

Attila Resources Limited (to be renamed "New Century Resources Limited")

ACN 142 165 080

PROSPECTUS

For an offer of 34,333,333 Shares at an issue price of \$0.15 each to raise \$5,150,000 (before costs) (**Public Offer**). The minimum subscription under the Public Offer is \$5,150,000.

This Prospectus also contains an offer of 30,000,000 Options to Century Bull Pty Ltd (**Century Bull**) (or its nominees) for the initial acquisition of 70% of the shares in Century Mine Rehabilitation Project Pty Ltd by the Company (**Consideration Offer**).

(Together, the **Offers**).

Replacement Prospectus and Re-compliance with Chapters 1 and 2

In addition to the purpose of raising funds under the Public Offer, this Prospectus is issued to replace a prospectus dated 23 May 2017 and for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Listing Rules following a change to the scale of the Company's activities.

Conditional Offers

The Offers are conditional upon certain events occurring. Please refer to Section 2.3 for further information.

The Offers are not underwritten.

Important notice

This is an important document and investors should read the document in its entirety and are advised to consult with their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

Investment in the Securities offered pursuant to this Prospectus should be regarded as **highly speculative** in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 4 for a summary of the key risks associated with an investment in the Securities.

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IMPORTANT INFORMATION

Replacement Prospectus

This Replacement Prospectus is dated, and was lodged with ASIC on, 20 June 2017. This Replacement Prospectus replaces the Original Prospectus dated 23 May 2017 that was issued by the Company and lodged with ASIC on that date. For the purposes of this document this Replacement Prospectus will be referred to as either the “Replacement Prospectus” or “Prospectus”. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Replacement Prospectus or the merits of the investment to which this Replacement Prospectus relates. The expiry date of this Replacement Prospectus is 5.00pm WST on that date which is 13 months after the date this Replacement Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Replacement Prospectus after that expiry date.

This Replacement Prospectus has been issued to, among other things:

- Remove any inference or implication that the Company will be profitably mining, including revising previous references to definitive feasibility studies to feasibility studies;
- Provide further disclosure of the Company’s Funding Obligation and how the Company intends to satisfy the Funding Obligation;
- Provide additional disclosure regarding the rehabilitation obligations that the Company must satisfy;
- Update the metallurgical risk factor; and
- Provide an update of the status and likelihood of renewal of EPM10544

Application was made to ASX within 7 days of the date of the Original Prospectus for Official Quotation of the Shares the subject of the Public Offer.

No person is authorised to give any information or to make any representation in connection with the Offers, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

Re-compliance with Chapters 1 and 2 of the Listing Rules

The Acquisition will constitute a change to the scale of the Company’s activities. Pursuant to Listing Rule 11.1.3, the Company must re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules, as if applying for admission to the official list of ASX. Accordingly, this Prospectus is issued for the purpose of satisfying Chapters 1 and 2 of the Listing Rules, as well as for the purpose of raising funds under the Public Offer.

Conditional Offers

The Offers contained in this Prospectus are conditional on certain events occurring. If these events do not occur, the Offers will not proceed and investors will be refunded their Application Monies without interest. Please refer to Section 2.3 for further details on the conditions attaching to the Offers.

Electronic Prospectus and Application Form

This Prospectus will generally be made available in electronic form by being posted on the Company’s website at www.attilaresources.com. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company’s registered office by contacting the Company as detailed in the Corporate Directory. The Offers constituted by this Prospectus in electronic form are only available to persons receiving an electronic version of this Prospectus and the relevant Application Form within Australia.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from www.attilaresources.com. The Corporations Act prohibits any person from passing on to another person any Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Securities under the Offers should complete the relevant Application Form. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

No document or information included on the Company’s website is incorporated by reference into this Prospectus.

Offer outside Australia

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

Speculative Investment

The Securities offered pursuant to this Prospectus should be considered **highly speculative**. There is no guarantee that the Securities offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Securities or that there will be an increase in the value of the Securities in the future.

Prospective investors should read this Prospectus in its entirety and carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Persons considering applying for Securities pursuant to the Prospectus should obtain professional advice from an accountant, stockbroker, lawyer or other adviser before deciding whether to invest. Refer to Section 4 for details relating to the key risks applicable to an investment in the Securities.

Using this Prospectus

Persons wishing to subscribe for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and

losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus. If persons considering subscribing for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Forward-Looking Statements

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

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and the Directors of the Company. Key risk factors associated with an investment in the Company are detailed in Section 4. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

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

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

Competent Persons Statements

The information in this Prospectus that relates to Exploration Results (as that term is defined in the JORC Code) fairly represents information compiled by, or under the supervision of Trevor Ellice BSc (Hons) Geology, GDip Mineral & Energy Economics, MAusIMM. Mr Ellice is Principal Consultant - Geology of Siecap Pty Ltd and has more than 25 years of international experience included significant experiencing in exploring, mining and estimating base metal deposits relevant to the style of mineralisation and type of deposit under consideration deposits in Australia and overseas. Thus, he is qualified to prepare this report as a Competent Person as defined in the 2012 Edition of the JORC Code.

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

The information in this Prospectus that relates to Mineral Resources (as that term is defined in the JORC Code) in respect to the Silver King Deposit and the East Fault Block Deposit fairly represents information compiled by, or under the supervision of Damian O'Donohue, a member of the Australian Institute of Mining and Metallurgy. Mr O'Donohue was a full-time employee of MMG Limited at the time of the resource estimation and is currently a full-time employee of Century Mining Limited. Mr O'Donohue has sufficient experience in the

activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code.

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

The information in this Prospectus that relates to Mineral Resources (as that term is defined in the JORC Code) in respect to the Century Tailings Deposit fairly represents information compiled by, or under the supervision of Ian Glacken, a member of the Australian Institute of Mining and Metallurgy. Mr Glacken is a Director, Principal Consultant and full-time employee Optiro Pty Ltd. Mr Glacken has sufficient experience in the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code.

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

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Miscellaneous

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$" or "A\$" are references to Australian dollars.

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 13.

CORPORATE DIRECTORY

Existing Board of Directors

Mr Evan Cranston Non-Executive Director
Mr Bryn Hardcastle Non-Executive Director
Ms Oonagh Malone Non-Executive Director

Proposed Board of Directors

Mr Patrick Walta Managing Director
Mr Evan Cranston Executive Chairman
Mr Tolga Kumova Corporate Director
Mr Ernest (Tom) Eadie Non-Executive Director
Mr Bryn Hardcastle Non-Executive Director

Company Secretary

Ms Oonagh Malone

Registered and Principal Office

Suite 23, 513 Hay Street
SUBIACO WA 6008
Phone: +61 8 6142 0989
Fax: +61 8 9388 8824

Current
Email: admin@attilaresources.com
Website: www.attilaresources.com

Proposed
Email: admin@newcenturyresources.com
Website: www.newcenturyresources.com

ASX Code

Current: AYA
Proposed: NCZ

Share Registry*

Security Transfer Australia Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Phone: +61 8 9315 2333
Fax: +61 8 9315 2233

Auditor*

Bentleys Audit & Corporate (WA) Pty Ltd
London House, Level 3
216 St Georges Terrace
PERTH WA 6000

Investigating Accountant

Deloitte Corporate Finance Pty Limited
Tower 2, Brookfield Place
123 St Georges Terrace
PERTH WA 6000

Legal Adviser

Bellanhouse
Level 19, Alluvion
58 Mounts Bay Road
PERTH WA 6000

Independent Geologist

Siecap Pty Ltd
Level 17, 300 Adelaide Street
BRISBANE QLD 4000

Independent Solicitors

HopgoodGanim
Level 8, Waterfront Place
1 Eagle Street
BRISBANE QLD 4000

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

KEY OFFER DETAILS

Key offer details ¹	Shares	Options
Offer Price per Share under the Public Offer	\$0.15	-
Shares offered under the Public Offer	34,333,333	-
Cash raised under the Public Offer (before expenses)	\$5,150,000	-
Options offered under the Consideration Offer ²	-	30,000,000
Options to be issued to Directors and Employees ³	-	52,500,000
Shares to be issued upon conversion of Convertible Notes ⁴	71,538,905	-
Existing Securities on issue	189,852,519	-
Total Shares on issue on completion of the Offers	295,724,757	82,500,000
Ownership by investors under Public Offer at ASX relisting	11.6%	-
Ownership by existing Shareholders at ASX relisting⁵	64.2%	-

Notes:

1. Please refer to Section 2.5 for further details relating to the proposed capital structure of the Company.
2. Consideration Options exercisable at \$0.25 each on or before the date which is 5 years after the date of grant to be issued to Century Bull (or its nominees) on the terms set out in Section 11.2 pursuant to the Acquisition Agreement.
3. 42,000,000 Options exercisable at varying exercise prices on or before varying expiry dates to be issued to current Directors, Mr Bryn Hardcastle and Ms Oonagh Malone, and proposed Directors, Mr Tolga Kumova and Mr Tom Eadie, as approved by Shareholders at the General Meeting. The Company also proposes to issue 10,500,000 Options exercisable at \$0.25 each on or before the date which is 3 years from the date of grant to existing and incoming employees under the Company's employee option plan. All Options are to be issued to Directors and employees on the terms and conditions set out in Section 11.3.
4. Shares to be issued upon conversion of existing Convertible Notes as approved by Shareholders at the General Meeting. See Section 10.3(c) for further details.
5. Excludes Shares to be issued to existing Shareholders upon conversion of Convertible Notes held by existing Shareholders.

INDICATIVE TIMETABLE

Event	Date
Lodgement of this Prospectus with ASIC	20 June 2017
Opening Date for the Offers	24 May 2017
Closing Date for the Offers	23 June 2017
Completion of the Acquisition	10 July 2017
Issue of Securities under the Offers	10 July 2017
Dispatch of holding statements	10 July 2017
Expected date for Shares to be reinstated to trading on ASX	14 July 2017

Note:

The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their relevant Application Form and deposit the Application Monies as soon as possible after the Opening Date if they wish to invest in the Company. The Company also reserves the right not to proceed with any of the Offers at any time before the issue of Securities to Applicants.

INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

Topic	Summary	More information
Introduction		
Who is the Company and what does it do?	<p>Attila Resources Limited (to be renamed "New Century Resources Limited") (ACN 142 165 080) (Company) is an Australian incorporated company listed on ASX.</p> <p>The Company's main activity is mineral exploration and development and has obtained shareholder approval to change the scale of its activities, among other things.</p>	Sections 3.1 and 1.4
What is the Acquisition?	<p>The Company intends to acquire an initial interest of 70% of the issued capital of Century Mine Rehabilitation Project Pty Ltd (CMRP), the owner of the Century Project and all associated infrastructure in far north Queensland (Acquisition).</p> <p>Pursuant to the Acquisition Agreement with Century Bull Pty Ltd (Century Bull), the Company will commit to project based expenditure of \$10 million, with a further option to acquire the remaining 30% of the issued share capital of CMRP.</p> <p>Century Bull, via CMRP, has recently acquired the Century Project from MMG Limited and is a privately owned Australian specialist in economic rehabilitation associated with the Raging Bull group of companies.</p>	Section 3.2
What are the Company's projects?	<p>As at the date of this Prospectus the Company's main asset is the Kodiak Coking Coal Project located in Alabama, USA.</p> <p>Upon completion of the Acquisition and re-instatement on ASX, the Company will have a 70% interest in the entity that controls the Century Project and associated infrastructure, including a slurry pipeline, ship, port facilities and other assets relating to the operation of the project.</p> <p>The Century Project began production of zinc and lead concentrates in 1999 and during operations was one of the largest zinc mines in the world. Final ore was mined by MMG Limited at the Century Project in August 2015, with operations then transitioning to care and maintenance. Valuable remaining mineral assets include over 2,100,000t (380,000t indicated; 1,805,000t inferred) of JORC compliant zinc resources</p>	Sections 3.1, 3.4(a) and 3.4(b)

Topic	Summary	More information
	located within mineralised tailings (Century Tailings Deposit), the Silver King base metal deposit and other minor defined deposits. In addition, the Century Project hosts several substantial phosphate targets which are yet to be developed.	
What will the corporate structure of the Merged Group be following the Acquisition?	The corporate structure immediately subsequent to Settlement of the Acquisition, including the entities holding the Century Project assets and infrastructure, is summarised in Section 3.3(b).	Section 3.3(b)
What is the proposed capital structure of the Company?	Following completion of the Offers under this Prospectus and settlement of the Acquisition Agreement, the proposed capital structure of the Company is as set out in Section 2.5.	Section 2.5
What is the proposed use of funds raised under the Public Offer?	The Company intends to use the funds raised under the Public Offer, together with the Company's existing cash reserves post-Acquisition, contributions from MMG Limited, and rental income from the Karumba properties, towards expenditure on the maintenance of the Kodiak Project, exploration and development of economic rehabilitation activities through the undertaking of tailings reprocessing and water treatment at the Century Project, payment of outstanding legal fees and general working capital.	Sections 2.4, 3.4(g), 3.6 and 3.7
What is the Company's strategy?	<p>The Company's main objective is to provide a return to Shareholders through the successful exploration for and development of high value resources. In seeking to achieve its objective, the Company's business model will be to develop the Century Tailings Deposit, undertake rehabilitation work on the Century Project, and conduct further exploration at the Century Project.</p> <p>The Company continues to assess its options regarding the financing of the Kodiak Project and its current intention is to seek joint venture partners to assist in refinancing and development of the project or seek to dispose of it in its entirety.</p>	Sections 3.1 and 3.6
Summary of key risks		
<p>Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks. The risk factors set out in Section 4, and other general risks applicable to all investments in quoted securities, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises the key risks which apply to an investment in the Company and investors should refer to Section 4 for a more detailed summary of the risks.</p>		

Topic	Summary	More information
Re-Quotation of Shares on ASX	<p>The Acquisition constitutes a significant change in the scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List.</p> <p>There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotations of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the Listing Rules.</p>	Section 4.1(a)
Dilution risk	<p>The Company currently has 189,852,519 Shares on issue. On completion of the Acquisition, the Company proposes to issue 30,000,000 Consideration Options, 34,333,333 Public Offer Shares, up to 52,500,000 Options to Directors and employees and 71,538,905 Shares upon conversion of the Convertible Notes. On completion of the Acquisition and assuming all of the Shares under the Public Offer are issued (and no exercise of Options), the existing Shareholders will retain approximately 64.2% of the issued capital of the Company and the investors under the Public Offer will hold approximately 11.6% of the issued capital of the Company.</p> <p>On completion of the Acquisition and assuming all of the Shares under the Public Offer are issued and all of the Options are exercised, the existing Shareholders will retain approximately 50.2% of the issued capital of the Company, with Century Bull (or nominees) holding approximately 7.9%, investors under the Public Offer holding approximately 9.1% and the Directors and employees who convert Options holding approximately 13.9% of the issued capital of the Company respectively.</p> <p>There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company.</p>	Section 4.1(b)
Contractual risk	<p>Pursuant to the Acquisition Agreement the Company has agreed to acquire the Earn-in Interest Shares subject to the fulfilment of certain conditions precedent.</p> <p>The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of their obligations, it may be necessary for the</p>	Section 4.1(c)

Topic	Summary	More information
	Company to approach a court to seek a legal remedy, which can be costly.	
Reinstatement to ASX's Official List	<p>The Company's Shares are currently suspended from trading on the ASX. It is anticipated that the Company's Securities will remain suspended until Settlement of the Acquisition Agreement and Public Offer, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its listed Securities may consequently remain suspended from quotation.</p>	Section 4.1(d)
Future capital requirements	<p>The Company presently has no operating revenue and is unlikely to generate any significant or material operating revenue unless and until the Century Tailings Deposit is successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash, MMG contributions, Karumba rental income and the net proceeds of the Public Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.</p> <p>In order to successfully develop the Century Tailings Deposit and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Public Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price under the Public Offer) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, or if planned operations do not commence or generate sufficient revenues, the Company may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.</p> <p>In particular, MMG has procured and will stand behind</p>	Section 4.2(a)

Topic	Summary	More information
	<p>the ongoing provision of bank guarantees of \$193.7 million to meet the Century Project financial assurance bond (lodged with the Queensland government) until 31 December 2026.. Under the Bank Guarantee Support Agreement (see Section 10.2(f)), CML has until 31 December 2026 to replace these guarantees and is contractually bound to contribute 40% of the aggregate earnings before interest, tax, depreciation and amortisation of certain group companies every year to reduce the face value of the guarantees. If the Company is unable to ensure that CML satisfies this contractual commitment or replace the guarantees it will need to seek alternative funding to cover the financial assurance bond. In those circumstances the Company's ability to continue as a going concern at that time will be materially affected.</p> <p>In addition, pursuant to the Bank Guarantee Support Agreement, MMG has the ability to make cash calls in certain circumstances (see Section 10.2(f)). If that occurs, CML is required to pay those amounts by direct transfer of immediately available funds. Should CML not have adequate funds available if a cash call is made, then the Company will be forced to seek alternative funding. If the Company is unable to obtain additional funding as needed, this could have a material adverse effect on the Company.</p> <p>The Company may undertake additional offerings of Shares and of Securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.</p>	
Default under guarantee and security arrangements	<p>The Company and CMRP group entities are party to guarantee and security arrangements as outlined in Section 10.2(g). Non-compliance with the various obligations imposed on the Company and CMRP group entities under the guarantee and security arrangements could lead to the loss of title to the Century Project. Further, the Company and CMRP group entities may also become liable to pay for losses sustained by relevant MMG entities pursuant to the indemnities provided under the guarantee and security arrangements. If an indemnity payment became payable, it may have a material adverse effect on the Company's ability to continue as a going concern.</p>	Sections 4.2(b) and 10.2(g)
Native title and	It is possible that, in relation to tenements which the	Section 4.2(c)

Topic	Summary	More information
Aboriginal heritage	<p>Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.</p> <p>The Company notes that Century Mining Limited (CML) is a party to the GCA and other native title agreements. Due to this and the customary nature of these agreements, the Directors consider the risk of not reaching agreements over native title with these potential claimants to be low. However, should the Company be unable to reach agreement within a reasonable time, the passage of time may lead to a materially adverse event for the Company. The enquiries undertaken up to the date of this Prospectus have not uncovered anything to indicate that native title has not been addressed in accordance with the Native Title Act.</p> <p>The Company must also comply with Aboriginal heritage legislation which (inter alia) makes it an offence for a person to damage or in any way alter an Aboriginal site. There is a risk that unregistered Aboriginal sites and objects may exist in relation to tenements which the Company has an interest in or will in the future acquire such an interest, the existence of which may preclude or limit mining activities in certain areas of the tenements. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties.</p> <p>The Directors consider the above risks with respect to Aboriginal heritage low due to the previous exploration and significant mining activities in the areas, the low impact of the proposed future works and the signing of multiple native title agreements with claimant groups over the Century Project to facilitate the Company's activities.</p> <p>Issues with local communities may materially and adversely affect the Company's operations. Issues with the local communities surrounding the areas where the Company proposes to operate now or in the future may arise from the implementation of the Company's business activities. These issues may result in community protests, road blockades and third party claims. The failure to successfully settle any local community issues could have a material and adverse effect upon the Company's business, prospects,</p>	

Topic	Summary	More information
	financial condition and results of operations.	
Relations with GADC and renegotiation of the GCA	<p>The Company notes that CML has poor relations with the GADC, which was established by the GCA to represent and act as agent for the Native Title Groups in the administration of the GCA, with litigation being threatened and allegations of fraud being made against GADC officers. The Company understands that all Native Title Groups have nominated third party eligible bodies pursuant to the GCA, rather than GADC, to receive any monies payable by CML. Allegations of environmental breaches against CML, which have not been particularised, have also been made. Issues with the Native Title Groups may materially and adversely affect the Company's operations and the Company will need to manage ongoing relations between the parties. The failure to successfully settle any Native Title Group issues could have a material and adverse effect upon the Company's business, prospects, financial condition and results of operations.</p> <p>The Company has identified that the existing GCA requires renegotiation so that the GCA has a more relevant application to the type and style of operations the Company proposes to develop, as opposed to the type and style of operations that were being undertaken by MMG, the Century Project's previous owner. As a result of MMG ceasing the shipping of concentrate from the Century zinc mine, many payments under the GCA ceased (in 2015 these payments amounted to approximately \$6 million, and most are indexed annually). Provision is available via the GCA Trust Deed to cover various payments still required under the GCA, however, there is a risk that payments for which there is no provision may resume or continue depending on the nature of any new activity the Company undertakes, and that these payments may be material depending on the Company's financial circumstances at that time. There is a risk that the Company may not be able to renegotiate the GCA, which could result in the Company's proposed development and operations being uneconomical, or otherwise have a material financial impact on the Company in the event payments under the GCA resume or continue.</p>	Section 4.2(d)
Regulatory risks	The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the	Section 4.2(e)

Topic	Summary	More information
	<p>Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.</p>	
<p>Financial assurance bond</p>	<p>Legislation in Queensland provides that the holders of an environmental authority may be required to provide to the Department of Environment and Heritage Protection financial assurance (as security) for compliance with the environmental authority. As already disclosed, the present financial assurance provided to the Department for the Century Project is \$193.7 million.</p> <p>In April 2014, the Queensland Audit Office prepared a report on Environmental regulation of the resources and waste industries, which identified significant problems with the State's supervision, monitoring and enforcement of environmental conditions, and reported that the financial assurance held by the State has historically been insufficient. As a result of this report, there was increased effort by the Department to address inadequacies with the amount of financial assurance held by the State.</p> <p>As part of the Company's plans to develop the Century Tailings Deposit, the Company will be required to submit new plans of operations with the Department for approval. The Department will then make a new decision on the amount of financial assurance required for the Century Project. The Department may also, at any time, change the amount of financial assurance by notice to an environmental authority holder.</p> <p>Despite the Company's strategy for the development of the Century Tailings Deposit being environmentally positive, with reprocessed tailings planned to be deposited back into the original open pit, there is a risk the Department may increase the amount of financial assurance. If such an increase were material, the Company would be required to raise additional capital or find alternative sources of financing on terms that are dilutive or may involve restrictive covenants which limit the Company's operations and business strategy.</p>	<p>Section 4.2(f)</p>
<p>Environmental risks</p>	<p>The Company's projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and,</p>	<p>Section 4.2(g)</p>

Topic	Summary	More information
	<p>where required, being approved by government authorities.</p> <p>The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.</p> <p>In particular, the Company has identified potential issues with the stability of the main pit void of the now closed Century Project zinc mine, with the potential risk of pit wall failure. Any failure of the pit wall may have adverse financial implications for the Company due to remedial work and other associated costs (but only to the extent those costs exceed the allocated funding to be received from MMG for these remedial works). The Company notes that under the Funding Deed, support funds provided by MMG Australia may be used for costs associated with the construction of a permanent waste rock buttress at the foot of the pit wall. A designed and costed suitable stability mechanism for the pit wall has been prepared, with such works estimated to be \$1,070,000.</p>	
Joint venture parties, agents and contractors	<p>Pursuant to the Acquisition Agreement, the Company will enter into a joint venture with Century Bull regarding the Century Project. The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party. Further, the Company is unable to predict the risk of insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's activities.</p>	Section 4.2(h)
Exploration, development, mining and processing risks	<p>The tailings deposit of the Century Project is at the pre-development stage, with the Company planning to undertake a feasibility study into the reprocessing of the existing tailings storage facility at the Century Project. The prospects of the Company should be considered in light of the risks, expenses and difficulties frequently encountered by companies at this stage of development.</p> <p>The business of mineral exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these</p>	Section 4.2(i)

Topic	Summary	More information
	<p>activities is dependent on many factors.</p> <p>There can be no assurance that the Century Project will be brought into commercial production. There can be no assurance that any additional exploration of the tenements to be held by the Company will result in the discovery of an economic mineral deposit. Even if a mineral deposit is identified, there is no certainty that it can be economically exploited. If exploration is successful, there will be additional costs and processes involved in transitioning to the development phase.</p> <p>In the event that exploration development and exploration programs prove to be unsuccessful, this could lead to a diminution in the value of the licences, a reduction in the base reserves of the Company and possible relinquishment of the licences.</p> <p>Each tenement licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in these tenements if licence conditions are not met or insufficient funds are available to meet expenditure commitments.</p>	
Metallurgy	<p>Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as: identifying a metallurgical process through test work to produce a saleable metal and/or concentrate; developing an economic process route to produce a metal and/or concentrate; and changes in mineralogy in the ore deposit, such as areas of increased oxidation, can result in inconsistent metal recovery, affecting the economic viability of the project.</p> <p>As noted in the Independent Geologist's Report at Section 7 the major risk to the proposed retreatment of tailings at the Century Project is a lack of understanding of the oxidation state of the zinc within the tailings.</p> <p>Although the Company has a reasonable level of understanding of the degree of non-sulphide zinc in the indicated portion of the Tailings Deposit indicating the risk of significant oxidation to be low and manageable, there is no guarantee that existing test work which was focussed on the indicated portion of the Century Tailings Deposit mineral resource (referred to in Section 3.4(c)(i)) will apply the whole deposit.</p> <p>The Company plans to undertake further test work as part of the proposed feasibility study on the Century Tailings Deposit in order to determine the level of</p>	Section 4.2(j)

Topic	Summary	More information															
	oxidation and most appropriate extraction method (see Section 3.4(g)(ii)).																
Directors, Related Party Interest and Substantial Holders																	
Who are the Directors?	<p>It is proposed that upon settlement of the Acquisition and re-instatement of the Company to the Official List, the Board of the Company will comprise:</p> <ul style="list-style-type: none"> (a) Mr Patrick Walta - Managing Director; (b) Mr Evan Cranston - Executive Chairman; (c) Mr Tolga Kumova - Corporate Director; (d) Mr Tom Eadie - Non-Executive Director; and (e) Mr Bryn Hardcastle - Non-Executive Director. <p>Ms Oonagh Malone will retire as a Director of the Company but will remain as Company Secretary.</p>	"Corporate Directory" and Section 9.1															
What benefits are being paid to the Proposed Directors?	<p>The Company has entered into a consultancy agreements pursuant to which:</p> <ul style="list-style-type: none"> (a) Mr Walta will be appointed as Managing Director for a consultancy fee of \$240,000 per year; (b) Mr Cranston will be appointed as Executive Chairman for a consultancy fee of \$180,000 per year; and (c) Mr Kumova will be appointed as Corporate Director for consultancy fees of \$50,000 per year and 30 million Director Options. <p>Messrs Eadie and Hardcastle have entered into non-executive director letters of appointment with the Company pursuant to which they will receive \$50,000 each per year (excluding superannuation) from re-instatement.</p>	Sections 9.7 and 10.3(d)															
What interests do Directors have in the Securities of the Company?	<p>The current and proposed Directors and their related entities have the following interests in Securities as at the date of this Prospectus:</p> <table border="1" data-bbox="512 1718 1155 2049"> <thead> <tr> <th data-bbox="512 1718 831 1787">Director</th> <th data-bbox="831 1718 1023 1787">Shares</th> <th data-bbox="1023 1718 1155 1787">%</th> </tr> </thead> <tbody> <tr> <td data-bbox="512 1787 831 1854">Evan Cranston</td> <td data-bbox="831 1787 1023 1854">72,800</td> <td data-bbox="1023 1787 1155 1854">0.04</td> </tr> <tr> <td data-bbox="512 1854 831 1921">Bryn Hardcastle</td> <td data-bbox="831 1854 1023 1921">180,000</td> <td data-bbox="1023 1854 1155 1921">0.09</td> </tr> <tr> <td data-bbox="512 1921 831 1989">Oonagh Malone</td> <td data-bbox="831 1921 1023 1989">203,336</td> <td data-bbox="1023 1921 1155 1989">0.11</td> </tr> <tr> <td data-bbox="512 1989 831 2049">Patrick Walta</td> <td data-bbox="831 1989 1023 2049">500,000</td> <td data-bbox="1023 1989 1155 2049">0.26</td> </tr> </tbody> </table>	Director	Shares	%	Evan Cranston	72,800	0.04	Bryn Hardcastle	180,000	0.09	Oonagh Malone	203,336	0.11	Patrick Walta	500,000	0.26	Section 9.6
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Topic	Summary	More information																																		
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Tom Eadie	2,000,000	0.68	5,000,000																																	
<p data-bbox="197 1133 432 1301">What important contracts with related parties is the Company a party to?</p>	<p data-bbox="469 1133 1166 1200">The Company has entered into the following related party transactions on arms' length terms:</p> <ul style="list-style-type: none"> <li data-bbox="469 1218 1166 1352">(a) Acquisition Agreement with Century Bull, which is controlled by Mr John Carr and proposed Managing Director Mr Patrick Walta (refer Section 10.3(a) for details); <li data-bbox="469 1370 1187 1572">(b) convertible notes in favour of Kingslane Pty Ltd and associated entities (Kingslane), which are related to the Company by virtue of being controlled by the father of current Director Mr Evan Cranston (refer Section 10.3(c) for details); <li data-bbox="469 1590 1158 1758">(c) letters of appointment or executive services agreements with each of the Proposed Directors (including continuing existing Directors) on standard terms (refer Section 10.3(d) for details); <li data-bbox="469 1776 1177 1910">(d) deeds of indemnity, insurance and access will be entered into with each of the Proposed Directors on standard terms (refer Section 10.3(e) for details); <li data-bbox="469 1928 1187 2029">(e) agreement with Kingslane for the lease of serviced offices in Subiaco to the Company for \$5,000 per month; <li data-bbox="469 2047 1102 2072">(f) agreement with Cranston & Sons Pty Ltd 	<p data-bbox="1222 1133 1401 1234">Sections 9.8, 10.3, 11.6(e) and 2.4</p>																																		

Topic	Summary	More information
	<p>trading as Konkera Corporate (Konkera), of which Director Mr Cranston is a director, for the provision of administrative, bookkeeping and accounting services to the Company for \$10,000 per month; and</p> <p>(g) agreements with Konkera for the provision of Company secretarial services and director services, for \$2,500 per month for Ms Oonagh Malone and \$2,000 per month for Mr Cranston respectively.</p> <p>Entities held by Kingslane also hold a 10% non-controlling interest in the Kodiak project and Kodiak Mining Company LLC through a non-controlling shareholding in 70% owned Attila Resources US LLC.</p> <p>Current Director Mr Bryn Hardcastle is also a director of Bellanhouse, the legal advisors for the Company. Bellanhouse will be paid the fees in relation to the Offers as set out in Section 11.6(e). Outstanding fees of \$165,000 are owing to Bellanhouse as at the date of this Prospectus for legal services provided in 2015 which are intended to be paid using funds raised under the Public Offer (see Section 2.4).</p> <p>Messrs Cranston (existing Company Director) and Walta (proposed Managing Director) and Carr (Century Bull director) each hold 25% of the voting shares of Century Bull as well as additional non-voting shares. In the event the Century Project is developed and a net smelter royalty on the Century Project becomes payable by CMRP, Messrs Cranston, Walta and Carr's shareholding in Century Bull entitle them to an equal share of the net smelter royalty income received by Century Bull from CMRP (i.e. any net smelter royalty income is apportioned in 3 equal parts).</p>	

