the Information Memorandum. The historical statement of financial position of Westgold as at 30 June 2016 has been derived from the general purpose statutory consolidated financial statements of Westgold for the year ended 30 June 2016.

The stated basis of preparation used in the preparation of the Pro Forma Historical Statement of Financial Position is in accordance with the recognition and measurement principles of AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions contemplated to occur as part of the demerger of Westgold from Metals X as if they occurred as at 30 June 2016.

Due to its nature, the Pro Forma Historical Statement of Financial Position does not represent Westgold's actual or prospective financial position.

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

3. Directors' Responsibility

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

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Statement of Financial Position based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information comprising:

- the historical consolidated statements of comprehensive income for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Section 3 of Schedule B of the Information Memorandum;
- the historical consolidated statements of cash flows for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Section 4 of Schedule B of the Information Memorandum; and
- the historical consolidated statements of financial position as at 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Section 5 of Schedule B of the Information Memorandum,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2.2 of Schedule B of the Information Memorandum.

Pro Forma Historical Statement of Financial Position

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Statement of Financial Position comprising:

- the pro forma historical consolidated statement of financial position as at 30 June 2016 as set out in Section 5 of Schedule B of the Information Memorandum,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2.3 of Schedule B of the Information Memorandum.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 2.1 of Schedule B of the Information Memorandum, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young has consented to the inclusion of this limited assurance report in the Information Memorandum in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young does not have any interests in the outcome of this Proposed Transaction other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young

Schedule D – JORC Code Tables for Westgold Assets
(Refer Annexure A of Metals X Notice of Meeting in Schedule A to the Information Memorandum)

JORC TABLE 1 – WESTERN AUSTRALIAN GOLD

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	**HGO** ***Diamond Drilling*** • The bulk of the data used in resource calculations at Trident has been gathered from diamond core. Four types of diamond core sample have been historically collected. The predominant sample method is half-core NQ2 diamond with half-core LTK60 diamond, Whole core LTK48 diamond and whole core BQ also used. This core is logged and sampled to geologically relevant intervals. • The bulk of the data used in resource calculations at Chalice has been gathered from diamond core. The predominant drilling and sample type is half core NQ2 diamond. Occasionally whole core has been sampled to streamline the core handling process. Historically half and whole core LTK60 and half core HQ diamond have been used. This core is logged and sampled to geologically relevant intervals. ***Face Sampling*** • Each development face / round is chip sampled at both Trident and Chalice. One or two channels are taken per face perpendicular to the mineralisation. The sampling intervals are domained by geological constraints (e.g. rock type, veining and alteration / sulphidation etc.) with an effort made to ensure each 3kg sample is representative of the interval being extracted. Samples are taken in a range from 0.1 m up to 1.2 m in waste / mullock. All exposures within the orebody are sampled. ***Sludge Drilling*** • Sludge drilling at Chalice and Trident is performed with an underground production drill rig. It is an open hole drilling method using water as the flushing medium, with a 64mm or 89mm hole diameter. Samples are taken twice per drill steel (1.9m steel, 0.8m sample). Holes are drilled at sufficient angles to allow flushing of the hole with water following each interval to prevent contamination. ***RC Drilling*** • For Fairplay, Vine, Lake Cowan, Two Boys, Mousehollow, Pioneer and Eundynie the bulk of the data used in the resource estimate is sourced from RC drilling. Minor RC drilling is also utilised at Trident, Musket, Chalice and the Palaeochannels (Wills, Pluto, Mitchell 3 and 4). • Drill cuttings are extracted from the RC return via cyclone. The underflow from
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	

Criteria	JORC Code explanation	Commentary
		each 1 m interval is transferred via bucket to a four tiered riffle splitter, delivering approximately three kilograms of the recovered material into calico bags for analysis. The residual material is retained on the ground near the hole. Samples too wet to be split through the riffle splitter are taken as grabs and are recorded as such. ***RAB / Air Core Drilling*** • Drill cuttings are extracted from the RAB and Aircore return via cyclone. 4m Composite samples are obtained by spear sampling from the individual 1m drill return piles; the residue material is retained on the ground near the hole. In the Palaeochannels 1m samples are riffle split for analysis. • There is no RAB or Aircore drilling used in the estimation of Trident, Chalice, Corona, Fairplay, Vine, Lake Cowan and Two Boys. **SKO** • SKO is a long-term producing operation with a long history of drilling and sampling to support exploration and resource development. • Chips from the RC drilling face-sampling hammer are collected for assaying. Sample return lines are cleaned with compressed air each metre and the cyclone sample collector is cleaned following each rod. Samples are riffle split through a three-tier splitter with a split ~3kg sample (generally at 1m intervals) pulverised to produce a 30g charge analysed via fire assay. • Diamond drill-core is geologically logged and then sampled according to geology (minimum sample length of 0.4 m to maximum sample length of 1.5 m) – where consistent geology is sampled, a 1m length is used for sampling the core. The core is sawn half-core with one half sent off for analysis. • Samples have been collected from numerous other styles of drilling at SKO, including but not limited to RAB, aircore, blast-hole, sludge drilling and face samples. • Historical data includes DD, RC, RAB and aircore holes drilled between 1984 and 2010. Not all the historical drilling programmes at SKO are documented and many historical holes are assigned a drill type of ‘unknown’. Over 4,000 km of drilling has been completed on the tenure. • Drilling by the most recent previous owners (Alacer Gold Corporation) has predominantly been RC, with minor DD and aircore drilling. • RC drilling is used predominantly for defining and testing for near-surface mineralisation and utilises a face sampling hammer with the sample being collected on the inside of the drill-tube. RC drillholes utilise downhole single or multi shot cameras. Drillhole collars were surveyed by onsite mine surveyors. • Diamond drilling is used for either testing / targeting deeper mineralised systems or to define the orientation of the host geology. Many of these holes had RC pre-collars generally to a depth of between 60 – 120m, followed by a diamond tail. The majority of these holes have been drilled at NQ2 size with minor HQ sized core. All diamond holes were surveyed during drilling with downhole cameras, and then at end of hole using a Gyro Inclinometer at 5 or 10 m intervals. Drillhole collars were surveyed by onsite mine surveyors.

Criteria	JORC Code explanation	Commentary
		• Sample Recovery • Sample recovery is generally good, and there is no indication that sampling presents a material risk for the quality of the evaluation of any deposit at SKO. **CMGP** ***Diamond Drilling*** • A significant portion of the data used in resource calculations at the CMGP has been gathered from diamond core. Multiple sizes have been used historically. This core is geologically logged and subsequently halved for sampling. Grade control holes may be whole-cored to streamline the core handling process if required. ***Face Sampling*** • At each of the major past and current underground producers at the CMGP, each development face / round is horizontally chip sampled. The sampling intervals are domained by geological constraints (e.g. rock type, veining and alteration / sulphidation etc.). The majority of exposures within the orebody are sampled. ***Sludge Drilling*** • Sludge drilling at the CMGP was / is performed with an underground production drill rig. It is an open hole drilling method using water as the flushing medium, with a 64mm (nominal) hole diameter. Sample intervals are ostensibly the length of the drill steel. Holes are drilled at sufficient angles to allow flushing of the hole with water following each interval to prevent contamination. Sludge drilling is not used to inform resource models. ***RC Drilling*** • Drill cuttings are extracted from the RC return via cyclone. The underflow from each interval is transferred via bucket to a four tiered riffle splitter, delivering approximately three kilograms of the recovered material into calico bags for analysis. The residual material is retained on the ground near the hole. Composite samples are obtained from the residue material for initial analysis, with the split samples remaining with the individual residual piles until required for re-split analysis or eventual disposal. ***RAB / Aircore Drilling*** • Combined scoops from bucket dumps from cyclone for composite. Split samples taken from individual bucket dumps via scoop. RAB holes are not included in the resource estimate. ***Blast Hole Drilling*** • Cuttings sampled via splitter tray per individual drill rod. Blast holes not included in the resource estimate. • All geology input is logged and validated by the relevant area geologists, incorporated into this is assessment of sample recovery. No defined relationship exists between sample recovery and grade. Nor has sample bias due to preferential loss or gain of fine or coarse material been noted.

Criteria	JORC Code explanation	Commentary
		FGP • Historic reverse circulation drilling was used to collect samples at 1m intervals with sample quality, recovery and moisture recorded on logging sheets. Bulk samples were composited to 4-5m samples by PVC spear. These composites were dried, crushed and split to produce a 30g charge for aqua regia digest at the Fortnum site laboratory. • For Metals X (MLX) RC Drilling drill cuttings are extracted from the RC return via cyclone. The underflow from each interval is transferred via bucket to a four tiered riffle splitter, delivering approximately three kilograms of the recovered material into calico bags for analysis. The residual material is retained on the ground near the hole. Composite samples are obtained from the residue material for initial analysis, with the split samples remaining with the individual residual piles until required for re-split analysis or eventual disposal. • In the case of grade control drilling, 1m intervals were split at the rig via a 3-tier splitter box below the cyclone and collected in calico bags with bulk samples collected into large plastic bags. These 1m splits were dried, pulverised and split to produce a 50g charge for fire assay at an offsite laboratory. • Where composite intervals returned results >0.15g/t Au, the original bulk samples were split by 3-tier riffle splitter to approximately 3-4kg. The whole sample was dried, pulverised and split to produce a 50g charge for fire assay at an offsite laboratory. • Historic diamond drilling sampled according to mineralisation and lithology resulting in samples of 10cm to 1.5m. Half core pulverised and split to produce a 50g charge for fire assay at an offsite laboratory.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Metals X surface drill-holes are all orientated and have been logged in detail for geology, veining, alteration, mineralisation and orientated structure. Metals X underground drill-holes are logged in detail for geology, veining, alteration, mineralisation and structure. Core has been logged in enough detail to allow for the relevant mineral resource estimation techniques to be employed. • Surface core is photographed both wet and dry and underground core is photographed wet. All photos are stored on the companies servers, with the photographs from each hole contained within separate folders. • Development faces are mapped geologically. • RC, RAB and Aircore chips are geologically logged. • Sludge drilling is logged for lithology, mineralisation and vein percentage. • Logging is quantitative in nature. • All holes are logged completely, all faces are mapped completely.
Sub-sampling techniques and sample	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	**HGO** • NQ2 and LTK60 diameter core is sawn half core using a diamond-blade saw, with one half of the core consistently taken for analysis. LTK48 and BQ are

Criteria	JORC Code explanation	Commentary
preparation	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	whole core sampled. Sludge samples are dried then riffle split. • The un-sampled half of diamond core is retained for check sampling if required. • For the onsite Intertek facility the entire dried sample is jaw crushed (JC2500 or Boyd Crusher) to a nominal 85% passing 2mm with crushing equipment cleaned between samples. An analytical sub-sample of approximately 500-750 g is split out from the crushed sample using a riffle splitter, with the coarse residue being retained for any verification analysis. Sample preparation techniques are appropriate for the type of analytical process. • Where fire assay has been used the entire half core sample (3-3.5 kg) is crushed and pulverised (single stage mix and grind using LM5 mills) to a target of 85-90% passing 75µm in size. A 200g sub-sample is then separated out for analysis. • Core and underground face samples are taken to geologically relevant boundaries to ensure each sample is representative of a geological domain. Sludge samples are taken to nominal sample lengths. • The sample size is considered appropriate for the grain size of the material being sampled. • For RC, RAB and Aircore chips regular field duplicates are collected and analysed for significant variance to primary results. • RAB and Aircore sub-samples are collected through spear sampling. **SKO** • NQ2 and HQ diameter core is sawn half core using a diamond-blade saw, with one half of the core consistently taken for analysis. Smaller sized core (LTK48 and BQ) are whole core sampled. The un-sampled half of diamond core is retained for check sampling if required. • SKO staff collect the sample in pre-numbered calico sample bags which are then submitted to the laboratory for analysis. Delivery of the sample is by a SKO staff member. • RC samples are collected at 1m intervals with the samples being riffle split through a three-tier splitter. The samples are collected by the RC drill crews in pre-numbered calico sample bags which are then collected by SKO staff for submission. Delivery of the sample to the laboratory is by a SKO staff member. • Upon delivery to the laboratory, the sample numbers are checked by the SKO staff member against the sample submission sheet. Sample numbers are recorded and tracked by the laboratory using electronic coding. • Sample preparation techniques are considered appropriate for the style of mineralisation being tested for – this technique is industry standard across the Eastern Goldfields. **CMGP** • Blast holes -Sampled via splitter tray per individual drill rods. • RAB / AC chips - Combined scoops from bucket dumps from cyclone for

Criteria	JORC Code explanation	Commentary
		composite. Split samples taken from individual bucket dumps via scoop. • RC - Three tier riffle splitter (approximately 5kg sample). Samples generally dry. • Face Chips - Nominally chipped horizontally across the face from left to right, sub-set via geological features as appropriate. • Diamond Drilling - Half-core niche samples, sub-set via geological features as appropriate. Grade control holes may be whole-cored to streamline the core handling process if required. • Chips / core chips undergo total preparation. • Samples undergo fine pulverisation of the entire sample by an LM5 type mill to achieve a 75µ product prior to splitting. • QA/QC is currently ensured during the sub-sampling stages process via the use of the systems of an independent NATA / ISO accredited laboratory contractor. A significant portion of the historical informing data has been processed by in-house laboratories. • The sample size is considered appropriate for the grain size of the material being sampled. • The un-sampled half of diamond core is retained for check sampling if required. For RC chips regular field duplicates are collected and analysed for significant variance to primary results. **FGP** • Diamond core samples to be analysed were taken as half core. Sample mark-up was controlled by geological domaining represented by alteration, mineralisation and lithology. • Reverse circulation samples were split from dry, 1m bulk sample via a 3-tier riffle splitter. Field duplicates were inserted at a ratio of 1:20, analysis of primary vs duplicate samples indicate sampling is representative of the insitu material. • Standard material was documented as being inserted at a ratio of 1:100 for both RC and diamond drilling. • Detailed discussion of sampling techniques and Quality Control are documented in publicly available exploration technical reports compiled by prior owners (Homestake, Perilya, Gleneagle, RNI).
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	**HGO** • At the Intertek on-site facility, analysis is performed using a 500g PAL method. The accurately weighed sub-sample is further processed utilising a PAL1000B to grind the sample to a nominal 90% passing 75µm particle size, whilst simultaneously extracting any cyanide amenable gold liberated into a Leachwell liquor. The resulting liquor is then analysed for gold content by organic extraction with flame AAS finish, with an overall method detection limit of 0.01ppm Au content in the original sample. This method is appropriate for

Criteria	JORC Code explanation	Commentary
		the type and magnitude of mineralisation at Higginsville. • Quality control procedures include the use of standards, blanks and duplicates. Standards and duplicates are used to test both the accuracy and precision of the analytical process, while blanks are employed to test for contamination during the sample preparation stage. The analyses have confirmed the analytical process employed at Higginsville is adequately precise and accurate for use as part of the mineral resource estimation. **SKO** • Only nationally accredited laboratories are used for the analysis of the samples collected at SKO. • The laboratory dry and if necessary (if the sample is >3kg) riffle split the sample, which is then jaw crushed and pulverised (the entire 3kg sample) in a ring mill to a nominal 90% passing 75 microns. All recent RC and Diamond core samples are analysed via Fire Assay, which involves a 30g charge (sub-sampled after the pulverisation) of the analytical pulp being fused at 1050°C for 45 minutes with litharge. The resultant metal pill is digested in aqua regia and the gold content determined by atomic adsorption spectrometry – detection limit is 0.01 ppm Au. • Quality Assurance and Quality Control (QA/QC) samples are routinely submitted by SKO staff and comprise standards, blanks, assay pills, field duplicates, lab duplicates and repeat analyses. The results for these QA/QC samples are routinely analysed by Senior Geologists with any discrepancies dealt with in conjunction with the laboratory prior to the analytical data being imported into the database. • There is limited information available on historic QA/QC procedures. SKO has generally accepted the available data at face value and carry out data validation procedures as each deposit is re-evaluated. • The analytical techniques used are considered appropriate for the style of mineralisation being tested for – this technique is industry standard across the Eastern Goldfields. • Ongoing production data generally confirms the validity of prior sampling and assaying of the mined deposits to within acceptable limits of accuracy. **CMGP** Recent drilling was analysed by fire assay as outlined below: • A 50g sample undergoes fire assay lead collection followed by flame atomic adsorption spectrometry. • The laboratory includes a minimum of 1 project standard with every 22 samples analysed. • Quality control is ensured via the use of standards, blanks and duplicates. • No significant QA/QC issues have arisen in recent drilling results. • Historical drilling has used a combination of Fire Assay, Aqua Regia and PAL analysis. • These assay methodologies are appropriate for the resources in question.

Criteria	JORC Code explanation	Commentary
		FGP Historic assaying of RC and core was done by 50g charge fire assay with Atomic Absorption Spectrometry finish at Analabs. The method is standard for gold analysis and is considered appropriate in this case. No Laboratory Certificates are available for historic assay results pre 2008 however, evaluation of the database identified the following; • Standards are inserted at a ratio of 1:100, • Assay repeats inserted at a ratio of 1 in 20. • QA/QC analysis of this historic data indicates the levels of accuracy and precision are acceptable. • Assay of recent (post 2012) sampling was done by 40g charge fire assay with Inductively Coupled Plasma – Optical Emission Spectroscopy finish at Bureau Veritas (Ultratrace), Perth. The method is standard for gold analysis and is considered appropriate in this case. Laboratory Certificates are available for the assay results and the following QA/QC protocols used include; Laboratory Checks inserted 1 in 20 samples, CRM inserted 1 in 30 samples and Assay Repeats randomly selected 1 in 15 samples. • QA/QC analysis of this data indicates the levels of accuracy and precision are acceptable with no significant bias observed.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No independent or alternative verifications are available. • Virtual twinned holes have been drilled in several instances across all sites with no significant issues highlighted. Drillhole data is also routinely confirmed by development assay data in the operating environment. • Primary data is collected utilising LogChief. The information is imported into a SQL database server and verified. • All data used in the calculation of resources and reserves are compiled in databases (underground and open pit) which are overseen and validated by senior geologists. • No adjustments have been made to any assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	**HGO** • Collar coordinates for surface drill-holes were generally determined by GPS, with underground drill-holes generally determined by survey pick-up. Downhole survey measurements for most surface diamond holes were by Gyro-compass at 5m intervals. Holes not gyro-surveyed were surveyed using Eastman single shot cameras at 20m intervals. Downhole surveys for underground diamond drill-holes were taken at 15 – 30m intervals by Reflex single-shot cameras. Routine survey pick-ups of underground and surface holes where they intersected development indicates (apart from some minor discrepancies with pre-Avoca drilling) a survey accuracy of less than 5m. • All drilling and resource estimation is undertaken in local mine grid at the various projects. • Topographic control is generated from Differential GPS. This methodology is

Criteria	JORC Code explanation	Commentary
		adequate for the resource in question. **SKO** • Collar coordinates for surface RC and diamond drill-holes were generally determined by either RTK-GPS or a total station survey instrument. Underground drill-hole locations (Mount Marion and HBJ) were all surveyed using a Leica reflectorless total station. • Recent surface diamond holes were surveyed during drilling with down-hole single shot cameras and then at the end of the hole by Gyro-Inclinometer at 5 or 10mm intervals. Holes not gyro-surveyed were surveyed using Eastman single shot cameras at 20m intervals. RC drill-holes utilised down-hole single shot camera surveys spaced every 15 to 30m down- hole. • Down-hole surveys for underground diamond drill-holes were taken at 15 – 30m intervals by Reflex single-shot cameras. • The orientation and size of the project determines if the resource estimate is undertaken in local or MGA 94 grid. Each project has a robust conversion between local, magnetic and an MGA grid which is managed by the SKO survey department. • Topographic control is generated from RTK GPS. This methodology is adequate for the resources in question. **CMGP** • All data is spatially oriented by survey controls via direct pickups by the survey department. Drillholes are all surveyed downhole, deeper holes with a Gyro tool if required, the majority with single / multishot cameras. • All drilling and resource estimation is preferentially undertaken in local mine grid at the various sites. • Topographic control is generated from a combination of remote sensing methods and ground-based surveys. This methodology is adequate for the resources in question. **FGP** • The grid system used for historic Fortnum drilling is the established Fortnum Mine Grid. Control station locations and traverses have been verified by eternal survey consultants (Ensurv). Collar locations of boreholes have been established by either total station or differential GPS (DGPS). The Yarlarweelor, Callie's and Eldorado open pits (currently abandoned) was picked up by DGPS at the conclusion of mining. The transformation between Mine Grid and MGA94 Zone 50 is documented and well established. • A LIDAR survey over the project area was undertaken in 2012 and results are in agreement with survey pickups of pits, low-grade stockpiles and waste dumps. • Historic drilling by Homestake was routinely surveyed at 25m, 50m and every 50m thereafter, using a single shot CAMTEQ survey tool. RC holes have a nominal setup azimuth applied. Perilya YLRC series holes had survey shots taken by gyro every 10m. Historic drilling in the area did not appear to have

Criteria	JORC Code explanation	Commentary
		any significant problems with hole deviation. • Drilling by RNI / MLX was picked up by DGPS on MGA94. Downhole surveys were taken by digital single shot camera every 50m or via a gyro survey tool.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	**HGO** • Drilling in the underground environment at Trident is nominally carried-out on 20m x 30m spacing for resource definition and in filled to a 10m x 15m spacing with grade control drilling. At Trident the drill spacing below the 500RL widens to an average of 40m x 80m. • Drilling at the Lake Cowan region is on a 20m x 10m spacing. Historical mining has shown this to be an appropriate spacing for the style of mineralisation and the classifications applied. • Compositing is carried out based upon the modal sample length of each project. **SKO** ***HBJ:*** • Drill spacing ranges from 10m x 5m grade control drilling to 100m x 100m at deeper levels of the resource. The majority of the Indicated Resource is estimated using a maximum drill spacing of 40m x 40m. The resource has been classified based on drill density with mining of the 2.2km long HBJ Open-Pit confirming that the data spacing is adequate for the resource classifications applied. ***Mount Martin:*** • Drill spacing ranges from 10m x 5m grade control drilling to 60m x 60m for the Inferred areas of the resource. The drill spacing for the majority of the Indicated Resource is 20m x 20m. The resource has been classified primarily on drill density and the confidence in the geological/grade continuity – the data spacing and distribution is deemed adequate for the estimation techniques and classifications applied. ***Pernatty:*** • Drill spacing for the reported resource is no greater than 60m x 60m with the majority of the Indicated resource based on a maximum spacing of 40m x 40m. The geological interpretation of the area is well understood, and is supported by the knowledge from open pit and underground operations. However given the mineralisation is controlled by shear zones the mineralisation continuity is considered to be less understood. The resource is classified on a combination of drill density and the number of samples used to estimate the resource blocks. ***Mount Marion:*** • Drill-spacing ranges from 20m x 20m to no greater than 60m x 60m for the reported resource Given that the geological and mineralisation understanding is well established via mining operations, this drill-spacing is considered adequate for the classifications applied to the resource. • Compositing is carried out based upon the modal sample length of each

Criteria	JORC Code explanation	Commentary
		project. **CMGP** • Data spacing is variable dependent upon the individual orebody under consideration. A lengthy history of mining has shown that this approach is appropriate for the Mineral Resource estimation process and to allow for classification of the resources as they stand. • Compositing is carried out based upon the modal sample length of each individual domain. **FGP** • Drillhole spacing is a nominal 40m x 40m that has been in-filled to a nominal 20m x 20m in the main zone of mineralisation at Yarlarweelor, Callie's and Eldorado with 10m x10m RC grade control within the limits of the open pits. • The spacing is considered sufficient to establish geological and grade continuity for appropriate Mineral Resource classification. • During the historic exploration phase, samples were composited to 4m by spearing 1m bulk samples. Where the assays returned results greater than 0.15ppm Au, the original 1m bulk samples were split using a 3-tier riffle splitter and analysed as described above.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling intersections are nominally designed to be normal to the orebody as far as underground infrastructure constraints / topography allows. • Development sampling is nominally undertaken normal to the various orebodies. • Where drilling angles are sub optimal the number of samples per drill hole used in the estimation has been limited to reduce any potential bias. • It is not considered that drilling orientation has introduced an appreciable sampling bias.
Sample security	• *The measures taken to ensure sample security.*	• For samples assayed at on-site laboratory facilities, samples are delivered to the facility by Company staff. Upon delivery the responsibility for sample security and storage falls to the independent third party operators of these facilities. • For samples assayed off-site, samples are delivered to a third party transport service, who in turn relay them to the independent laboratory contractor. Samples are stored securely until they leave site.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Site generated resources and reserves and the parent geological data is routinely reviewed by the Company's Corporate technical team.

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	**HGO** • State Royalty of 2.5% of revenue applies to all tenements. • The Trident Resource is located within mining leases M15/0642, M15/0351 and M15/0348. M15/0351 and M15/0642 also incur the Morgan Stanley royalty of 4% of revenue after 100,000oz of production and the Morgan Stanley price participation royalty at 10% of incremental revenue for gold prices above AUD$600/oz. M15/0642 is also subject to the Mitchell Royalty at AUD$32/oz. • The Chalice Resource is located on mining lease M15/0786. There are no additional royalties. • Lake Cowan is located on mining lease M15/1132. Lake Cowan is subject to an additional royalty (Brocks Creek) of $1/tonne of ore. **SKO** • State Royalty of 2.5% of revenue applies to all tenements, although does not apply to the 16 freehold titles (which host the majority of SKO's Resource inventory). There are a number of minor agreements attached to a select number of tenements and locations with many of these royalty agreements associated with tenements with no current Resources and/or Reserves. • Private royalty agreements are in place that relate to production from HBJ open-pit at $10/ oz. In addition, a royalty is payable in the form of 1.75% of the total gold ounces produced from the following resources: Shirl Underground, Golden Hope, Bellevue, HBJ Open-pit, Mount Martin open-pit, Mount Martin Stockpiles and any reclaimed tailings. • SKO consists of 141 tenements including 16 freehold titles, 6 exploration licenses, 47 mining leases, 12 miscellaneous licenses and 60 prospecting licenses, all held directly by the Company. • There are no known issues regarding security of tenure. • There are no known impediments to continued operation. **CMGP** • Native title interests are recorded against several CMGP tenements. • The CMGP tenements are held by the Big Bell Gold Operations • (BBGO) of which the Company has 100% ownership. • Several third party royalties exist across various tenements at CMGP, over and above the state government royalty. • BBGO operates in accordance with all environmental conditions set down as conditions for grant of the leases. • There are no known issues regarding security of tenure. • There are no known impediments to continued operation.