Topic	Summary	More information
Who will be the substantial holders of the Company?	<p>As at the date of this Prospectus, the following Shareholders (and their related entities) are expected to hold an interest in 5% or more of the Shares on issue:</p> <p>(a) Kingslane Pty Ltd - 11.64%; and</p> <p>(b) Pershing Australia Nominees Pty Ltd <Patersons Securities A/c> - 5.42%.</p> <p>Based on the information known as at the date of this Prospectus, upon re-admission of the Company's Shares to Official Quotation, the following persons (and their related entities) are expected to have an interest in 5% or more of the Shares on issue:</p> <p>(a) Kingslane Pty Ltd - 15.09%; and</p> <p>(b) Tolga Kumova - 5.64%.</p>	Section 11.5
Financial Information		
How have the Company and CMRP and its subsidiaries performed over the past 12 months?	<p>The pro-forma financial position of the Merged Group as at 31 December 2016 is set out in the Financial Information at Section 5.</p> <p>The Company undertook limited activities in the period immediately prior to the Offers.</p> <p>CMRP was incorporated in September 2016 and therefore has a limited history.</p> <p>CML was incorporated in 1986, but was previously focused on production of zinc and lead concentrates using conventional open-pit mining, grinding and flotation methods at the Lawn Hill mine site. Ore reserves at the Century Project were depleted in 2015.</p> <p>Following the change in the scale of its activities, the Company will be focused on developing the Century Tailings Deposit, undertaking rehabilitation work on the Century Project, and conducting further exploration at the Century Project.</p> <p>Therefore, neither the Company's nor CMRP's nor CML's past operational and financial performance are of significant relevance to future activities.</p>	Section 5
What is the financial outlook for the Merged Group?	The operations of the Merged Group are inherently uncertain. As such, the Directors believe that they do not have a reasonable basis to forecast future earnings.	Section 2.6
Does the Merged Group have sufficient funds for its activities?	The Board believes that the funds raised from the Public Offer, together with the contributions from MMG and rental income will provide the Company with sufficient working capital to achieve its stated	Sections 2.4 and 4.2(a)

Topic	Summary	More information
	<p>objectives as detailed in this Prospectus.</p> <p>The use of further equity funding may be considered by the Board where it is appropriate to accelerate a specific project or strategy.</p> <p>Based on the intended use of funds detailed above, the amounts raised pursuant to the Public Offer will provide the Company sufficient funding for only 12 months' operations. As the Company presently has no operating revenue, the Company will require further financing in the future. See Section 4.2(a) for further details about the risks associated with the Company's future capital requirements.</p>	
What are the Offers?		
<p>What is the Public Offer?</p>	<p>The Public Offer is a conditional offer inviting the general public to apply for 34,333,333 Shares at an Offer Price of \$0.15 each to raise \$5,150,000 (before costs).</p> <p>The Public Offer is subject to a minimum subscription requirement to raise \$5,150,000.</p>	<p>Section 2.1</p>
<p>What is the Consideration Offer?</p>	<p>The Company is also undertaking the conditional Consideration Offer in connection with the Acquisition of 30,000,000 Consideration Options to Century Bull (or its nominees) for the initial acquisition of 70% of the shares in CMRP by the Company.</p>	<p>Section 2.2</p>
<p>What are the conditions of the Offers?</p>	<p>The Offers remain conditional upon the following events occurring:</p> <ul style="list-style-type: none"> (a) the Acquisition Agreement becoming unconditional; (b) the Company raising the minimum subscription (\$5,150,000) under the Public Offer; and (c) ASX providing the Company with a list of conditions which, when satisfied, will result in ASX reinstating the Shares to quotation on ASX upon the satisfaction of Chapters 1 and 2 of the Listing Rules. <p>If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Public Offer in accordance with the Corporations Act.</p>	<p>Section 2.3</p>
<p>Why is the Public Offer being conducted?</p>	<p>The purpose of the Public Offer is to:</p> <ul style="list-style-type: none"> (a) meet the requirement that the Company re-complies with the ASX's admission requirements in accordance with Chapters 1 and 2 of the Listing Rules; 	<p>Section 2.1(c)</p>

Topic	Summary	More information
	<p>(b) raise \$5,150,000 pursuant to the Public Offer (before associated costs) to provide funding for the purposes outlined in Section 2.4;</p> <p>(c) provide the Company with access to equity capital markets for future funding needs; and</p> <p>(d) enhance the public and financial profile of the Company.</p>	
Additional information		
What rights and liabilities attach to the Securities on issue post-Acquisition?	<p>All Shares issued under the Offers will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 11.1.</p> <p>The rights and liabilities attaching to the Consideration Options are described in Section 11.2 and the Director and Employee Options to be issued are described in Section 11.3.</p>	Sections 11.1, 11.2 and 11.3
Are the Offers underwritten?	The Offers are not underwritten.	Section 2.14
Will the Shares issued under the Offers be quoted?	<p>The Company will apply to ASX no later than 7 days from the date of this Prospectus for official quotation of the Shares on the ASX under the new code, "NCZ".</p> <p>The Company will not seek official quotation of any of the Options to be issued.</p>	"Important Information" and "Corporate Directory"
What are the tax implications of investing in Securities under the Offers?	<p>The tax consequences of any investment in Securities under the Offers will depend upon your particular circumstances.</p> <p>Prospective investors should obtain their own tax advice before deciding to invest.</p>	Section 2.18
How do I apply for Securities under the Offers?	Applications for Shares under the Offers must be made by completing the relevant Application Form and, for the Public Offer, must be accompanied by a cheque in Australian dollars or confirmation of electronic funds transfer for the full amount of the application being the number of Shares applied for multiplied by \$0.15 per Share. Cheques must be made payable to "Attila Resources Limited - Share Application Account" and should be crossed "Not Negotiable".	Section 2.7
When will I receive confirmation that my application has been successful?	It is expected that holding statements will be sent to successful applicants by post on or about 10 July 2017.	"Indicative Timetable"

Topic	Summary	More information
<p>Will any Securities be subject to escrow?</p>	<p>No Shares issued under the Public Offer will be subject to escrow.</p> <p>Subject to the Company's Shares being reinstated to trading on the ASX, the Options issued under the Consideration Offer are likely to be classified by ASX as restricted securities and to be required to be held in escrow for up to 24 months from the date of reinstatement.</p>	<p>Section 2.11</p>
<p>What is the Company's dividend policy?</p>	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on exploration and development of the Century Project.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.</p>	<p>Section 3.8</p>
<p>How can I find out more about the Prospectus or the Offers?</p>	<p>Questions relating to the Offers and applications for Shares can be directed to the Company Secretary on +61 8 6142 0989.</p>	<p>Section 2.20</p>

1. Transaction overview

1.1 The Acquisition

On 1 March 2017, the Company announced it had entered into binding agreements (**Acquisition Agreement**) with Century Bull Pty Ltd (**Century Bull**) and Century Mine Rehabilitation Project Pty Ltd (**CMRP**) for the acquisition of an initial interest of 70% of the issued share capital of CMRP, the owner of the Century Project and all associated infrastructure in far north Queensland (**Acquisition**).

Under the Acquisition Agreement, the Company will initially hold 70% of the issued share capital of CMRP and commit to project based expenditure of \$10 million, with a further option to acquire the remaining 30% of the issued share capital of CMRP.

A summary of the Acquisition Agreement, including the conditions precedent to settlement occurring on the Acquisition, is set out in Section 10.3(a).

Upon successful completion of the Acquisition, the Company intends to focus on the development of the tailings dam located at the Century Project. A more detailed summary of the Century Project and the proposed business of the Company following completion of the Acquisition is set out in Section 3.

Completion of the Acquisition is subject to a number of conditions, including the Company receiving a conditional reinstatement letter from the ASX on terms reasonable to the parties.

1.2 About CMRP

Century Bull, via CMRP, has recently acquired the Century Project from MMG Limited (ASX: MMG) (**MMG**) (see Section 3 and MMG's announcement to ASX on 1 March 2017 for further details).

Century Bull is a privately owned Australian specialist in economic rehabilitation, and is associated with the Raging Bull group of companies. Century Bull is controlled by Mr John Carr and Proposed Managing Director of the Company, Mr Patrick Walta, who are each a director and shareholder of Century Bull, holding 25% each of the voting shares. Current Director of the Company, Mr Evan Cranston, is also a non-controlling shareholder of Century Bull, holding approximately 25% of the voting shares.

Please refer to Section 3 for a more detailed summary of CMRP and the Company's proposed business following completion of the Acquisition.

1.3 Suspension and reinstatement on ASX

The Acquisition, if successfully completed, will represent a significant change in the scale of the Company's operations.

The change in the scale of the Company's activities requires the approval of Shareholders, and the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules. The Company obtained Shareholder approval to the change in scale of the Company's activities at the General Meeting (see Section 1.4).

The Company's Shares are currently suspended from trading on ASX and will not be reinstated unless ASX is satisfied the Company has met the requirements of Chapters 1 and 2 of the Listing Rules.

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

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

It is expected that the conduct of the Public Offer pursuant to this Prospectus will enable the Company to satisfy the above requirements.

Applicants should be aware that ASX will not re-admit or admit any Shares to Official Quotation until the Company re-complies with Chapters 1 and 2 of the Listing Rules and is re-admitted by ASX to the Official List.

In the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Public Offer and will repay all Application Monies received by it in connection with this Prospectus (without interest).

The Company will apply to ASX no later than seven days from the date of this Prospectus for ASX to grant official quotation of the Shares issued pursuant to this Prospectus. If the Shares are not admitted to quotation within three months after the date of this Prospectus, no Shares will be issued and Application Monies received under the Public Offer will be refunded in full without interest in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation to the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

1.4 General Meeting

The Company called the General Meeting primarily for the purpose of seeking the approval of Shareholders to a number of resolutions required to implement the Acquisition.

At the General Meeting, Shareholders approved each of the following resolutions:

- (a) **Change in scale:** the Company changing the scale of its activities as a result of the Acquisition;
- (b) **Issue of Consideration Options:** the issue of Options as consideration for the Acquisition, being the issue of 30,000,000 Options to Century Bull (or its nominees) under the Consideration Offer;
- (c) **Public Offer:** the issue of 34,333,333 Shares under the Public Offer. The Company is also obtained Shareholder approval for current Director Mr Bryn Hardcastle, and Proposed Directors, Tolga Kumova and Tom Eadie, to participate in the Public Offer to an aggregate maximum of 16,333,333 Shares;
- (d) **Election of Proposed Directors:** the election of Messrs Patrick Walta, Tolga Kumova and Tom Eadie as Directors of the Company;

- (e) **Issue of Director Options:** the issue of 42,000,000 Options to current and proposed Directors Messrs Bryn Hardcastle, Tolga Kumova and Tom Eadie, and Ms Oonagh Malone;
- (f) **Issue of Convertible Note Shares:** the issue of 71,538,905 Shares upon conversion of existing Convertible Notes to unrelated and related parties of the Company;
- (g) **Ratification of prior issue of Shares:** the ratification of an issue of 3,333,333 Shares to Proposed Director, Mr Tolga Kumova (or his nominees), to raise \$500,000 to assist the Company with funding the costs of the ASX re-compliance process associated with the Acquisition; and
- (h) **Change of name:** a change of the Company's name to "New Century Resources Limited".

2. Details of Offers

2.1 Public Offer

(a) General

This Prospectus invites investors to apply for 34,333,333 Shares at an issue price of \$0.15 each to raise \$5,150,000 (before associated costs) (**Public Offer**). The Public Offer is subject to a minimum subscription of \$5,150,000 (refer to Section 2.1(b) for further details).

The Shares to be issued pursuant to the Public Offer are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 11.1.

Applications for Shares under the Public Offer must be made on the Public Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Public Offer should refer to Section 2.7 for further details and instructions.

(b) Minimum Subscription

The minimum subscription under the Public Offer is \$5,150,000, being 34,333,333 Shares (**Minimum Subscription**). None of the Shares offered under the Public Offer will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within four months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

(c) Purpose of the Public Offer

The purpose of the Public Offer is to:

- (i) meet the requirement that the Company re-complies with the ASX's admission requirements in accordance with Chapters 1 and 2 of the Listing Rules;
- (ii) raise \$5,150,000 pursuant to the Public Offer (before associated costs of the Offers) to provide funding for the purposes outlined in Section 2.4;
- (iii) provide the Company with access to equity capital markets for future funding needs; and
- (iv) enhance the public and financial profile of the Company.

2.2 Consideration Offer

The Prospectus also includes the Consideration Offer, under which the Company offers 30,000,000 Options (**Consideration Options**) to Century Bull (or its nominees) as part consideration for the initial acquisition of 70% of the shares in Century Mine Rehabilitation Project Pty Ltd.

The Consideration Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale of any Consideration Options (or any Shares issued on conversion of any Consideration Options into Shares) that are issued under the Consideration Offer.

The Consideration Options are exercisable at \$0.25 each and expire 5 years after the date of grant. The rights and liabilities attaching to the Consideration Options are described in Section 11.2. If the Consideration Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company. The Company does not intend for the Consideration Options to be quoted.

Applications for Options under the Consideration Offer may only be made by Century Bull (or its nominees) on the Consideration Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date.

Persons wishing to apply for Consideration Options under the Consideration Offer should refer to Section 2.7 for further details and instructions. No Application Monies are payable under the Consideration Offer.

2.3 Conditional Offers

The Offers under this Prospectus are conditional upon the following events occurring:

- (a) the Acquisition Agreement becoming unconditional;
- (b) the Company raising the Minimum Subscription, being \$5,150,000, under the Public Offer (refer to Section 2.1(b)); and
- (c) ASX providing the Company with a list of conditions which, when satisfied, will result in ASX reinstating the Shares to quotation on ASX upon the satisfaction of Chapters 1 and 2 of the Listing Rules.

If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Public Offer in accordance with the Corporations Act.

2.4 Proposed use of funds

The Company intends to use the funds raised under the Public Offer, together with the Company's and Century Mining Limited's (CML) existing cash reserves post-Acquisition, MMG contributions (see below), revenue from rental income from the Karumba properties (see Section 3.4(f)(v)), in the period from June 2017 to June 2018 in accordance with the table below. All figures below have been rounded.

It is important to note that MMG will be making the following contributions to CMRP:

- (a) \$34.5 million in cash over three years to assist with the transition of ownership and supporting existing obligations around site upkeep and environmental maintenance and monitoring (see Section 10.2(e) for further information); and
- (b) \$12.1 million via a special purpose trust (the GCA Trust Deed) to be managed by an independent trustee to ensure CML meets various existing social obligations contained in the GCA (see Section 10.2(h) for a description of the GCA and Section 10.2(c) for a description of the GCA Trust Deed) and

agreed community and rehabilitation projects for the benefit of Lower Gulf communities.

In addition, MMG has procured and will stand behind the ongoing provision of bank guarantees of \$193.7 million to meet the Century Project financial assurance bond (lodged with the Queensland government) for up to 10 years. Under the Bank Guarantee Support Agreement (see Section 10.2(f)), CML has until 31 December 2026 to replace these guarantees and is contractually bound to contribute 40% of the aggregate earnings before interest, tax, depreciation and amortisation of certain group companies every year to reduce the face value of the guarantees. If the Company is unable to ensure that CML satisfies this contractual commitment or replace the guarantees it will need to seek alternative funding to cover the financial assurance bond.

Source of funds	Amount (\$)
Existing cash reserves of the Company and CML ¹	2,841,000
MMG contributions	11,500,000
Karumba rental income	221,000
Funds raised from the Public Offer	5,150,000
TOTAL	19,712,000

Proposed use of funds	Amount (\$)
Expenses of the Offers ²	320,000
Expenditure on Kodiak Project ³	1,080,000
Expenditure on Century Project ⁴	
Soluble zinc recovery/water treatment project	836,000
Tailings feasibility & drilling	1,075,000
Exploration	1,105,000
Payment of outstanding legal fees ⁵	165,000
Care and maintenance and ongoing rehabilitation works including environmental maintenance and monitoring, environmental management and compliance, equipment maintenance and other asset preservation and wet season preparation	10,841,000
Bank Guarantee Support Fee ⁶	2,615,000
General working capital ⁷	1,675,000
TOTAL	19,712,000

Notes:

1. These funds represent estimated existing cash held by the Company and CML at or around 31 May 2017. The Company expects it and CML to incur costs within the ordinary course of business which will diminish this amount prior to completion of the Acquisition.
2. Expenses paid or payable by the Company in relation to the Offers are set out in Section 11.8.
3. This expenditure is intended to be committed to ongoing care and maintenance costs of the Kodiak Project. See Section 3.1 for further detail.
4. See Section 3.4(g) for further details.
5. Comprised of legal fees outstanding to Bellanhouse for legal services provided in financial year 2014/2015 in connection with the Kodiak Project and other transactions the Company has assessed.
6. Annual fee payable to MMG in consideration for the procurement of various bank guarantees, based on 1.35% of face value of guarantee and other indemnification obligations. See Section 10.2(f) for further details.
7. General working capital will be used by the Company to pay for the corporate and administration costs of the Company generally and cost overruns in forecast expenditures (if any).

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 4), and actual expenditure levels, may differ significantly from the above estimates. In light of this, the Board reserves the right to alter the way the funds are applied.

The Board believes that the funds raised from the Public Offer, together with the contributions from MMG set out above and income from rental income will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

The use of further equity funding may be considered by the Board where it is appropriate to accelerate a specific project or strategy.

Based on the intended use of funds detailed above, the amounts raised pursuant to the Public Offer will provide the Company sufficient funding for only 12 months' operations. As the Company presently has no operating revenue, the Company will require further financing in the future. See Section 4.2(a) for further details about the risks associated with the Company's future capital requirements.

Further, the Company notes that pursuant to the Acquisition Agreement the Company has an obligation to solely fund CMRP and the Century Project for \$10,000,000 of project development costs within 3 years from Settlement (see Section 10.3(a) for a summary of the Acquisition Agreement) (**Funding Obligation**). Of the funds being raised pursuant to the Public Offer (together with existing Company cash reserves), approximately \$2,180,000 is planned expenditure towards satisfying the Funding Obligation to June 2017, being the funds allocated for Tailings feasibility and drilling and exploration. The Company will require further financing to meet the Funding Obligation over the 3 year time period under the Acquisition Agreement (see Section 4.2(a) with respect to future capital requirements). The Company notes its plans in Section 3.1 with respect to assessing its options in relation to the Kodiak Project, which include the potential disposal of that project. If the Company disposes of the

Kodiak Project, funds received by the Company could potentially alleviate the need for further equity financing.

2.5 Capital Structure

The proposed pro forma capital structure of the Company following completion of the Offers and the Acquisition is as follows:

	Shares	%
On issue as at the date of this Prospectus	189,852,519	67.5
To be issued under the Public Offer	34,333,333	11.6
To be issued upon conversion of Convertible Notes ¹	71,538,905	22.0
Total Shares on issue following Settlement of the Acquisition and re-compliance with the Listing Rules	295,724,757	100.0

	Options	%
On issue as at the date of this Prospectus	-	-
To be issued under the Consideration Offer	30,000,000	36.4
To be issued to Directors ²	42,000,000	50.9
To be issued to employees ³	10,500,000	12.7
Total Options on issue following Settlement of the Acquisition and re-compliance with the Listing Rules	82,500,000	100.0

Notes:

1. Shares to be issued upon conversion of existing Convertible Notes. See Section 10.3(c) for further details.
2. Options to be issued to current Directors, Mr Bryn Hardcastle and Ms Oonagh Malone, and proposed Directors, Mr Tolga Kumova and Mr Tom Eadie, on the terms and conditions set out in Section 11.3 as follows:
 - (i) 7,500,000 Options exercisable at \$0.25 each on or before the date which is 4 years from the date of grant;
 - (ii) 7,500,000 Options exercisable at \$0.50 each on or before the date which is 4 years from the date of grant;
 - (iii) 7,500,000 Options exercisable at \$0.75 each on or before the date which is 4 years from the date of grant;
 - (iv) 7,500,000 Options exercisable at \$1.00 each on or before the date which is 4 years from the date of grant;
 - (v) 6,000,000 Options exercisable at \$0.25 each on or before the date which is 3 years from the date of grant; and
 - (vi) 6,000,000 Options exercisable at \$0.50 each on or before the date which is 3 years from the date of grant.

See Section 9.6 for further details.

3. Options exercisable at \$0.25 each on or before the date which is 3 years from the date of grant to existing and incoming employees under the Company's employee option plan on the terms and conditions set out in Section 11.3.

2.6 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings past two years on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Sections 3.6 and 3.7 for further information in respect to the Company's proposed activities.

2.7 Applications

Applications for Securities under the Offers can only be made using the relevant Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form.

Applications under the Public Offer must be for a minimum of 15,000 Shares (\$2,250). No brokerage, stamp duty or other costs are payable by Applicants. Cheques must be made payable to "Attila Resources Limited - Share Application Account" and should be crossed "Not Negotiable". All Application Monies will be paid into a trust account. Applicants wishing to provide Application Monies via electronic funds transfer should follow the instructions on the Application Form or contact the Company.

Completed Application Forms and any accompanying cheques or confirmation of electronic funds transfer must be received by the Company before 5.00pm WST on the Closing Date by either being delivered to or posted to the following address:

By Hand	By Post
Attila Resources Limited Suite 23, 513 Hay Street SUBIACO WA 6008	Attila Resources Limited PO Box 1311 SUBIACO WA 6904

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

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Securities pursuant to this Prospectus. The

return of a completed Application Form with the requisite Application Monies will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

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

The Offers may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offers or accept late Applications.

2.8 Application Monies to be held in trust

The Application Monies for Shares to be issued pursuant to the Public Offer will be held in a separate bank account on behalf of applicants until the Shares are allotted. If the Shares to be issued under this Prospectus are not admitted to quotation within a period of three months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and any Shares issued will be deemed to be void. All interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

2.9 Allocation and issue of Shares

The Directors will allocate Shares under the Public Offer at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.

There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Subject to ASX granting approval for quotation of the Shares, the allotment of Shares will occur as soon as practicable after the Offers close. Holding statements will be dispatched as required by ASX. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Public Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

2.10 CHESS and issuer sponsorship

The Company will apply to participate in CHESS. All trading on the ASX will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of Securities.

Under CHESS, the Company will not issue certificates to Security holders. Rather, holding statements (similar to bank statements) will be sent to Security holders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Security holders who elect to hold Securities on the CHESS sub-register) or by the Company's Share Registry (for Security holders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of existing Securities (where applicable) and the number of new Securities allotted under this Prospectus and provide details of a Security holder's holder identification number (for Security holders who elect to hold Securities on the CHESS sub-register) or Security holder reference number (for Security holders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each Security holder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

2.11 Escrow arrangements

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

The Company does not expect Shares offered under the Public Offer to be subject to any escrow restrictions.

The securities likely to be subject to escrow are the Consideration Options (and any Shares issued upon their exercise). The Company anticipates that upon re-admission of the Company to the Official List, no Shares will be classified as restricted securities by ASX.

Prior to the Company's Shares being reinstated to trading on the ASX, the Company will enter into escrow agreements with the recipients of the restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow.

2.12 Overseas Applicants

An offer made pursuant to this Prospectus is not made to persons or in places which would not be lawful to make the offer. No action has been taken to register the Offers under this Prospectus in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in respect of the Offers.

2.13 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 4 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

2.14 Underwriting

The Offers are not underwritten.

2.15 Commission

The Company reserves the right to pay a commission of up to 5% (exclusive of GST) of amounts subscribed through any Australian financial services licensee in respect of any Applications lodged and accepted by the Company and bearing the stamp of the Australian financial services licensee. Payment will be made subject to the receipt of a proper tax invoice from the Australian financial services licensee.

2.16 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

2.17 Privacy disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to Security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in

accordance with the relevant privacy laws. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2.18 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

2.19 Paper copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the relevant Application Form to investors upon request and free of charge. Requests for a paper copy from should be directed to the Company Secretary on +61 8 6142 0989.

2.20 Enquiries

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Offers and the completion of an Application Form can be directed to the Company Secretary on +61 8 6142 0989.

3. Overview of the Company, CMRP and the Merged Group

3.1 Attila Resources Limited (to be renamed "New Century Resources Limited")

The Company was incorporated on 19 February 2010 and admitted to the Official List of ASX on 8 December 2010. The Company's main activity is mineral exploration and development.

The Company's main asset is the Kodiak Coking Coal Project located in Alabama, USA (**Kodiak Project**), acquired in June 2012 at a time when coking coal prices were upwards of US\$150/tonne. In November 2014 the Company received an unsolicited offer to acquire its interest in the Kodiak Project and subsequently announced it had entered into a conditional agreement to sell its interest in the Kodiak Project. The coking coal price was approximately US\$120/tonne compared with an estimated cost of production of approximately US\$90/tonne at the time the conditional agreement was executed.

Post-announcement there was a substantial fall in the coking coal price to below US\$100/tonne, hitting a low of approximately US\$75 in February 2016. As a result of declining prices, the Company announced in November 2015 that it was not able to complete the sale of the Kodiak Project but that the Company was in discussions with other parties who had indicated an interest in purchasing the Kodiak Project.

Since hitting a low of approximately US\$75/tonne the coal price has been volatile. In mid-2016, coking coal prices rebounded strongly, increasing to over US\$300/tonne in November and back to approximately US\$150/tonne in February 2017.

The volatility in the coal price has made financing decisions very difficult for both the Company and potential investors and financiers. Despite the recent increase to coal prices, the Kodiak Project (which is not an operating mine but comprises plant and equipment) remains on care and maintenance for which the Company continues to incur significant costs. The Company has maintained the Kodiak Project on "active status" in maintaining the mining and environmental approvals during this period of low and volatile coal prices in the anticipation of steady higher prices in the future.

The Company continues to assess its options regarding the financing of the Kodiak Project and its current intention is to seek joint venture partners to assist in refinancing and development of the Kodiak Project or seek to dispose of the Kodiak Project in its entirety. The Company has recently had various requests for information on the Kodiak Project, with parties interested in jointly developing or outright purchasing the Kodiak Project. It remains the Company's preference to seek joint venturers to help fund the Kodiak Project and to maintain a significant interest in the Kodiak Project and capitalise on the recent increased coking coal price. The Company will continue to incur care and maintenance costs for the Kodiak Project in order to keep the project in good standing.

Due to the continued depressed price of coking coal throughout 2015, the Board began to consider alternative transactions to generate Shareholder value. In November 2015 (at a time of low coal prices which made the Kodiak Project uneconomic to bring into production, and with no positive outlook in the near future with respect to coking coal prices) the Company announced that it had entered into a memorandum of understanding with a company (SecurET) which held an option to acquire an interest in a payment and cyber-security infrastructure company, Point of Pay Pty Ltd (**POP**). Any involvement by the Company to ultimately acquire an interest in POP would have resulted in the application of Listing Rule 11.1.3. In November 2016, the Company announced that it had become aware of a dispute and purported

termination of the agreement between SecurET and POP. The Company further announced that the outcome of the dispute is unknown. The Company has since withdrawn from the transaction and will not proceed with a transaction with SecurET or POP.

The Company's securities were suspended from trading in June 2016 pending an update on the POP transaction and have remained suspended from that date given the requirement of the ASX to suspend companies once an intention to conduct a back door listing is announced. Further information on the history of the Company can be found in the Company's Annual Report for the year ended 30 June 2016 released to ASX on 1 November 2016.

3.2 Acquisition of CMRP

As announced on 1 March 2017, the Company has entered into a binding Acquisition Agreement with Century Bull and CMRP for the acquisition of an initial interest of 70% of the issued share capital of CMRP, the owner of the Century Project and all associated infrastructure in far north Queensland (**Acquisition**).

Under the Acquisition Agreement, the Company will initially acquire 70% of the issued share capital (**Earn-in Interest Shares**) of CMRP and commit to project based expenditure of \$10 million, with a further option to acquire the remaining 30% of the issued share capital of CMRP (**Remaining Shares**).

A summary of the Acquisition Agreement, including the conditions precedent to settlement occurring on the Acquisition, is set out in Section 10.3(a).

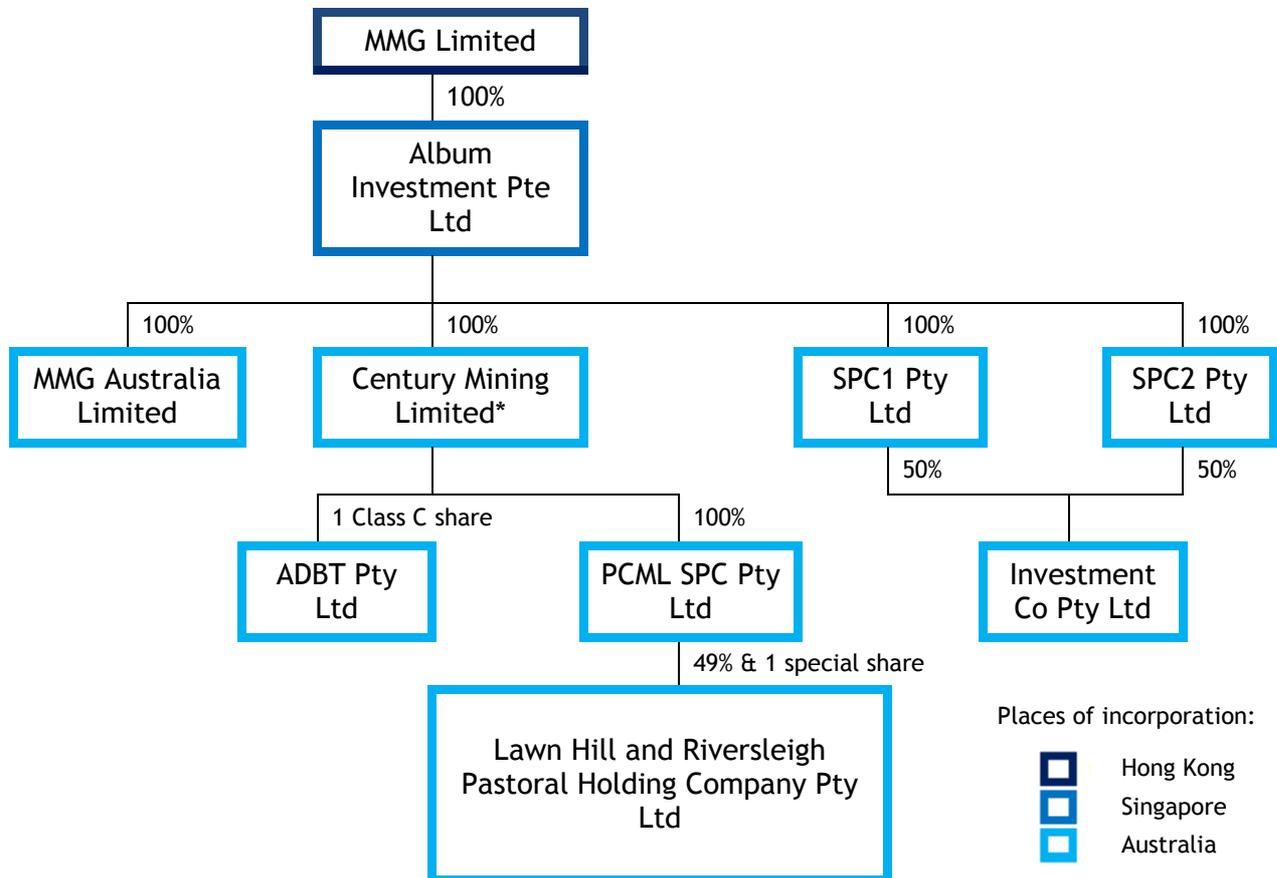
Century Bull, via CMRP, has recently acquired the Century Project from MMG (see Section 10.2 for further details). Century Bull is a privately owned Australian specialist in economic rehabilitation, and is associated with the Raging Bull group of companies. Century Bull is controlled by Mr John Carr and Proposed Managing Director of the Company, Mr Patrick Walta, who are each a director and shareholder of Century Bull, holding 25% each of the voting shares. Current Director of the Company, Mr Evan Cranston, is also a non-controlling shareholder of Century Bull, holding approximately 25% of the voting shares. Further details of the Century Project and the Acquisition are set out in Sections 3.4 and 10.3(a).