Criteria	JORC Code explanation	Commentary
		FGP • The Fortnum Gold Project tenure is 100% owned by the Company through subsidiary company Aragon Resources Pty. Ltd. • Various Royalties apply to the package. The most pertinent being; • $10/oz after first 50,000oz (capped at $2M)- Perilya • State Government – 2.5% NSR • The tenure is currently in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Higginsville region has an exploration and production history in excess of 30 years. • The SKO tenements have an exploration and production history in excess of 100 years. • The CMGP tenements have an exploration and production history in excess of 100 years. • The FGP tenements have an exploration and production history in excess of 30 years. • Westgold work has generally confirmed the veracity of historic exploration data.
Geology	• *Deposit type, geological setting and style of mineralisation.*	**HGO** • Trident is hosted primarily within a thick, weakly differentiated gabbro with subordinate mafic and ultramafic lithologies and comprises a series of north-northeast trending, shallowly north-plunging mineralised zones. The deposit comprises two main mineralisation styles; large wallrock-hosted ore-zones comprising sigmoidal quartz tensional vein arrays and associated metasomatic wall rock alteration hosted exclusively within the gabbro, and thin, lode-style, nuggetty laminated quartz veins that formed primarily at sheared lithological contacts between the various mafic and ultramafic lithologies. • Lake Cowan mineralisation can be separated into two types. Structurally controlled primary mineralisation in ultramafics, basalts and felsics host (e.g. Louis, Josephine and Napoleon), and saprolite / palaeochannel hosted supergene hydromorphic deposits, including Sophia, Brigitte and Atreides. **SKO** ***HBJ*:** • The HBJ lodes form part of a gold mineralised system along the Boulder-Lefroy shear zone that is over 5km long and includes the Celebration, Mutooroo, HBJ and Golden Hope open-pit and underground mines. The lodes are hosted within a steeply-dipping, north-northwest striking package of mafic, ultramafic and sedimentary rocks and schists that have been intruded by felsic to intermediate porphyries. Gold mineralisation is structurally controlled and is focused along lithological contacts, within stockwork and tensional vein arrays and within shear zones. The main mineralised zone has a length in excess of 1.9 km and an average width of 40 m in the Jubilee workings but is generally narrower to the north in the Hampton -Boulder workings.

Criteria	JORC Code explanation	Commentary
		Mount Marion: • The Mount Marion deposit is located on the eastern side of the Coolgardie Domain within a flexure in the Karramindie Shear Zone. It is hosted within a sub-vertical sequence of meta- komatiites intercalated with metasediments that have been metamorphosed to amphibolite facies. Gold mineralisation occurs in a footwall and hangingwall lode, each ranging in thickness from 2 to 15m. The mineralisation plunges steeply to the west and is open at depth. ***Mount Martin:*** • The Mount Martin Tribute Area, is located within a regional scale north-northwest trending Archean Greenstone Belt. Within the Mount Martin - Carnilya area, the greenstone belt comprises a mixed sequence of ultramafic (predominantly komatiitic) and fine-grained, variably sulphidic sedimentary lithologies with subsidiary mafic units. Known gold and nickel mineralisation at the Mount Martin Mine is associated with a series of stacked, westerly dipping, sulphide and quartz-carbonate bearing lodes which are mainly hosted within intensely deformed and altered chloritic schists sandwiched between talc-carbonate ultramafic lithologies. ***Pernatty:*** • The Pernatty deposit is hosted within a granophyric phase of a gabbro and is controlled by a structurally complex interaction of a number of major shear zones. Shearing has altered the original granophyric quartz dolerite to a biotite-carbonate-plagioclase-pyrite schist. The sequence has also been intruded by mafic and felsic porphyritic dykes, which are also mineralised. **CMGP** • The CMGP is located in the Achaean Murchison Province, a granite-greenstone terrane in the northwest of the Yilgarn Craton. Greenstone belts trending north-northeast are separated by granite-gneiss domes, with smaller granite plutons also present within or on the margins of the belts. • Mineralisation at Big Bell is hosted in the shear zone (Mine Sequence) and is associated with the post-peak metamorphic retrograde assemblages. Stibnite, native antimony and trace arsenopyrite are disseminated through the K-feldspar-rich lode schist. These are intergrown with pyrite and pyrrhotite and chalcopyrite. Mineralisation outside the typical Big Bell host rocks (KPSH), for example 1,600N and Shocker, also display a very strong W-As-Sb geochemical halo. • Numerous gold deposits occur within the Cuddingwarra Project area, the majority of which are hosted within the central mafic-ultramafic ± felsic porphyry sequence. Within this broad framework, mineralisation is shown to be spatially controlled by competency contrasts across, and flexures along, layer-parallel D2 shear zones, and is maximised when transected by corridors of northeast striking D3 faults and fractures.

Criteria	JORC Code explanation	Commentary
		• The Great Fingall Dolerite hosts the majority gold mineralisation within the portion of the greenstone belt proximal to Cue (The Day Dawn Project Area). Unit AGF3 is the most brittle of all the five units and this characteristic is responsible for its role as the most favourable lithological host to gold mineralisation in the Greenstone Belt. **FGP** • The Fortnum deposits are Paleoproterozoic shear-hosted gold deposits within the Fortnum Wedge, a localised thrust duplex of Narracoota Formation within the overlying Ravelstone Formation. Both stratigraphic formations comprise part of the Bryah Basin in the Capricorn Orogen, Western Australia. • The Horseshoe Cassidy deposits are hosted within the Ravelstone Formation (siltstone and argillite) and Narracoota Formation (highly-altered, moderate to strongly deformed mafic to ultramafic rocks). The main zone of mineralisation is developed within a horizon of highly altered magnesian basalt. Gold mineralisation is associated with strong vein stock works that are confined to the altered mafic. Alteration consists of two types; stockwork proximal silica-carbonate-fuchsite-haematite-pyrite and distal silica-haematite-carbonate+/- chlorite. • The Peak Hill district represents remnants of a Proterozoic fold belt comprising highly deformed trough and shelf sediments and mafic / ultramafic volcanics, which are generally moderately metamorphosed (except for the Peak Hill Metamorphic Suite).
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• HBJ exploration results information is extracted from the report entitled 'Quarterly Activities Report' created on 29 July 2016 and is available to view on Metals X Website (www.metalsx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• All results presented are length weighted. • No high-grade cuts are used. • Reported results contain no more than two contiguous metres of internal dilution below 1g/t. • Results are reported above a variety of gram / metre cut-offs dependent upon the nature of the hole. These are cut-offs are clearly stated in the relevant tables. • No metal equivalent values are stated.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Unless indicated to the contrary, all results reported are true width. • Given restricted access in the underground environment the majority of drillhole intersections are not normal to the orebody
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate diagrams are provided in the body of the document if required.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Appropriate balance in exploration results reporting is provided.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No relevant information to be presented.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Ongoing surface and underground exploration activities will be undertaken to support continuing mining activities at the Gold Operations.

Section 3 Estimation and Reporting of Mineral Resources
(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The database used for the estimation was extracted from the Metals X's (Westgold's) DataShed database management system stored on a secure SQL server. • As new data is acquired it passes through a validation approval system designed to pick up any significant errors before the information is loaded into the master database.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Mr. Russell visits the Gold Operations regularly.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	**HGO** • Current and historical mining activities across the Higginsville region provide significant confidence in the geological interpretation of all projects. • No alternative interpretations are currently considered viable. • In all cases the local lithological and structural geology has been used to inform the interpretive process. All available information from drilling, underground mapping and pit mapping has been considered during interpretation. • The Trident, Corona, Fairplay, Vine and Two boys deposits are all hosted within a suite of east over west thrust repeated mafic, ultramafic and sedimentary rocks. In all cases the most favourable host is of mafic composition, generally gabbro and to a lesser extent basalt. Together the deposits form what is locally referred to as the Higginsville Line of Lode, a 5km long, north-northeast striking mineralised corridor of historic and current mining operations. Steep west and shallow east have been identified as the most favourable structural orientations for mineralisation. • At Chalice, multiple generations of unmineralised felsic intrusive cross cut the host amphibolite and influence both the volume and the grade, through contact remobilisation, of the mineralisation. The Resource Estimate is sensitive to the volume of unmineralised felsics within the mineralised horizon. • At both Chalice and Lake Cowan there is a lack of consistent visual proxies for mineralisation, making accurate ore delineation difficult. • High-grade zones within the palaeochannels are the result of a more preferential depositional environment due to changes in strike of the palaeochannel. **SKO** ***HBJ:*** • The mineralisation has been modelled focussing on the structural (shear zone) and lithological (porphyry mainly) controls. The large scale (1.9km long and ~40m wide) provides significant confidence in the geological and grade continuity within the deposit. The interpretation has used predominantly RC drilling with some DD used for the deeper parts of the resource.

Criteria	JORC Code explanation	Commentary
		• There is an alternative interpretation that could be applied to this deposit, which focuses on defining and sub-domaining higher grade mineralisation that is evident at lithological contacts. ***Mount Marion:*** • The lithological and structural model for the Mount Marion deposit is well understood as it is supported by the knowledge gained from open-pit and underground operations. • The mineralisation is hosted along a dilational flexure within the lode gneiss with clearly defined contact mineralisation with the surrounding ultramafic lithologies. The lithological model is used as the basis for the mineralisation interpretation and has been derived from predominantly RC and Diamond drill-holes. The confidence of the geological controls on mineralisation is consistent with the resource classification applied to the deposit. No alternative interpretations have been devised for this deposit. ***Mount Martin:*** • Gold mineralisation at Mount Martin is associated with chlorite schists (shear zones) hosted within talc-carbonate ultramafic lithologies. Within these controlling shear zones are a series of stacked, westerly-dipping, sulphide and quartz carbonate bearing lodes which host the majority of the gold mineralisation. The geological and mineralisation interpretation used in this resource is consistent with that mined historically in the open pit. Although other interpretations have been proposed they tend to be variations on the steep westerly-dipping lodes theme adopted for this resource and as such would not represent a significant change in the contained metal. ***Pernatty:*** • Mineralisation at Pernatty is controlled by a complex arrangement of very well-defined shear zones with the highest grade mineralisation associated with structural intersections and flexures along the three main shears. Given the consistency in orientation of the three main controlling shears, the confidence in the geological and mineralisation interpretation is deemed adequate. **CMGP** • Mining has occurred since 1800's providing significant confidence in the currently geological interpretation across all projects. • No alternative interpretations are currently considered viable. • Geological interpretation of the deposit was carried out using a systematic approach to ensure that the resultant estimated Mineral Resource figure was both sufficiently constrained, and representative of the expected sub-surface conditions. In all aspects of resource estimation the factual and interpreted geology was used to guide the development of the interpretation. • The structural regime is the dominant control on geological and grade continuity at the CMGP. Lithological factors such as rheology contrast are secondary controls on grade distribution.

Criteria	JORC Code explanation	Commentary
		FGP • Low-grade stockpiles are derived from previous mining of the mineralisation styles outlined above. • Geological matrixes were established to assist with interpretation and construction of the estimation domains. • Confidence in the interpretation is high as the geometry, geology, alteration and tenor of the mineralised zones was observed to be consistent along strike and down dip • The interpretations was based on 10m and 20m north-south spaced sections. • The information used in the construction and estimation of the respective resources mineralisation is based on Air Core (AC), Reverse Circulation (RC) and Diamond Drill (DDH) hole information. The AC was included in the poorly information estimation domains and this was considered during the classification of these domains. • Oxidation surfaces were constructed from the logged information on 20m north south sections.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	**HGO** • The Trident mineral resource extends over 680m in strike length, 350m in lateral extent and 940m in depth. • Chalice mineralisation has been defined over a strike length of 700m, a lateral extent of 200m and a depth of 650m. • The Lake Cowan resource has been defined over a strike length of >1.5Km, a lateral extent of >500m and to a depth of >150m. **SKO** • The HBJ deposit extends over 5km of strike (includes the Golden Hope and Mutooroo lodes) and up to 650m below surface with the individual lodes being up to 40m wide. • Mount Marion mineralisation extends to just under 1km in strike length, 800m in depth with the lodes varying in width from 3 – 15m. The mineralisation is steeply plunging resulting in a very small surface expression of the lodes. • The Mount Martin deposit has a strike length of 1km, a vertical extent of 350m, with the individual, shallow west-south-westerly dipping lodes varying between 2 – 10m true thickness. These lodes make up a mineralised package of ~300m true thickness (hangingwall to footwall). • The Pernatty deposit has a strike extent of 500m, 400m dip extent and up to 300m in lateral extent. The individual lodes are of varying orientations and are generally between 2 – 15m wide. **CMGP** • Individual deposit scales vary across the CMGP. • The Big Bell Trend is mineralised a strike length of >3,900m, a lateral extent of up +50m and a depth of over 1,500m. • Great Fingall is mineralised a strike length of >500m, a lateral extent of >600m and a depth of over 800m.

Criteria	JORC Code explanation	Commentary
		• Black Swan South is mineralised a strike length of >1,700m, a lateral extent of up +75m and a depth of over 300m. **FGP** • The Yarlarweelor mineral resource extends over 1,400m in strike length, 570m in lateral extent and 190m in depth. • The Tom's and Sam's mineral resource extends over 650m in strike length, 400m in lateral extent and 130m in depth. • The Eldorado mineral resource extends over 240m in strike length, 100m in lateral extent and 100m in depth. • Low-grade stockpiles are of various dimensions.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	**HGO** • For Trident, Chalice, Two Boys, Vine and Lake Cowan the modelling and estimation work was undertaken by Alacer Gold and carried out in Vulcan 3D mining software. For Alacer Gold estimates the drill hole data to be used in the process was first validated. • The initial interpretation was then completed on 1:250 scale hardcopy cross sections, long sections and level plans, this interpretation was then validated by either the senior geologists or the Chief Geologist before then being digitised into the Vulcan 3D modelling package. The digitised polygons form the basis of the three dimensional orebody wireframe. Wireframing is then carried out using a combination of automated stitching algorithms and manual triangulation to create an accurate three dimensional representation of the sub-surface mineralised body. • Drillhole intersections within the mineralised body are defined, these intersections are then used to flag the appropriate sections of the drillhole database tables for compositing purposes. Drillholes are subsequently composited to allow for grade estimation. In all aspects of resource estimation the factual and interpreted geology was used to guide the development of the interpretation. • Once the sample data has been composited, a statistical analysis is undertaken to assist with determining estimation search parameters, top-cuts etc., this is carried out using Supervisor. Top cut analysis was carried out by assessing normal and log-histograms for extreme values and using a combination of mean variance plots and population disintegration techniques. Variographic analysis of individual domains is undertaken to assist with determining appropriate search parameters. In all cases knowledge of the geology was used to guide the analysis of the variogram fans in determining the orientation of maximum continuity. • An empty block model is then created for the area of interest; with each ore wireframe used to assign block domain codes which match the flag used for the composites. This model contains attributes set at background values for gold as well as density, and various estimation parameters that are subsequently used to assist in resource categorisation. The block sizes used in the model will vary depending on orebody geometry, minimum mining units, estimation parameters and levels of informing data available.