Following Settlement of the Acquisition the Company intends to focus on the development of the tailings deposit located at the Century Project (**Century Tailings Deposit**).

3.3 Corporate Structure

(a) Corporate structure prior to acquisition of the Century Project by Century Bull

The corporate structure holding the Century Project assets and infrastructure prior to the acquisition by Century Bull is set out below:



* Formerly MMG Century Limited.

MMG Australia Limited (**MMG Australia**) held exploration permit EPM10544, Investment Co Pty Ltd (**Investment Co**) held and continues to hold the slurry pipeline and M.V. Wunma, and Century Mining Limited (**CML**) held and continues to hold all other assets relating to the operation of the Century Project.

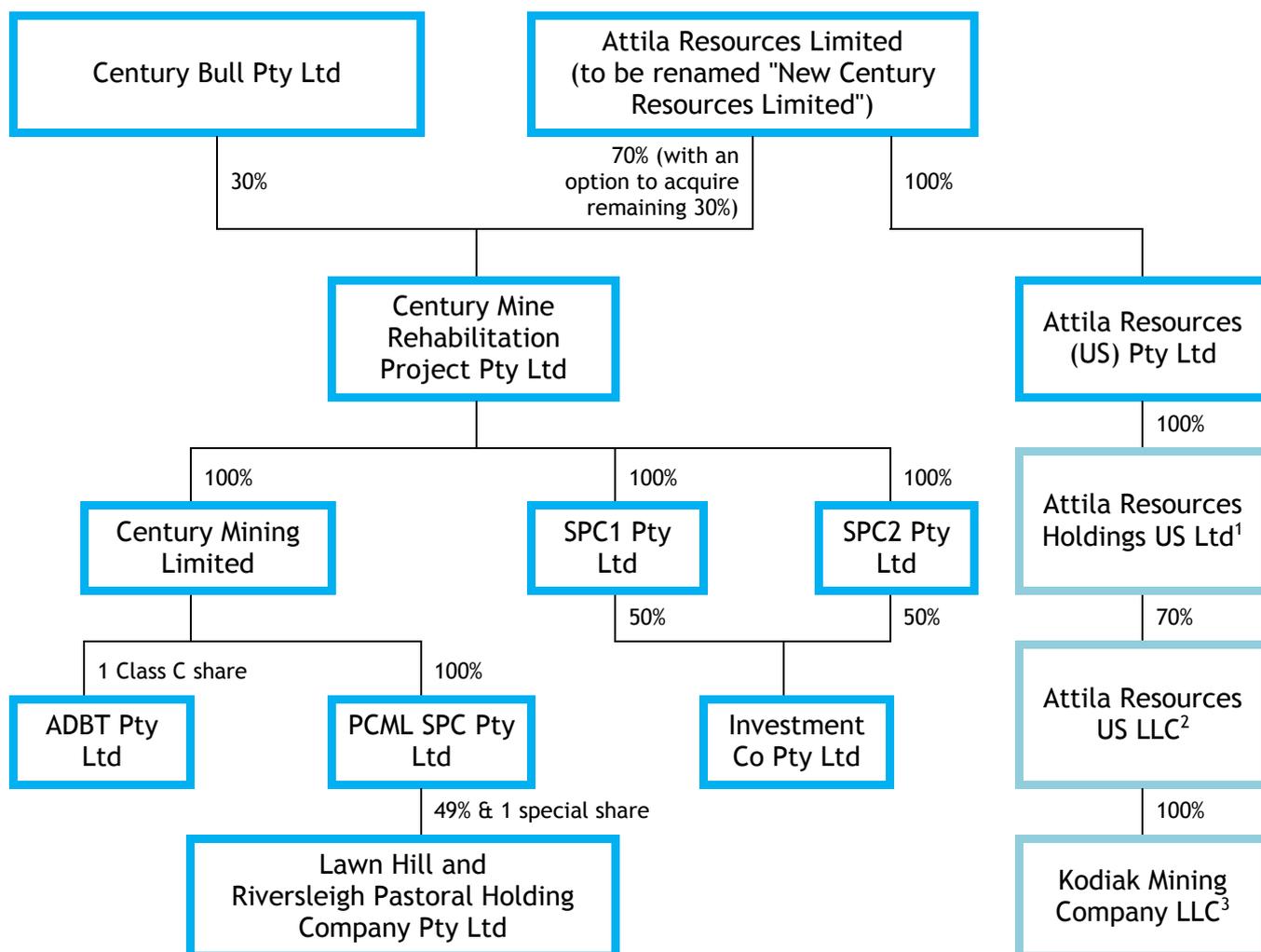
The Gulf Communities Agreement (**GCA**) is an agreement between the Waanyi, Mingginda, Gkuthaam and Kukatj peoples (**Native Title Groups**), the State of Queensland and CML dated 7 May 1997 entered into to provide native title consent for the Century Project. Further information on the GCA is outlined in Section 10.2(h).

Pursuant to the GCA, CML and the Gulf Aboriginal Development Company (**GADC**) established PCML SPC Pty Ltd (**PCML**) as a special purpose vehicle to hold shares in Lawn Hill and Riversleigh Pastoral Holding Company Pty Ltd (**Pastoral Company**), which holds leases for the adjacent Lawn Hill and Riversleigh cattle stations. The GADC incorporated Waanyi SPC Pty Ltd to hold the other 51% of shares in the Pastoral Company.

ADBT Pty Ltd is the trustee of the Aboriginal Development Benefits Trust (ADBT), a charitable trust established pursuant to the GCA for the delivery of economic benefits to the Native Title Groups and other Aboriginal peoples living in communities across the Lower Gulf Region. CML and GADC are the shareholders of ADBT Pty Ltd.

(b) **Corporate structure of the Merged Group following Settlement of Acquisition**

The corporate structure holding the Century Project assets and infrastructure immediately subsequent to Settlement of the Acquisition is set out below:



Notes:

1. Delaware company.
2. Delaware limited liability company, 30% interest-free carried until decision to mine. Remaining share are held by TBL Metallurgical Resources LLC (20%) and KC Coal Corp (10%). The sole shareholder of KC Coal Corp is Kingslane Pty Ltd, a related party of the Company by virtue of being controlled by the father of current Director Mr Evan Cranston.
3. Delaware limited liability company holding the Kodiak Project.

Pursuant to the Asset Sale Agreement (defined below), Century Project's minerals exploration permit (EPM10544) will be transferred to CML upon completion of all conditions precedent, including receipt of government approval. Investment Co holds

the slurry pipeline and M.V. Wunma, and CML holds all other assets relating to the operation of the Century Project.

3.4 About the Century Project

(a) Mine overview and history

The Century Project has had an over 20-year long association with publicly listed companies, with former owners including ASX-listed Pasminco Limited, Zinifex Limited, and Oz Minerals Limited (following the merger of Zinifex Limited and Oxiana Limited) (up to June 2009). Hong Kong listed MMG Limited acquired the Century Project in June 2009 and subsequently dual listed on ASX in December 2015 (ASX: MMG).

The Century Project began production with its first shipment of concentrate in 1999, producing zinc and lead concentrates using conventional open-pit mining, grinding and flotation methods at the Lawn Hill mine site.

Processed concentrates were transferred along a 304km buried slurry pipeline to the Century Project's port facility at Karumba on the Gulf of Carpentaria.

At the Karumba port facility, concentrates were dewatered before being transported on the M.V. Wunma to export ships anchored offshore. The Century Project's concentrates have previously been sold to smelters in Australia, Asia and Europe.

During operations, the Century Project was one of the largest zinc mines in the world. The mine has produced on average 475,000t per annum of zinc and 50,000t per annum of lead in concentrate products over the history of operations.

Final ore was mined at the Century Project in August 2015, with operations then transitioning to care and maintenance. The cessation of processing operations by previous owner MMG Limited at the Century Project in early 2016 following depletion of the Century zinc mine ore reserves presented an opportunity for a focused junior to monetise valuable remaining mineral assets. These include over 2,100,000t of JORC compliant zinc resources located within mineralised tailings, the Silver King base metal deposit and other minor defined deposits. In addition, the Century Project hosts several substantial phosphate targets which are yet to be developed.

(b) Tenement package

Following completion of the Acquisition Agreement, the Company will hold the Earn-In Interest Shares in the entity that controls the Century Project, which is comprised of the following tenement package:

Licence No.	Area	Grant Date	Expiry Date	Company interest at Settlement
ML90045	14,688 Ha	19/09/1997	18/09/2037	70%
ML90058	8,496 Ha	19/09/1997	18/09/2037	70%

Licence No.	Area	Grant Date	Expiry Date	Company interest at Settlement
EPM10544	170 sub-blocks	23/06/1995	31/12/2016*	70%

* EPM10544 is in the process of renewal. MMG applied for renewal for a five year term in September 2016, but subsequently amended this to a three year term in February 2017 as a new native title process was required if renewing for a five year term. Whilst the Company is confident of a positive outcome over the coming months, there is no guarantee EPM10544 will be renewed. In any event, as the Company's immediate focus will be on developing the Century Tailings Deposit and undertaking further zinc exploration activities, the Company does not consider the acquisition of an interest in EPM10544 to be material.

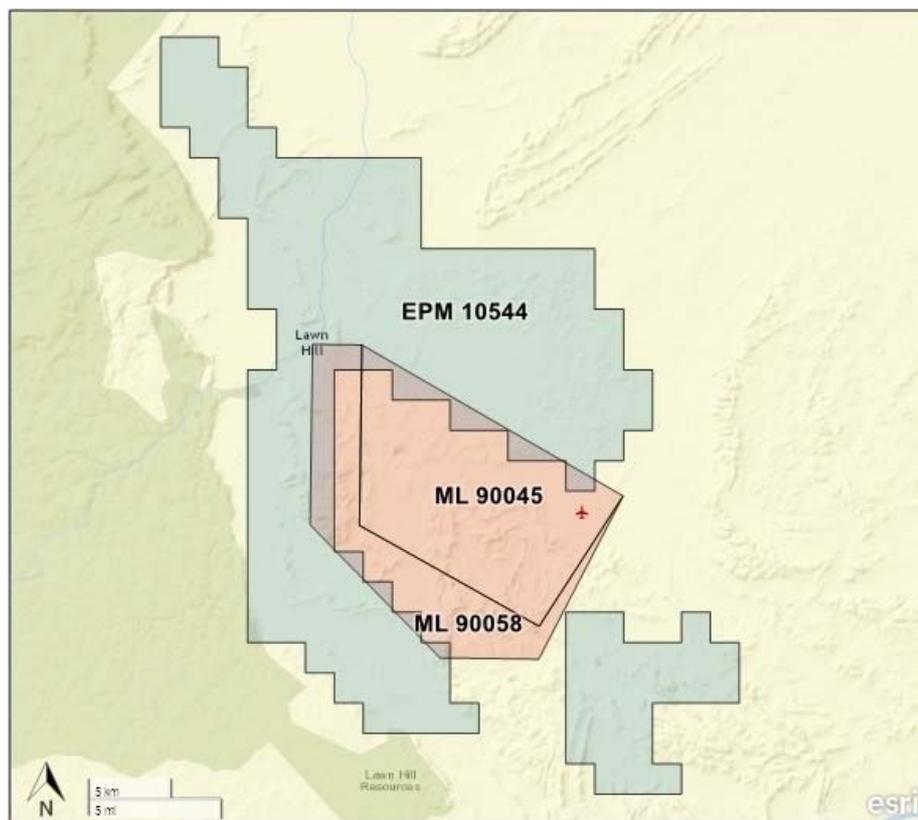
The location of the Century Project in far north Queensland, Australia, including the underground slurry pipeline to Karumba Port, is shown in Figure 1.

Figure 1: Map of Century Project regional setting



The location of the tenement package is shown in Figure 2.

Figure 2: Map of Century Project tenement package



(c) **Geology and resources**

The global mineral resources estimate for the Century Project tenement package is as follows:

	Tonnes (Mt)	Zinc (%)	Lead (%)	Silver (g/t)	Zinc Metal (t)
Century Tailings Deposit					
Indicated	12.8	2.97	-	-	380,000
Inferred	58.2	2.68	-	-	1,560,000
Total	71.0	2.73	-	-	1,940,000
Silver King Deposit					
Total (Inferred)	2.7	6.9	12.5	121	185,000
East Fault Block Deposit					
Total (Inferred)	0.5	12	1.1	48	60,000

(i) **Century Tailings Deposit**

A single substantial tailings deposit exists at the Century Project, generated from 16 years of large scale operations from the Century zinc mine open pit. The current JORC compliant Mineral Resources

within the Century Tailings Deposit stand at 71Mt at 2.73% Zn for 1,940,000 contained zinc tonnes as shown below:

	Tonnes (Mt)	Zinc Grade (%)	Zinc Metal (t)
Indicated	12.8	2.97	380,000
Inferred	58.2	2.68	1,560,000
Total	71.0	2.73	1,940,000

Substantial recoverable zinc mineralisation exists in the tailings at the Century Project, due to the historical focus on throughput maximisation as opposed to recovery maximisation. The nature of the original Century Project ore required extended flotation time and given the scale of the original deposit (105Mt at 12% Zn) a high throughput processing plant was constructed, achieving relatively modest recoveries (74% in 2015) over the life of operations.

Three independent metallurgical studies have been completed on the Century Tailings Deposit (focused on the indicated portion of the mineral resource), demonstrating the tailings may be reprocessed through the existing plant on site with minor modifications to achieve recovery of ~50% of remaining zinc mineralisation into a saleable ~52% zinc concentrate. However, as noted in the Independent Geologist's Report at Section 7 of the Prospectus, metallurgical recovery at the Century Project is dominated by the need of an ultrafine grind and the recovery of further concentrate for tailings will not be without technical and operational challenges.

The Independent Geologist's Report further provides that the major risk to the retreatment of tailings is a lack of understanding of the oxidation state of the zinc within the tailings and that this may have implications on the processing. This is because historical test work has been focussed on the indicated portion of the Century Tailings Deposit mineral resource, which represents approximately 18% of the total mineral resource.

Whilst the test work to date indicates that approximately 75% of the zinc in the samples tested were sulphide zinc and the remaining 25% classified as non-sulphide zinc (including oxide, carbonate and water soluble zinc), the Company needs to undertake further test work to:

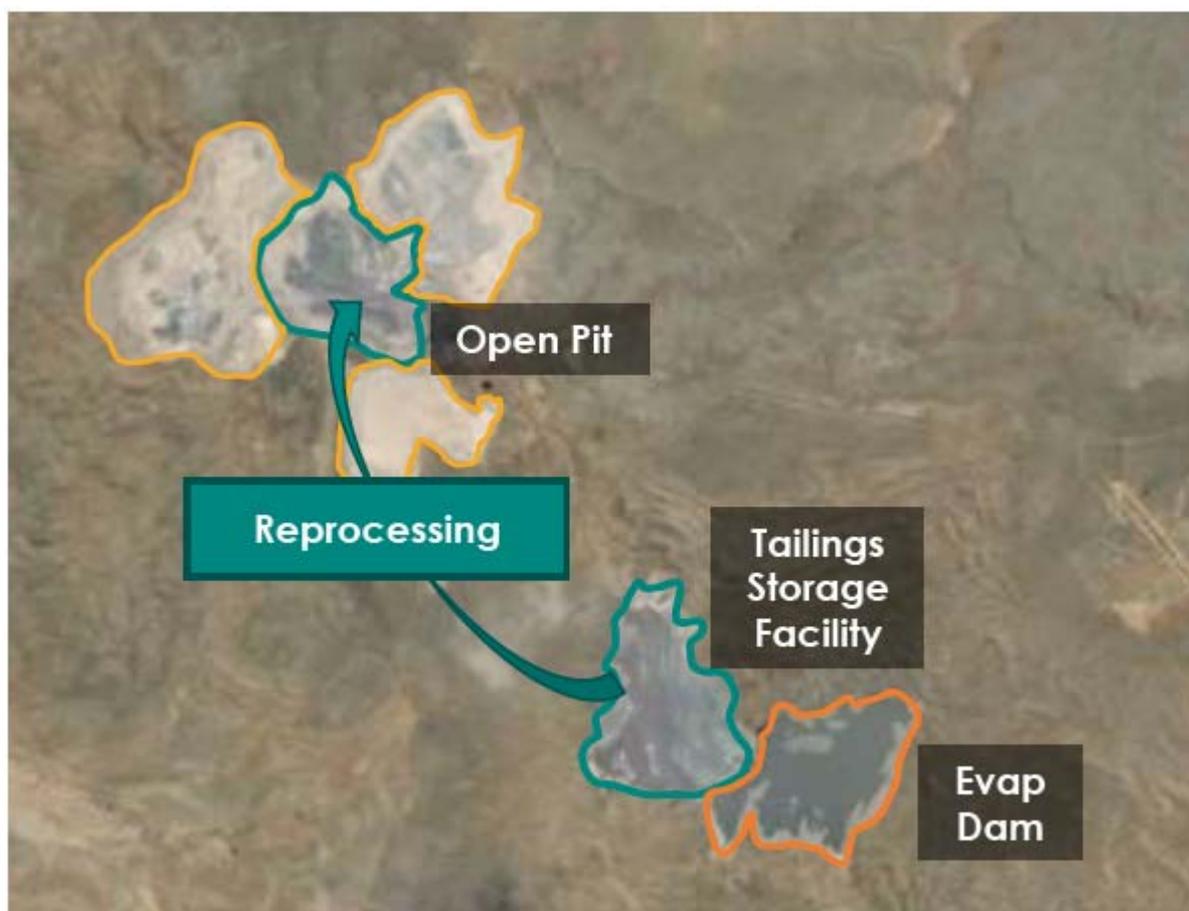
- (A) determine whether those results are representative of the whole deposit;
- (B) determine whether the Tailings Deposit is able to be retreated economically; and
- (C) assist in determining the optimum processing method to be applied (including confirmation of relevant infrastructure adjustments).

The Company will also investigate the potential to recover the water soluble zinc as part of its water treatment strategy (see Section 3.4(g)(i)).

Although the Company has a reasonable level of understanding of the degree of non-sulphide zinc in the indicated portion of the Tailings Deposit indicating the risk of significant oxidation to be low and manageable, there is no guarantee that the test work results to date are representative of the whole Tailings Deposit.

The Company plans to undertake further test work as part of the proposed feasibility study on the Century Tailings Deposit, as set out in Section 3.4(g)(ii).

The reprocessing of the Century Project tailings provides a mechanism for the economic rehabilitation of the mine site, with the tailings area representing a significant portion of the current rehabilitation requirements. After reprocessing, the tailings are planned to be deposited back into the original open pit and encapsulated via subaqueous deposition, per the diagram below.



For further information on the Century Tailings Deposit, see the Independent Geologist's Report at Section 7 of this Prospectus.

(ii) Silver King Deposit

The Silver King Deposit is a non-material lead-zinc-silver deposit 1.5km south-west of the original Century Project open pit. The JORC compliant Inferred mineral resource at Silver King is set out below. As the Company's focus post-Settlement will be on the Century Tailings Deposit, the Silver King Deposit is not considered by the Company to be a 'material mining project' (as that term is defined in the Listing Rules).

	Tonnes (Mt)	Zinc (%)	Lead (%)	Silver (g/t)	Zinc Metal (t)
Total (Inferred)	2.7	6.9	12.5	121	185,000

Discovered in 1897, Silver King had a rich history of small scale mining until 1961, having been accessed by 15 shafts and associated underground workings to a depth of approximately 60m. Estimated historical production is 3,149t of lead and 100,000oz of silver.

The Silver King mineralisation consists of a series of moderately to steeply dipping quartz-galena-sphalerite-siderite veins associated with a NE trending dextral strike-slip fault. Further sphalerite and galena mineralisation occurs within shale hosted breccia also associated with the veins.

Silver King provides further potential for an economic operation to be established on site utilising existing infrastructure. The Silver King Deposit was never mined by previous owners of the Century Project largely due to its relatively small scale (and partial underground) nature compared with the Century Project open pit operations.

With the implementation of tailings reprocessing operations, potential exists to extract Silver King for utilisation as a blending ore.

For further information on the Silver King Deposit, see the Independent Geologist's Report at Section 7 of this Prospectus.

(iii) East Fault Block Deposit

The East Fault Block is a non-material deposit located 35m below the surface of the run-of-mine stockpile area at the mine site and extends to a depth of 112m. The JORC compliant mineral resources of the East Fault Block are set out below.

	Tonnes (Mt)	Zinc (%)	Lead (%)	Silver (g/t)	Zinc Metal (t)
Total (Inferred)	0.5	12	1.1	48	60,000

As the Company's focus post-Settlement will be on the Century Tailings Deposit, the East Fault Block Deposit is not considered by the Company to be a 'material mining project' (as that term is defined in the Listing Rules).

For further information on the East Fault Block Deposit, see the Independent Geologist's Report at Section 7 of this Prospectus.

(iv) **Phantom Hills Phosphate Targets**

The Century Project tenements host substantial phosphate mineralisation at Phantom Hills, located directly to the NE of the Century Project open pit. In 2013, a 14,300m RC and diamond drilling program was completed over the phosphate target area.

Despite the extensive drilling to date, a defined resource at Phantom Hills is yet to be estimated.

Conversion of the Century Project infrastructure to support a phosphate rock processing operation presents a low cost and low risk option to extending the life of the Century Project operations and infrastructure beyond zinc and lead processing activities.

As the Company's focus post-Settlement will be on the Century Tailings Deposit, the phosphate targets are not considered by the Company to be a 'material mining project' (as that term is defined in the Listing Rules).

For further information on the Century phosphate targets, see the Independent Geologist's Report at Section 7 of this Prospectus.

(d) **Economic Rehabilitation Strategy**

With the final processing of open pit ore from the Century Project in late 2015, the focus of previous owner MMG was turned to the progressive rehabilitation and ultimate closure of the mine site. Significant rehabilitation activities have already been undertaken by MMG, with over \$70M spent on rehabilitation to date (primarily focussed on the progressive capping of three waste dumps). A comprehensive plan of work is also in place to progressively take the mine site, the pipeline and the port facility to full closure over a long term period through to 2050.

Rehabilitation activities relate to reducing the surface area of disturbance. This can be achieved via the covering and rehabilitation of disturbed areas (e.g. waste dumps) or the removal of transported material and deposition into approved final closure facilities (e.g. tailings back into the pit).

Rehabilitation work is required to be ongoing, but the timing of activities is driven by the tenement holder, compliance with environmental authorities issued in respect of projects and compliance with plans of operations (which can be for up to five years) provided to and approved by the Queensland Department of Environment and Heritage Protection (**Department**). Financial assurance provided by tenement holders to the Department remains in place for these areas until the rehabilitation work is completed. Environmental authorities are public documents and can be accessed online via the Department's website.

As noted in section 9.6 of the Solicitor's Report at Section 8, an environmental authority holder (such as CML) must not carry out, or allow the carrying out of activities unless a plan of operations has been given to the Department. A plan of operations must include an action program for complying with the granted environmental authority and a rehabilitation program for land disturbed or proposed to be disturbed. Where a plan of operations is not complied with, the maximum penalty for non-compliance is presently \$12,190 (100 penalty units).

In practice, plans of operations are replaced every 2-3 years, as ongoing work is monitored and relevant adjustments to plans are made. Each time a plan of operations is replaced, new assessments are made as to the ultimate cost of rehabilitation depending on the level of disturbance remaining, and revised financial assurances are sought by the Department.

Key to ongoing compliance with rehabilitation obligations is ensuring that any environmental authorities issued in respect of a project are complied with. For CML, this requires compliance with items such as annual monitoring reporting (air, land and water), maintaining environmental records, complying with codes for rehabilitation, and ensuring pollution (e.g. dust, odour and other contaminants) is within limits.

In November 2016, after a review of the current rehabilitation progress, the Queensland Government revised the financial assurance bond required for the Century Project to \$193.7M (for further information about financial assurance requirements see the Solicitor's Report at Section 8). The Company's strategy is to restart operations at the Century Project, initially by reprocessing the tailings at the Century Tailings Deposit.

The strategy to restart operations at the Century Project is designed to allow much of the scheduled rehabilitation to be achieved through new cash flow generating site activities. In the case of the Century Tailings Deposit, after reprocessing of the tailings has occurred, the material is planned to be relocated back into the existing open pit, which allows for final encapsulation via subaqueous deposition and eliminates the need for capping of the tailings dam on surface. For this strategy to be put in practice, the Company will be required to submit new plans of operations with the Department for approval. The Department will then make a new decision on the amount of financial assurance required for the Century Project.

The reprocessing of tailings and encapsulation within the open pit also provides a significant reduction in the overall footprint of disturbance of the Century Project mining operations (approximately 30-35%) and therefore the opportunity for a progressive reduction in the total financial assurance required for the site (subject to the risks identified in Section 4.2(f) with respect to the risk that the Department may increase the amount of financial assurance required).

The Company will use a combination of Public Offer funds, together with MMG contributions pursuant to the Funding Deed, to progressively rehabilitate the Century site. As the Company is required to comply with the Funding Obligation under the Acquisition Agreement with respect to the development of tailings project and other ongoing exploration, much of the \$10.8 million set aside in the proposed use of funds in Sections 2.4 and 3.7 is targeted at environmental maintenance, monitoring, management and compliance (which involves continuous sampling, analysis and reporting of water, air and soil samples from tens of locations across the tenement

package as per the requirements of the existing environmental authority for the site), asset preservation equipment maintenance and wet season preparation.

CML has retained significant environmental competency on site, including by employing the two most senior Century site environmental engineers previously employed by MMG. In addition, the site now has now taken on an additional water specialist environmental consultant and also retained the services of an independent environmental consulting firm..

As part of a more global strategy for the site, in addition to tailings reprocessing, extraction of defined in-situ base metal deposits, phosphate deposits and regional toll treatment opportunities will also be assessed, potentially providing further economic benefits and assistance toward scheduled site rehabilitation.

The planned restarting of operations and long term ongoing infrastructure usage is also designed to significantly delay infrastructure dismantling and final closure activities.

It is important to note that MMG has procured and will stand behind the ongoing provision of bank guarantees of \$193.7 million to meet the Century Project financial assurance bond until 31 December 2026 (see Section 10.2(f) for further information). Under the Bank Guarantee Support Agreement (see Section 10.2(f)), CML has until 31 December 2026 to replace these guarantees and is contractually bound to contribute 40% of the aggregate earnings before interest, tax, depreciation and amortisation of certain group companies (CML, SPC1, SPC2, PCML and Investment Co) every year to reduce the face value of the guarantees. If the Company is unable to ensure that CML satisfies this contractual commitment or replace the guarantees it will need to seek alternative funding to cover the financial assurance bond (see Sections 4.2(a) and 4.2(f) for further information on the risks of this strategy).

(e) Exploration potential

Excellent exploration potential remains at the Century Project for the discovery of smaller scale high grade deposits within the 783km² of mining licences and the exploration permit.

Despite the tenements being located in the highly prospective Termite Range Fault district, since 1990 exploration has been predominantly focused on a relatively narrow strategy targeting further discovery of large (>25Mt) sediment-hosted Zn/Pb/Ag deposits of similar scale to the original deposit at the Century Project.

The large scale deposit was located in the middle of a 20km diameter cluster of smaller high grade vein-breccia lodes. Limited exploration work has occurred on these high grade targets, providing potential for adoption of a revised strategy targeting delineation of smaller (1-10Mt) high grade deposits.

These vein-breccia lodes form distinct ridges and outcrops opposing the recessive siltstone and shale members throughout the mineral field. Over 40 of these lode targets have been recorded to date, with the largest being the already defined Silver King Deposit. Many have shafts, pits or small historic workings to mark their locations.

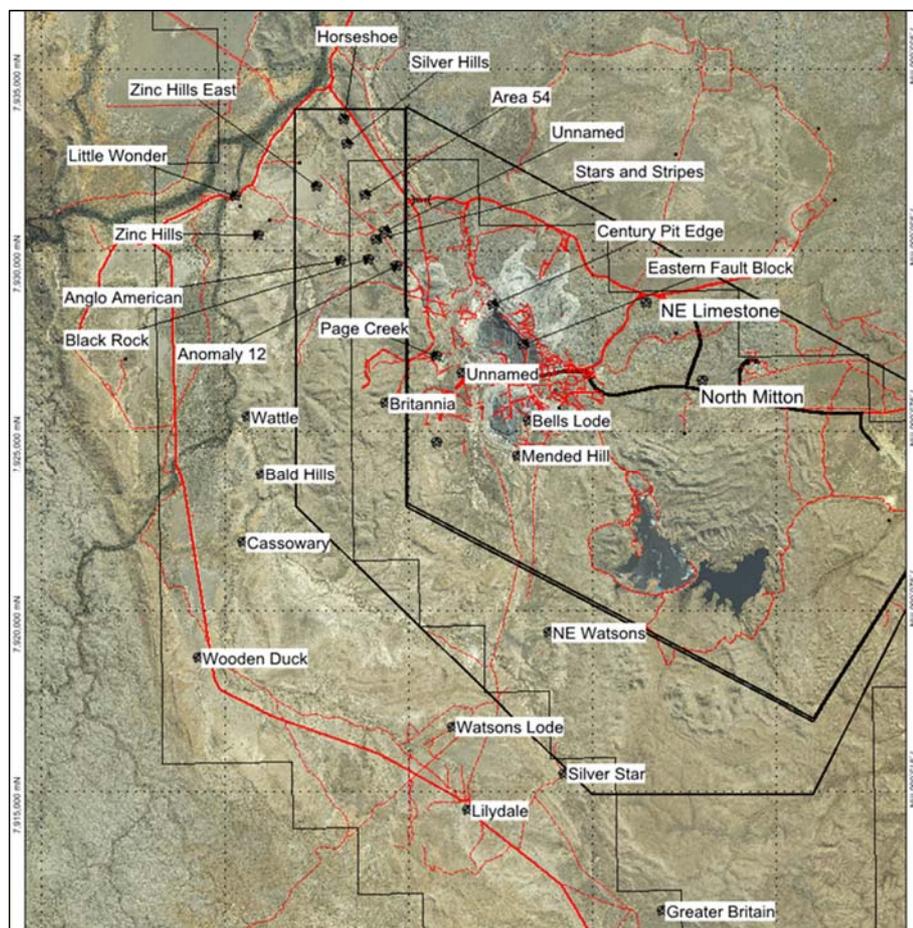
Given the planned re-starting of operations via tailings reprocessing, potential exists for these resources to be used as blending material and processed via the existing plant at the Century Project.