Criteria	JORC Code explanation	Commentary
		• Grade estimation is then undertaken, with ordinary kriging estimation as standard, although in some circumstances where sample populations are small, or domains are unable to be accurately defined, inverse distance weighting estimation techniques will be used. At Trident a grade assignment method has been employed for the Athena orebody. This uses face sampling/mapping on each level to identify runs of vein with similar width and grade profiles. For each run, the length of the run and average vein width is calculated as well as a width weighted average vein grade. Two or more grade runs are then joined up across levels to form a grade block, a long section is used to validate the plunge of each grade block against the diamond drilling. The length and width of each run is used to calculate a length weighted average grade and an average vein width for the block. A wireframe for each grade block is created at the specified average vein width for the block. This wireframe is then assigned the previously calculated block grade using a post process script. • No by-products or deleterious elements are estimated. • No assumptions have been made about the correlation between variables. • The estimation is validated using the following: a visual interrogation, a comparison of the mean composite grade to the mean block grade for each domain, a comparison of the wireframe volume to the block volume for each domain, Grade trend plots (moving window statistics), comparison to the previous resource estimate. • The resource is then depleted for mining voids and subsequently classified in line with JORC guidelines utilising a combination of various estimation derived parameters and geological / mining knowledge. • Production reconciliation data is regularly used to check the performance of the estimate and to adjust parameters is necessary. Good reconciliation between mine claimed figures and milled figures is routinely achieved. **SKO** • The HBJ mineral resource estimate was undertaken in December 2011 by Widenbar and Associates Pty Ltd. The grade interpolation method used was Ordinary Kriging (OK) in the Datamine ESTIMA process – a method that is appropriate for the style of mineralisation being estimated. A simple unfolding process has been applied to the data and model blocks in order to simplify the setup of search ellipses and allow searches to follow the varying dip and strike of the various domains. • Geological, mining as-built and mineralisation domains and a valid drillhole database were supplied by SKO personnel. The geological and mineralisation domains were used to control the interpolation as hard boundaries (mineralisation domains) and for the application of bulk density data (geological boundaries). • The Mineral Resource estimates for Mount Marion, Mount Martin and Pernatty were undertaken by Alacer Gold in September 2011. The geological and mineralisation wireframes as well as the grade interpolation was undertaken in Vulcan 8.04 3-D modelling software with statistical analysis undertaken using Snowden Supervisor software. The interpolation method used was Ordinary Kriging (OK) – a method that is appropriate for the styles of mineralisation being estimated.

Criteria	JORC Code explanation	Commentary
		• Statistical analysis was undertaken to determine the composite length (1m) and for the application of top-cuts. • The search ellipses applied were based on a combination of drillhole spacing and variographic analysis. Various minimum and maximum samples were used in the first search with a maximum of four samples per drill-hole allowed. Several passes were used each with increasing search ellipse sizes, all the blocks in the mineralised domains were informed in the first pass. • The block model was depleted using surfaces / domains generated by the SKO Survey. Validation of the models was completed by visual inspection, statistical comparisons and comparison with reconciliation data, with the final model achieving a satisfactory validation. • No deleterious elements were estimated as they are considered not material. **CMGP** • All modelling and estimation work undertaken by Westgold is carried out in three dimensions via Surpac Vision. • After validating the drillhole data to be used in the estimation, interpretation of the orebody is undertaken in sectional and / or plan view to create the outline strings which form the basis of the three dimensional orebody wireframe. Wireframing is then carried out using a combination of automated stitching algorithms and manual triangulation to create an accurate three dimensional representation of the sub-surface mineralised body. • Drillhole intersections within the mineralised body are defined, these intersections are then used to flag the appropriate sections of the drillhole database tables for compositing purposes. Drillholes are subsequently composited to allow for grade estimation. In all aspects of resource estimation the factual and interpreted geology was used to guide the development of the interpretation. • Once the sample data has been composited, a statistical analysis is undertaken to assist with determining estimation search parameters, top-cuts etc. Variographic analysis of individual domains is undertaken to assist with determining appropriate search parameters. Which are then incorporated with observed geological and geometrical features to determine the most appropriate search parameters. • An empty block model is then created for the area of interest. This model contains attributes set at background values for the various elements of interest as well as density, and various estimation parameters that are subsequently used to assist in resource categorisation. The block sizes used in the model will vary depending on orebody geometry, minimum mining units, estimation parameters and levels of informing data available. • Grade estimation is then undertaken, with ordinary kriging estimation method is considered as standard, although in some circumstances where sample populations are small, or domains are unable to be accurately defined, inverse distance weighting estimation techniques will be used. Both by-product and deleterious elements are estimated at the time of primary grade estimation if required. It is assumed that by-

Criteria	JORC Code explanation	Commentary
		products correlate well with gold. There are no assumptions made about the recovery of by-products. • The resource is then depleted for mining voids and subsequently classified in line with JORC guidelines utilising a combination of various estimation derived parameters and geological / mining knowledge. • This approach has proven to be applicable to the Company's gold assets. • Estimation results are routinely validated against primary input data, previous estimates and mining output. • Good reconciliation between mine claimed figures and milled figures was routinely achieved during past production history. **FGP** • All modelling and estimation work undertaken by the Company is carried out in three dimensions with Surpac Vision, Snowden's Supervisor v8.3 and or Isatis 2015. • Ordinary kriging (OK) and Localised Indicator Kriging (LIK) has been used. LIK was used for the estimation of all Jasperoid related estimation domains due to mosaic mineralisation style. Length weighting of assay values related to surveyed volumes was undertaken for low-grade stockpiles. • All estimates were validated where possible against historical production records and previous estimates. • After validating the drillhole data to be used in the estimation, interpretation of the orebody is undertaken in sectional and / or plan view to create the outline strings which form the basis of the three dimensional orebody wireframe. Wireframing was carried out using a combination of automated stitching algorithms and manual triangulation to create an accurate three dimensional representation of the sub-surface mineralised body. Domaining was constructed on 20m and 10m spaced sections and was based on logged lithologies, quartz percentage and gold value. • Drillhole intersections within the mineralised body are defined; these intersections are then used to flag the appropriate sections of the drillhole database tables for compositing purposes. Assay data was composited to 1m downhole using Surpac "best fit" algorithm. The "best fit" algorithm eliminates residual composites and the estimation domains boundaries defined the start and end position of the compositing routine. In all aspects of resource estimation; the factual and interpreted geology was used to guide the development of the interpretation. • Support analysis of the difference drill types (Air Core (AC), Reverse Circulation (RC) and Diamond Drill holes (DDH)) was performed and the mixing these deemed acceptable. The AC drill holes were used in the estimation of the poorly informed estimation domains. • Statistical analysis was carried out on the composited data to assist with determining estimation search parameters, top-cuts and spatial continuity. Data for some of the domains exhibit an increased degree of skewness and top-cuts were applied to reduce the skewness of distribution. The appropriateness of the top-cuts was assessed for each domain utilising log-probability plots, mean and variance plots,

Criteria	JORC Code explanation	Commentary
		histograms and univariate statistics for the composite Au variable. • Variogram modelling was undertaken using Isatis™ software and defined the spatial continuity of gold within all domains and these parameters were used for the interpolation process. Indicator variograms were generated within the Jasperoid related estimation domains to the used in the LIK estimation process. • Volume models were generated in Surpac using topographic surfaces, oxidation surfaces and mineralised zone wireframes as constraints. • Quantitative Kriging Neighbourhood Analysis was used optimise the search parameters. • Search ellipses were aligned parallel to the maximum continuity defined during the variographic analysis. The search dimensions, generally, approximated the ranges of the interpreted variograms and ranged from 50 to 100m. The minimum and maximum number of samples range from 7 to 11 and 18 to 30, respectively. Second and third pass searches were implement to fill the un-estimated cells / blocks if they were not estimated during the first search pass and these search parameters involved increasing in the search distances and reducing in the minimum number of samples used in the estimation process. • The extrapolation was control through the interpreted estimation domains, which was limited to half the drill hole spacing within section and half the section spacing between sections. • Block estimation for gold was undertaken using Isatis™ and hard boundaries were used between domains for estimation of gold grade. • No assumptions were made about recovery during the OK and LIK estimation processes. • Grade estimation was undertaken, with the ordinary kriging (OK) estimation method for all non-jasperoid related estimation domains. • Check estimates were run using Localised Uniform Conditioning (LUC) for the LIK estimation domains, which produces a similar form of result to LIK. The LIK and LUC models were compared, with reasonable agreement at lower cut-offs and differences at higher cut-offs reflecting higher estimated gold variability in the LIK model. The LIK is believed to be better suited to the style of mineralisation for the Jasperoid related estimation domains. • The estimation is validated using the following: a visual interrogation, a comparison of the mean composite grade to the mean block grade for each domain, a comparison of the wireframe volume to the block volume for each domain, grade trend plots (moving window statistics), comparison to the previous resource estimate. • The only element of economic interest modelled is gold. • The Isatis™ block models were transferred and imported to Surpac Mining Software. The transfer and importing process was validated against the Isatis™ block model. The resource was then depleted for mining voids and subsequently classified in line with JORC guidelines utilising a combination of various estimation derived parameters and geological / mining knowledge.

Criteria	JORC Code explanation	Commentary
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnage estimates are dry tonnes.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The cut off grades used for the reporting of the Mineral Resources have been selected based on the style of mineralisation, depth from surface of the mineralisation and the most probable extraction technique.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	**HGO** • The principle extraction method at Trident is. For the narrow vein systems at Trident bench stoping is employed. **SKO** • The Pernatty, Mount Martin and upper portions of the HBJ deposits are assumed to be amenable to open pit mining processes. A minimum mining width of 2.5m (horizontal) is applied to the lodes. • The lower parts of the HBJ deposit are assumed to be mineable via sub-level open stoping or sub-level caving. The Mount Marion deposit is assumed to be amenable to underground mining via open stoping means which is consistent with the mining practices adopted for the Mount Marion deposit. **CMGP** • Variable by deposit. **FGP** • Conventional open cut mining with 120t class hydraulic backhoe excavators and 90t rigid dump trucks. • 2m minimum mining width has been assumed. • No mining dilution or ore loss has been modelled in the resource model or applied to the reported Mineral Resource.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	**HGO** • Metallurgical test work is carried out on a project by project basis. The Higginsville plant is approximately 5.5 years old and routinely averages over 96% recovery when being fed with Trident material. **SKO** • The majority of the SKO resource base comprises deposits that have some level of mining history and hence established metallurgical properties. **CMGP** • Not considered for Mineral Resource. Applied during the Reserve generation process. **FGP** • Horizons were modelled based on oxidation state of the host rocks, taken from the drilling information. These were: transported and lateritic residuum, oxidised, transitional and fresh. • Jasperoid was flagged in the model due to its hardness and differing heap leach characteristics as identified in recent metallurgical scoping studies.

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	**HGO** • Tailings are discharged to the nearby tailings storage facility and also used to form cemented backfill for underground operations. • Process water is pumped 30 km from the Chalice open pit to the Aphrodites pit from which it is stored prior to pumping to the process mill. • Potable water is pumped from the Coolgardie–Norseman water pipe line and is provided by the state water provider. • Water used in the Trident mine for mining operations is recycled from underground and stored in the nearby Poseidon North Pit before being returned for underground use. **SKO** • The significant operational history at SKO has allowed for a consistent set of environmental assumptions to be applied to the mineral resource deposits in the region. **CMGP** • BBGO operates in accordance with all environmental conditions set down as conditions for grant of the respective leases. **FGP** • Aragon operates in accordance with all environmental conditions set down as conditions for grant of the respective leases.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	**HGO** • For Trident bulk densities were assessed via test work and assigned to the model. Samples were selected to cover the full range of lithology types and ore types across the deposit. Individual unbroken half core samples of approximately 30cm length were randomly selected from within specified metre intervals. Samples were sent to the Genalysis Laboratory in Kalgoorlie, where mass and volumes (by water immersion) were measured and bulk density calculated. • Where no drill core or other direct measurements are available, SG factors have been assumed based on similarities to other zones of mineralisation / lithologies or from historic production records. **SKO** • For the HBJ, Mount Marion, Pernatty and Mount Martin deposits, density values were based on historic mining reconciliations combined with bulk density check test work. • Bulk densities were assigned based on the host rock, mineralisation style and oxidation state, all of which were coded into the block models. **CMGP** • Bulk density of the mineralisation at the CMGP is variable and is for the most part lithology rather than mineralisation dependent. Bulk density sampling is undertaken via assessments of drill core and grab samples.

Criteria	JORC Code explanation	Commentary
		• A significant past mining history has validated the assumptions made surrounding bulk density at the CMGP. **FGP** • A large suite of bulk density determinations have been carried out across the project area. The bulk densities were separated into different weathering domains and lithological domains (i.e. jasperoid domains). Density determinations were made on diamond drill core representing mineralisation utilised the water immersion method (Archimedes Principle).
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Resources are classified in line with JORC guidelines utilising a combination of various estimation derived parameters, input data and geological / mining knowledge. • This approach considers all relevant factors and reflects the Competent Person's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Resource estimates are peer reviewed by the Corporate technical team. • No external reviews have been undertaken.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• All currently reported resources estimates are considered robust, and representative on both a global and local scale. • A continuing history of mining with good reconciliation of mine claimed to mill recovered provides confidence in the accuracy of the estimates.

Section 4 Estimation and Reporting of Ore Reserves
(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• At all projects, all Resources that have been converted to Reserve are classified as either an Indicated or Measured Resource. Indicated Resources are only upgraded to Probable Reserves after adding appropriate modifying factors. Some Measured Resource may be classified as Proven Reserves and some are classified as Probable Reserve based on whether they are capitally or fully developed.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Mr Poepjes visits the Company's Gold Operations on a regular basis.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	**HGO** • Mining is in progress at HGO. • The Trident Underground mine began production in late 2008. The mining methodology, design layouts, production performance, mining modifying factors and cost profiles used in the 2015 Mineral Reserve are therefore reflective of this history. • Underground mining costs have been derived from the current Australian Contract Mining (ACM) rates. • The Lake Cowan Mining Centre (including Louis Pit) was mined in the 2000's by Harmony Gold. The Reserve for Louis involves depth and width extension of the current Pit. • Following exploration and infill drilling activity, annual resource updates and economic assessment of the Measured and Indicated resources is completed using actual costs, operating parameters and modifying factors. An annual update of Ore Reserves is completed on this basis. **SKO** • Mining is in progress at SKO. • Following exploration and infill drilling activity, annual resource updates and economic assessment of the Measured and Indicated resources is completed using actual costs, operating parameters and modifying factors. An annual update of Ore Reserves is completed on this basis. **CMGP** • Mining is in progress at CMGP. • Following exploration and infill drilling activity, annual resource updates and economic assessment of the Measured and Indicated resources is completed using actual costs, operating parameters and modifying factors. An annual update of Ore Reserves is completed on this basis. **FGP** • The Fortnum Gold Mine Operation ceased production in May 2007 when owned by Gleneagle Gold. Previous to this the operation was operated by Perilya and Homestake, and first began commercial mining operations in the late 1980's. Extensive mining and processing records are therefore available in each of the deposits.

Criteria	JORC Code explanation	Commentary
		• Various open pit styles and host domains have been mined since discovery of the area by Homestake in 1980's. Mining during this time has ranged from open pit cut backs, virgin surface excavations to extensional underground developments. • The Fortnum Gold Mine Open Pit and Underground inventory had a Pre-feasibility study completed by MLX in early 2016. Additional cost details, operational constraints and a revision of the Resources (with classification) have continued since this initial financial evaluation. A Feasibility Study was completed on these revisions and therefore forms the basis for this Reserve statement. The Fortnum Gold Mine is now at a budgetary level analysis with specific details on processing components and reagent costs, specific mining contractor cost profiles, contractual haulage costs, power provider unit rates as well as site specific G&A.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• Underground Mines - Cut off grades were determined for the various mining methods and various mining sections in the mines. The COG's have been applied to both development and stope production from their respective areas. • Open Pit Mines - The pit rim cut-off grade (COG) was determined as part of the Reserve estimation. The pit rim COG determines which material will be processed by equating the operating cost of processing and selling to the value of the mining block in terms of recovered metal and the expected selling price. The COG is then used to determine whether or not a mining block should be delivered to the treatment plant for processing, stockpiled as low-grade or taken to the waste dump as waste.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• Ore Reserves have been undertaken on a 'bottom up' process – with the physicals reflecting mine designs rather than Resource conversion factors or Whittle optimisations. **HGO** • Mining methodologies for underground Reserves centre on long hole open stoping. However, there are areas which are designed as narrow vein up hole or flat bench stoping. All methods described in the Reserve have either been trialled successfully and/or implemented historically. The stope design parameters take into account the different mining shapes and are based on specific geology and geotechnical domains associated with those areas. Stope shapes, level layouts and extraction sequences are designed cognisant of local and regional ground conditions. Where deteriorating ground conditions are expected or where significant fault planes run adjacent to mineralisation, stope shapes are altered to encompass these conditions and sequenced early to ensure recovery is possible. • Dilution factors vary pending the orebody style and host rock conditions as well as from mining sequence and development layouts. • Each mining method applied has a minimum width, which corresponds to sub level distances, blast hole drill accuracy constraints, nature of the mineralisation and/or fleet flexibility. • With the implementation of paste filling at Trident and the utilisation of remote loaders with telecabins, a 100% mining recovery factor is applied to the stope physicals. • No Inferred resources are included with the Reserve Statement.

Criteria	JORC Code explanation	Commentary
		• Both underground mines are established production centres and have been in operation for several years. Mining methodologies forecasted in the Reserve are those currently being utilised. • Conventional open pit mining methodologies and sequencing have been applied to open pits. • A 6% dilution factor has been applied to Louis Reserve. • Louis has a 95% mining recovery factor. • Wall angles used in the Louis Pit are reflective of the historical parameters used. • Lake Cowan has pre-existing haulage routes and site earthworks. Re-establishment of the haulage route into Higginsville has been costed as is included within the economic analysis. **SKO** • Pit and underground reserves have all been subject to detailed mine design. • Stockpile resources have been converted to reserves by application of appropriate modifying factors. • Feasibility Evaluations have incorporated dewatering requirements. • Open Pit geotechnical parameters have been supplied by Geotechnical Consultant following site inspection. • Open Pits have been designed to ensure a minimum 25m bench width. **CMGP** • Pit and underground reserves have all been subject to detailed mine design. • Stockpile resources have been converted to reserves by application of appropriate modifying factors. • Feasibility Evaluations have incorporated dewatering requirements. • Open Pit geotechnical parameters have been supplied by Geotechnical Consultant following site inspection. • Open Pits have been designed to ensure a minimum 25m bench width. **FGP** • Open Pit Methodology. • Following consideration of the various modifying factors the following rules were applied to the reserve estimation process for the conversion of measured and indicated resource to reserve for suitable evaluation. • The mining shape in the reserve estimation is generated by a wireframe (geology interpretation of the ore zone) which overlays the block model. Where the wire frame cuts the primary block, sub blocks fill out the remaining space to the wire frame boundary (effectively the mining shape). It is reasonable to assume that the mining method can selectively mine to the wire frame boundary with the additional dilution provision stated in point 4 below.

Criteria	JORC Code explanation	Commentary
		• Ore Reserves are based on Pit shape designs – with appropriate modifications to the original Whittle Shell outlines to ensure compliance with practical mining parameters. • Geotechnical parameters allied to the Open Pit Reserves are either based on observed existing pit shape specifics or domain specific expectations / assumptions. Various geotechnical reports and retrospective reconciliations were considered in the 2016 design parameters. A majority of the open pits have a final design wall angle of 38-420, which is seen as conservative. • Dilution of the ore through the mining process has been accounted for within the Reserve quoted inventory. Various dilution ratios are used to represent the style of mineralization. Where continuous, consistent ore boundaries and grade represent the mineralised system the following factors are applied: oxide 15%, transitional 17% and fresh 19%. In circumstances where the orebody is less homogenous above the COG then the following dilution factors are applied in order to model correctly the inherent variability of extracting discrete sections of the pit floor: oxide 17%, transitional 19% and fresh 21%. To ensure clarity, the following percentages are additional ore mined in relation to excavating the wire frame boundary as identified in point 1 above, albeit at a grade of 0.0 g/t. The amount of dilution is considered appropriate based on orebody geometry, historical mining performance and the size of mining equipment to be used to extract ore. • Expected mining recovery of the ore has been set at 93%. • Minimum Mining widths have been accounted for in the designs, with the utilization of 90T trucking parameters. • No specific ground support requirements are needed outside of suitable pit slope design criteria based on specific geotechnical domains. • Mining sequence is included in the mine scheduling process for determining the economic evaluation and takes into account available operating time and mining equipment size and performance. • No Inferred material is included within the open pit statement, though in various pit shapes inferred material is present. In these situations this inferred material is classified as waste. • Underground Methodology. • All Underground Reserves are based on 3D design strings and polygon derived stope shapes following the Measured and Indicated Resource (in areas above the COG). A complete mine schedule is then derived from this design to create a LOM plan and financial analysis. • Mining methodology is based on previous mining experience. All mining systems within the Reserve statement are standardized, mechanized Western Australian methods. • In large disseminated orebodies a sub level open stoping or single level bench stoping production methodology is used. • In narrow vein laminated quartz hosted domains a conservative narrow bench style mining method is used. • In narrow flat dipping deposits a Flat Long Hole process is adopted (with fillets in the footwall for rill angle) and or Jumbo stoping.

Criteria	JORC Code explanation	Commentary
		• Stope shape parameters have been based on historical data (where possible) or expected stable hydraulic radius dimensions. • Stope inventories have been determined by cutting the geological wireframe at above the area specific COG and applying mining dilution and ore loss factors. The ore loss ratio accounts for pillar locations between the stopes (not operational ore loss) whilst dilution allows for conversion of the geological wireframe into a minable shape as well as hangingwall relaxation. A 20% dilution factor and 10% loss ratio has been subsequently applied to the Starlight Reserve statement. • Minimum mining widths have been applied in the various mining methods. The only production style relevant to this constraint is 'narrow stoping' – where the minimum width is set at 1.5m in an 18.5m sub level interval. • Mining operational recovery for the underground mines is set at 100% due to the use of remote loading units as well as paste filling activities. • Stope shape dimensions vary between the various methods. Default hydraulic radii are applied to each method, and are derived either from historical production or geotechnical reports / recommendations. Where no data or exposure is available conservative HR values are used based on the contact domain type. • Mining sequence is included in the mine scheduling process for determining the economic evaluation and takes into account available operating time and mining equipment size and performance.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	**HGO** • Gold extraction is achieved using staged crushing, ball milling with gravity concentration and Carbon in Leach. The Higginsville plant has operated since 2008 and historical recoveries on Trident ore average 97% • Treatment of ore is via conventional gravity recovery / intensive cyanidation and CIL is applied as industry standard technology. • Additional test-work is instigated where notable changes to geology and mineralogy are identified. Small scale batch leach tests on primary Louis ore have indicated lower recoveries (80%) associated with finer gold and sulphide mineralisation. • There have been no major examples of deleterious elements affecting gold extraction levels or bullion quality. Some minor variations in sulphide mineralogy have had short-term impacts on reagent consumptions. • No bulk sample testing is required whilst geology/mineralogy is consistent based on treatment plant performance. **SKO** • A long history of processing through the existing facility demonstrates the appropriateness of the process to the styles of mineralisation considered. • No deleterious elements are considered, as a long history of processing has shown this to be not a material concern.

Criteria	JORC Code explanation	Commentary
		CMGP • A long history of processing through the existing facility demonstrates the appropriateness of the process to the styles of mineralisation considered. • No deleterious elements are considered, as a long history of processing has shown this to be not a material concern. **FGP** • Fortnum Gold Mine has an existing conventional CIL processing plant – which has been operational in various periods since the late 1980's. The plant has a nameplate capacity of 1.0Mtpa though this can be varied between 0.8-1.2Mtpa pending rosters and material type. • Grind size for the sulphide material has historically been 130 µm. • An extensive database of historical CIL recoveries as well as detailed metallurgical test work is available for the various deposits and these have been incorporated into the COG analysis and financial models. • For the 2016 Reserve, Plant recoveries of 93-95% have been utilised.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	**HGO** • The Higginsville mine operates under and in compliance with a number of operating environmental plans, which cover its environmental impacts and outputs. • Waste is generally stored underground in mined out stopes. When underground stopes are not available, waste is placed on approved surface waste dumps or capping material for historical tailings dams. • Waste rock created from the Open Pit operations is stored alongside the pit crest. **SKO** • SKO operates under and in compliance with a number of operating environmental plans, which cover its environmental impacts and outputs. **CMGP** • CMGP operates under and in compliance with a number of operating environmental plans, which cover its environmental impacts and outputs. **FGP** • The FGP has normal Western Australian permitting requirements.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	**HGO** • Trident is currently active and have substantial infrastructure in place including a large amount of underground infrastructure, major electrical, ventilation and pumping networks. The main Higginsville location has an operating CIL plant a fully equipped laboratory, extensive workshop, administration facilities and a 350 person single person quarters nearby. • Infrastructure required for open production is also in place. **SKO** • SKO has an operating CIL plant, along with extensive maintenance and administration facilities.

Criteria	JORC Code explanation	Commentary
		• Power and water supplies are in place. • Labour and accommodation is sourced from the nearby city of Kalgoorlie – Boulder. • HBJ is currently active and have substantial infrastructure in place including a large amount of underground infrastructure, major electrical, ventilation and pumping networks. • Infrastructure required for open production is also in place. **CMGP** • CMGP has an operating plant, along with extensive maintenance and administration and accommodation facilities. • Power and water supplies are in place. **FGP** • Fortnum Gold Mine, despite being under Care and Maintenance since 2007, has an existing operational infrastructure base with a 108 man camp facility, various water bores, existing TSF, a processing plant, airstrip, communications and main road access ways.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	**HGO** • Underground Mines • Capital Development costs are derived from the current contractor cost model (ACM). CAPEX Infrastructure costs have been sourced either from specific quotes or historical invoices. • Operating costs are derived primarily from the current contractor cost profile (ACM). In areas where works are outside of ACM's scope, alterative contractor costs have been sourced. • Open Pit Mine • CAPEX has been sourced from a specific quote (Dec 2013). • Operating costs associated with the pit operation are based on schedule of rates from various Kalgoorlie based contractors. These costs are in line with previous pit operations in both SKO and HGO. • Surface and Plant • The HGO Plant costs are derived from historical cost profiles, with updates from recent consumable negotiations. • Fuel and potable water rates are reflective of current market conditions. • Site Administration and Manning costs are reflective of current conditions. • Royalties • All private and state royalties have been incorporated into the Reserve cost model. **SKO** • Processing costs are based on actual cost profiles, as are administrative costs. • Both state government and private royalties are incorporated into costings as appropriate. • Mining costs are derived primarily from the current contractor cost profiles in both the open pit and underground environment.