An extensive exploration database over the Century Project tenements has been acquired in addition to a comprehensive review of the exploration history of the region. This data is now under analysis and will be utilised to form the basis of future detailed exploration programs over the tenements.

Further information on the exploration potential at the Century Project can be found in the Independent Geologist's Report at Section 7.

A prospects locality map is set out in **Figure 3** below.

Figure 3: Map of prospects



(f) Infrastructure

(i) Processing plant and supporting infrastructure

The 7.0Mtpa capacity processing plant, in excellent condition after 16 years of use, is currently on care and maintenance following cessation of processing operations. Key equipment includes:

- (A) primary crushing facilities, which reduce ROM feed to approximately 100mm;

- (B) grinding facilities consisting of one SAG mill (12MW gearless drive) and two balls mills (8MW gearless drive & 6.7MW single pinion drive);
- (C) a conventional froth flotation circuit, comprising 21 stirred mills and 79 flotation cells;
- (D) remnant mobile fleet (reduced from original full scale operations) including 6 × Komatsu 630E dump trucks, 5 × Caterpillar D10/D11 dozers and 4 × Komatsu PC excavators;
- (E) five exploration and grade control drilling rigs;
- (F) full site laboratory capable of handling all exploration and plant samples; and
- (G) equipment workshops and stores for all mobile and fixed plant maintenance.

The Company will undertake a review of infrastructure and will consider the disposal of non-essential equipment, with any funds received to contribute to working capital.

(ii) Karumba Port

Built as part of mine development in the late 1990s, the Century Project's Karumba Port Facility includes dewatering and drying circuits, maintenance workshop, a concentrate storage shed and administration buildings.

During operations the Karumba Port Facility received 3,000t of slurry each day into one of four balance tanks. The slurry was dewatered by five pressure filters, with concentrate then passed through a rotary dryer to remove excess water before being stockpiled in the concentrate storage shed in preparation for shipping.

In late 2012, a three-year \$32M project to refurbish the concentrate storage shed and other facilities was also completed, ensuring the port area remains in operational condition.

Equipment at Karumba includes:

- (A) dewatering/filter/drying plant and fully mechanised concentrate storage shed;
- (B) jetty and bulk ship loading facilities; and
- (C) administration buildings & workshops.

Electricity consumed at Karumba was supplied by the on-site diesel power station with a nameplate capacity of 5.8MW. The diesel power station has been decommissioned following cessation of operations, however all associated civil and electrical infrastructure has been retained for future use.

Like the Lawn Hill mine site, the Century Project's infrastructure at Karumba has been kept in a state of operational readiness to allow for the future restarting of operations.

As identified in the Solicitor's Report at Section 8, operations at the Karumba Port are presently suspended and whilst they remain suspended, CML will have no obligation for the payment of an ongoing cost charge. Further, CML will have no obligation to pay a development cost charge during the suspension period. These charges both become payable only in circumstances where CML recommences port use. No decisions have been made at this time as to whether the Company will recommence port use, with such considerations to form part of the feasibility study the Company proposes to undertake as part of the Company's plans to develop the Century Tailings Deposit.

(iii) M.V. Wunma Transshipment Vessel

The Century Project's transfer vessel, the M.V. Wunma, is custom-built for the shallow waters of the Norman River channel and is used to transfer concentrate to export ships anchored in the Gulf of Carpentaria.

It takes approximately 12 hours for the vessel to load, transport and discharge concentrates and return to the Karumba Port. The vessel can operate day and night, depending on tides and weather conditions.

Upon cessation of operations, the M.V. Wunma was sailed to Papua New Guinea where it is currently dry docked on care and maintenance.

(iv) Mine Site Airport

The mine is serviced by a private airport located on the mining lease. The airport has a sealed runway equipped for night landings, and has an office building and semi-enclosed passenger waiting area.

During operations at the Century Project, medium sized jet aircraft (Fokker F100) were used to transport staff to and from Townsville and Cairns and smaller light aircraft to bring in employees from some of the closer towns such as Mt Isa, Doomadgee, Normanton and Karumba.

In January 2016 the airstrip, taxiway and general apron were re-sealed and lines re-marked at a cost of approximately \$1M.

(v) Karumba property ownership and Pelicans Inn lease

Within the township of Karumba, MMG owned a portfolio of thirteen houses which have also been acquired by CMRP as part of the transaction.

The houses were previously used to accommodate employees, however have been transitioned to rental properties since closure of

operations. A sale of these properties could be made to raise further funds for CMRP if the need arose.

A lease over the Pelicans Inn in Karumba is also in place. The Inn remains on care and maintenance pending re-establishment of port operations and/or development of tourism potential.

(vi) **Slurry Pipeline**

The 304km buried slurry pipeline was commissioned in November 1999 and is a unique and leading edge design for a pipeline in Australia. Providing unmatched access to the coast for the region, the pipeline is buried over most of its length to a depth of approximately 1m.

The host steel pipe is high tensile 12 inch pipe, lined with high density polyethylene pipe. The liner was included to eliminate wear/corrosion of the host pipe.

Slurry batch transit time for the 304km journey is ~72 hours and the overall elevation difference is -155m from the site to the port. The pipeline is capable of transporting zinc concentrate at a maximum rate of 155t/h at 37% solids and lead concentrate at a maximum rate of 161t/h at 37% solids.

(vii) **Mining Camp**

All mine site accommodation is at the Darimah village, located approximately 3km from the mine, which has a capacity of 700 people per night.

Accommodation comprises mostly en-suite rooms in accommodation blocks (four rooms each). Facilities include a wet and dry mess, a gymnasium, pool, football and rugby ovals and various other sport facilities.

The accommodation precinct also includes a sewage treatment plant, water treatment plant and communication towers.

The Company will review and consider disposing of any non-essential assets, with any cash raised to go towards working capital.

(g) **Development Program and Funding**

Upon completion of the re-compliance process, in addition to ongoing care and maintenance activities, the Company plans to progress development of economic rehabilitation activities through the undertaking of tailings reprocessing and water treatment at the Century Project as follows:

(i) **Soluble Zinc Recovery Project (Water Treatment)**

The Company plans to dewater the existing evaporation dam on site at the Century Project, with the current plan to bring the water back up to the existing plant infrastructure and to recover dissolved zinc through a simple precipitation process. The treated evaporation dam water will then be sent to the existing open pit for storage and progressive evaporation.

Water treatment activities on site are budgeted to require funding from the Company in the order of \$836,000 up to June 2018. If revenues are generated as a result of these activities up to June 2018 they will go towards general working capital.

(ii) Tailings Reprocessing at the Century Tailings Deposit

The Company plans to undertake a feasibility study into the reprocessing of the existing tailings storage facility at the Century Project. The current plan is to hydraulic mine the existing tailings to bring the material back up to the existing plant, followed by re-floatation to recover remnant zinc mineralisation into a concentrate form. The final tailings produced through this process will then be sent to the current open pit for storage and encapsulation via subaqueous deposition.

Development of the Century Tailings Deposit will first require a close spaced drilling program to be completed in order to upgrade the current JORC resource and to collect metallurgical samples for process testwork and verification on the entire tailings dam. The feasibility study will focus on the indicated (or higher) portion of the Tailings Deposit resource estimate following completion of the drilling program.

Tailings reprocessing feasibility activities on site are budgeted to require funding from the Company in the order of \$1,075,000 up to June 2018.

(iii) Exploration

The Company plans to undertake initial exploration and development of other identified deposits and mineralisation located on the tenements. Exploration will target high priority prospects such as Silver King and Waston's Lode during initial phases of exploration.

Exploration activities on site are budgeted to require funding from the Company in the order of \$1,105,000 up to June 2018.

3.5 About agricultural land holdings and cattle business

Beyond mineral assets, the Company will acquire through the Acquisition investments in agricultural land holdings and an established cattle business known as the Lawn Hill & Riversleigh Pastoral Holding Company (**Pastoral Company**).

The Century Project mine site is surrounded by the Lawn Hill and Riversleigh pastoral stations which were acquired by the original mine owners in 1996. The acquisition of the holdings excluded the livestock, plant, equipment and chattels. In 1998 the Gulf Communities Agreement was executed providing native title approval for the development of the mine.

The Pastoral Company was incorporated in December 1998 and the pastoral leases of Lawn Hill and Riversleigh pastoral stations were subsequently transferred by the Century Project mine owners at the time to the Pastoral Company. Shares in the Pastoral Company were issued to the Waanyi people representing 49% of the Pastoral Company. Further transfers of share capital have occurred over ensuing years such

that the shares in the Pastoral Company are now held 51% by the Waanyi people and 49% by CML.

The Pastoral Company is responsible for the management of the cattle properties that combined cover an area in excess of 1.6 million acres with a potential carrying capacity of 50,000 head of cattle. The properties are situated in the Lower Gulf of Carpentaria in far North West Queensland and the traditional ownership of the land belongs to the Waanyi people.

The Pastoral Company plans to have both properties fully stocked with its own cattle. To date growth has been moderate and well within the Pastoral Company's skills set and resources. The current business plan is to accelerate the growth of the herd through the acquisition of breeders and generic growth whilst entering into sub-lease arrangements on country surplus to that required for the Pastoral Company owned cattle.

The Pastoral Company has also established training programs for indigenous youth that have received acclaim for the innovative approaches to personal development and understanding of the social issues that plague young people growing up in the Gulf Communities.

3.6 Business model

The Company's main objective is to provide a return to Shareholders through the successful exploration for and development of high value resources.

In seeking to achieve its objective, the Company's business model will be to:

- (a) develop the Century Tailings Deposit;
- (b) undertake rehabilitation work on the Century Project; and
- (c) conduct further exploration at the Century Project.

It is intended to allocate the funds raised from the Public Offer as set out in Sections 2.4 and 3.7.

3.7 Proposed budgets

The Company proposes to fund its intended activities as outlined in the table below from the proceeds of the Public Offer, together with the Company's and CML's existing cash reserves post-Acquisition, MMG contributions, and revenue from rental income from the Karumba properties (see Section 2.4 for further information). It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from activities undertaken. This will involve an ongoing assessment of the Company's project interests and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis.

Subject to the above, the following budgets are proposed which take into account the proposed expenses from the period June 2017 to June 2018 to complete ongoing rehabilitation and further exploration and development of the Century Project:

Expenditure	Total (\$)
SOLUBLE ZINC RECOVERY/WATER TREATMENT PROJECT	
Feasibility	130,000
Engineering procurement contract management	706,000
Sub-total for Soluble Zinc Recovery Project	836,000
TAILINGS FEASIBILITY & DRILLING	
Feasibility	360,000
Drilling & assaying	715,000
Sub-total for Tailings Feasibility & Drilling	1,075,000
EXPLORATION	
Historical exploration review & other	145,000
Drilling	880,000
Assaying	80,000
Sub-total for Exploration	1,105,000
SUB-TOTAL EXPLORATION & DEVELOPMENT	3,016,000
Care and maintenance and ongoing rehabilitation works	10,841,000
SUB-TOTAL CARE & MAINTENANCE	10,841,000
TOTAL	13,857,000

3.8 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on exploration and development of the Century Project.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

4. Risk Factors

As with any investment in securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Security holders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Securities.

Any investment in the Company under this Prospectus should be considered highly speculative.

4.1 Risks relating to the Acquisition

(a) Re-quotations of Shares on ASX

The Acquisition constitutes a significant change in the scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotations of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the Listing Rules.

(b) Dilution risk

The Company currently has 189,852,519 Shares on issue. On completion of the Acquisition, the Company proposes to issue 30,000,000 Consideration Options, 34,333,333 Public Offer Shares, up to 52,500,000 Options to Directors and employees and 71,538,905 Shares upon conversion of the Convertible Notes. On completion of the Acquisition and assuming all of the Shares under the Public Offer are issued (and no exercise of Options), the existing Shareholders will retain approximately 64.2% of the issued capital of the Company and the investors under the Public Offer will hold approximately 11.6% of the issued capital of the Company.

On completion of the Acquisition and assuming all of the Shares under the Public Offer are issued and all of the Options are exercised, the existing Shareholders will retain approximately 50.2% of the issued capital of the Company, with Century Bull (or nominees) holding approximately 7.9%, investors under the Public Offer holding approximately 9.1% and the Directors and employees who convert Options holding approximately 13.9% of the issued capital of the Company respectively.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company.

(c) Contractual risk

Pursuant to the Acquisition Agreement the Company has agreed to acquire the Earn-in Interest Shares subject to the fulfilment of certain conditions precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(d) Reinstatement to ASX's Official List

The Company's Shares are currently suspended from trading on the ASX. It is anticipated that the Company's Securities will remain suspended until Settlement of the Acquisition Agreement and Public Offer, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its listed Securities may consequently remain suspended from quotation.

4.2 Risks specific to the Company and Industry

(a) Future capital requirements

The Company presently has no operating revenue and is unlikely to generate any significant or material operating revenue unless and until the Century Project is successfully developed and production re-commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash, MMG contributions, Karumba rental income and the net proceeds of the Public Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus.

In order to successfully develop the Century Tailings Deposit, for the Company to meet its funding obligations under the Acquisition Agreement (see Section 10.3(a)) and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Public Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price under the Public Offer) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, or if planned operations do not commence or generate sufficient revenues, the Company may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

In particular, MMG has procured and will stand behind the ongoing provision of bank guarantees of \$193.7 million to meet the Century Project financial assurance bond (lodged with the Queensland government) until 31 December 2026. The Company's strategy is to recommence operations by developing the Century Tailings Deposit, with operating profits being partially used to replace the MMG backed bank guarantees by 31 December 2026, whilst

simultaneously reducing the financial assurance bond as rehabilitation activities proceed. There is no guarantee the Company will generate operating profits from the proposed tailings processing or be successful with its strategy. If the Company is unsuccessful with this strategy it will need to seek alternative funding to cover the bond. In those circumstances the Company's ability to continue as a going concern at that time will be materially affected.

In addition, pursuant to the Bank Guarantee Support Agreement, MMG has the ability to make cash calls in certain circumstances (see Section 10.2(f)). If that occurs, CML is required to pay those amounts by direct transfer of immediately available funds. Should CML not have adequate funds available if a cash call is made, then the Company will be forced to seek alternative funding. If the Company is unable to obtain additional funding as needed, this could have a material adverse effect on the Company.

The Company may undertake additional offerings of Shares and of Securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(b) Default under guarantee and security arrangements

The Company and CMRP group entities are party to guarantee and security arrangements as outlined in Section 10.2(g). Non-compliance with the various obligations imposed on the Company and CMRP group entities under the guarantee and security arrangements could lead to the loss of title to the Century Project. Further, the Company and CMRP group entities may also become liable to pay for losses sustained by relevant MMG entities pursuant to the indemnity provided under the guarantee and security arrangements. If an indemnity payment became payable, it may have a material adverse effect on the Company's ability to continue as a going concern.

(c) Native title and Aboriginal heritage

The *Native Title Act 1993* (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

Native title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

It is possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant

landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Company notes that CML is a party to the GCA and other native title agreements, as summarised in Section 10.2(h). Due to this and the customary nature of these agreements, the Directors consider the risk of not reaching agreements over native title with these potential claimants to be low. However, should the Company be unable to reach agreement within a reasonable time, the passage of time may lead to a materially adverse event for the Company. The enquiries undertaken up to the date of this Prospectus have not uncovered anything to indicate that native title has not been addressed in accordance with the Native Title Act.

The Company must also comply with Aboriginal heritage legislation which (inter alia) makes it an offence for a person to damage or in any way alter an Aboriginal site. There is a risk that unregistered Aboriginal sites and objects may exist in relation to tenements which the Company has an interest in or will in the future acquire such an interest, the existence of which may preclude or limit mining activities in certain areas of the tenements. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties.

The Directors consider the above risks with respect to Aboriginal heritage low due to the previous exploration and significant mining activities in the areas, the low impact of the proposed future works and the signing of multiple native title agreements with claimant groups over the Century Project to facilitate the Company's activities (please refer to Section 10.2(h)).

Issues with local communities may materially and adversely affect the Company's operations. Issues with the local communities surrounding the areas where the Company proposes to operate now or in the future may arise from the implementation of the Company's business activities. These issues may result in community protests, road blockades and third party claims. The failure to successfully settle any local community issues could have a material and adverse effect upon the Company's business, prospects, financial condition and results of operations.

(d) Relations with GADC and renegotiation of the GCA

The Company notes that CML has poor relations with the GADC, which was established by the GCA to represent and act as agent for the Native Title Groups in the administration of the GCA, with litigation being threatened and allegations of fraud being made against GADC officers. The Company understands that all Native Title Groups have nominated third party eligible bodies pursuant to the GCA, rather than GADC, to receive any monies payable by CML. Allegations of environmental breaches against CML, which have not been particularised, have also been made. Issues with the Native Title Groups may materially and adversely affect the Company's operations and the Company will need to manage ongoing relations between the parties. The failure to successfully settle any Native Title Group issues could have a material and adverse effect upon the Company's business, prospects, financial condition and results of operations.

The Company has identified that the existing GCA requires renegotiation so that the GCA has a more relevant application to the type and style of

operations the Company proposes to develop, as opposed to the type and style of operations that were being undertaken by MMG, the Century Project's previous owner. As a result of MMG ceasing the shipping of concentrate from the Century zinc mine, many payments under the GCA ceased (in 2015 these payments amounted to approximately \$6 million, and most are indexed annually). Provision is available via the GCA Trust Deed to cover various payments still required under the GCA, however, there is a risk that payments for which there is no provision may resume or continue depending on the nature of any new activity the Company undertakes, and that these payments may be material depending on the Company's financial circumstances at that time. There is a risk that the Company may not be able to renegotiate the GCA, which could result in the Company's proposed development and operations being uneconomical, or otherwise have a material financial impact on the Company in the event payments under the GCA resume or continue.

(e) **Regulatory risks**

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

(f) **Financial assurance bond**

Legislation in Queensland provides that the holders of an environmental authority may be required to provide to the Department of Environment and Heritage Protection (**Department**) financial assurance (as security) for compliance with the environmental authority. As already disclosed, the present financial assurance provided to the Department for the Century Project is \$193.7 million, and section 12 of the Solicitor's Report at Section 8 of this Prospectus further provides the Department's methodology for that amount as follows:

- (i) the total cost of rehabilitation (based on the plan of operations submitted by MMG and applicable from October 2016 to 31 December 2018) is \$239,352,000; and
- (ii) a 20% discount was applied as certain criteria were met, but that discount only applies to 31 December 2018 after which time the amount of financial assurance will revert to its undiscounted value.

In April 2014, the Queensland Audit Office prepared a report on Environmental regulation of the resources and waste industries, which identified significant problems with the State's supervision, monitoring and enforcement of environmental conditions, and reported that the financial assurance held by the State has historically been insufficient. As a result of this report, there was increased effort by the Department to address inadequacies with the amount of financial assurance held by the State.

As part of the Company's plans to develop the Century Tailings Deposit, the Company will be required to submit new plans of operations with the Department for approval. These plans of operations are valid for up to 5

years but the Company's intention is to update the Century Project's every 2-3 years depending on the Project's progress and nature of the works proposed. Each time a new plan of operations is received the Department will then make a new decision on the amount of financial assurance required for the Century Project. The Department may also, at any time, change the amount of financial assurance by notice to an environmental authority holder.

Despite the Company's strategy for the development of the Century Tailings Deposit being environmentally positive, with reprocessed tailings planned to be deposited back into the original open pit, there is a risk the Department may increase the amount of financial assurance. If such an increase were material, the Company would be required to raise additional capital or find alternative sources of financing on terms that are dilutive or may involve restrictive covenants which limit the Company's operations and business strategy. Refer to 'Future capital requirements' in Section 4.2(a) for further details.

(g) Environmental risks

The Company's projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

In particular, the Company has identified potential issues with the stability of the main pit void of the now closed Century Project zinc mine, with the potential risk of pit wall failure. Any failure of the pit wall may have adverse financial implications for the Company due to remedial work and other associated costs (but only to the extent those costs exceed the allocated funding to be received from MMG for these remedial works). The Company notes that under the Funding Deed, support funds provided by MMG Australia may be used for costs associated with the construction of a permanent waste rock buttress at the foot of the pit wall. A designed and costed suitable stability mechanism for the pit wall has been prepared, with such works estimated to be \$1,070,000.

The Company confirms the environmental non-compliance issues raised in sections 9.5(1) and (2) of the Solicitor's Report in Section 8 of the Prospectus are not material, with anticipated costs to resolve those matters estimated to be less than \$250,000, such funds falling within the permitted use under the Funding Deed.

(h) Joint venture parties, agents and contractors

Pursuant to the Acquisition Agreement, the Company will enter into a joint venture with Century Bull regarding the Century Project. The Directors are unable to predict the risk of financial failure or default by a participant in

any joint venture to which the Company is or may become a party. Further, the Company is unable to predict the risk of insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's activities.

(i) Exploration, development, mining and processing risks

The tailings deposit of the Century Project is at the pre-development stage, with the Company planning to undertake a feasibility study into the reprocessing of the existing tailings storage facility at the Century Project. The prospects of the Company should be considered in light of the risks, expenses and difficulties frequently encountered by companies at this stage of development.

The business of mineral exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable deposits;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of mineral exploration, development and production;
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants; and
- (vii) limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, tribal and traditional ownership processes, changing government regulations and many other factors beyond the control of the Company.

There can be no assurance that the Century Project will be brought into commercial production. There can be no assurance that any additional exploration of the tenements to be held by the Company will result in the discovery of an economic mineral deposit. Even if a mineral deposit is identified, there is no certainty that it can be economically exploited. If exploration is successful, there will be additional costs and processes involved in transitioning to the development phase.

In the event that exploration development and exploration programs prove to be unsuccessful, this could lead to a diminution in the value of the licences, a reduction in the base reserves of the Company and possible relinquishment of the licences.

Each tenement licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in these tenements if licence conditions are not met or insufficient funds are available to meet expenditure commitments.

(j) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit, such as areas of increased oxidation, can result in inconsistent metal recovery, affecting the economic viability of the project.

As noted in the Independent Geologist's Report at Section 7 the major risk to the proposed retreatment of tailings at the Century Project is a lack of understanding of the oxidation state of the zinc within the tailings.

Although the Company has a reasonable level of understanding of the degree of non-sulphide zinc in the indicated portion of the Tailings Deposit indicating the risk of significant oxidation to be low and manageable, there is no guarantee that existing test work which was focussed on the indicated portion of the Century Tailings Deposit mineral resource (referred to in Section 3.4(c)(i)) will apply the whole deposit.

The Company plans to undertake further test work as part of the proposed feasibility study on the Century Tailings Deposit in order to determine the level of oxidation and most appropriate extraction method (see Section 3.4(g)(ii)).

(k) Commodity price volatility and exchange rate risk

The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of zinc, lead, silver and phosphate. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any off-take agreements that the Company enters into.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for zinc, lead, silver and phosphate that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Metals are principally sold throughout the world in US dollars. The Company's cost

base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

(l) Estimation of Mineral Resources and Ore Reserves

There is a degree of uncertainty to the estimation of Mineral Resources and Ore Reserves and corresponding grades being mined or dedicated to future production. Until Mineral Resources or Ore Reserves are actually mined and processed, the quantity of Mineral Resources and Ore Reserves must be considered as estimates only. In addition, the grade of Mineral Resources and Ore Reserves may vary depending on, among other things, zinc, lead, silver and phosphate prices. Any material change in quantity and grades of Mineral Resources, Ore Reserves, or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Fluctuation in the price of commodities including zinc, results of drilling, metallurgical testing and the evaluation of mine plans subsequent to the date of any mineral resource estimate may require revision of such estimate. Any material reductions in estimates of Mineral Resources and/or Ore Reserves, could have a material adverse effect on the Company's financial condition.

(m) Competition risk

The markets for the commodities mined or contemplated to be mined by the Company, including zinc, are intensely competitive and the Company faces competition from other miners. Competition in these markets is based on many factors, including, among others, price, production, capacity, quality, transportation capabilities and costs, blending capability and brand name. Some of the Company's competitors may have greater production capacity as well as greater financial, marketing, distribution and other resources, and may benefit from more established brand names in the international market.

The mineral commodities industry is also characterised by technological advancements and the introduction of new production process using new technologies. Some of the Company's competitors may develop new technologies and processing methods that are more effective or less costly than those currently used or intended to be used by the Company.

Competitive activities in the markets served by the Company could have a significant impact on the prices realised for its products and can therefore have a material adverse effect on its results of operations and financial condition. The Company's future success will depend on its ability to respond in an effective and timely manner to competitive pressure.

(n) Occupational health and safety risk

Mining activities have inherent risks and hazards. The Company is committed to providing a safe and healthy workplace and environment for its personnel, contractors and visitors. The Company will provide appropriate instructions,

equipment, preventative measures, first aid information, medical facilities and training to all stakeholders through its occupational health and safety management systems. While the Company has a strong record in achieving high quality safety performance at its sites, a serious site safety incident may expose the Company to significant penalties and the Company may be liable for compensation to the injured personnel. These liabilities may not be covered by the Company's insurance policies or, if they are covered, may exceed the Company's policy limits or be subject to significant deductibles. Also, any claim under the Company's insurance policies could increase the Company's future costs of insurance. Accordingly, any liabilities for workplace accidents could have a material adverse impact on the Company's liquidity and financial results.

It is not possible to anticipate the effect on the Company's business from any changes to workplace occupational health and safety legislation. Changes to this legislation may have an adverse impact on the financial performance and/or financial position of the Company.

(o) Uninsurable risks

The Company's business is subject to a number of risks and hazards generally, including without limitation, adverse environmental conditions, industrial accidents, labour disputes, civil unrest and political instability, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development, monetary losses and possible legal liability.

The Company will maintain insurance coverage that is substantially consistent with mining industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at economically viable premiums (if at all) or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.

(p) Conflicts of interest

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development. These engagements are summarised in Section 10.3(d). Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company in first instance. Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.

4.3 General risks

(a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential

research and development programmes, as well as on their ability to fund those activities.

(b) Force majeure

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

(c) Insurance risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, such insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company effected.

(d) Litigation risks

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

Other than as disclosed in this Prospectus, the Company and CMRP are not currently engaged in any litigation.

(e) Government and legal risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(f) Market conditions

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

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

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to security holders arising from the transactions the subject of this Prospectus or otherwise.

4.4 Speculative investment

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

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

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

5. Financial Information

5.1 Introduction

The pro forma historical financial information included in this Prospectus is provided for illustrative purposes and, with the exception of the matters noted in pro forma adjustments, has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards. The pro forma historical financial information is presented in an abbreviated form and does not include all of the disclosures, statements and comparative information required by the Australian Accounting Standards as they are applicable to annual financial reports prepared in accordance with the Corporations Act.

Due to the nature of pro forma information, the pro forma historical financial information is not represented as being indicative of the future financial position.

5.2 Forecast financial information

The Directors have given careful consideration as to whether or not a reasonable basis exists to prepare reliable and meaningful forecast financial information other than the information set out in this Prospectus. The Board of the Company concluded that a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable to be of value to the shareholders.

5.3 Historical and pro forma historical financial information

The pro forma Historical Financial Information set out in this Section has been prepared from the following sources:

- (a) for the Company, figures derived from the reviewed consolidated statement of financial position as at 31 December 2016. The Independent Auditor's Review Report provided by Bentleys with respect to the Interim Half-year financial report of the Company was dated 14 March 2017 and included an emphasis of matter with respect to going concern;
- (b) for CMRP, figures derived from the unaudited management accounts as at 28 February 2017, which is the date CMRP acquired the Century Project. CMRP was incorporated in September 2016 and did not undertake any activities for the period from incorporation to 31 December 2016; and
- (c) other supplementary information as was considered necessary to reflect the pro forma adjustments.

The Directors have given careful consideration as to what information would be relevant to potential new investors and whether the pro forma historical financial information should include a Statement of Financial Performance and a Cash Flow Statement. As part of their deliberation the Directors have considered several key factors:

- (a) the Company's main activity is mineral exploration and development, with currently no significant revenue streams;
- (b) the Directors have concluded that the acquisition of CMRP meets the definition of an asset acquisition and not a business acquisition;

- (c) the mining operations at the Century Project ceased in August 2015, with final processing completed early in 2016. At that time, the operations were placed on care and maintenance by MMG (the project's former owner), and substantial money has been spent on rehabilitation. During the year ended 31 December 2015, MMG fully impaired all assets associated with the project and there was no expected future economic benefit associated with the project as it was seen as at the end of its life (given ore reserves had been exhausted); and
- (d) the Century Project, in the hands of the CMRP, is at the pre-development stage, with the Company planning to undertake a feasibility study into the economic viability of reprocessing the Century Tailings Deposit. As a result the future prospects of the project are unknown as at the date of this Prospectus.

On the balance of these facts, the Directors have concluded that the preparation of a Statement of Financial Performance and a Cash Flow Statement financial information relating to the historical mining information would not be relevant to potential new investors. Accordingly, a pro forma Statement of Financial Performance and a Cash Flow Statement have not been included.

The Directors are responsible for the preparation and presentation of the unaudited pro forma historical financial information.

The unaudited pro forma historical financial information in this Section should also be read in conjunction with the risks set out in Section 4, the other information included in this Prospectus and also the accounting policies of the Company as disclosed in its most recent annual financial report for the year ended 30 June 2016.

Deloitte Corporate Finance Pty Limited has prepared the Investigating Accountant's Report in relation to the unaudited pro forma historical financial information which has been included in Section 6. Investors should consider the comments made in relation to the scope and limitations of that report.

The unaudited pro forma historical financial information has been compiled to provide investors with an illustrative historical statement of financial position of the Company as if the proposed transactions were implemented at 31 December 2016.

The unaudited pro forma historical financial information is not intended to reflect the financial position that would have actually resulted had the proposed transactions been completed on the dates indicated, or the results that may be obtained in the future.

Due to the nature of pro forma information, it may not give a true picture of the Company's historical financial position. The Company's unaudited pro forma historical financial information is not represented as being indicative of the Company's view on its future financial performance or future financial position.