Criteria	JORC Code explanation	Commentary
		CMGP • Capital Costs were estimated as part of the DFS. • Operating Costs were estimated as part of the DFS. • WA State Government 2.5% applies. • $5 per oz produced Royalty applies to Great Fingall Deeps. **FGP** • Open Pit Mining costs have been sourced from MLX CMGP operations whereby several contracting companies are undertaking mining works. These costs include pit load and haul as well as drill and blast, dewatering and maintenance. The costs are based on recent tender submissions (early 2016) for the CMGP which is located 200km south of the Fortnum Gold Mine. • Underground mining costs used within the Reserve process are derived from existing operational UG mines within the Kalgoorlie and Meekatharra district. They are based on current contractual schedule of rates for all mining processes covered in this Reserve statement. • Additional to direct mining costs, surface haulage is based on recent 2016 request for quotation. Where specific tkm rates are not available, a default value of $0.10-0.15 /tkm has been used. • Processing costs are based on the 2016 Feasibility profile. These costs are in line with previous operating conditions and are aligned to the cost profile seen in MLX's neighbouring operation of CMGP. • Royalties applicable to the open pit, underground and stockpile inventory vary pending tenement, though a summary of these are: o $10/oz after first 50,000oz (capped at $2M)- Perilya o 1% NRS - Montezuma o State Government – 2.5% NSR
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• Mine Revenue is based on the long term forecast of A$1,550/oz. • No allowance is made for silver by-products.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• Detailed economic studies of the gold market and future price estimates are considered by the Company and applied in the estimation of revenue, cut-off grade analysis and future mine planning decisions. • There remains strong demand and no apparent risk to the long term demand for the gold.

Criteria	JORC Code explanation	Commentary
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	**HGO** • The Higginsville NPV assumes a 10% discount rate with no inflation. Mining costs derived from contract rates, Paste Plant costs as per cubes required at a historical A$/m3, G&A costs on a cost per tonne basis and processing cost based on actual cost profiles. **SKO** • The SKO NPV assumes a 10% discount rate with no inflation, G&A costs on a cost per tonne basis and processing costs based on upon actual cost profiles. **CMGP** • For the CMGP, an 8% real discount rate is applied to NPV analysis. • Sensitivity analysis of key financial and physical parameters is applied to future development projects. **FGP** • A straight undiscounted Cash Flow Model has been used to analyse the Fortnum Gold Mine. The 5 years term does not warrant extensive Discount / Inflationary modelling.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	**HGO** • HGO is fully permitted and a major contributor to the local and regional economy. It has no external pressures that impact its operation or which could potentially jeopardise its continuous operation. • As new open pits or underground operations develop the site will require separate environmental approvals from the different regulating bodies. **SKO** • SKO is fully permitted and a major contributor to the local and regional economy. It has no external pressures that impact its operation or which could potentially jeopardise its continuous operation. • As new open pits or underground operations develop the site will require separate environmental approvals from the different regulating bodies. **CMGP** • The CMGP is progressing through environmental and other regulatory permitting. **FGP** • No negative social impacts noted. • Local stakeholders have been consulted regarding MLX plan for the Fortnum Gold Mine. • MLX continues to work with local governments, business owners and residence around the Fortnum Gold Mine.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.*	• HGO is an active mining project. • SKO is an active mining project. • CMGP is an active mining project. • FGP is a development project.

Criteria	JORC Code explanation	Commentary
	• *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• The basis for classification of the resource into different categories is made on a subjective basis. Measured Resources have a high level of confidence and are generally defined in three dimensions and have been accurately defined or capitally and normally developed. Indicated resources have a slightly lower level of confidence but contain substantial drilling and are in most instances capitally developed or well defined from a mining perspective. Inferred resources always contain significant geological evidence of existence and are drilled, but not to the same density. There is no classification of any resource that isn't drilled or defined by substantial physical sampling works. • Some Measured Resources have been classified as Proven and some are defined as Probable Reserves based on internal judgements. • The result appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• Site generated reserves and the parent data and economic evaluation data is routinely reviewed by the Company's Corporate technical team.
Discussion of relative accuracy / confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	**HGO** • Trident reserves are reflective of current operating practices and mine planning processes. All currently reported reserve calculations are considered representative on a local scale. Regular mine reconciliations occur to validate and test the accuracy of the estimates at Trident. A comprehensive production history confirms the validity of the Trident reserve. • Reserve calculations for open pits are cognisant of the historical geological, geotechnical and mining data. Confidence in the Reserve is further achieved with the validation of historical production data and observation of structural orientations on the existing pit walls. **SKO** • All currently reported reserve calculations are considered representative on a local scale. Regular mine reconciliations occur to validate and test the accuracy of the estimates at SKO. **CMGP** • The ore reserve has been completed to a DFS standard and benchmarked against local site historical production and experience, hence confidence in the estimates is high. **FGP** • Various sensitivity analyses have been undertaken on the 2016 Reserve models in order to understand and subsequently control risk.

JORC TABLE 1 – NORTHERN TERRITORY PROJECTS

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques *Drilling techniques* *Drill sample recovery*	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.* • *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).* • *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	**Tennant Creek:** • Diamond Drilling All data used in resource calculations at the Tennant Creek Project has been gathered from diamond core. Multiple sizes have been used historically. This core is geologically logged and subsequently halved for sampling. • All geology input is logged and validated by the relevant area geologists, incorporated into this is assessment of sample recovery. No defined relationship exists between sample recovery and grade. Nor has sample bias due to preferential loss or gain of fine or coarse material been noted. **Warumpi:** • No drilling has been undertaken at Warumpi. • All sampling undertaken to date is reconnaissance geochemical in nature. With grab, lag and soil samples collected.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	**Tennant Creek** • Diamond core is logged geologically and geotechnically. • Logging is qualitative in nature. • All holes are logged completely. **Warumpi:** • No holes have been drilled to date. • Geochemical sampling medium is recorded in the field.

Criteria	JORC Code Explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	**Tennant Creek** • Diamond Drilling - Half-core niche samples, sub-set via geological features as appropriate. • Core undergoes total preparation. • The sample preparation process consists of: o Crushing using a vibrating jaw crusher to achieve a maximum sample size of 4mm. o The sample is then weighed, and if the sample weight is greater than 3.2kg, the sample is split into two using a Jones-type Riffle splitter. o The crushed sample is then pulverised in a Labtech LM5 Ring Mill for 6 minutes. For samples weighing greater than 3.2kg the first portion is removed and second portion is homogenised in the same machine. Once complete the first portion is put back in the LM5 and both portions are homogenised. o From the pulverised sample, approximately 200g is taken as a master sample which stays in Alice Springs, while a second sample of approximately 150g taken and sent to for assaying. These samples are collected via a scoop inserted to the bottom of the bowl. The remaining sample is transferred to a calico bag for storage. o For every 20th sample, an approximately 25g sample is screened to 75 microns to check that homogenising has achieved 80% passing 75 microns. • QA/QC is ensured during sampling via the use of sample ledgers, blanks, standards and repeats. • QA/QC is ensured during the assays process via the use of blanks, standards and repeats at a NATA / ISO accredited laboratory. • The sample sizes are considered appropriate to the grainsize of the material being sampled. • The un-sampled half of diamond core is retained for check sampling if required.

Criteria	JORC Code Explanation	Commentary
		Warumpi: • Grab samples undergoes total preparation. The sample preparation process consists of; o Crushing using a vibrating jaw crusher to achieve a maximum sample size of 4mm. o The crushed sample is then pulverised in a Labtech LM5 Ring Mill for 6 minutes. For samples weighing greater than 3.2kg the first portion is removed and second portion is homogenised in the same machine. Once complete the first portion is put back in the LM5 and both portions are homogenised. o From the pulverised sample, approximately 200g is taken as a master sample which stays in Alice Springs, while a second sample of approximately 150g taken and sent to for assaying. These samples are collected via a scoop inserted to the bottom of the bowl. The remaining sample is transferred to a calico bag for storage. o For every 20th sample, an approximately 25g sample is screened to 75 microns to check that homogenising has achieved 80% passing 75 microns. • For lag and soil samples, preparation is as follows; • Crushing using a vibrating jaw crusher to achieve a maximum sample size of 4mm. • Pulverise 1kg to 85% passing <75um. • Roasting to remove organic matter. • QA/QC is ensured during sampling via the use of sample ledgers, blanks, standards and repeats. • QA/QC is ensured during the assays process via the use of blanks, standards and repeats at a NATA / ISO accredited laboratory. • The sample sizes are considered appropriate to the grainsize of the material being sampled. • The reject is retained for check sampling if required.

Criteria	JORC Code Explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	**Tennant Creek:** • Analysis of drill core for Au, Ag, Cu, Pb, Zn was carried out in Perth in the following manner; o Gold (Au-AA25 scheme – lower detection limit = 0.01ppm, upper detection limit = 100ppm). A 30g charge of prepared sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents and then cupelled to yield a precious metal bead. o The bead is then dissolved in acid and analysed by atomic absorption spectroscopy against matrix-matched standards. o Samples returning assay values in excess of 100g/t Au were repeated using the Au- AA26 method. o Ag, Cu, Pb, Zn (ME-OG62) - A prepared sample is digested using a 4 acid digest. o The subsequent solution is analysed by inductively coupled plasma - atomic emission spectroscopy or by atomic absorption spectrometry. • No significant QA/QC issues have arisen in recent drilling results. • These assay methodologies are appropriate for the resource in question. **Warumpi:** • Analysis of samples is as per the following; o For gold 30g charge of prepared sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents and then cupelled to yield a precious metal bead. The bead is then dissolved in acid and analysed by ICP-AES. o For the remaining elements of interest the prepared sample is digested using a 4 acid digest. o The subsequent solution is analysed by inductively coupled plasma - atomic emission spectroscopy or by atomic absorption spectrometry for 48 elements. • No significant QA/QC issues have arisen. • These assay methodologies are appropriate for the resource in question.

Criteria	JORC Code Explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	**Tennant Creek:** • Anomalous intervals as well as random intervals are routinely checked assayed as part of the internal QA/QC process. • Virtual twinned holes have been drilled in several instances with no significant issues highlighted. • Primary data is loaded into the drillhole database system and then archived for reference. • All data used in the calculation of resources are compiled in databases which are overseen and validated by senior geologists. • No primary assays data is modified in any way. **Warumpi:** • No drilling has been undertaken to date. • Primary data is loaded into the database system and then archived for reference. • All data is compiled and overseen and validated by senior geologists. • No primary assays data is modified in any way.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	**Tennant Creek:** • All data is spatially oriented by survey controls via direct pickups by the survey department. Drillholes are all surveyed downhole, deeper holes with a Gyro tool if required. • All drilling and resource estimation is undertaken in MGA grid. • Topographic control is generated from a combination of remote sensing methods and ground-based surveys. This methodology is adequate for the resource in question. **Warumpi:** • All data is spatially oriented by handheld GPS. • All data is located in MGA grid. • Topographic control is generated from remote sensing methods. This methodology is adequate for the resource in question.

Criteria	JORC Code Explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	**Tennant Creek:** • Data spacing is variable dependent upon the individual orebody under consideration. This approach is appropriate for the Mineral Resource estimation process and to allow for classification of the resource as it stands. • Compositing is carried out based upon the modal sample length of each individual domain. **Warumpi:** • Data spacing is semi-regular, with the initial geochemical sampling at kilometres centres. This spacing is closed down to 250m x 250m centres in areas of interest. • Individual features may be selectively grab sampled. • No composting of samples has been undertaken.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	**Tennant Creek:** • Drilling intersections are nominally designed to be normal to the orebody as far topography / economics allows. • Development sampling is nominally undertaken normal to the various orebodies. • It is not considered that drilling orientation has introduced an appreciable sampling bias. **Warumpi:** • All sampling is reconnaissance geochemical and surficial in nature. Orientation is dictated by topography.
Sample security	• *The measures taken to ensure sample security.*	• Samples are delivered to a third party transport service, who in turn relay them to the independent laboratory contractor. Samples are stored securely until they leave site.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	• Site generated resources and reserves and the parent geological data is routinely reviewed by the Company's Corporate technical team.

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	**Tennant Creek:** • The Tennant Creek Project comprises 5 granted exploration leases. • Native title interests are recorded against the Tennant Creek tenements. • The Tennant Creek tenements are held by Castile with is 100% owned. • Several third party royalties exist across various tenements at Tennant Creek, over and above the Northern Territory government royalty. • Castile operates in accordance with all environmental conditions set down as conditions for grant of the leases. • There are no known issues regarding security of tenure. • There are no known impediments to continued operation.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties*	• The Tennant Creek area has an exploration and production history in excess of 100 years. The Rover area in particular has an intensive exploration history stretching from the 1970's. • On balance, Castile work has generally confirmed the veracity of historic exploration data.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Tennant Creek Project is located in the 1860-1850Ma Warramunga Province is approximately centred on the township of Tennant Creek, and contains the • Palaeoproterozoic Warramunga Formation. This is a weakly metamorphosed turbiditic succession of partly tuffaceous sandstones and siltstones which includes argillaceous banded ironstones locally referred to as 'haematite shale'. • Copper in the form of chalcopyrite occurs around the upper margins of the quartz magnetite ironstones and in the silicified BIF or haematitic shales that often form an alteration transition to the adjacent chlorite alteration envelope. Although copper levels in the upper quartz magnetite portion of the ironstones is usually very low, pervasive sub-economic copper levels can persist throughout this zone. Economic levels of copper are dominantly contained in the lower massive magnetite portion or in massive magnetite "veins" identified in the magnetite quartz zones. The massive magnetite zones grade laterally and at depth into magnetite chlorite stringer zones. Gold content increases where the content of magnetite veining and chlorite alteration decreases and there is an increase in early haematite dusted quartz veins and indurated sediments and fine chlorite veining related to the mineralisation phase. The transition from massive magnetite copper mineralisation to magnetite quartz chlorite stringer gold mineralisation is also the zone of increased bismuthinite mineralisation. • Lead and zinc mineralisation at Explorer 108 is associated with a brecciated dolomitised sediment unit, consisting of irregular, generally

Criteria	JORC Code Explanation	Commentary
		narrow, domains or veins of semi-massive sulphides (sphalerite and galena). A basal "high-grade" zone is present at the contact of the dolomite and lower felsic units. **Warumpi:** • The Warumpi Project comprises 4 granted exploration leases. • Native title interests are recorded against the Warumpi tenements. • The Warumpi tenements are held by Castile which is 100% owned is earning into the tenements. • Several third party royalties exist across various tenements at Warumpi, over and above the Northern Territory government royalty. • Castile operates in accordance with all environmental conditions set down as conditions for grant of the leases. • There are no known issues regarding security of tenure. • There are no known impediments to continued operation. • There is no documented modern exploration at Warumpi. • The Warumpi terrain represents the southern margin of a large collisional zone of the North Australia Craton (NAC) and the South Australia Craton (SAC) which has greatly distorted the rocks throughout its multiple phase deformational history. This deformational history has created several crustal-scale shear zones and thrust faults as well as numerous secondary structures throughout the region. To date no known occurrences of economic mineralisation are known to exist in the Warumpi Project area.