The Company consolidated statement of financial position has been adjusted for the proposed transactions being:

- (a) the acquisition of 70% of CMRP, the consideration for which is the proposed issue of 30,000,000 Consideration Options to Century Bull; and
- (b) the issue of 34,333,333 Shares at an issue price of \$0.15 each to raise \$5,150,000 (before associated costs of \$320,000) pursuant to the Public Offer under this Prospectus,

and other significant associated transactions described in this Prospectus including:

- (c) conversion of the Convertible Notes to 71,538,905 Shares;
- (d) the issue of 52,500,000 Options to Directors and employees of the Company;
and
- (e) the payment of outstanding legal fees to a related party.

The unaudited pro forma consolidated statement of financial position is to be read in conjunction with the below notes.

Pro forma consolidated statement of financial position

	Notes	Company 31/12/16 \$AUD	Acquisition of CMRP \$AUD	Other adjustments \$AUD	PRO FORMA \$AUD
Current Assets					
Cash and cash equivalents	3	605,314	-	4,665,000	5,270,314
Trade and other receivables		106,448	-	-	106,448
Current financial assets	4	-	11,323,727	-	11,323,727
Other current assets		15,602	674,075	-	689,677
Total Current Assets		727,364	11,997,801	4,665,000	17,390,166
Non-Current Assets					
Non-current financial assets	4	1,039,442	21,189,341	-	22,228,783
Property, plant and equipment		14,691,232	1,800,000	-	16,491,232
Deferred exploration, evaluation and development expenditure		3,311,983	-	-	3,311,983
Deferred income tax assets		-	-	-	-
Intangible assets		3,395	-	-	3,395
Total Non-Current Assets		19,046,052	22,989,341	-	42,035,393
TOTAL ASSETS		19,773,416	34,987,143	4,665,000	59,425,559
Current Liabilities					
Trade and other payables		364,535	218,818	(165,000)	418,353
Current Provisions - employee		-	269,344	-	269,344
Current Provisions - rehab		-	-	-	-
Current borrowings	5	17,381,263	-	(17,381,263)	-
Total Current Liabilities		17,745,798	488,162	(17,546,263)	687,697
Non-Current Liabilities					
Non-current payables		857,718	-	-	857,718
Non-current borrowings		-	-	-	-
Non-current provisions	6	786,135	120,041,592	-	120,827,727
Total Current Liabilities		1,643,853	120,041,592	-	121,685,445
TOTAL LIABILITIES		19,389,651	120,529,754	(17,546,263)	122,373,142
NET ASSETS (LIABILITIES)		383,765	(85,542,611)	22,211,263	(62,947,583)
Equity					
Issued capital	7	26,715,502	-	19,420,629	46,136,131
Reserves	8	7,699,272	2,487,300	2,656,485	12,843,057
Accumulated losses	9	(34,031,009)	(88,029,911)	134,149	(121,926,771)
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		383,765	(85,542,611)	22,211,263	(62,947,583)
Non-controlling interest	10	-	-	-	-
TOTAL EQUITY		383,765	(85,542,611)	22,211,263	(62,947,583)

5.4 Notes to the unaudited pro forma consolidated statement of financial position

(a) Note 1 - Summary of Significant Accounting Policies

The significant accounting policies which have been adopted in the preparation of the historical and pro forma historical financial information are set out below.

(i) Reporting framework

The historical and pro forma historical financial information has been prepared in accordance with the recognition and measurement requirements, but not all the disclosure requirements, specified by all the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 as applicable.

The historical and pro forma historical financial information has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by Australian Accounting Standards. The historical and pro forma historical financial information is presented in Australian dollars.

(ii) Going Concern

The historical and pro forma historical financial information has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The pro forma historical financial position of the Merged Group reflects a working capital balance of \$16,702,469 after the conversion of the convertible notes to equity and the funds raised by the Prospectus. Accordingly, the Directors consider the adoption of the going concern basis is reasonable.

(iii) Presentation Currency

The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

(iv) Borrowings

The component of convertible notes that exhibits characteristics of a borrowing is recognised as a liability in the Statement of Financial Position, net of transaction costs. On issue of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds is allocated to the equity component and is recognised in equity. The carrying amount of the equity component is not remeasured in subsequent years.

Upon conversion of the notes to equity in accordance with the terms of the instrument the liability is derecognised and equity is recognised and any gain or loss arising on the derecognition is taken to Accumulated Losses in the pro forma consolidated statement of financial position.

(v) **Exploration and Evaluation Expenditure**

For each area of interest, expenditure incurred in the exploration for, and evaluation of, mineral resources are either expensed as incurred or capitalised and recognised as an exploration and evaluation asset.

Exploration, evaluation and development expenditure capitalised, including an option to enter a mining lease, are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

(vi) **Property, plant and equipment, including Mine infrastructure assets**

Property, plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Merged Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item

will flow to the Merged Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

(vii) **Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Merged Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Buildings	25 years
Furniture, fittings and equipment	3-8 years

Land is not depreciated. Mine site buildings, mining plant and other mine infrastructure are depreciated on a units of production basis over expected useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(viii) **Provisions**

Provisions are recognised when the Merged Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions have been recognised for the costs to be incurred for the restoration of the mining site at Kodiak Coking Coal Project, Alabama, and the mining site and associated infrastructure for the Century Project assumed by the Company as a result of the proposed transactions.

Provisions are measured using the best estimate of the amounts required to settle the obligation in the future and are discounted to a net present value at the end of the reporting period. The discount unwound over the life of the liability is recognised as a finance expense in the profit and loss. The rehabilitation liability will be progressively extinguished as the rehabilitation work is completed.

(ix) **Share based payments**

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of a Black-Scholes model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

(x) **Financial assets**

The Merged Group recognises financial assets and financial liabilities on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Merged Group becomes a party to the contractual provisions of the instrument.

Financial instruments are subsequently valued at fair value, amortised cost using the effective interest method, or cost.

The financial assets to be acquired by the Merged Group with the proposed transactions are considered to be Loans and Receivables and are carried at amortised cost using the effective interest rate method as detailed in Note 4 below.

(b) **Note 2 - Significant Accounting Judgements**

(i) **Impairment**

The Merged Group assesses each asset or cash generating unit (CGU) at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, operating costs, future capital requirements, exploration potential, resources and reserves and operating performance. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

(ii) **Share-based payment transactions**

The Merged Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. All share options proposed to be issued have been valued based on the parameters detailed in Note 8 below.

(iii) **Rehabilitation Provision**

The determination of a mine rehabilitation plan and cost estimate requires considerable judgment and experience and is based on assumptions of specific rehabilitation techniques, process and the likely costs of remediation.

The estimated total rehabilitation costs, in today's dollars, associated with the Century Mining Assets of \$193,731,600 have been inflated using an expected inflation rate of 2% and then discounted at a rate of 7% p.a. up to the date when the Merged Group will be required to complete the rehabilitation work by 31 December 2026, resulting in a net present value liability of

\$120,041,592 being recognised in the pro forma consolidated statement of financial position.

The discount rate selected is based on the high quality corporate bond rate adjusted for a risk premium.

The discount rate will unwind on an annual basis and be recognised as a finance cost in the profit and loss. The rehabilitation liability will be progressively extinguished as the rehabilitation work is completed.

(iv) **Acquisition of Century Project by CMRP**

A critical step in determining the appropriate accounting approach to be followed for an acquisition transaction is to determine whether the acquisition is of a business (and therefore within the scope of AASB 3 Business Combinations), or is of an asset or group of assets that do not constitute a business and is therefore outside the scope of AASB 3.

The accounting treatment of the acquisition is significantly different under both scenarios, particularly around the recognition of goodwill or bargain purchase gains, treatment of acquisition costs, recognition of deferred tax balances, recognition of contingent consideration and the initial measurements of the assets and liabilities.

In forming a view the Directors have considered whether an entity with inputs and processes has been acquired and have formed a view that the transaction is an asset acquisition.

Given the fact that the Century Project is at the pre-development stage, with the Company planning to undertake a feasibility study into its economic viability, the Directors have determined that expenditure incurred on the Project should be classified as exploration and evaluation expenditure.

The Directors have also considered the recoverability of the costs and have determined that they do not meet the capitalisation recognition criteria of the Company's accounting policy on exploration and evaluation expenditure and such costs have therefore been written off and recognised in accumulated losses in the pro forma statement of financial position.

(c) **Note 3 - Cash and Cash Equivalents**

	Pro forma adjustment \$	Pro forma after Public Offer \$
Cash and cash equivalents		5,270,314
Balance at 31/12/16		605,314
<i>Pro forma adjustments:</i>		
Proceeds from shares issued under the Public Offer	(b)	5,150,000

	Pro forma adjustment \$	Pro forma after Public Offer \$
Costs of the Public Offer & Acquisition costs	(b)	(320,000)
Payment of outstanding legal fees to related party	(e)	(165,000)
Pro forma balance		5,270,314

(d) **Note 4 - Financial Assets**

The \$34,500,000 receivable under the Funding Deed (refer Section 10.2(e) of the Prospectus) has been valued at \$32,513,068 based on the net present value of expected cash flows at a discount rate of 4.80% pa based on the expected cost of funds for the counterparty.

The receivable has been classified between the current portion of \$11,323,727 and the non-current portion of \$21,189,341 based on expected timing of cash flows.

	Pro forma adjustment \$	Pro forma after Public Offer \$
Current financial assets		11,323,727
Balance at 31/12/16		-
<i>Pro forma adjustments:</i>		
Consolidation of CMRP at 28 February 2017	(a)	11,323,727
Pro forma balance		11,323,727
Non-current financial assets		22,228,783
Balance at 31/12/16		1,039,442
<i>Pro forma adjustments:</i>		
Consolidation of CMRP at 28 February 2017	(a)	21,189,341
Pro forma balance		22,228,783

(e) **Note 5 - Current Borrowings**

	Pro forma adjustment \$	Pro forma after Public Offer \$
Balance at 31/12/16		17,381,263
<i>Pro forma adjustments:</i>		
Conversion of Convertible Notes by all note holders	(c)	(17,381,263)
Pro forma balance		-

The convertible notes had a book value of \$17,381,263 at 31 December 2016 consisting of face values of \$14,307,781 and accrued interest of \$3,073,482. This accrued interest was calculated based on the assumption that a 30% redemption premium would be payable on the redemption of the notes by the Company. As all noteholders have now agreed to convert their notes into shares and have agreed to forgive the redemption premium, accordingly this portion has been reversed.

Consequently, the \$14,307,781 face value of these Convertible Notes is recognised as a pro forma adjustment to Issued Capital and the \$3,073,402 of accrued interest is recognised as a pro forma adjustment to accumulated losses.

(f) **Note 6 - Non-Current Provisions**

	Pro forma adjustment \$	Pro forma after Public Offer \$
Balance at 31/12/16		786,135
<i>Pro forma adjustments:</i>		
Consolidation of CMRP at 28 February 2017	(a)	120,041,592
Pro forma balance		120,827,727

The estimated total rehabilitation costs, in today's dollars, associated with the Century Mining Assets of \$193,731,600 have been inflated using an expected inflation rate of 2% and then discounted at a rate of 7% p.a. up to the date when the Merged Group will be required to complete the rehabilitation work by 31 December 2026, resulting in a net present value liability fair value of \$120,041,592 being recognised in the statement of financial position.

The discount rate selected is based on the high quality corporate bond rate adjusted for a risk premium.

The discount rate will unwind on an annual basis and be recognised as a finance cost in the profit and loss. The rehabilitation liability will be progressively extinguished as the rehabilitation work is completed.

(g) **Note 7 - Issued Capital**

	Pro forma adjustment \$	Pro forma after Public Offer \$
Issued Capital		46,136,131
Balance at 31/12/16		26,715,502
<i>Pro forma adjustments:</i>		
Proceeds from Shares issued under the Public Offer	(b)	5,150,000
Costs of the Public Offer	(b)	(37,152)
71,538,905 Shares issued to Convertible Noteholders at a conversion price of \$0.20	(c)	14,307,781
		14,307,781

	Pro forma adjustment \$	Pro forma after Public Offer \$
per Share		
Pro forma balance		46,136,131

The total estimated costs of the Public Offer and Prospectus preparation of \$320,000 have only been classified as capital raising costs in proportion to the number of shares to be issued under the prospectus. This is because the second purpose of the Prospectus for re-compliance with Chapters 1 and 2 of the Listing Rules is not grounds for recognition as capital raising costs under Australian Accounting Standards.

The remaining \$282,848 has been expensed and recognised in accumulated losses.

(h) **Note 8 - Reserves**

	Pro forma adjustment \$	Pro forma after Public Offer \$
Balance at 31/12/16		7,699,272
<i>Pro forma adjustments:</i>		
Recognition of value of Consideration Options	(a)	2,487,300
Recognition of value of Director Options	(d)	2,024,910
Recognition of value of Employee Options	(d)	631,575
Pro forma balance		12,843,057

The Director and Employee options do not have any attaching vesting conditions.

Note 8 - Reserves (Continued)

Consideration, Director and Employee Options have been valued using the Black-Scholes options pricing model with the below parameters.

Assumptions	5 year Options with an exercise price of \$0.25	3 year Options with an exercise price of \$0.25	3 year Options with an exercise price of \$0.50	4 year Options with an exercise price of \$0.25	4 year Options with an exercise price of \$0.50	4 year Options with an exercise price of \$0.75	4 year Options with an exercise price of \$1.00	TOTAL (\$)
Valuation date	23/3/17	23/3/17	23/3/17	23/3/17	23/3/17	23/3/17	23/3/17	-
Market price of Shares	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	-
Exercise price	\$0.25	\$0.25	\$0.50	\$0.25	\$0.50	\$0.75	\$1.00	-
Expiry date	23 March 2022	23 March 2020	23 March 2020	23 March 2021	23 March 2021	23 March 2021	23 March 2021	-
Risk free interest rate	2.25%	1.94%	1.94%	2.13%	2.13%	2.13%	2.13%	-
Volatility	80%	80%	80%	80%	80%	80%	80%	-
Indicative value per Option (\$)	0.08291	0.06015	0.03671	0.07265	0.05033	0.03850	0.03102	-
Value of Consideration Options (\$)	2,487,300	-	-	-	-	-	-	2,487,300
Value of Options issued to: (\$)								
- Mr Kumova	-	-	-	544,875	377,475	288,750	232,650	1,443,750
- Mr Eadie	-	150,375	91,775	-	-	-	-	242,150
- Mr Hardcastle	-	120,300	73,420	-	-	-	-	193,720
- Ms Malone	-	90,225	55,065	-	-	-	-	145,290
Employees	-	631,575	-	-	-	-	-	631,575
Total value of Options to be issued (\$)	2,487,300	360,900	220,260	544,875	377,475	288,750	232,650	5,143,785

(i) **Note 9 - Accumulated Losses**

	Pro forma adjustment \$	Pro forma after Public Offer \$
Accumulated losses		(121,926,771)
Balance at 31/12/16		(34,031,009)
<i>Pro forma adjustments:</i>		
Exploration and evaluation expenditure which does not meet the capitalisation criteria	(a)	(88,029,911)
Costs of the Public Offer recognised as capital raising costs (see Note 6)	(b)	(282,848)
Expensing cost of Director Options that vest immediately (see Note 7)	(d)	(2,024,910)
Expensing cost of Employee Options that vest immediately (see Note 7)	(d)	(631,575)
Gain on conversion of Convertible Notes (see Note 5)	(c)	3,073,482
Pro forma balance		<u>(121,926,771)</u>

The directors have determined that the exploration and evaluation expenditure arising from the transactions does not meet the capitalisation recognition criteria of the Company's accounting policy for exploration and evaluation expenditure and has therefore been expensed.

(j) **Note 10 - Non-Controlling Interest**

Under the Acquisition, the Company has agreed to sole fund the project for at least \$10,000,000 of exploration and development expenditure over the first 3 years, with Century Bull free carried during this period (**Funding Obligation**).

Upon satisfaction of the Funding Obligation, the Company has 6 months to exercise a Call Option for acquisition of the 30% free carried interest for a purchase price based on a simple mechanism representing 30% of the fully diluted enterprise value of the Company, payable in cash or shares at the Company's election.

No amount is recognised in the pro forma adjustments for the 30% initially free carried interest of Century Bull in CMRP as the amount is not material.

(k) **Note 11 - Commitments and Contingencies**

At the date of the pro forma financial information no material commitments or contingent liabilities in addition to those disclosed in the Company's 30 June 2016 Annual Report and its 31 December 2016 Interim Financial Report exist, other than as follows:

- (i) a 2% net smelter royalty is to be payable to Century Bull;

- (ii) under the Guarantee and Security arrangements, the Company is to guarantee payment of any additional liability that may arise or be called from the reclamation bonds funded by MMG Australia, such as liabilities that may arise from future development of mineral exploration interests acquired;
- (iii) payment obligations required under agreements with native title holders in excess of the \$12,100,000 contributed by MMG Management to the Gulf Communities Interim Support Fund may arise if there is new mining activity;
- (iv) with the Acquisition, the Company agrees to sole fund the project for at least \$10,000,000 of exploration and development expenditure over the first 3 years, with Century Bull free carried during this period; and
- (v) under the Bank Guarantee Support Agreement, the Company is required to pay an annual 1.35% management fee on the outstanding balance of bank guarantees and other outstanding amounts. This fee will be partially paid through the payment, on an annual basis, of an amount equal to 40% of the aggregate earnings before interest, tax, depreciation and amortisation (**EBITDA**) of CML and related entities. On termination date, being 31 December 2026, the Company must assume or discharge all uncalled amounts of supported bank guarantees (refer Section 10.2(f) of the Prospectus for details). Given it is not possible to estimate the amount of the bank guarantees and the EBITDA of CML and related entities for future periods, it is not possible to measure and recognise a liability in the pro forma statement of financial position, and therefore the liability can only be disclosed as a contingent liability until such time as its value can be determined.

6. Investigating Accountant's Report

The Directors
Attila Resources Limited
513 Hay Street
SUBIACO WA 6008

23 May 2017

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT

Introduction

This report has been prepared at the request of the Directors of Attila Resources Limited (the Company) for inclusion in a Prospectus to be issued by the Company in respect of the offer of 34,333,333 Shares in the Company at \$0.15 each and the offer of 30,000,000 Options to Century Bull Pty Ltd (or its nominees) for the acquisition of an initial 70% interest of the shares of Century Mine Rehabilitation Project Pty Ltd (CMRP) (together, the Offer).

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services Licence (AFSL) under the Corporations Act 2001.

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary of the Prospectus.

Scope

Historical Financial Information and Pro Forma Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Company to review the pro forma consolidated Statement of Financial Position as at 31 December 2016, including the pro forma adjustments and the assumptions on which they are based as set out in Section 5 of the Prospectus (together the Historical Financial Information).

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

The Historical Financial Information has been extracted from the financial report of the Company for the six months ended 31 December 2016, which was reviewed by Bentleys Audit & Corporate (WA) Pty Ltd in accordance with the Australian Auditing Standards. Bentleys Audit & Corporate (WA) Pty Ltd issued an unmodified report dated 14 March 2017 containing an emphasis of matter drawing attention to a material uncertainty related to the ability of the Company to continue as a going concern.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information, after adjusting for the effects of pro forma adjustments described in section 5 of the Prospectus.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.



The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 5 of the Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the Historical Financial Information.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

Directors' Responsibility

The Directors are responsible for the preparation and presentation of the Historical Financial Information and the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information; and the information contained within the Prospectus.

This responsibility includes the responsibility for such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information and the Pro Forma Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagement (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in 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 review report on any financial information used as a source of the Historical or Pro Forma Historical Financial Information.

The procedures we performed were based on our professional judgement and considered reasonable in the circumstances:

Historical Financial Information

- a review of the extraction of Historical Financial Information from the reviewed financial statements of the Company for the period ended 31 December 2016;
- a consistency check of the application of the stated basis of preparation, as described in the Prospectus, to the Historical Financial Information;
- a review of the Company's work papers, accounting records and other documents; and
- enquiry of Directors, management and others in relation to the Historical Financial Information.

Pro Forma Historical Financial Information

- consideration of the appropriateness of Pro forma Adjustments described in Section 5 of the Prospectus;
- enquiry of Directors, management, personnel and advisors;
- the performance of analytical procedures applied to the Pro Forma Historical Financial Information;

Deloitte.

- a review of work papers, accounting records and other documents of Company and its auditors; and
- a review of the accounting policies adopted and used by the Company over the period for consistency of application.

Conclusions

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in Section 5 of the Prospectus and comprising the pro forma Statement of Financial Position as at 31 December 2016 is not presented fairly, in all material respects, in accordance with the stated basis of preparation as set out in Section 5 of the Prospectus.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 5 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Subsequent Events

Subsequent to 31 December 2016 and up to the date of this report, nothing has come to our attention that would cause us to believe material transactions or events outside the ordinary course of business of the Company have occurred, other than the matters dealt with in this report or the Prospectus, which would require comment on, or adjustment to, the information contained in this report, or which would cause such information to be misleading.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Financial Services Guide

Refer attached

Yours faithfully,



Leanne Karamfiles

Authorised Representative
Deloitte Corporate Finance Pty Ltd

Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide (FSG) provides important information to assist you in deciding whether to use our services. This FSG includes details of how we are remunerated and deal with complaints.

Where you have engaged us, we act on your behalf when providing financial services. Where you have not engaged us, we act on behalf of our client when providing these financial services, and are required to give you an FSG because you have received a report or other financial services from us. The person who provides the advice is an Authorised Representative (AR) of Deloitte Corporate Finance Pty Limited (DCF), which authorises the AR to distribute this FSG. Their AR number is included in the report which accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

Our general financial product advice

Where we have issued a report, our report contains only general advice. This advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is provided to you in connection with the acquisition of a financial product you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we and all employees remunerated?

Our fees are usually determined on a fixed fee or time cost basis and may include reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Other than our fees, we, our directors and officers, any related bodies corporate, affiliates or associates and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary and while eligible for annual salary increases and bonuses based on overall performance they do not receive any commissions or other benefits as a result of the services provided to you. The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

We are ultimately controlled by the Deloitte member firm in Australia (Deloitte Touche Tohmatsu). Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu. We and other entities related to Deloitte Touche Tohmatsu:

- do not have any formal associations or relationships with any entities that are issuers of financial products
- may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

If you have any concerns regarding our report or service, please contact us. Our complaint handling process is designed to respond to your concerns promptly and equitably. All complaints must be in writing to the address below.

If you are not satisfied with how we respond to your complaint, you may contact the Financial Ombudsman Service (FOS). FOS provides free advice and assistance to consumers to help them resolve complaints relating to the financial services industry. FOS' contact details are also set out below.

The Complaints Officer	Financial Ombudsman Service
PO Box N250	GPO Box 3
Grosvenor Place	Melbourne VIC 3001
Sydney NSW 1220	info@fos.org.au
complaints@deloitte.com.au	www.fos.org.au
Fax: +61 2 9255 8434	Tel: 1800 367 287
	Fax: +61 3 9613 6399

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services provided by us. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

7. Independent Geologist's Report



Independent Geologist Report
Century Project
June 2017

Attila Resources Limited

Independent Geologist Report for the Century Project, North
Queensland, Australia

Siecap Pty Ltd (“Siecap”)

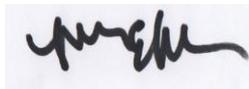
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20 June 2017

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Key Abbreviations

\$ or AUD	Australian Dollar
Attila or Client	Attila Resources Ltd
AMSL	Above Mean Sea Level
AS	Australian Standards
Astrobleme	an eroded remnant of a large crater made by the impact of a meteorite or comet.
ASR	Average stripping ratio
AusIMM	Australasian Institute of Mining and Metallurgy
Devolatilisation	the removal of volatile material
gm	Gram
h	Hour
ha	Hectare(s)
JORC	2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia
k	Thousand
kg	Kilogram
km	Kilometres(s)
km ²	Square kilometre(s)
kt	kilo tonne (one thousand tonne)
L	Litre
lcm	loose cubic metre
LOM	Life of Mine
lcm	lcm loose cubic metre
M	Million
MMG	MMG Limited
m	Meter
m RL	metres reduced level
m ³	cubic metre
m/s	metres per second
Mt	Millions of tonnes
Mineral Resource	A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, quality, and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, quality, continuity and other geological characteristics of a Coal Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Mtpa	Millions of tonnes per annum

Ore
Reserve

A 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Coal Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

The reference point at which Reserves are defined, usually the point where the Ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

RD

Relative density

ROM

Run of Mine

Siecap

Siecap Pty Ltd.

SR

Strip ratio (of waste to ore) expressed as tonnes per tonne

t

Tonne

tpa

Tonnes per annum

Executive Summary

On 1 March 2017, Attila Resources Ltd (“Attila” or “Company”) announced it had entered into binding agreements (“Acquisition Agreement”) with Century Bull Pty Ltd (“Century Bull”) and Century Mine Rehabilitation Project Pty Ltd (“CMRP”) for the acquisition of an initial interest of 70% of the issued share capital of CMRP, the owner of the Century Zinc Project (“Century”) in North Queensland, and all associated infrastructure in far north Queensland (“Acquisition”). Century Bull recently acquired Century from MMG Limited (“MMG”).

Siecap Pty Ltd (“Siecap”) was commissioned by Attila to prepare an Independent Geologists Report (“IGR” or “Report”) on the Century Project (“the Project”). The Project consists of 3 mining and exploration leases and are held 100% by CMRP.

Century Project

The Century Project is located at Lawn Hill, 250 kilometres north-west of Mount Isa in the lower Gulf of Carpentaria in Queensland, Australia.

The Project hosts the Century Zinc Mine, which was one of the largest lead-zinc mining operations in the world. Mining commenced operations in 1991 through until 2015. With a pre-mining, Mineral Resource of over 100 Mt at greater than 10% lead plus zinc the Century mine was a world class operation. The Century deposit was remarkable but a relatively short mine life (16 years) for a mine of its size mainly due to fault bounded geology.

At the Century Mine site, the processed ore was transferred in slurry form via a 304 kilometre underground pipeline to the port facility located at Karumba. From there, the concentrate was shipped to the various smelters located in Australia, Asia and Europe. Since the mine opened in 1990, the operators, aware of the finite mine life, searched for additional ‘Century style’ mineralisation outside to the known orebody to extend the mine life, however none was found. Counter to this, Century sits within an historical mineral field called the Burketown mineral field, which has a large number of small tonnage, discreet ‘vein’ style occurrences of base metal and silver mineralisation many of which were discovered and worked in the late 19th Century.

The Century Mine is located at the center of a 20-km diameter cluster of small, discordant quartz-siderite-galena-sphalerite veins. The vein-breccia lodes either lie adjacent to the Termite Range fault or are hosted within northeast-southwest trending splays and faults that have tapped the Termite Range fault at some point in history. The lodes form distinct ridges and outcrops opposing the recessive siltstone and shale members throughout the mineral field, with 47 occurrences recorded. Many have shafts, pits or small historic workings to mark their locations.

The largest of vein-breccia occurrences is the Silver King deposit, followed by other deposits including Watson’s Lode prospect. There are some areas within the existing mine pit which are interpreted to have potential for base metals mineralisation.

Potential for treatment of Tailings at Tailing Storage Facility

The closure plan for the Century Mine contains a large budget (\$121M AUD) allocation for the current tailings storage facility in the Century open cut mine void and the opportunity exists to retreat the tailings at the current concentrator. In 2013, MMG engaged Optiro Pty Ltd (“Optiro”) to estimate the Mineral Resources at the Century Mining Tailings Dam. The maiden Global Estimate

for the Mineral Resources was subsequently updated by Optiro in January 2016 and released by Attila in its announcement to the ASX on 1 March 2017

A Mineral Resource for the Tailing Storage Facility (that term used interchangeably with Century Tailings Deposit) in accordance with the JORC 2012 Edition Guidelines for the Century Tailings Dam has been estimated to be 71.0 million tonnes @ 2.73% Zn as at January 2016.

The Mineral Resources is comprised of both Indicated and Inferred Resources as detailed in the Table below.

Tailing Storage Facility - Mineral Resource as at January 2016

Resource Category	Tonnes (Mt)	Zinc (% Zn)	Zinc Metal ('000t)
Indicated	12.8	2.97	380
Inferred	58.2	2.68	1,560
Tailing	71.0	2.73	1,940

Source: Century Tailing Storage Facility- Resource Evaluation Study January 2016, Optiro

Zinc Mineralisation - Century Pit

Mineralisation extends beyond the present mined out area within the South Block and East Fault Block at the Century Pit.

The JORC compliant mineral resources of the East Fault Block has been estimated as 520,000 t at 11.6% Zn, 1.1% Pb and 48 g/t Ag. The Mineral Resources of East Fault Block Deposit is based on information compiled and overseen by Damian O'Donohue a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy.

East Fault Block Mineral Resource as at December 2014

Resource Category	Tonnes (Mt)	Zinc (%)	Lead (%)	Silver (g/t)	Zinc ('000t)	Lead ('000t)	Silver (koz)
Inferred	0.52	11.6	1.1	48	60	5	802
Total	0.52	11.6	1.1	48	60	5	802

Source :MMG

Zinc Prospect - Silver King

The Silver King lead-zinc-silver deposit is 1.5 km south west of the Century open pit, within ML90045. It was discovered in 1887, with small scale mining commenced soon after (~5,000 t of ore extracted before mine closure). At Silver King deposit, the mineralisation consists of a series of moderately to steeply dipping quartz-galena-sphalerite siderite veins associated with a northeast trending dextral strike-slip fault.

In 2014 MMG reported an Inferred Mineral Resource estimate in accordance with the JORC 2012 Edition Guidelines, prepared by Damian O'Donohue as at 30 June 2014 and summarised in Table below. The Mineral Resource is well supported by QAQC, standard industry practice and good documentation.

Silver King Mineral Resource as at June 2014

Resource Category	Tonnes (Mt)	Zinc (% Zn)	Lead (% Pb)	Silver (g/t Ag)	Zinc ('000t)	Lead ('000t)	Silver (Moz)
Measured	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-
Inferred	2.7	6.9	12.5	121	185	336	10
Total – Silver King	2.7	6.9	12.5	121	185	336	10

Notes:

1. For Silver King Cut-off grade is based on a 5% Pb+Zn. The Resources estimates were reported as at 30 June 2014
2. Figures are rounded according to JORC 2012 Code guidelines and may show apparent addition or rounding errors.
3. Contained metal does not imply recoverable metal

Source: MMG Mineral Resources and Ore Reserves Statement, 2014 and 2015

Studies Conducted on Silver King

MMG conducted various test work and studies to ascertain Silver King deposit's technical feasibility as a satellite deposit for the Century mine utilising Century's existing fleet, processing and infrastructure facilities.

Works conducted to date on the Silver King Prospect includes:

- Pre-feasibility study conducted by Xstract Mining Consultant, investigating potential underground mining option (2011);
- Flotation Test Work by Minemet (2012);
- Geotechnical investigation by Mining One (2012);
- Geohydrological Assessments by Golder Associates (2013) and
- Internal Assessments/ summary of the metallurgical test works by MMG (2015).

The study conducted by Xstract Mining Consultants proposed underground mining at Silver King by the downhole benching method using narrow vein mining equipment.

Other Zinc Prospect - Watson's Lode Deposit

Watson's Lode is the second most advanced prospect where numerous high grade intersections are reported as well as historical mining development and production (~5,000 t of ore extracted).

The Watson's Lode vein-breccia is located approximately 10 km south of the Century pit on EPM10544. The main fault structure is orientated at 240° (SW/NE) and has a strike extent of 1.4km in outcrop that forms two dilational jogs.

The main fault jog is the focus of both the prospectivity and previous mining activities. This area has been the target of most previous exploration as it contains both higher grades and larger amounts of mineralisation than other areas along the structure, as evidenced by CRA drill hole LH011 with 14m @ >20% Zn from 33m. The 730m long extensional jog at Watson's Lode contains the Watson's Shaft and is host to the highest grades of mineralisation. Historically, Watson's Shaft was sunk to 100 feet and combined with Lucky Dollar and Coughlan's Lode 35.4 kg Ag and 176 t Pb was mined.

Phosphate Potential

As the closure of the mine approached, MMG considered the possibility of transforming the mine to produce phosphate, by exploiting the nearby phosphate deposits at Mt Jennifer and Phantom Hills, which were discovered in the 1960's.

The phosphate is present as apatite in microcrystalline matrix and is similar in composition and origin to other phosphate deposits in the Georgina basin. During 2012-2013, geological work included a historic data review, along with a total of 14300m of RC drilling over 335 holes and 12 twin Diamond holes at selected RC drill sites totalling 680.2m. In total 6800 of the RC samples were sent to the lab for assay.

Considering the previous drilling results, in the author's opinion, Phantom Hills and Mount Jennifer projects are highly prospective and warrants further investigation.

Conclusion and Future Exploration Potential

Despite exploration being mature at Century and surrounds significant opportunity exists to:

- Increase confidence of Resource classification at the tailing storage facilities by further in-fill drilling and assess the viability of tailings processing;
- Discover and delineate additional vein style mineralisation and drill out to sufficient density to be able to estimate and report a Mineral Resource at a large number of zinc deposits and prospects; and
- Undertake resource modelling and further in-fill drilling at the Phantom Hills and Mount Jennifer Phosphate prospects.

Furthermore, after the resource upgrade of the Tailing Storage Facility (TSF), a follow up work program will be needed to ascertain tailings metallurgical recovery and economic viability.

Exploration will be focused predominantly on defining drilling targets from already defined prospect and regional assessments including reconnaissance, geochemistry and geophysics. This will be followed by in field drilling and the undertaking of the necessary activities to increase the geological confidence category at Silver King.

Siecap estimates an initial work program of approximately AUD \$1.8M is required to fund the necessary exploration program at the Century Mine, with an additional \$360,000 estimated for feasibility expenses for the next 12 months.

1 Introduction

On 1 March 2017, Attila Resources Ltd (“Attila” or “Company”) announced it had entered into binding agreements (“Acquisition Agreement”) with Century Bull Pty Ltd (“Century Bull”) and Century Mine Rehabilitation Project Pty Ltd (“CMRP”) for the acquisition of an initial interest of 70% of the issued share capital of CMRP, the owner of the Century Zinc Project (“Century”) in North Queensland, and all associated infrastructure in far north Queensland (“Acquisition”). Century Bull recently acquired Century from MMG Limited (“MMG”).

Siecap Pty Ltd (“Siecap”) was commissioned by Attila to prepare an Independent Geologist’s Report (“IGR” or “Report”) on the Century Project. The project consists of 3 mining and exploration leases (ML90045, ML90058 & EPM10544). Details of the tenure of the Project are set out in the Solicitor’s Report in the prospectus.

This report is to be included in a prospectus to be lodged with the Australian Securities and Investment Commission (“ASIC”) on or about 20 June 2017 offering investors the opportunity to subscribe to an offer of shares in the Company.

The funds raised will primarily be used for the purposes of exploration and evaluation of the mineral properties, administration and working capital requirements.

The Report is complete up to and including 20 June 2017. Siecap has provided and not withdrawn written consent for the inclusion of the report on this project in the prospectus, and to the inclusion of statements made by Siecap and to the references to its name in other sections of the prospectus, in the form and context in which the Report and those statements appear.

Siecap accepts responsibility for this Report for the purposes of an Independent Geologist’s Report. Having taken all reasonable care to ensure that such is the case, Siecap and the authors confirm that, to the best of their knowledge, the information contained in the Report is in accordance with the facts, contains no omission likely to affect its import, and no change has occurred since 20 June 2017 that would require any amendment to the Report.

1.1 Compliance with JORC Code

This Report has been prepared in accordance with the rules and guidelines issued by such bodies as ASIC and the Australian Securities Exchange (ASX). Where exploration results, mineral resources or ore reserves have been referred to in this Report, the classifications are consistent with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2012.

The authors have taken due note of the rules and guidelines issued by such bodies as the ASIC and the ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

1.2 Data Sources

Siecap has based its review of the Projects on information made available to the principal authors by Attila along with technical reports prepared by consultants, government agencies and previous tenements holders, and other relevant published data quoted in Section 12 of this Report (References). Siecap has relied upon discussions with Attila's management as well as recent exploration reports for information contained within this Report.

The authors have endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which this report is based. Attila was provided a final draft of this Report and requested to identify any material errors or omissions prior to its lodgement.

Where appropriate, and in accordance with ASIC Regulatory Guide 111, Attila has obtained consent to quote data and opinions expressed in reports prepared by other professionals on the properties concerned.

All publicly available reports in Section 12 (References) are available from government departments or a prescribed financial market in accordance with ASIC Regulatory Guide 55. None of those reports were prepared in connection with an offer of shares by the Company. Other than where consent has been provided as outlined in the prospectus, the authors and competent persons of the publicly available reports referred to in Section 12 of this Report (References) have not consented to the references made to their reports in this Report.

1.3 Site Visits

The Competent Person did not conduct a specific site visit associated with this review, however the Competent Person has previously visited the site several times as part of his employment with the former owner of the Project.

1.4 Tenement Status Verification

Siecap reviewed the status of the licences using the Queensland Department of Natural Resources and Mines on 10 March 2017. The tenements are believed by the authors to be in good standing. All licences are understood to have met or exceeded their expenditure commitments and are on track to do so again in this current year. However, it should be noted that Siecap makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

The legal status associated with the tenure of the Projects has not been independently verified by Siecap. The present status of the tenements listed in this Report is based on information provided by Attila, and the Queensland Department of Natural Resources and Mines.

This Report has been prepared on the assumption that the tenements are, or will prove to be, lawfully accessible for evaluation and that any exploration licences applied for will ultimately be granted.

Readers are referred to the Solicitor's Report in the Prospectus for further information of the legal status associated with the tenure of the Project.

1.5 Independence

Neither Siecap, nor the authors of this report, has or has had previously, any material interest in Attila, or the mineral properties in which Attila has an interest.

Siecap's relationship with Attila is solely one of professional association between client and independent consultant.

1.6 Disclaimer and Warranty

The statements and opinions contained in this report are given in good faith and in the belief, that they are not false or misleading. The conclusions are based on the reference date of 20 June 2017 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

This Report was commissioned Attila on a fee-for-service basis according to Siecap's schedule of rates. The fee for the preparation of this report is estimated to be between \$25,000 and \$45,000. Siecap's fee is not contingent on the outcome of its Statement or the success or failure for the purpose for which the report was prepared.

A draft version of this Statement was provided to Attila for comment in respect of omissions and factual accuracy. Attila has provided Siecap with an indemnity under which Siecap is to be compensated for any liability and/or any additional work or expenditure, which:

- Results from Siecap's reliance on information provided by Attila and/or Independent consultants that is materially inaccurate or incomplete, or
- Relates to any consequential extension of workload through queries, questions or public hearings arising from this report.

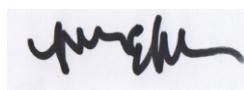
The conclusions expressed in this report are appropriate as at June 2017. The report is only appropriate for this date and may change in time in response to variations in economic, market, legal or political factors, in addition to ongoing exploration results.

All monetary values outlined in this report are expressed in Australian dollars (\$) unless otherwise stated. Siecap services exclude any commentary on the fairness or reasonableness of any consideration associated with this Project.

2 Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves fairly represents information compiled by, or under the supervision of Trevor Ellice BSc (Hons) Geology, GDip Mineral & Energy Economics, MAusIMM.

Mr Ellice is Principal Consultant - Geology an associate of Siecap Pty Ltd, he has more than 25 years of international experience included significant experiencing in exploring, mining and estimating base metal deposits relevant to the style of mineralisation and type of deposit under consideration deposits in Australia and overseas. Thus, he is qualified to prepare this report as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Ellice consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



Trevor Ellice, BSc (Hons), MAusIMM
Principal Consultant – Geology
Siecap Pty Ltd, Brisbane

2.1 Consent

Siecap consents to this report being distributed, in full, in the form and context in which it is provided. Siecap provides its consent on the understanding that the assessment expressed in the individual sections of this report will be considered with, and not independently of, the information set out in full in this report.

3 Project Description

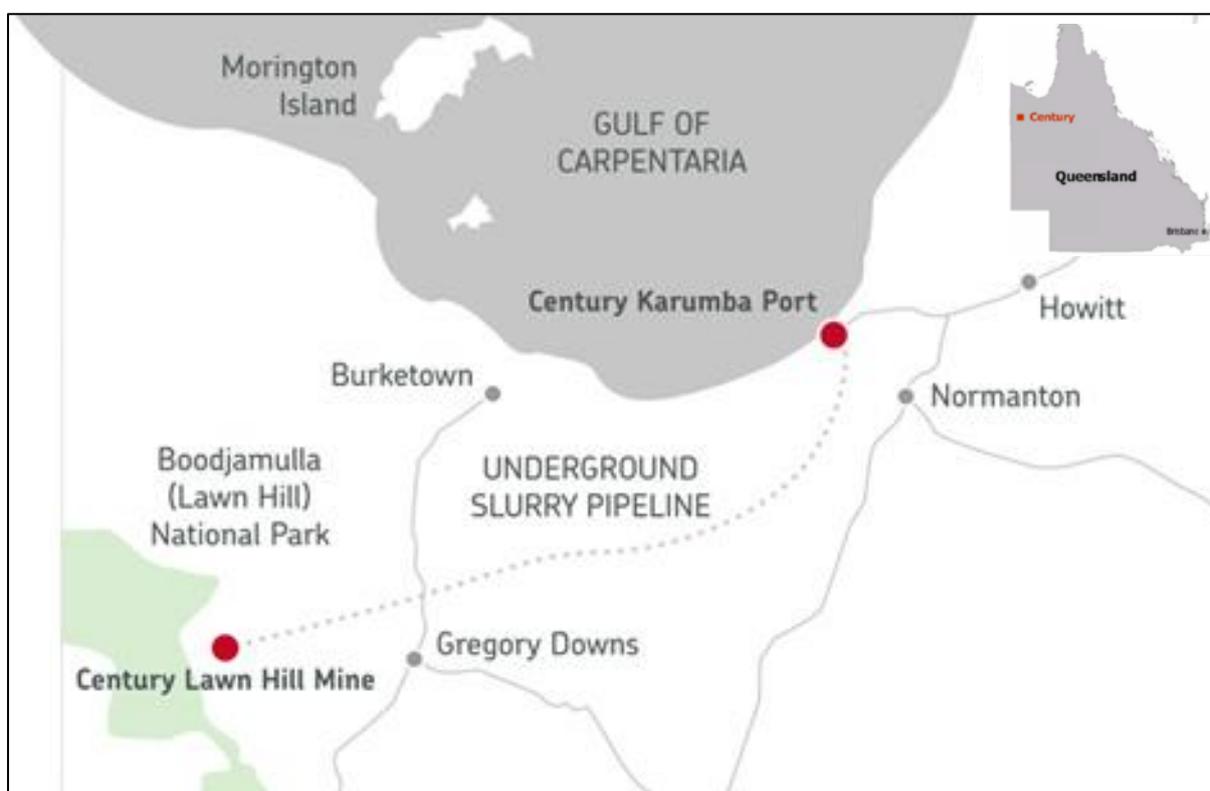
3.1 Location and Access

The Century Project is located at Lawn Hill, 250 kilometres north-west of Mount Isa in the lower Gulf of Carpentaria in Queensland, Australia (Figure 3:1).

The tenement hosts the Century Mine, which was the one of the largest lead-zinc mining operations in the world. Mining commenced operations in 1991 through until 2015. The last ore to be processed at Century was 450,000 tonnes that had been mined as part of Dugald River’s mining trial. This ore was trucked to Lawn Hill with processing completed in January 2016.

At the Century Mine site, the processed ore was transferred in slurry form via a 304-kilometre underground pipeline to the port facility located at Karumba. From there, the concentrate was shipped to the various smelters located in Australia, Asia and Europe.

Figure 3:1 Location of Century Project



Source: Modified from MMG

3.2 Tenements Status

The mining licenses are presently held by MMG Australia and Century Mining limited (“CML”).

Development of the Century Mine, including the mining and land tenure required (but not including EPM10544), was granted under the Century Zinc Project Act 1997 (Qld). The tenement schedule is provided in Table 3:1.

Table 3:1 Century Project - Tenement Licence Schedule

Tenement Name	Holder	Grant Date	Expiry Date	Area
ML90045	CML	19/09/1997	18/09/2037	14688 Ha
ML90058	CML	19/09/1997	18/09/2037	8496 Ha
EPM10544	MMG Australia	23/06/1995	31/12/2016	170 sub-blocks

MMG Australia has applied to the Queensland Department of Natural Resources and Mines for a moratorium on relinquishment of the exploration tenement blocks for one year. See the material contracts section of the prospectus for a summary of the acquisition agreement for EPM10544.

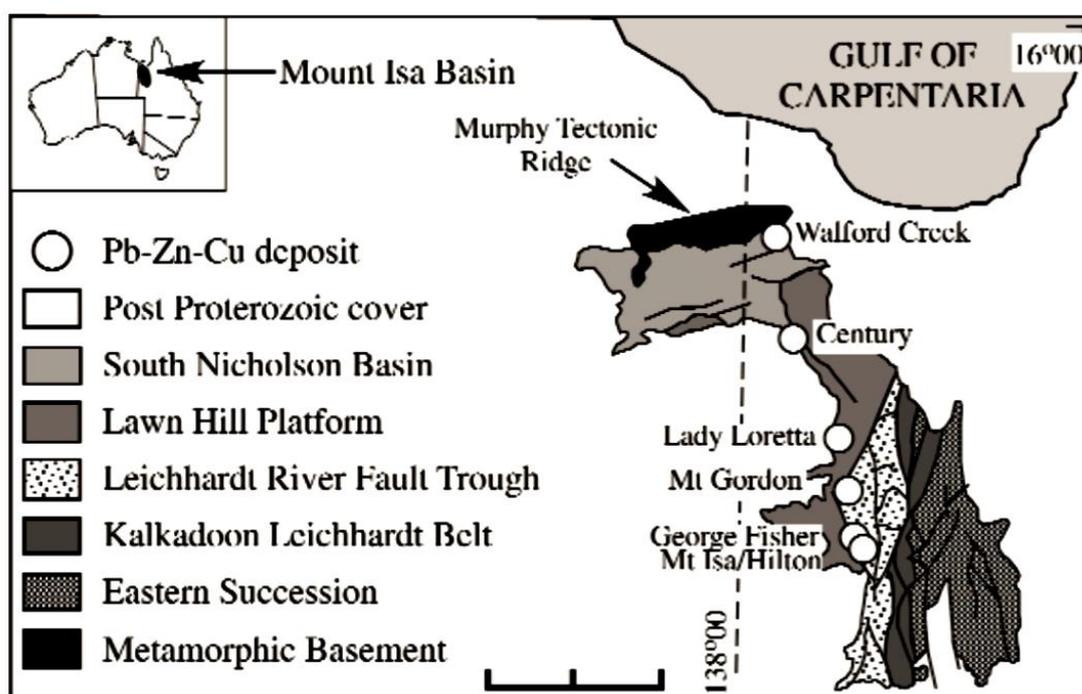
Some areas are designated High Preservation Areas and are associated with drainage issues and the Lawn Hill National Park which is west of the tenement area. A thorough summary of land use, tenure and prospect areas is depicted in Figure 3:2.

4 Regional Geology

4.1 Geological Settings

Century Project is located in the Lawn Hill Platform within the Western Fold Belt of the Mt Isa Inlier (Figure 3:2). The region is categorized as part of the Gulf area, due to its proximity to the Gulf of Carpentaria. Base metal mineralisation is hosted Mesoproterozoic Age (1,600 - 1,000 million years before present) Lawn Hill Formation of the upper McNamara Group and is 2,200 meters thick with thickening to the north. The stratigraphy of the host rocks is well understood and has been divided into 6 members by Andrews (1998) consisting mainly of siltstone, shale, arkose sandstone, tuff siltstones, shale and carbonaceous shale. Figure 4:1 shows the Lawn Hill Formation is un-conformably overlain by the South Nicholson Group.

Figure 4:1 Location of Century Project in Relation to Other Deposits in Mt Isa Basin



Source: modified from (Polito 2006).

4.2 Stratigraphy

4.2.1 Proterozoic McNamara Group

The Proterozoic stratigraphy of the McNamara Group dominates the Century tenement area and is represented by the Lady Loretta Formation, Shady Bore Quartzite, Riversleigh Siltstone, Termite Range Formation and Lawn Hill Formation.

The Lady Loretta Formation and Shady Bore Quartzite outcrop in the northeast of the Century mining lease, where they form part of the Ploughed Mountain Anticline and also outcrop in the southeast of the tenement near Riversleigh. The main rock types of the Lady Loretta Formation are laminated medium-bedded dolomite, dolomitic siltstone and sandstone, stromatolitic dolomite and intraclast dolomite (Denaro et al. 1999). The Shady Bore Quartzite consists of thickly bedded sandstones and carbonate siltstone facies (Andrews, 1998).

The Riversleigh Siltstone conformably overlies the Shady Bore Quartzite and mainly outcrops to the southeast of the tenements adjacent to the Termite Range Fault with minor outcrops in the northeast about the Ploughed Mountain Anticline.

The Riversleigh Siltstone consists of quartz siltstone, dolomitic siltstone, carbonaceous siltstone and shale, and minor clayey and dolomitic sandstone and dolomite. The Riversleigh Siltstone is up to 2900m thick and thins towards the north to 800m.

Andrews (1998) has divided the Riversleigh Siltstone into four members termed R1 to R4. In the Lawn Hill Platform, the Riversleigh Siltstone marks the time equivalent of the Barney Creek Formation, the host to the McArthur River Pb-Zn deposit, and hence has been explored heavily in the past (Oake, et al. 2001). Member R3 hosts the low-grade Pb-Zn mineralisation known as Flat Tyre, located just north of the southern part of the EPM 10544, which is a highly pyritic strata-bound occurrence. The Grevillea prospect located south of the EPM 10544 is another richly pyritic low-grade Pb-Zn occurrence and hosted in the sediments near the base of the Riversleigh Siltstone.

The Termite Range Formation dominantly outcrops in the southern part of the tenement adjacent to the Termite Range Fault and also in the Ploughed Mountain Anticline in the northeast. Thickly bedded sandstones forming prominent ranges in the south of the tenement characterise the Termite Range Formation, which varies in thickness from 200m to 1300m. Rock types include rip-up clast sandstone, thinly bedded sandstone, shale and minor tuffaceous mudstone. Andrews (1998) divided the Termite Range Formation into two major fining upward sequences termed T1 and T2.

The Lawn Hill Formation outcrops over most of the current EPM10544 and ML90045 and is host to the world class Century Pb- Zn -Ag deposit. The Lawn Hill Formation is 2,200m thick and thickens to the north. It has been divided into six members (H1-H6) by Andrews (1998) consisting mainly of siltstone, shale, arkose sandstone, tuff siltstones and shale and carbonaceous shale. The South Nicholson Group un-conformably overlies the Lawn Hill Formation

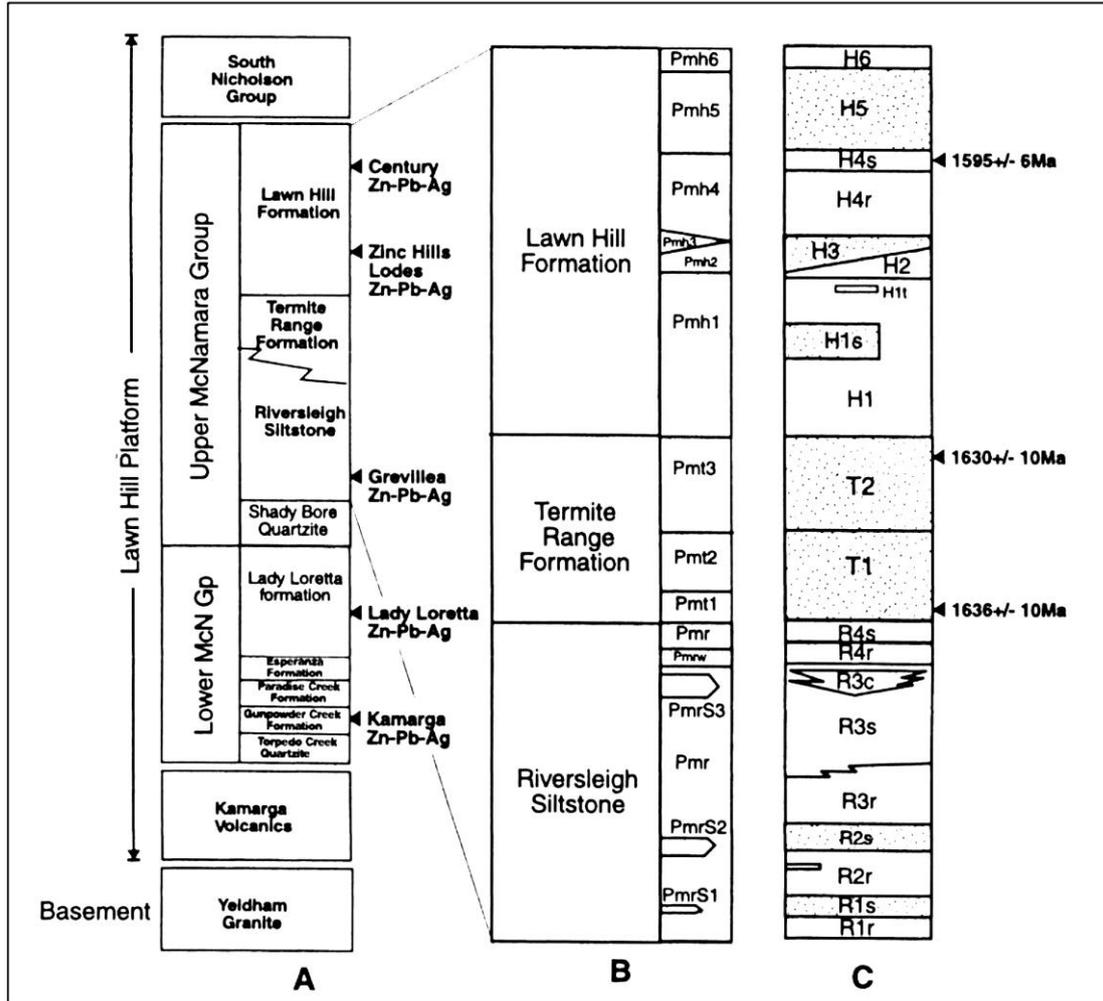
4.2.2 Late Proterozoic South Nicholson Group

To the west of the mining lease and along the western edge of the EPM10544, the Constance Sandstone and Mullera Formation of the South Nicholson Group occur as outcrop and lie partly in the Lawn Hill National Park. The Constance Sandstone comprises quartzose sandstone, siltstone and conglomerate. The Mullera Formation consists of siltstone, shale, oolitic ironstone, fine sandstone and ferruginous sandstone (Denaro, 1999).

4.2.3 Cambrian

Within the Project area Cambrian limestone is present as a prominent ring-shaped structure (annulus) approximately 18 kilometres in diameter. The lithologies in this annulus structure include limestone, dolostone, chert, limestone breccia, chert breccia, carbonate breccia and phosphorate (Broadbent 1999). There are three Cambrian phosphorate deposits in the area; Mt Jennifer, Phantom Hills and Riversleigh with resources of 20Mt, 46Mt and 11Mt respectively (Oake et. al., 2001). In contrast to the limestone of the adjacent Georgina Basin the coeval limestone of the annulus is highly deformed, folded and brecciated.

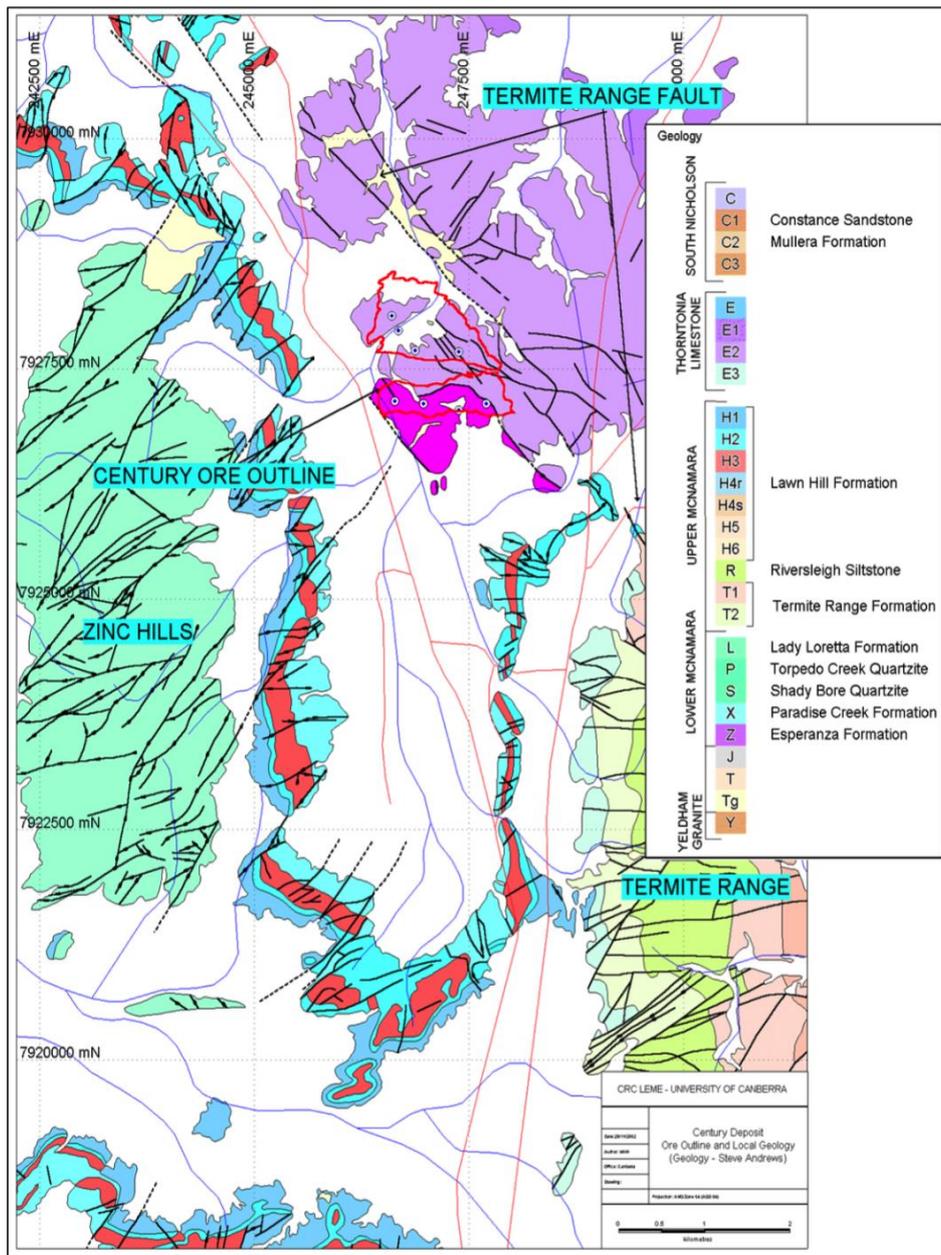
Figure 4:2 Stratigraphy of the Lawn Hill Platform, Mt Isa block, Western Succession



Source: (Whitbread 2004)

Lower members of the McNamara Group including the Lady Loretta Formation, Shady Bore Quartzite, Riversleigh Siltstone, Termite Range Formation are also important host rocks for silver-lead-zinc deposits like lady Loretta and Grevillea McGoldrick (2004). The Termite Range Formation dominantly outcrops in the southern part of the tenement adjacent to the Termite Range Fault and also in the Ploughed Mountain Anticline in the northeast. Thickly bedded sandstones forming prominent ranges in the south of the tenement characterize the Termite Range Formation.

Figure 4:3 Lithology & Structure, Century Area (Century ore outlined in red)

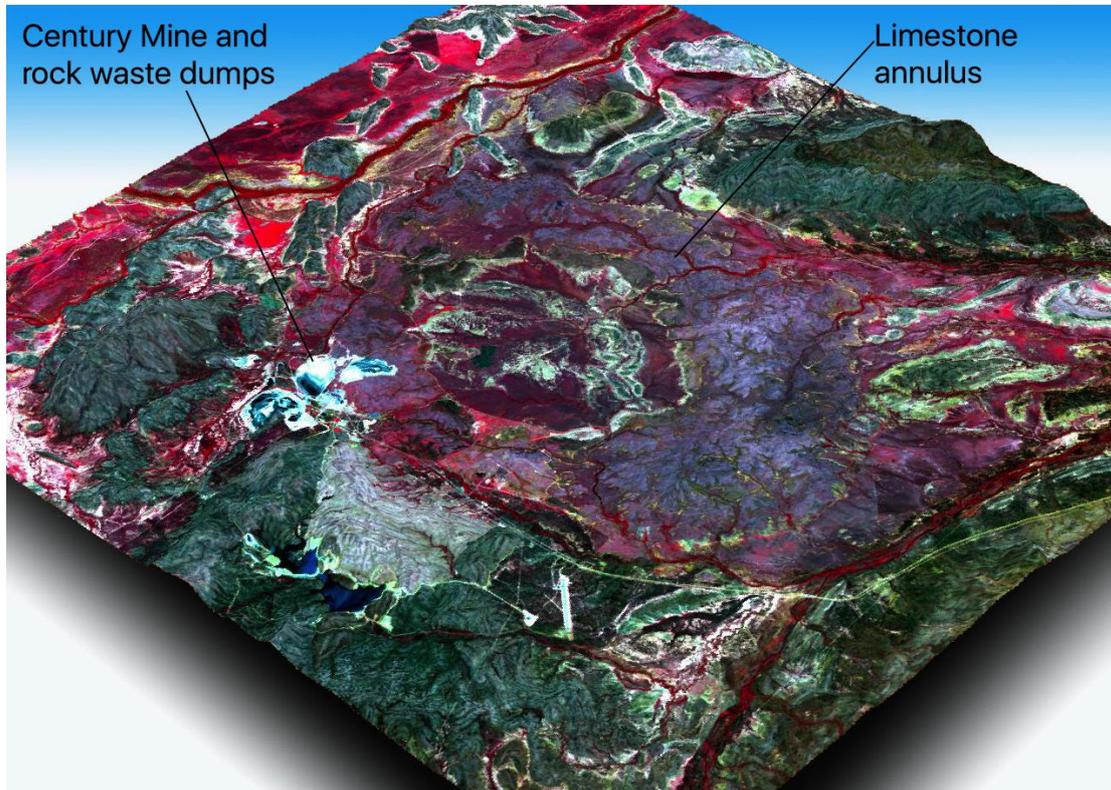


Source: Whitbread 2004,

Proterozoic rocks are un-conformably overlain by a circular shaped, 18km diameter annulus of Cambrian aged limestone that at Century partially obscures the orebody. This limestone annulus is the host rock for potentially commercial grade phosphate occurrences in this area. The limestone correlates to Thornton limestone in the nearby Georgina, however, in contrast the limestone of the annulus is highly deformed, folded and brecciated and in places is three times as thick. It is postulated that the disturbed layering is the result of a meteorite impact not long after sedimentation. The ring structure and discovery of shatter cones and impact melts (Stewart 1987) indicates the annulus almost certainly relates to an eroded crater rim of an impact structure and indeed has been recognised as such (Shoemaker 1996). The limestone annulus represents an astrobleme of eroded remnant of the original crater. The age of impact is considered to be concurrent with limestone formation during the early Cambrian, at 520 – 510 Million years ago.