Criteria	JORC Code Explanation	Commentary
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	**Tennant Creek:** • Excluded results are non-significant and do not materially affect understanding of the Rover 1 deposit. • Rover exploration results are extracted from the reports entitled 'Quarterly Activities Report' created on 30 October 2015 and 'Stunning Drill Results from Rover 1' created on 9 January 2015 both are available to view on Metals X Website (www.metalsx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. **Warumpi:** • Warumpi exploration results are extracted from the report entitled 'New Base Metal Discoveries' created on 22 December 2014 and is available to view on Metals X Website (www.metalsx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	**Tennant Creek:** • Results are reported on a length weighted average basis. • Results are reported above a 5gm Au / Au Eq. cut-off / 2.5%m Cu. **Warumpi:** • Results are reported above a 1% Cu / Zn cut-off.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	**Tennant Creek:** • Interval widths are downhole width unless otherwise stated. **Warumpi:** • No relevant information to be presented.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Presented in the body of the text above. **Warumpi:** • No relevant information to be presented.

Criteria	JORC Code Explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Presented above. • Excluded results are non-significant and do not materially affect understanding of the Rover 1 deposit. **Warumpi:** • Excluded results are non-significant.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No relevant information to be presented.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Exploration and mine planning assessment continues to take place at the Tennant Creek and Warumpi Projects.

Section 3 Estimation and Reporting of Mineral Resources
(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Drillhole data is stored in a Maxwell's DataShed system based on the Microsoft SQL Server platform which is currently considered "industry standard". • As new data is acquired it passes through a validation approval system designed to pick-up any significant errors before the information is loaded into the master database. The information is uploaded by a series of Sequel routines and is performed as required. The database contains diamond drilling (including geotechnical and specific gravity data), face chip and sludge drilling data and some associated metadata. By its nature this database is large in size, and therefore exports from the main database are undertaken (with or without the application of spatial and various other filters) to create a database of workable size, preserve a snapshot of the database at the time of orebody modelling and interpretation and preserve the integrity of the master database.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Mr. Russell visits site on an "as required" basis.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Mining of similar deposits in the region provides confidence in the current geological interpretation. • No alternative interpretations are currently considered viable. • Geological interpretation of the deposit was carried out using a systematic approach to ensure that the resultant estimated Mineral Resource figure was both sufficiently constrained, and representative of the expected sub-surface conditions. In all aspects of resource estimation the factual and interpreted geology was used to guide the development of the interpretation. • The structural regime and the presence of intrusive source bodies are the dominant controls on geological and grade continuity at the Tennant Creek Project.

Criteria	JORC Code Explanation	Commentary
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Individual deposit scales vary across the Tennant Creek Project. • The Rover 1 deposit is mineralised a strike length of >540m, a lateral extent of up +70m and a depth of over 650m. • The Rover 1 deposit is mineralised a strike length of >400m, with a thickness of up to 60m. • The Explorer 142 deposit is mineralised a strike length of >200m, with a thickness of up to 8m. • No resource has been stated for the Warumpi Project.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• All modelling and estimation work undertaken by the Company is carried out in three dimensions via Surpac Vision. • After validating the drillhole data to be used in the estimation, interpretation of the orebody is undertaken in sectional and / or plan view to create the outline strings which form the basis of the three dimensional orebody wireframe. Wireframing is then carried out using a combination of automated stitching algorithms and manual triangulation to create an accurate three dimensional representation of the sub-surface mineralised body. • Drillhole intersections within the mineralised body are defined, these intersections are then used to flag the appropriate sections of the drillhole database tables for compositing purposes. Drillholes are subsequently composited to allow for grade estimation. In all aspects of resource estimation the factual and interpreted geology was used to guide the development of the interpretation. • Once the sample data has been composited, a statistical analysis is undertaken to assist with determining estimation search parameters, top-cuts etc. Variographic analysis of individual domains is undertaken to assist with determining appropriate search parameters. Which are then incorporated with observed geological and geometrical features to determine the most appropriate search parameters. • An empty block model is then created for the area of interest. This model contains attributes set at background values for the various elements of interest as well as density, and various estimation parameters that are subsequently used to assist in resource categorisation. The block sizes used in the model will vary depending on orebody geometry, minimum mining units, estimation parameters and levels of informing data available.

Criteria	JORC Code Explanation	Commentary
		• Grade estimation is then undertaken, with ordinary kriging estimation method is considered as standard, although in some circumstances where sample populations are small, or domains are unable to be accurately defined, inverse distance weighting estimation techniques will be used. Both by-product and deleterious elements are estimated at the time of primary grade estimation if required. It is assumed that by-products correlate well with gold. • There are no assumptions made about the recovery of by-products. • The resource is then depleted for mining voids and subsequently classified in line with JORC guidelines utilising a combination of various estimation derived parameters and geological / mining knowledge. • This approach has proven to be applicable to the Company's gold assets. • Estimation results are routinely validated against primary input data, previous estimates and mining output. • Good reconciliation between mine claimed figures and milled figures was routinely achieved during past production history. • No resource has been stated for the Warumpi Project.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnage estimates are dry tonnes. • No resource has been stated for the Warumpi Project.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Rover 1 reporting cut-off grade is 2.5g/t Au. • The Explorer 108 reporting cut-off grade is 2.5% Pb + Zn. • The Explorer 142 reporting cut-off grade is 2.5g% Cu. • No resource has been stated for the Warumpi Project.

Criteria	JORC Code Explanation	Commentary
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to* • *consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Not considered for Mineral Resource. Applied during the Reserve generation process. • No resource has been stated for the Warumpi Project.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Not considered for Mineral Resource. Applied during the Reserve generation process. • No resource has been stated for the Warumpi Project.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Castile operates in accordance with all environmental conditions set down as conditions for grant of the respective leases. • No resource has been stated for the Warumpi Project.

Criteria	JORC Code Explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density of the mineralisation at the Tennant Creek Project is variable and is lithology, alteration and mineralisation dependent. • For modern drilling, field technicians perform density test-work on core samples on a campaign basis every three months. All density measurements have been determined using the simple water immersion technique. The samples from all holes were well below the base of oxidation and were in generally competent, non-porous rock. • No resource has been stated for the Warumpi Project.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Resources are classified in line with JORC guidelines utilising a combination of various estimation derived parameters, the input data and geological / mining knowledge. • This approach considers all relevant factors and reflects the Competent Person's view of the deposit. • No resource has been stated for the Warumpi Project.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Resource estimates are peer reviewed by the site technical team as well as the Company's Corporate technical team. • No resource has been stated for the Warumpi Project.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• All currently reported resources estimates are considered robust, and representative on both a global and local scale. • No production data exists to compare the resource estimate against. • No resource has been stated for the Warumpi Project.

Section 4 Estimation and Reporting of Ore Reserves
(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and* • *will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.

Criteria	JORC Code Explanation	Commentary
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.

Criteria	JORC Code Explanation	Commentary
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.

Criteria	JORC Code Explanation	Commentary
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must* • *be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.

Criteria	JORC Code Explanation	Commentary
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• No reserve has been stated for the Tennant Creek Project. • No reserve has been stated for the Warumpi Project.

Schedule E – Corporate Governance Statement

The Board of Directors of Westgold Resources Limited (ABN 60 009 260 306) is responsible for the corporate governance of the Consolidated Entity. The Board guides and monitors the business and affairs of Westgold Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. This statement reports on Westgold Resources Limited's key governance principles and practices.

1. COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS

The Company, as a listed entity, must comply with the Corporations Act 2001 and the Australian Securities Exchange (ASX) Listing Rules. The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council. Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure.

For further information on corporate governance policies adopted by the Company, refer to the corporate governance section of our website: www.westgold.com.au

The table below summaries the Company's compliance with the Corporate Governance Council's Principles and Recommendations:

PRINCIPLE #	ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS	REFERENCE	COMPLY
Principle 1	**Lay solid foundations for management and oversight**		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	2(a)	Yes
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	2(b), 3(b)	Yes
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	3(b)	Yes
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	2(e)	Yes
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	6(c)	Yes

PRINCIPLE #	ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS	REFERENCE	COMPLY
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	2(k), 3(b)	Yes
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	3(b), Remuneration Report	Yes

Principle 2	**Structure the Board to add value**		
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	3(b)	Yes
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	2(b), 2(c), 2(d)	Yes
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 (which appears on page 16 of the ASX Recommendations and is entitled "Factors relevant to assessing the independence of a director") but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	2(c), 2(g)	Yes
2.4	A majority of the board of a listed entity should be independent directors.	2(g)	No
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the MD of the entity.	2(c), 2(f), 2(g)	Yes
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	3(b)	Yes

Principle 3	**Act ethically and responsibly**		
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	6(a)	Yes

Principle 4	**Safeguard integrity in corporate reporting**		
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	3(a)	Yes
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its Managing Director and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	5(c)	Yes
4.4	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	4(a)	Yes

Principle 5	**Make timely and balanced disclosure**		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	4(b)	Yes

Principle 6	**Respect the rights of security holders**		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	4(a), 4(b)	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	4(a), 4(b)	Yes
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	4(a), 4(b)	Yes
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	4(a), 4(b)	Yes

Principle 7	Recognise and manage risk		
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	3(a)	Yes
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	5(a), 5(b), 5(d)	Yes
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	3(a)	No
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	5(a)	Yes

Principle 8	Remunerate fairly and responsibly		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	3(b)	Yes
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	3(b), Remuneration Report	Yes
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	6(b), Remuneration Report	Yes

2. THE BOARD OF DIRECTORS

2(a) Roles and Responsibilities of the Board

The Board is accountable to the shareholders and investors for the overall performance of the Company and takes responsibility for monitoring the Company's business and affairs and setting its strategic direction, establishing and overseeing the Company's financial position.

The Board is responsible for:

- Appointing, evaluating, rewarding and if necessary the removal of the Managing Director and senior management;
- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;
- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately;
- Approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted a Code of Conduct and that the Company practice is consistent with that Code; and other policies; and
- Reporting to and advising shareholders.

Other than as specifically reserved to the Board, responsibility for the day-to-day management of the Company's business activities is delegated to the Managing Director and senior management.

2(b) Board Composition

The Directors determine the composition of the Board employing the following principles:

- the Board, in accordance with the Company's constitution must comprise a minimum of three directors;
- the roles of the Chairman of the Board and of the Managing Director should be exercised by different individuals;
- the majority of the Board should comprise directors who are non-executive;
- the Board should represent a broad range of qualifications, experience and expertise considered of benefit to the Company; and
- the Board must be structured in such a way that it has a proper understanding of, and competency in, the current and emerging issues facing the Company, and can effectively review management's decisions.

The Company's constitution requires one-third of the directors (or the next lowest whole number) to retire by rotation at each Annual General Meeting (AGM). The directors to retire at each AGM are those who have been longest in office since their last election. Where directors have served for equal periods, they may agree amongst themselves or determine by lot who will retire. A director must retire in any event at the third AGM since he or she was last elected or re-elected. Retiring directors may offer themselves for re-election.

A director appointed as an additional or casual director by the Board will hold office until the next AGM when they may be re-elected. The Managing Director is subject to retirement by rotation. Any director appointed as an additional or casual director, is not to be taken into account in determining the number of directors required to retire by rotation.

2(c) Board Membership

The Board is currently comprised of three non-executive directors and one executive director. Details of the Board member's experience, expertise and qualifications are set out on the Company's website.

Name	Position	Date Appointed
PJ Newton	Chairman & Independent Non-Executive Director	6 October 2016
P G Cook	Managing Director	19 March 2007
F J Van Maanen	Non-Executive Director	6 October 2016
W S Hallam	Non-Executive Director	18 March 2010

2(d) Board Skills

The Board Skill Matrix set outs the board skills matrix which lists the following areas of knowledge as required by the Board as a whole:

- exploration and production;
- health and safety;
- commercial;
- legal; and
- finance.

2(e) Company Secretary

The appointment, performance, review, and where appropriate, the removal of the Company Secretary is a key responsibility of the Board. The Company Secretary is primarily responsible for ensuring that the Board processes and procedures are run efficiently and effectively. All directors have access to the Company Secretary who is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

2(f) Chairman and Managing Director

The roles of the Chairman of the Board and of the Managing Director should be exercised by different individuals.

The Chairman is responsible for:

- leadership of the Board;
- the efficient organisation and conduct of the Board's functions;
- the promotion of constructive and respectful relations between Board members and between the Board and management;
- contributing to the briefing of directors in relation to issues arising at Board meetings;
- facilitating the effective contribution of all Board members; and
- committing the time necessary to effectively discharge the role of the Chairman.

The Managing Director is responsible for:

- implementing the Company's strategies and policies; and
- the day-to-day management of the Consolidated Entity's business activities.

The Board specifies that the roles of the Chairman and the Managing Director are separate roles to be undertaken by separate people. The Chairman of the Company is considered by the Board to be independent.

2(g) Independent Directors

The Company recognises that independent directors are important in assuring shareholders that the Board is properly fulfilling its role and is diligent in holding senior management accountable for its performance. The Board assesses each of the directors against specific criteria to decide whether they are in a position to exercise independent judgment.

Directors of Westgold Resources Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another group member other than as a director.
- has been a director of the entity for such a period that his or her independence may have been compromised.

The Board notes that the mere fact that a director has served on a Board for a substantial period does not mean that he or she has become too close to management to be considered not independent. The Board will regularly assess the independence of all and any director who serves on the Board.

Family ties and cross-directorships may be relevant in considering interests and relationships which may affect independence, and should be disclosed to the Board.