Formation of the Century deposit is unrelated to impact-generated hydrothermal activity, although some minor hydrothermal re-mobilisation of metals occurred (Salisbury 2008). Figure 4:4 below shows an oblique view of this impact structure and its location in comparison to the Century Mine site.

Figure 4:4 Oblique View of the Century Area (Disturbed are RHS) Showing Prominent Ring Shaped Annulus of the Lawn Hill Impact Structure (centre)



Source: Filho.

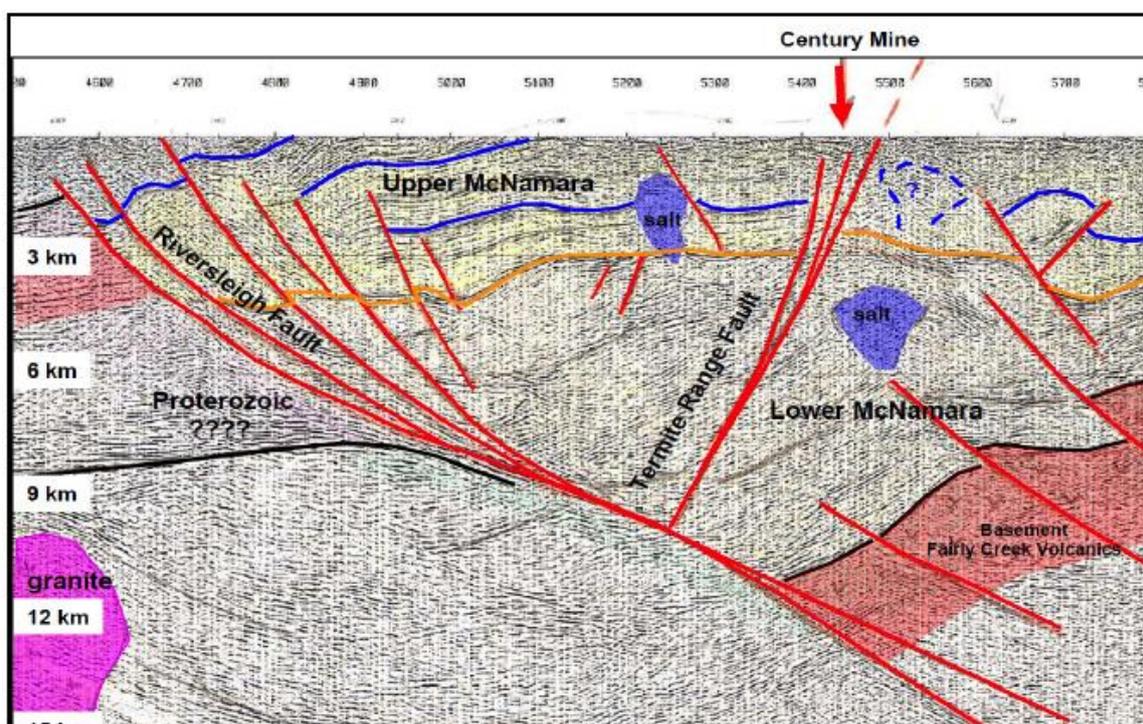
5 Local Geology and Mineralisation

5.1.1 Structure

The northwest trending Termite Range Fault dominates the structure of the tenement area and whilst not forming the north-eastern boundary of the century deposit. It is very close and has been interpreted to have played an important role in the genesis of the deposit.

A reinterpretation of seismic data by (David 2011) concludes that the Termite Range Fault is an antithetic splay off the crustal scale Riversleigh Lineament a major basin bounding listric fault with a downthrown of more than 9 kilometres. The Century deposit lies in the hanging wall of the Termite Range Fault (David 2011). The fault architecture has accessed deep devolatilisation, basal fluids and provided channel pathways to depositional and trap sites at Century. In the opinion of the author, the reinterpreted cross section provides an excellent structural framework for the study area and is reproduced in Figure 5:1.

Figure 5:1 Reinterpretation of Seismic Reflection Data. by David V.



Source (David 2011)

5.1.2 Mineralisation Style

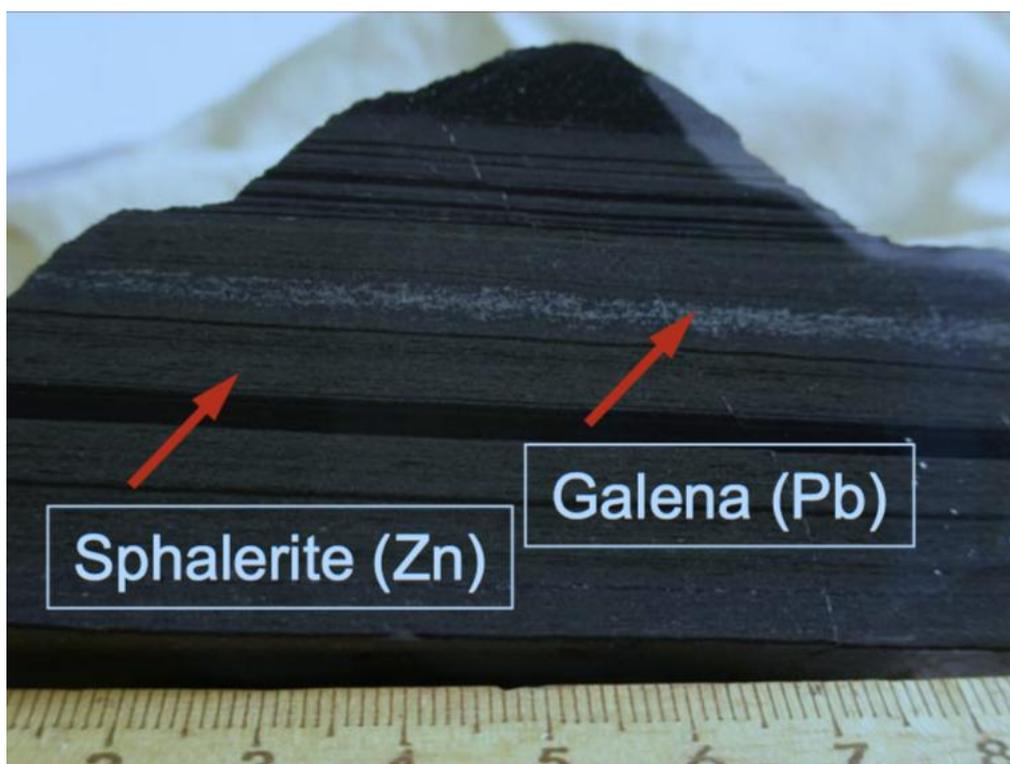
Three styles of mineralisation are recognized on the Lawn Hill Platform; shale-hosted stratiform Century style mineralisation, carbonate hosted pyrite rich Isa-type mineralisation similar to what is found at Flat Tyre and Grevillea, and vein-style mineralisation found at Silver King and Watson's Lode plus numerous other locations throughout the tenement.

With regards to the Century mine surrounds, Century Style and Vein Style are the most important.

Century Style

The deposit is somewhat unusual and characterized by very fine-grained lamellae of sphalerite associated with siderite hosted in carbonaceous shales. Broadly speaking, the mineralisation is has parallel bedding while the stratiform nature of the deposit has fueled debates regarding syngenetic, syndiagenetic and fully replacive origin of the metals since discovery. However, (Broadbent 1999) considers mineralisation shows transgress bedding, an observation supported by other workers while the mineralisation is strata bound rather than stratiform. Evidence of exhalative origin is hard to find and a post-sedimentary emplacement of mineralisation is clearly indicated.

Figure 5:2 Hand Specimen of Typical Century Mineralisation



Source after (Salisbury 2010)

The fine grain size required ultra-fine grind for metallurgical recovery and the concentrator was purpose built with fine grinding. Sphalerite is dominant over galena, which is often remobilised forming clumps of coarser euhedral crystals that in places have cross-cut bedding. Mineralisation is associated with pyrobitumen and ore forming processes have analogies of oil and gas formation and trapping (Broadbent 1999). Further to this, the deposit is fault bounded by the northwest trending Termite Range Fault running parallel to the northeast boundary of the deposit consisting of a pre-Cambrian erosional boundary. The orebody is compartmentalized by the west striking faults, including the Magazine Hill, Pandora's and Nikki's. These form the boundaries of the main deposit blocks, in combination with erosional terminations associated with a Cambrian age unconformity or the present land surface (Broadbent 1999). The arrangement of the fault block has played an important role in the preservation of the deposit through to present time.

Vein Style Mineralisation

There are numerous vein style occurrences in the Century area and the term 'vein' is characterised as narrow, sharply defined zones of galena, sphalerite and other sulphides that cross cut stratigraphy. In contrast to 'Century style', the mineralisation is higher grade (albeit over narrow widths) and much courser grained as shown in Figure 5:3.

Figure 5:3 Typical 'Vein Style' Mineralisation



The vein style mineralisation is coeval with Century style mineralisation and result from fluid over pressuring and occurs in all members of the Lawn Hill formation. Over 40 separate vein style occurrences and prospects occur in the area and are defined from a combination of, historical mining, drilling intersections in the subsurface, and surface expressions including outcrops.

Further sphalerite and galena mineralisation occurs within shale hosted breccia associated with the veins. Anglesite and cerussite are present in the near-surface oxidised zone. The fault crosses two units of the Lawn Hill Formation. These are, the black carbonaceous shale H4r member (footwall to the Century deposit), which overlies the Bulmung Sandstone tuffaceous sandstone/siltstone H3/H2 member. Mineralisation is structurally controlled, being focused in dilational zones associated with fault flexures. The deposit shows evidence of extensive shearing and veining before, during and post-mineralisation.

6 Exploration History

6.1 Collation of Exploration Activity

The existing Mining and Exploration Leases (ML90045, ML90058 & EPM10544) of the Century Project along with nearby exploration tenements have been subject to various exploration programmes targeting narrow-vein style base metal mineralisation. Historically, these areas have been previously mined and the areas was collectively known as the Burketown Mineral Field. This area has a long history of mineral exploration with base metal mineralisation discovered in the late 19th century and phosphate known since the 1960's. The exploration history is summarised in Table 6:1.

Table 6:1 Exploration, Development and Ownership History of the Burketown, Mineral Field and Key Developments Highlighted in Bold)

Year	Activity	Company
1887	Discovery of Silver King lodes by F.J. Hann of Lawn Hill station.	Lawn Hills Silver Mining Company
1899	Proclamation of the Burketown Mineral Field.	
1890	Prospecting commences at Watson's lode.	
1900	Silver King acquired by Queensland Silver Lead Mines Ltd sinking the Carson's, Watson's and Cant's shafts.	Queensland Silver Lead Mines Ltd
1911	Ball completed a geological review of Silver King and recognised three main ore-shoots in the lodes.	
1914	Peak Production of the Burketown Mineral Field.	
1927	Total production up to this time for the Burketown Mineral Field is relatively minor at 6,174 tonnes of lead and 174,000 ounces of silver (Waltho and Andrews, 1993).	
1930	R. Blanchard for the Mining Trust Ltd. deem the lodes unfavourable for further development after completing a review of the lode deposits at Silver King.	
1948	Silver King reopens on the back of better silver prices - 709 tons at 350.7 tons Pb (49.4% Pb) and 16,273oz Ag (23 oz./ton) mined in the period 1948-1955.	
1954	Mount Isa Mines Ltd conduct geochemical test work on Silver King lodes.	Mount Isa Mines Ltd
1955	Mount Isa Mines Ltd completed drilling at Wooden Duck, Lucky Dollar, Watson's Lode and Lilydale in 1955 with moderate success. Further drilling at Watson's Lode and Union Jack was completed by Broken Hill Pty Ltd.	Mount Isa Mines Ltd Broken Hill
1955	Silver King purchased by the Silver King Syndicate (later known as Silver King Pty Ltd).	Silver King Pty Ltd
1961	Concentration plant commissioned and Silver King yields 2,090 tons of Pb and 52,253oz of Ag of primary ore between 1956-1961.	Silver King Pty Ltd

Year	Activity	Company
1963	Authority to Prospect (ATP) at Lawn Hill was granted to Australian Selection Pty. Ltd covering an area similar to the present-day position of EPM10544. The search for stratiform base metal sulphides similar to Mt Isa is proposed.	Australian Selection Pty. Ltd
1966	Carpentaria Exploration Company Pty Ltd. conduct a ground Electro Magnetic survey over Silver King and Watson's Lode.	Carpentaria Exploration Company Pty Ltd
1970	Eagle Exploration Pty Ltd conducted regional exploration with minor drilling and a comprehensive stream sample survey	Eagle Exploration Pty Ltd
1970	Newmont Pty Ltd conducted drilling in areas containing 'Prospect Shale' in search of a tabular stratiform body. Exploration focused on the Page Creek Syncline, east of Lilydale, near Zinc Hills and Silver King East areas. It was deemed the Prospect Shale and had been 'exhaustively' tested.	Newmont Pty Ltd
1982	Amoco Australia Petroleum Company acquired ATP 327P covering an area of 16750km ² over the Lawn Hill region. Mapping, sampling and a series of five drill holes were completed during 1983 testing the reservoir quality of the McNamara, Fickling and South Nicholson Groups	Amoco Australia Petroleum Company
1982	In 1982, the Bureau of Mineral Resources mapped the Lawn Hill region and generated the modern stratigraphic designation for the Lawn Hill Formation (Pmh) and sub-divided it into six members (Pmh1-6). The subdivisions are still in use today.	Bureau of Mineral Resources (BMA)
1985	Survey and sampling of old workings and dump material from Silver King, Lilydale and Mended Hill.	North Queensland Mining Pty. Ltd.
1986	Employed by CRA Exploration Pty. Ltd. (CRAE), J.V. Wright recommends the Lawn Hill Formation potential for discovery due to the presence of the suitable host rocks.	Conzinc Rio Tinto Australia Exploration (CRAE)
1987	CRAE is granted 100 sub-blocks including ATP 4949 (Termite) and ATP 4948 (Mt Jennifer) on 22nd September 1987, 100 years after the first mining lease was pegged at Silver King.	Conzinc Rio Tinto Australia Exploration (CRAE)
1988	CRAE begin exploration with regional soil sampling west of the Termite Range fault, including over the discovery outcrop, whose significance is not immediately recognized.	Conzinc Rio Tinto Australia Exploration (CRAE)
1989	Diversified Mineral Resources N.L. (DMR) pick up 30 sub-blocks granted west of ATP 4949 (Termite project) covering Silver King, Lilydale, Wooden Duck, Cassowary, Silver Queen and Mended Hill. Thirteen of these sub-blocks had been a part of ATP 4949 (Termite) that CRAE dropped in 1988.	Diversified Mineral Resources N.L. (DMR)
1989	Drilling is planned at a geochemical anomaly, identified by regional sampling, at Century after a site geologist compares it an anomaly found at Watson's lode after sampling and drilling.	Conzinc Rio Tinto Australia Exploration (CRAE)
1990	The discovery hole LH4 was drilled on April 4th 1990, only 0.5% sphalerite was observed in geological logging.	Conzinc Rio Tinto Australia

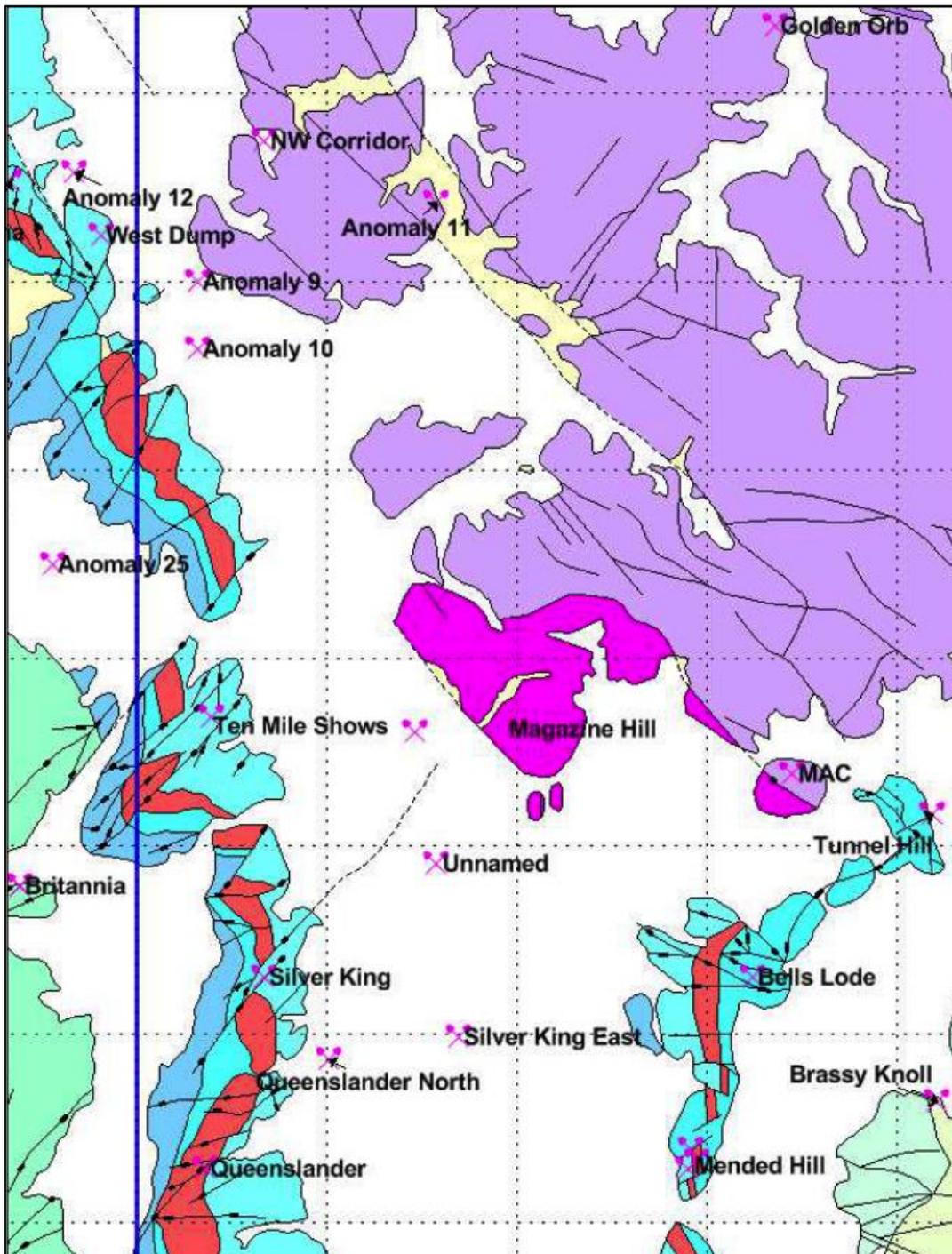
Year	Activity	Company
		Exploration (CRAE)
1990	CRAE released a press release announcing the discovery of the Century deposit on 17th of September.	Conzinc Rio Tinto Australia Exploration (CRAE)
1997	Pasminco complete acquisition of the Century and Dugald River deposits from Rio Tinto Ltd for AUD \$345 Million on the 24 September 1997.	Pasminco
2000	The Premier of Queensland Peter Beattie officially opened Century Mine on 4 April 2000 ten years to the day after the initial discovery.	Pasminco
2001	Pasminco enters administration resulting in exploration hiatus.	Pasminco
2002	Zinifex Ltd formed as the re-floated company from the insolvency of Pasminco and purchased Century.	Zinifex
2004	Predictive Mineral Discovery, pmd* CRC G14 Project commences with direct in part funding by Zinifex to concentrate on the 'Architecture and Alteration in the Termite Range Fault Corridor of the Lawn Hill platform, Queensland.	Zinifex
2005	Exploration restarts on the Century Mine lease with 7 drill holes for a total of 1,468.9 metres, including 774 metres of reverse circulation drilling and 694.9 metres of diamond drilling, based on targets generated by Alf Eggo.	Zinifex
2006	Extensive sterilisation drilling for the west waste rock dump and Page Creek areas. Resource extension work at Silver King and exploration of Tunnel Hill, Airport Prospect and Mitton Creek for a total of 16,873.3 metres. Limited regional exploration was conducted as Indigenous Land Use Agreement negotiations continued.	Zinifex
2007	Mining Lease - 146 holes for 25,001.1 metres focusing resource drilling at Page Creek, Tunnel Hill and Silver King with exploration work at Page Creek, North-West Corridor and Southern Cross. Low grade results reported for Southern Cross. Extension drilling at Silver King reported with significant results and numerous ore-grade intersections.	Zinifex
	EPM10544 - Surface sampling programs (LAG, rock chip and soil sampling), several geophysical surveys (seismic and gravity) and drilling at Flat Tyre and Riversleigh (8 holes for 1,584 metres). Commencement of a regional lag-sampling program to provide consistent geochemical and spatial coverage over the tenement. Samples spaced on a 1 kilometre by 500 metre grid.	Zinifex
2008	Zinifex and Oxiana merged to form OZ Minerals, a \$4.2 billion merger creating the world's second largest zinc producer.	OZ Minerals
2008	Mining Lease - 22 drill holes at the Watsons Lode prospect during the year for a total of 5,725.3 metres. Most holes intersected high-grade mineralised intervals ranging in thickness from a few centimetres up to around 8 metres.	OZ Minerals

Year	Activity	Company
	EPM10544 - Surface sampling and Induced Polarisation (IP) surveys, with Lag sampling identifying the Kamarga Road prospect, a Pb anomaly in an area cut by the Bream fault	OZ Minerals
2009	China Minmetals Non-Ferrous Metals Co., Ltd (Minmetals), acquire OZ Minerals, with the exception of the Prominent Hill operations located near the Woomera prohibited area in South Australia due to national security concerns regarding foreign ownership in this vicinity	Mining and Metals Group (MMG)
2009	The early part of 2009 was focused on data reviews as financial hardships curtailed budgets. Following the MMG takeover, focus shifted to testing the Century host rocks (H4s) in the north at Widdallion and Edith South, and west at Professor, South Louie and Prince Quinlan's Duck. Fifteen drill holes were completed on EPM10544 during 2009 for a total of 4,713 metres. A study of Pb-Zn anomalism of the Lawn Hill annulus was conducted with ratios of Pb-Zn versus phosphate being studied in an attempt to filter out the widespread Cambrian anomalism, leading to possibility of MVT-style mineralisation being postulated in the area.	Mining and Metals Group (MMG)
2010	Mining Lease - The program during the year focused on exhausting the potential for stratiform mineralisation on the mine lease close to Century.	Mining and Metals Group (MMG)
	EPM10544 - Initiation of the Termite Range Corridor (TRC) drilling program to test for carbonaceous sediments (Pmh4 or Pmh1) in the vicinity of the Termite Range Fault on a wide spacing drill pattern targeting large tonnages (>30 million tonnes). The programme consisted of 46 reverse circulation drill holes generally 250 metres deep, for a total of 11,650 metres. No Century style mineralisation was encountered. Other activities include: rock chips collected at Kamarga Road for lead isotope studies at other prospects; project generation meetings with MMG geologists and external consultants; Controlled Source Audio Magnetotellurics (CSAMT) geophysical surveys at the Airstrip prospect. Consultants visited site and advised a de-emphasis on vein style ore.	Mining and Metals Group (MMG)
2011	A decision was taken to discontinue exploration funded by head office as the Century ML's and EPM10544 were deemed adequately explored for a >25Mt Ag-Pb-Zn deposit within 300 metres of surface. Some other activities included a study of laser ablation of pyrite samples from the Century ore deposit trace element geochemistry.	Mining and Metals Group (MMG)
2012	A decision was taken to fund exploration from operational budgets and manage the work by the mine technical services group. Work included a major drilling program including 87 holes for a total of 13,521.4 metres. The targets drilled include the East Fault Block immediately adjacent to Century in order to get sufficient spaced data to build a reliable resource model, and numerous other Vein style known mineralisation occurrences, including but not limited to Anglo American, Gossan Hill, Watsons lode, Silver King, Black Rock, Pineapple Express and Queenslander. The drilling generated considerable ore grade intersections requiring follow up.	Mining and Metals Group (MMG)
2013	Exploration continued to focus on delineating vein style occurrences with a total of 56 holes completed on the Century ML for a total of 11,646.08 metres. Eighteen of the drill holes, for a total of 3,007.3 metres, were completed as part of a feasibility study at Silver King. Three large surface DCIP geophysical	Mining and Metals Group (MMG)

Year	Activity	Company
	surveys were also completed at Watson's Lode, Silver Star and the Horseshoe grid north of Century. Quantec Geoscience Ltd carried out a Spartan DCIP survey targeting a blind fault in the Horseshoe area. For the first time, the exploration for Phosphate (known to occur in the Cambrian limestone annulus) with a drill program was carried out over the Phantom Hills prospect for total of 199 reverse circulation holes and a total of 8,631 metres plus 7 diamond holes for a total of 393.7 metres was completed.	
2014	Return of MMG Group Exploration and recommendation of a 'more systematic approach' to exploring vein-breccia systems. 3,706.9 metres of diamond drilling over 21 holes was carried out at seven prospects including Widdallion, Edith, Mt Jennifer, Phantom Hills, Phantom Hills East, Wooden Duck and Zinc Hills. Other activities include: a structural and paragenetic study of Silver King by external consultants; detailed mapping, rock chip sampling, Break of Slope (BOS,) soil sampling at a number of prospects including; Bald Hills, Wattle, Zinc Hills, Thistle, Leek, Lilydale, Silver Star, and Pineapple Express. Galvanic Sub-Audio Magnetism method (GSAM) was selected to be carried out at Zinc Hills and Wooden Duck. A review of high gold assays at Black Tree was also conducted.	Mining and Metals Group (MMG)
2015	Closure of the Century pit after 16 years of mining. Exploration workshops in Townsville leading to a soil survey at Constance Range, and the generation of Lady Loretta-type targets in the Riversleigh area. Continued drilling of the phosphate deposits. Change in focus for deep conceptual targets beneath the limestone annulus at Mt Jennifer on the prospective H4s horizon.	Mining and Metals Group (MMG)
2016	Cessation of Century operations and active exploration. MMG call for expressions of interest in the acquisition of the tenements.	Mining and Metals Group (MMG)

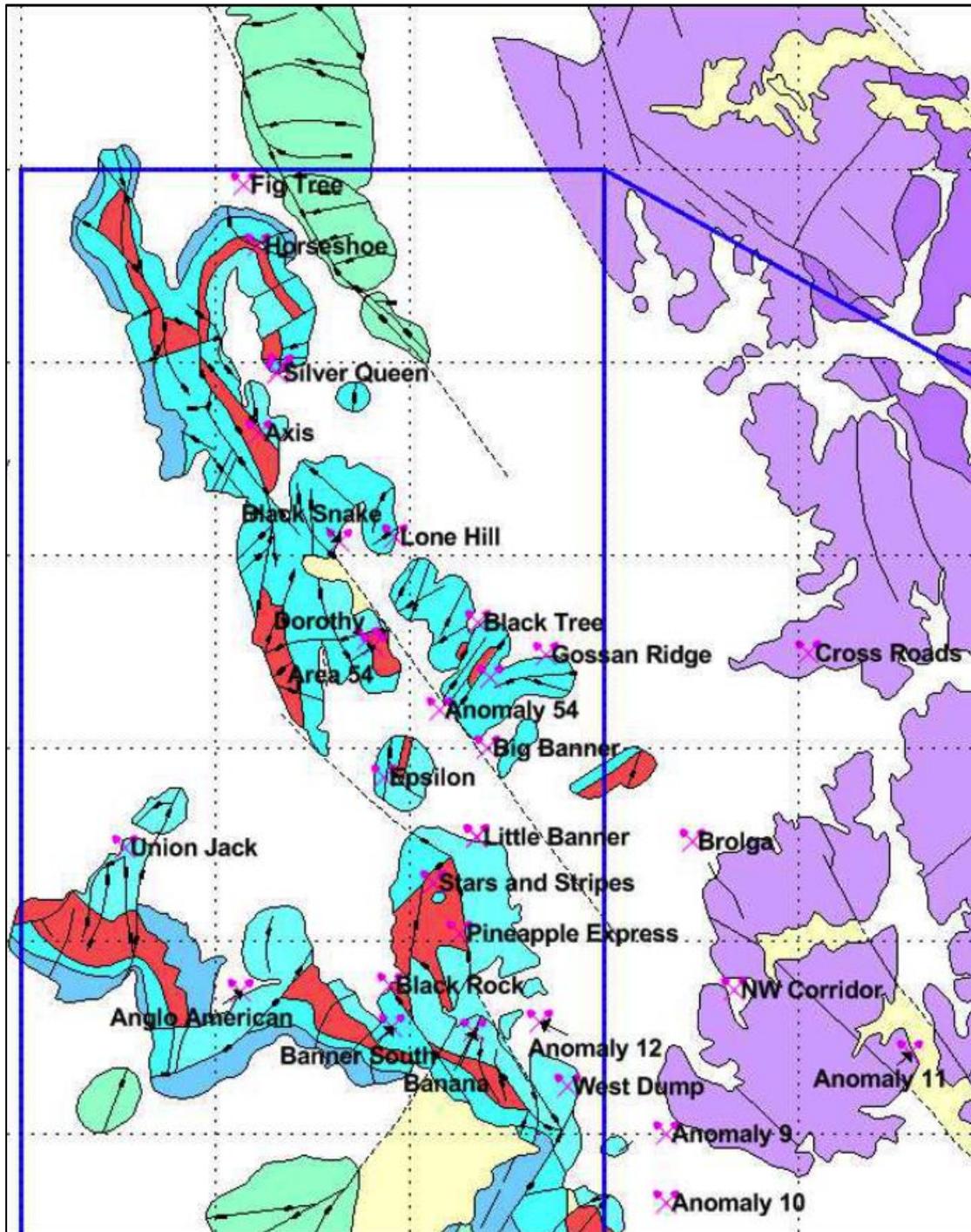
The above history shows the number of prospects in the Century Project area to be very large. Two maps as an example of some of the prospects, is illustrated represent the vein style deposits tested between 2012 and 2015 and are shown in Figure 6:1 and Figure 6:2.