The Company does not comply with ASX Recommendation 2.4, there is a majority of non-executive directors but there is not a majority of independent directors on the Board. In accordance with the definition of independence above, only two of the directors of the Company are considered to be independent.

The Board believes that the Company is not of sufficient size to warrant the inclusion of more independent non-executive directors in order to meet the ASX recommendation of maintaining a majority of independent non-executive directors. The Company maintains a mix of directors from different backgrounds with complementary skills and experience.

In recognition of the importance of independent views and the Board’s role in supervising the activities of management the Chairman is a non-executive director.

2(h) Terms of appointment

The Company has written agreements with each Director and senior executive of the Company, setting out the terms of their appointment.

2(i) Avoidance of Conflicts of Interest by a Director

In order to ensure that any interests of a director in a particular matter to be considered by the Board are known by each director, each director is required by the Company to disclose any relationships, duties or interests held that may give rise to a potential conflict. Directors are required to adhere strictly to constraints on their participation and voting in relation to any matters in which they may have an interest.

2(j) Board Access to Information and Independent Advice

Directors are able to access members of the management team at any time to request relevant information.

There are procedures in place, agreed by the board, to enable directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

2(k) Review of Board and Senior Executive Performance

The performance of the board, each of its committees and senior executives of the Company is reviewed at least annually by the Chairman. Performance evaluations are conducted annually which involve an assessment of each board member or senior executive's performance against specific and measurable qualitative and quantitative performance criteria. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of Westgold Resources Limited. Directors whose performance is consistently unsatisfactory may be asked to retire.

Details of performance evaluations that will be undertaken by the end of this financial year (FY16/17) will be set out in the Company's 2017 Annual Report.

The performance of each committee is against the requirements of their respective charters.

3. BOARD COMMITTEES

The Board has the ability under the Company's constitution to delegate its powers and responsibilities to committees of the Board.

To assist the Board in fulfilling its duties and responsibilities, it has established the following committees:

- Audit and Risk Committee; and
- Remuneration and Nomination Committee.

3(a) Audit and Risk Committee

The Board has established an Audit and Risk Committee comprising three non-executive directors the majority of whom are independent directors. The Audit and Risk Committee is governed by its charter, as approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit and Risk Committee.

The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in financial report.

The Audit and Risk Committee's main responsibilities include reviewing and monitoring:

- financial reporting;
- internal control framework;
- external audit;
- internal audit;
- risk management;
- compliance with the Corporations Act, ASX Listing Rules and Corporate Governance Principles and Recommendations; and
- any other matters referred to it by the Board.

The Audit and Risk Committee is comprised of:

Name	**Position**	
PJ Newton	Chairman & Independent Non-Executive Director	6 October 2016
F J Van Maanen	Non-Executive Director	6 October 2016
W S Hallam	Independent Non-Executive Director	18 March 2010

The qualifications of the committee are set out on the Company's website.

The number of times the Audit and Risk Committee has formerly met and the number of meetings attended by directors during the financial year are reported in Directors' Report of the Annual Report under the heading "Directors' Meetings".

The Company complies with ASX Recommendation 4.1(a), there is a majority of non-executive directors and a majority of independent directors on the Audit and Risk Committee. In accordance with the definition of independence, two of the directors of the Audit and Risk Committee are considered to be independent.

External Auditor

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually, taking into consideration assessment of performance, existing value and tender costs.

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided in the notes to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Board.

The external auditor is requested to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Internal Audit

The Company does not currently have a formal internal audit function however the Audit and Risk Committee and the Board oversee the effectiveness of risk management and internal control.

The Board works closely with management to identify and manage operational, financial and compliance risks which could prevent the Company from achieving its objectives. The Audit and Risk Committee actively encourages the External Auditor to raise internal control issues, and oversees management's timely remediation thereof.

3(b) Remuneration and Nomination Committee

The Board is responsible for determining and reviewing compensation arrangements for the directors themselves and the Managing Director and executive team. The Board is also responsible for the selection and appointment of directors. The Board has established a Remuneration and Nomination Committee, comprising three non-executive directors the majority of whom are independent directors. The Remuneration and Nomination Committee is governed by its charter, as approved by the Board.

The Remuneration and Nomination Committee is comprised of:

Name	Position	
PJ Newton	Chairman & Independent Non-Executive Director	6 October 2016
F J Van Maanen	Non-Executive Director	6 October 2016
W S Hallam	Independent Non-Executive Director	18 March 2010

The main functions of the Remuneration and Nomination Committee are:

- Evaluating the necessary and desirable competencies for members of the Board.
- Assessing skills, experience and expertise and making recommendations to the Board on candidates for appointment and re-appointment as directors on the Board.
- Reviewing and making recommendations on processes for evaluating the performance of members of the Board and its Committees and for assessing and enhancing director competencies.
- Reviewing and monitoring progress of succession plans and making recommendations to the Board.
- Reviewing and making recommendations annually to the Board on the remuneration of the Managing Director.
- Reviewing and making recommendations annually to the Board, on advice from the Managing Director, on remuneration of senior executives of the Company (other than the Managing Director) and in respect or remuneration matters generally.
- Evaluating and making recommendations to the Board on the Company's recruitment, retention and termination policies and procedures.
- Assessing and making recommendations to the Board on remuneration policies and practices including superannuation arrangements, incentive schemes and performance target for senior executive and other employees of the Company.

- Reviewing and assessing annually the performance of the Committee and the adequacy of its charter.

The number of times the Remuneration and Nominations Committee has formerly met and the number of meetings attended by directors during the financial year will be reported in the Directors' Report of the Annual Report under the heading "Directors' Meetings".

The Company complies with ASX Recommendation 7.1, there is a majority of non-executive directors and a majority of independent directors on the Remuneration and Nominations Committee. In accordance with the definition of independence, two of the directors of the Remuneration and Nominations Committee are considered to be independent.

Remuneration

The remuneration received by directors and executives in the current period is contained in the "Remuneration Report" within the Directors' Report of the Annual Report.

The Company seeks to attract and retain directors and executives with the appropriate expertise and ability to create value for shareholders.

The remuneration structure for non-executive directors is not related to performance. Non-executive directors receive fees which reflect their skills, responsibilities and the time commitments required to discharge their duties. The Company does not pay retirement benefits to non-executive directors (other than superannuation contributions in accordance with its statutory superannuation obligations).

The remuneration structure for executive directors and other executives reflects the Company's performance culture: there is a direct correlation between the executive's reward and individual and Company performance so as to seek to ensure that the Company's remuneration policy is aligned with its long term business objectives and the interests of shareholders and other stakeholders.

Nomination

A profile of each director is on the Company's website.

The Company has a written agreement in place with each director setting out the terms of their appointment.

The committee and the Board consider the composition of the Board at least annually, when assessing the Board's performance and when considering director election and re-election.

In considering whether the Board will support the election or re-election of incumbent directors, the committee considers the skills, experience, expertise, diversity and contribution made to the Board by the director and the contribution that the director is likely to make if elected or re-elected.

When considering appointing new directors, the committee assesses the range of skills, experience, expertise, diversity and other attributes from which the Board would benefit and to the extent to which current directors possess such attributes. This assessment allows the committee to provide the Board with a recommendation concerning the attributes for a new director, such that they balance those of existing directors.

All material information that is relevant to the decision as to whether or not to elect or re-elect a director is provided to shareholders in the explanatory notes accompanying the notice of meeting for the Annual General Meeting at which the election or re-election is to be considered.

4. TIMELY AND BALANCED DISCLOSURE

4(a) Shareholder Communication

The Company believes that all shareholders should have equal and timely access to material information about the Company including its financial situation, performance, ownership and governance.

The Board aims to ensure that shareholders are informed of all material information relating to the Company by communicating to shareholders through:

- continuous disclosure reporting to the ASX;
- its annual reports; and
- media releases and other investor relations publications on the Company's website.

The Company provides other information about itself and its governance via its website.

Two-way Communication

The Board is also mindful of the importance of not only providing information, but also enabling two-way communication between the Company and its shareholders.

The Company encourages direct electronic contact from shareholders – the Company's website has a "Contact Us" section which allows shareholders to submit questions or comments. The Company's website also allows shareholders to register to receive information updates electronically from the Company.

The Company provides shareholder materials directly to shareholders through electronic means. A shareholder may request a hard copy of the Company's annual report to be posted to them. Shareholders may also communicate via electronic means with the Company's Share Registry and may register to access personal shareholding information and receive electronic information.

General Meetings

Shareholders are encouraged to participate in general meetings. Copies of addresses by the Chairman or Managing Director are disclosed to the market and posted on the Company's website.

At the meeting the Chairman encourages questions and comments from shareholders and seeks to ensure that shareholders are given ample opportunity to participate.

The Company's external auditor attends the Company's annual general meeting to answer shareholder questions about the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

4(b) Continuous Disclosure Policy

The Company is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by the Company.

The Company's "ASX Disclosure Policy" encourages effective communication with its shareholders by requiring that Company announcements:

- be factual and subject to internal vetting and authorisation before issue;
- be made in a timely manner;
- not omit material information;
- be expressed in a clear and objective manner to allow investors to assess the impact of the information when making investment decisions;
- be in compliance with ASX Listing Rules continuous disclosure requirements; and
- be placed on the Company's website promptly following release.

The Company's "ASX Disclosure Policy" reinforces the Company's commitment to continuous disclosure and outline management's accountabilities and the processes to be followed for ensuring compliance.

The policy also contains guidelines on information that may be price sensitive. The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements with the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX.

5. RECOGNISING AND MANAGING RISK

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives. Considerable importance is placed on maintaining a strong control environment.

The Company has exposure to the following risks:

- Currency: The Company is exposed to fluctuations in the Australian dollar gold price which can impact on revenue streams from operations. To mitigate downside fluctuations in the gold price, the Board has instigated a modest hedging program to assist in offsetting variations in the Australian dollar gold price. The Board reviews the level of hedging at each Board meeting to ensure it fits within the Company's hedging policy framework and is deemed appropriate.

- Government Charges: The gold mining industry is the subject to a number of taxes, royalties and charges levied by various Government departments. Changes to rates of taxes, royalties and charges can impact on the profitability of the Company. The Company maintains communications with relevant parties to mitigate potential increases.
- Environmental: The Company is subject to, and responsible for, existing environmental liabilities associated with its tenements as well as potential new liabilities through continuation of mining activities. The Company will continually monitor its ongoing environmental obligations and risks, and implement rehabilitation and corrective actions as appropriate to remain compliant. These risks may be impacted by change in Government policy.

5(a) Board Oversight of the Risk Management System

The Board is responsible for approving and overseeing the risk management system. The Board reviews, at least annually, the effectiveness of the implementation of the risk management controls and procedures.

The principle aim of the system of internal control is the management of business risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. Although no system of internal control can provide absolute assurance that the business risks will be fully mitigated, the internal control systems have been designed to meet the Company's specific needs and the risks to which it is exposed.

Annually, the Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level.

Internal control measures currently adopted by the Board include:

- monthly reporting to the Board in respect of operations and the Company’s financial position, with a comparison of actual results against budget; and
- regular reports to the Board by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.

5(b) Risk Management Roles and Responsibilities

The Board is responsible for approving and reviewing the Company’s risk management strategy and policy. Senior management is responsible for implementing the Board approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of the Company’s activities.

The Board and Audit and Risk Committee are responsible for ensuring that management has developed and implemented a sound system of risk management and internal control.

5(c) Managing Director and Chief Financial Officer Certification

The Managing Director and Chief Financial Officer provide to the Board written certification that in all material respects:

- the Company’s financial statements present a true and fair view of the Company’s financial condition and operational results and are in accordance with relevant accounting standards;
- the statement given to the Board on the integrity of the Company’s financial statements is founded on a sound system of risk management and internal compliance and controls which implements the policies adopted by the Board; and
- the Company’s risk management an internal compliance and control system is operating efficiently and effectively in all material respects.

6. ETHICAL AND RESPONSIBLE DECISION MAKING

6(a) Code of Ethics and Conduct

The Board endeavours to ensure that the directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities. The “Code of Conduct” sets out the principles, practices, and standards of personal behaviour the Company expects people to adopt in their daily business activities.

All directors, officers and employees are required to comply with the Code of Conduct. Senior managers are expected to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Company’s expectations as set out in the Code of Conduct.

All directors, officers and employees are expected to:

- comply with the law;
- act in the best interests of the Company;
- be responsible and accountable for their actions; and
- observe the ethical principles of fairness, honesty and truthfulness, including prompt disclosure of potential conflicts.

6(b) Policy Concerning Trading in Company Securities

The Company’s “Securities Trading Policy” applies to all directors, officers and employees. This policy sets out the restrictions on dealing in securities by people who work for, or are associated with the Company and is intended to assist in maintaining market confidence in the integrity of dealings in the Company’s securities. The policy stipulates that the only appropriate time for a director, officer or employee to deal in the Company’s securities is when they are not in possession of price sensitive information that is not generally available to the market.

As a matter of practice, Company shares may only be dealt with by directors and officers of the Company under the following guidelines:

- no trading is permitted in the period of one month prior to the announcement to the ASX of the Company's quarterly, half year and full year results;
- guidelines are to be considered complementary to and not replace the various sections of the Corporations Act 2001 dealing with insider trading; and
- prior approval of the Chairman, or in his absence, the approval of two directors is required prior to any trading being undertaken.
- Senior management are prohibited from entering into transactions which limit the risk of participating in unvested entitlements under any equity-based remuneration scheme.

6(c) Policy Concerning Diversity

The Company encourages diversity in employment throughout the Company and in the composition of the Board, as a mechanism to ensure that the Company is able to draw on a variety of skill, talent and previous experiences in order to maximise the Company’s performance.

The Company’s “Diversity Policy” has been implemented to ensure the Company has the benefit of a diverse range of employees with different skills, experience, age, gender, race and cultural backgrounds. The Company reports its results on an annual basis in the Annual Report in achieving measurable targets which are set by the Board as part of implementation of the Diversity Policy.