Figure 6:1 Vein Style Prospects Tested in 2012-2015 (Southern Area) with Bedrock Geology Grid Squares are 1 km²



Source: From (Andrews 1998), reproduced from (Jago 2015)

Figure 6:2 Vein Style Mineralisation Tested Between 2012 And 2015 (Northern Area) with Bedrock Geology, Grid Squares are 1 km²



Source: From (Andrews 1998), reproduced from (Jago 2015)

7 Tailings Retreatment

The closure plan for the Century Mine contains a large budget (\$121M AUD) allocation for the current tailings storage facility in the Century open cut mine void and the opportunity exists to retreat the tailings at the current concentrator.

The metallurgical recovery at Century is dominated by the need of an ultrafine grind and the recovery of further concentrate for tailings will not be without technical and operational challenges. Further development work is needed to confirm whether the tailings are able to be retreated economically.

7.1 Mineral Resources

In 2013, MMG engaged Optiro Pty Ltd (“Optiro”) to estimate the Mineral Resources at the Century Mining Tailings Dam. A Global Inferred Mineral Resource (as per the 2012 JORC Code) for the Century Tailings Dam was estimated to be 56.9 million tonnes @ 2.98% Zn as at 30 June 2013 by Mr. Ian Glacken of Optiro. This resource is based on a large number of tailings assays and associated tonnage obtained from the Century metallurgical shift mass balance database (‘PI’).

Furthermore, in July 2015 an extensive drilling programme was undertaken in order to provide representative samples of material characteristics within the TSF Resource. Drill samples were required to determine the physical and chemical characteristics of the deposit, including, but not limited to moisture content, specific gravity, particle size fraction and metal distribution across size fractions, elemental concentrations, mineral speciation and detailed metallurgical test works.

The drilling was conducted in four prioritized phases as indicated below.

- Close spaced drilling at a 25 m spacing along one east (251,100 mE) and one north (7,921,050 mN) transect
- expansion of the grid at 50 m and 100 m spacings
- metallurgical drilling (MET holes; 3 m samples)
- Infill drilling wherever was needed.

Overall a total of 166 holes with cumulative meterage of 1,789.5m was drilled between July and September 2015. Out of which, 142 holes with cumulative meterage of 1485.5m was used to estimate Mineral Resources at TSF.

Based on the drilling program completed in 2015, the Mineral Resource for the for the Century Tailings Storage Facility has been estimated to **be 71.0 million tonnes @ 2.73% Zn as at January 2016**. This was done accordance with the JORC 2012 Edition Guidelines by Competent Person Mr. Ian Glacken and was released by Attila in its ASX announcement dated 1 March 2017. The Mineral Resources is comprised of both Indicated and Inferred Resources as detailed in Table 7:1 below.

Table 7:1 Mineral Resources Estimate at Tailing Storage Facility

Resource Category	Tonnes (Mt)	Zinc (% Zn)	Zinc Metal ('000t)
Indicated	12.8	2.97	380
Inferred	58.2	2.68	1,560
Total – Tailing Storage Facility	71.0	2.73	1,940

Source: Century Tailing Storage Facility- Resource Evaluation Study January 2016, Optiro

The Mineral Resource is well supported by QAQC, standard industry practice and good documentation. Table 1 of the JORC Code for the Tailing Storage Facility is reproduced in Appendix A

The grade reported in the Resource Estimate was estimated by using 16 grade variables by Ordinary Kriging using Datamine Studio 3. A further 5 variables have been calculated from those estimated. All grade estimation was completed on a parent cell size; hence, all sub-cells within the model receive the parent cell estimate.

Figure 7:1 Tailing Storage Facility



The major associated risks to the retreatment at TSF is a lack of understanding of the oxidation state of the zinc within the tailings; this may have implications on the processing. Testwork to date has focused on the indicated portion of the resource on the TSF (representing approximately 18% of the total resource at the TSF) with the results showing that approximately 75% of the samples are classified as sulphide zinc and 25% classified as non-sulphide zinc (including oxide zinc, carbonate zinc and water soluble zinc).

Based on the testwork done to date, whilst there is a reasonable level of understanding of the degree of oxidation on the indicated portion of the TSF resource indicating the risk of significant oxidation to be low and manageable, there is no guarantee that this can be applied to the whole TSF. Whilst testing to date demonstrates that sulphide zinc is able to be floated into a zinc sulphide concentrate with the existing facilities on site, the remaining non-sulphide zinc will need alternative processing if it is able to be recovered (if at all).

The author understands that further testwork will be conducted on all portions of the TSF as part of the proposed feasibility study.

7.2 Studies on Tailing Retreatment

A broad range of options has been considered for the retreatment of tailings. Both dry Mining (Mobile Loader and Trucking with Dozer Push to Trap) and wet mining (Dredging and Hydraulic Mining) were considered and evaluated on the basis of its applicability and costs.

The Company plans to undertake a feasibility study into the reprocessing of the existing tailings storage facility at the Century Project. The current plan is to hydraulic mine the existing tailings to bring the material back up to the existing plant, followed by re-floatation to recover remnant zinc mineralisation into a concentrate form. The final tailings produced through this process will then be sent to the current open pit for storage and encapsulation via subaqueous deposition.

Development of the Century Tailings Deposit will first require a drilling program to be completed in order to upgrade the current JORC resource and to collect metallurgical samples for process testwork and verification against existing data and production records held by the Company.

Further metallurgical test work will be required to verify existing data base of test work to confirm whether there is an economically feasible process to retreat the tailings. This test work will then be encapsulated into a final feasibility study for a restart decision.

7.3 Review of Existing Resource – Tailings Storage Facilities

Author of this report has reviewed the previously reported Mineral Resource which is well supported by various items including QAQC, standard industry practice for resource model estimation and good documentation. The author agrees with the conclusions of this resource estimate.

8 Lead-Zinc-Silver Mineral Resources & Prospects

There are two distinct zones within the Century Project tenements which is considered highly prospective for lead & zinc with existing geological drilling and geological modelling – Century Mine In-pit and Silver King deposit.

8.1 Century Pit

Initially discovered in 1990 by Rio Tinto, the Century zinc, lead, silver deposit represented a world class base metal occurrence with a pre mining Mineral Resource estimate of 118Mt @ 10.2% Zn, 1.5% Pb & 36g/t Ag.

The mine operators have long recognised the finite extents of the Century ore deposit and exploration has focused on finding faulted offsets and repetitions of the deposit. In 2011, MMG handed exploration responsibilities to the mine site based technical service group with the brief to discover and delineate vein style mineralisation.

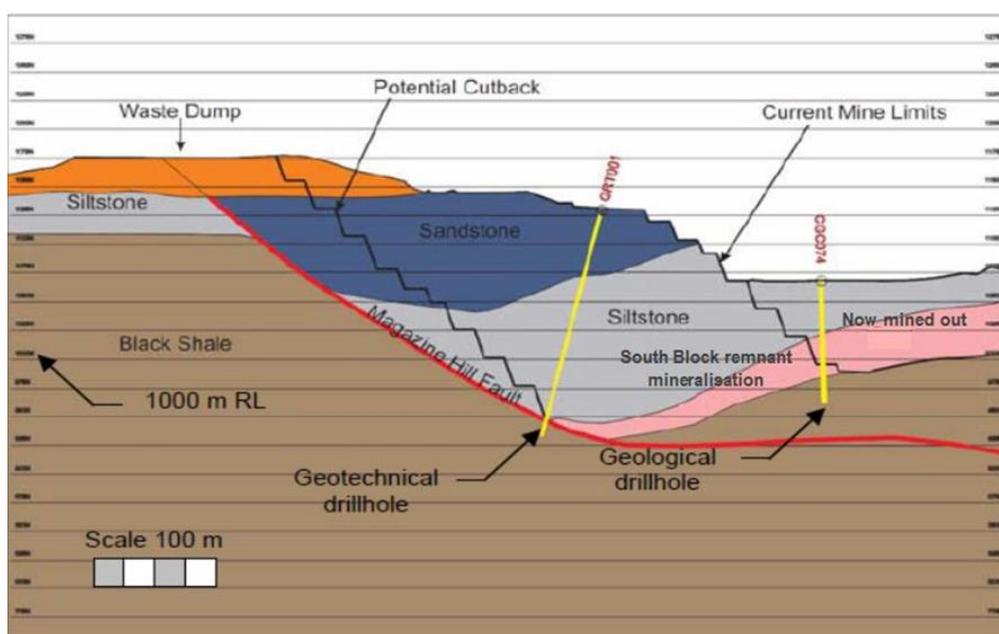
Two remnant blocks of mineralisation remain un-mined called the south block and east fault block at Century. These blocks have been discussed below.

8.1.1 Potential Mineralisation at South Block

The mineralisation at South block is the down dip extension of Stage 9 and Stage 10 of the Century's open pit mining operation. The top of the mineralisation is 170 metres below surface and extends to 200 m depth with a strike length of 1.1 km. Mineralisation is truncated by the Magazine Hill Fault. The cross section of south block (Figure 8:1) shows section geometry and interpreted geology (shown in pink).

Mineralisation extends beyond the present mined out area within the South Block at the Century Pit. It is recommended that an evaluation is conducted with respect to its potential size and grade.

Figure 8:1 South Block – Potential Mineralisation



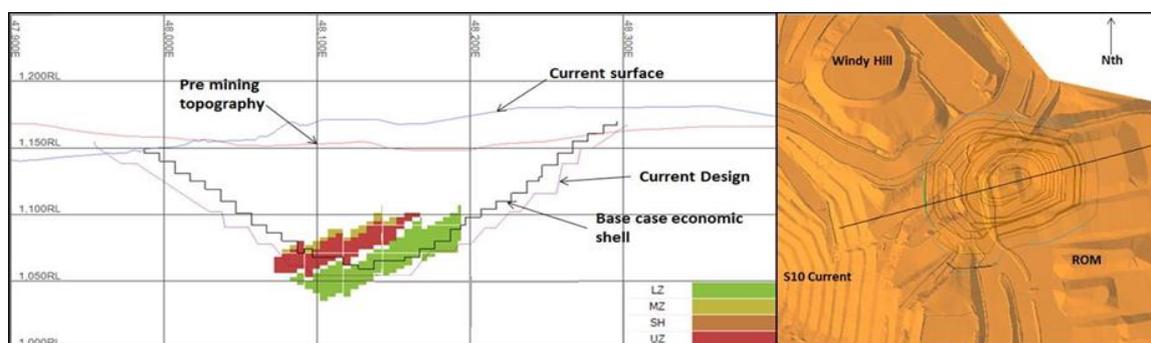
Preliminary work conducted on South Block has indicated that the deposit may require a very large high wall pre-strip including to removal rock waste from previous mining operations. The preliminary analysis assumed ongoing operations at Century which may not be valid under current circumstances.

8.1.2 Potential Mineralisation at East Fault Block

The east fault block is a small deposit located below the existing ROM stockpile. The potential mineralisation starts from 35 m below the surface and extends up to 112m depth (Figure 8:2).

Mineralisation extends beyond the present mined out area within the East Fault Block at the Century Pit.

Figure 8:2 East Fault Block – Potential Mineralisation



The JORC compliant mineral resources of the East Fault Block has been estimated as 520,000t at 11.6% Zn, 1.1% Pb and 48 g/t Ag. The Mineral Resources of East Fault Block Deposit is based on information compiled and overseen by Damian O'Donohue a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Damian O'Donohue was a full-time employee of MMG at the time of estimating the Resources. The Mineral Resource is well supported by QAQC, standard industry practice and good documentation. Table 1 of the JORC Code for the East Fault Block is included in Appendix C.

There has been no material change in the resource estimate since the date of last reporting on 10 December 2014 by MMG Limited (Table 8:1).

Table 8:1 East Fault Block Mineral Resource as at December 2014

Resource Category	Tonnes (Mt)	Zinc (%)	Lead (%)	Silver (g/t)	Zinc ('000t)	Lead ('000t)	Silver (koz)
Inferred	0.52	11.6	1.1	48	60	5	802
Total	0.52	11.6	1.1	48	60	5	802

Source: MMG

8.1.3 Review of Existing Resource – East Fault Block

Author of this report has reviewed the previously reported Mineral Resource for the East Fault Block which is well supported by various items including QAQC, standard industry practice for resource model estimation and good documentation. The author agrees with the conclusions of this resource estimate.

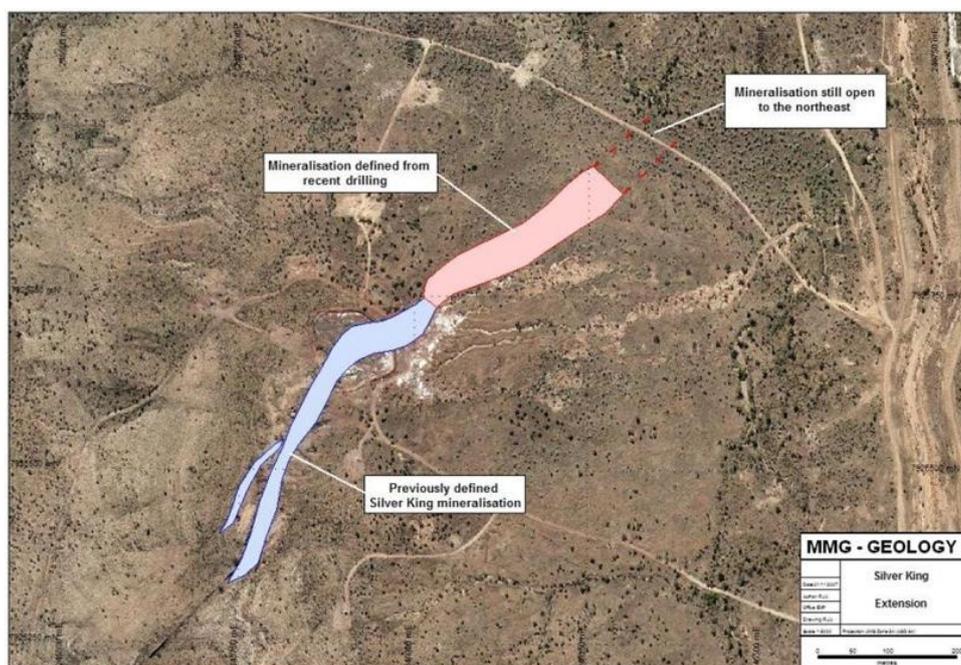
8.2 Silver King Deposit

The Silver King lead-zinc-silver deposit is 1.5 km south west of the Century open pit, on ML90045. It is one of the earliest identified deposit and of the greatest metal content located approximately 1km south of the southernmost extent of the Century Open pit. It was discovered in 1887, with mining commenced soon after. Historical Silver king was mined intermittently until 1961 via approximately 15 shafts and associated underground workings to a depth of approximately 60 metres. Estimated historical production is 3,149 tonnes of lead and 101 Kozs of silver.

At Silver King deposit, the mineralisation consists of a series of moderately to steeply dipping quartz-galena-sphalerite siderite veins associated with a northeast trending dextral strike-slip fault. The fault crosses two units of the Lawn Hill Formation, the black carbonaceous shale (H4r member and footwall to the Century deposit, which overlies the Bulmung Sandstone tuffaceous sandstone/siltstone members.

Further sphalerite and galena mineralisation occurs with shale hosted breccias, anglesite and cerussite are present in the near surface oxidised zone. The deposit showed evidence of extensive shearing and veining before, during and post mineralisation. Figure 8:3 shows plan of local geology depicting mineralisation at Silver King defined by recent drilling by MMG and potential future opportunity.

Figure 8:3 Plan of Local Geology, Silver Kings



Source: Silver King PFS, Xstract (2011)

MMG had conducted series of exploration program on Silver King Prospect in 2006, 2007, 2008 and 2011. Details of these exploration campaigns have been discussed under Historical Exploration of this IGR.

8.2.1 Existing Mineral Resource

MMG reported an Inferred Mineral Resource in accordance with JORC 2012 Edition Guidelines in 2014, prepared by Damian O'Donohue as at 30 June 2014 and summarised in Table 8:2. The Mineral Resource is well supported by QAQC, standard industry practice and good documentation. Table 1 of the JORC Code for the Silver King Deposit is included in Appendix B.

Table 8:2 Silver King Mineral Resource as at June 2014

Resource Category	Tonnes (Mt)	Zinc (% Zn)	Lead (% Pb)	Silver (g/t Ag)	Zinc ('000t)	Lead ('000t)	Silver (Moz)
Measured	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-
Inferred	2.7	6.9	12.5	121	185	336	10
Total – Silver King	2.7	6.9	12.5	121	185	336	10

Notes:

4. For Silver King Cut-off grade is based on a 5% Pb+Zn. The Resources estimates were reported as at 30 June 2014
5. Figures are rounded according to JORC 2012 Code guidelines and may show apparent addition or rounding errors.
6. Contained metal does not imply recoverable metal

Source: MMG Mineral Resources and Ore Reserves Statement, 2014 and 2015

8.2.2 Review of Existing Resource – Silver King Deposit

Author of this report has reviewed the previously reported Mineral Resource for Silver King which is well supported by various items including QAQC, standard industry practice for resource model estimation and good documentation. The author agrees with the conclusions of this resource estimate.

8.3 Other Zinc Vein and Breccia Deposits and prospects

8.3.1 Watson's Lode

Watson's Lode is considered the next well advanced vein style base metal prospect where numerous ore grade intersections are reported as well as historical mining development and production.

Watson's lode is located approximately 10 km south of the Century deposit. The mineralisation is clearly structurally controlled and company reports indicate dextral dilation jogs on a near vertical fault acting as the locus of mineralisation.

The main fault jog has been the target of most previous exploration as it contains both higher grades and larger amounts of mineralisation than other areas along the structure. The 730m long extensional jog at Watson's Lode contains the Watson's Shaft and is host to the highest grades of mineralisation.

Historically, Watson's Shaft was sunk to 100 feet and combined with Lucky Dollar and Coughlan's Lode 35.4 kg Ag and 176 t Pb was mined.

Grevillea

A stratiform Zn-Pb-Ag occurrence called Grevillea is located 40km southeast of Century. In contrast to Century the mineralisation at Grevillea has been hosted in fine to medium grained sandstone, carbonaceous and pyritic siltstones and shale. The mineral assemblage of the stratiform mineralisation includes sphalerite-galena-pyrite-siderite-ferroan dolomite.

The Grevillea was subject to exploration by MMG in 2013 but was relinquished. The deposit is included here to illustrate the type of deposits in the area.

Flat Tyre

The Riversleigh Siltstone also hosts a vein and breccia-style occurrence at Flat Tyre 15 km south of Century.

Historical drilling intercepts on Flat Tyre as reported in Anglo American plc internal reports include 27m at 1.3% Zn, including 1.1m of 3.3%Zn and 2.7% Pb (DH 92LH421) and 22m at 1.9% Zn, including 1.35m at 6.3% Zn and 2.4% Pb (DH 92LH369) (Broadbent 2002).

Again, the deposit is not included in the tenement package but mentioned here to highlight the potential of the Riversleigh Siltstone to host lead, zinc, silver mineralisation.

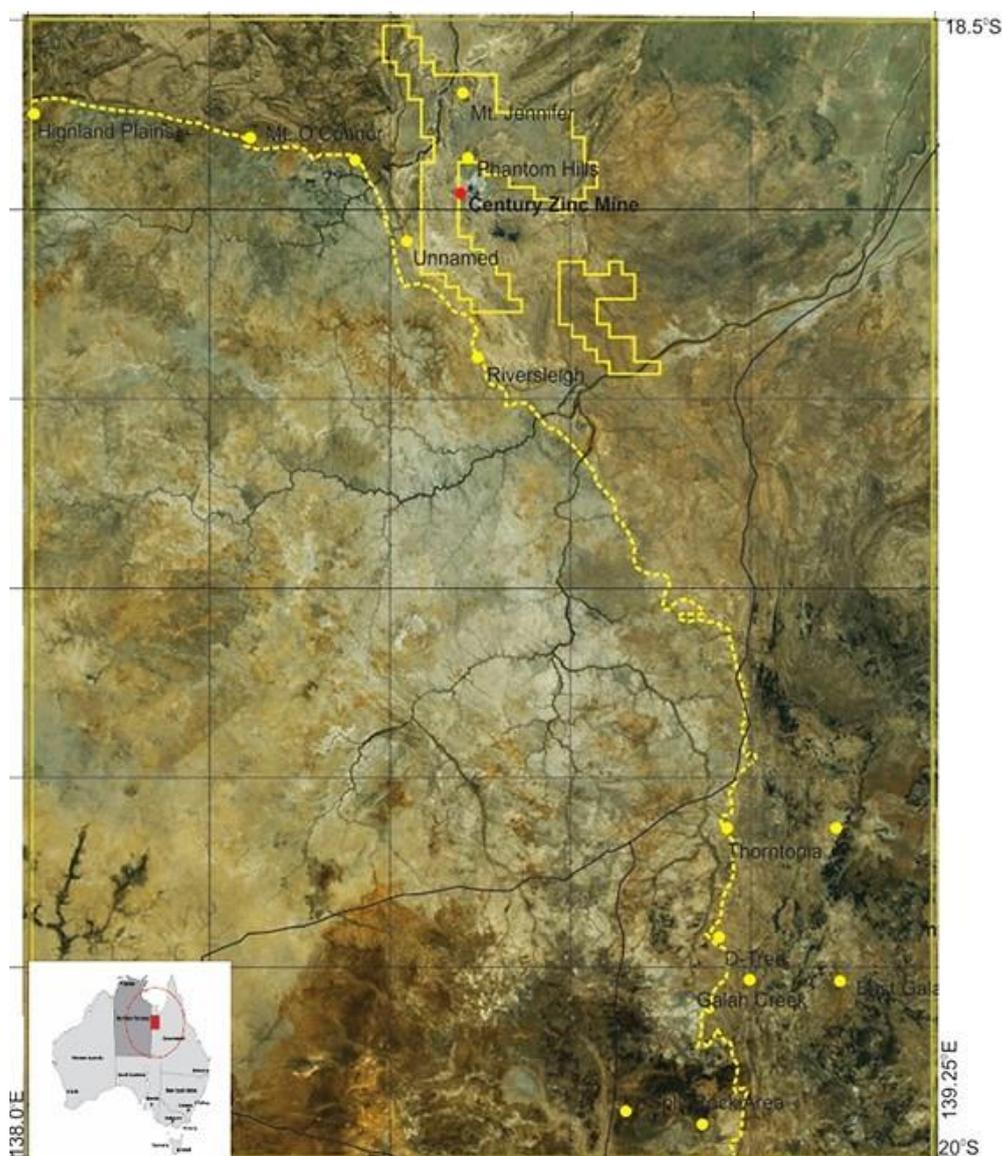
9 Phosphate Prospects

9.1 Prospectivity

Broken Hill South Limited discovered phosphate at Mt Jennifer and Phantom Hills in 1967. These two phosphate deposits, were identified within MMG lease and adjacent to the Century mine (Figure 9:1). The phosphate mineralisation at Mt Jennifer and Phantom Hills predominantly lies within exploration lease EPM10544 with approximately one third of the Phantom Hill deposit lying within the Century mining lease ML90045.

These phosphate deposits are located 78km south-west of Doomadgee Township, or approximately 230 km North of Mount Isa, Queensland. Figure 9:1 shows the location of these Phosphate deposit and other potential prospects.

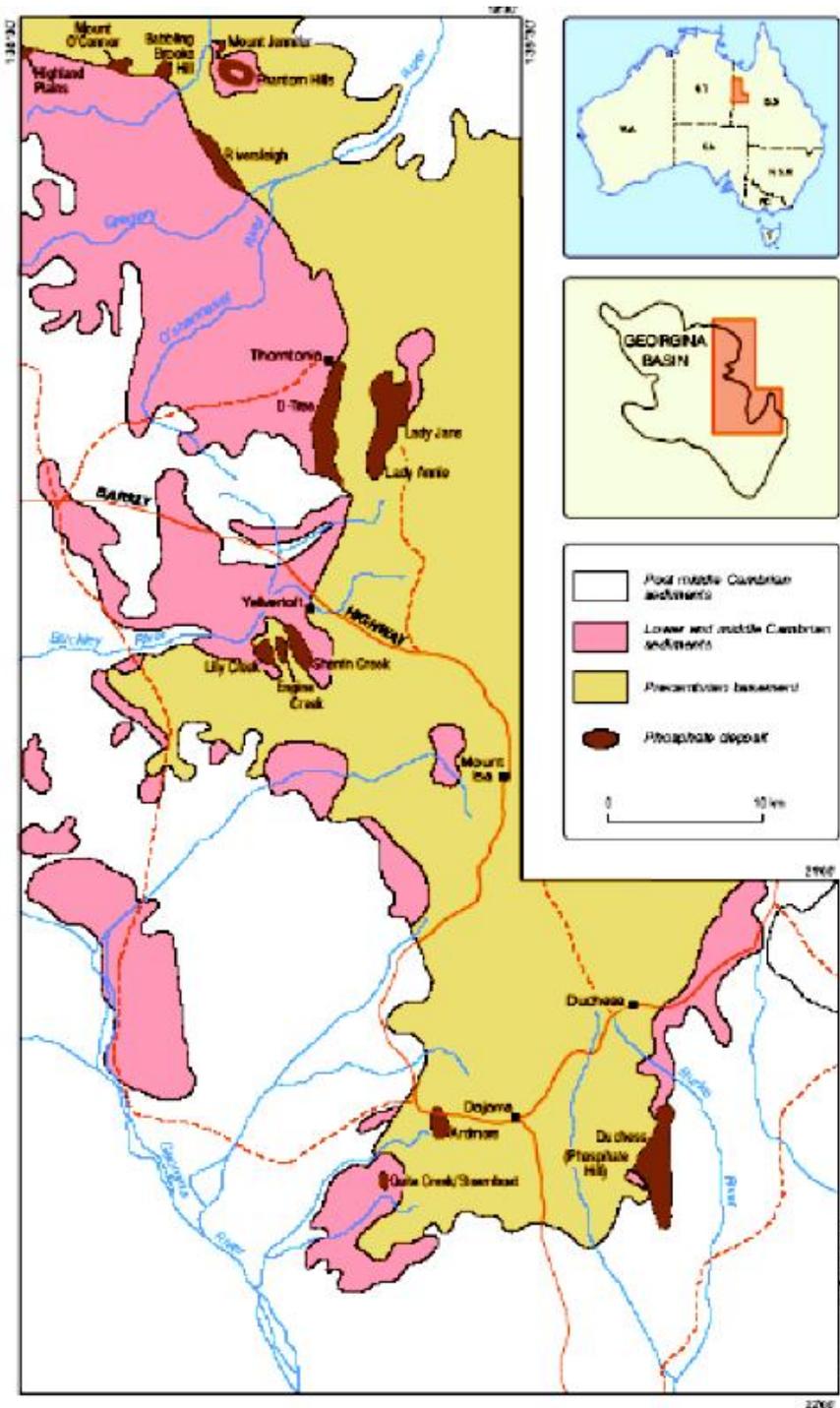
Figure 9:1 Location of Mt Jennifer and Phantom Hills



The phosphate is present as apatite in microcrystalline matrix and is similar in composition and origin to other phosphate deposits in the Georgina basin (see Figure 9:2). Phantom Hills is

however geologically unique as being present on the inner side of the Lawn Hill impact structure annulus and the timing of phosphate deposition and meteorite impact are covered (Salisbury 2008). It is likely the sediments were not consolidated at time of impact and as such have not undergone compaction by overlying sediments, unlike other deposits in the Georgina basin, and have a more complicated and convoluted bedding. Despite this unique geology, the drill testing and resource estimation has not been problematic and is unlikely to have resulted in increased geological risk.

Figure 9:2 Location of Mt Jennifer and Phantom Hills (top centre of image) in context of other deposits in the Georgina Basin



Source: modified from (Gelila 2014)

9.2 Exploration History

The exploration history, summarised in Table 9:1, can be broken up into two distinct phases:

- Circa 1968, discovery, partial delineation by drilling and shaft sinking at Mt Jennifer;
- Post 2012, Century geologists became interested in the historical phosphate occurrences as a potential mining and processing option after the closure of the mine.

Table 9:1 Mt Jennifer and Phantom Hills Phosphate Exploration History

Year	Activity
1966	Broken Hill South Limited (“BHSL”) starts exploring the Georgina Basin for Phosphate.
1967	BHSL discovers phosphate at Mt Jennifer and Phantom Hills.
1968	Detailed geological mapping occurred at Mt Jennifer and Phantom Hills.
1969	Drilling occurred at Phantom Hills and a shaft was sunk at Phantom Hills for bulk metallurgical testing (no records of this work located).
1985	Western Mining Corporation Limited relinquishes Mt Jennifer and Phantom Hills prospects.
1986	CRA applied for EPM to explore the area.
1987	CRA commenced regional exploration.
1990	CRA Exploration discovers Century Zinc deposit.
1997	Pasminco acquires the Century deposit.
2000	Century Mine officially opened.
2001	Pasminco enters Voluntary Administration.
2004	Century Mine (and exploration tenements) included in the relisting of Zinifex Limited.
2008	Merger of Zinifex Limited and Oxiana Limited to form OZ Minerals.
2009	Century Mine (and exploration tenements) acquired by MMG Limited.
2011	Literature Review of historic Geological Data on the Phosphate Deposits near Century.
2012	January, Sonic Drill program completed on Phantom Hills Phosphate for metallurgical test work and verification of historic drill hole locations.
2012	Conversion of historic grid (ANG) to current grid system (AGD84 (AMG54)).
2012	September, RC drill program commenced on Phantom Hills Phosphate conducted by external consultants HDR Salva.

Year	Activity
2012	October, a new exploration target block model created.
2013	April, RC and diamond drill program commenced at Phantom Hills. Metallurgical variability test work program carried out.

Source modified from (Gelila 2014).

9.3 Phantom Hills

9.3.1 Recent Exploration - 2012-2013 Drilling Programme

Phantom Hills (a discrete phosphorite deposit located ~5kms from the Century pit) was initially discovered and explored in the late 1960's however was not developed at the time; no significant phosphate targeted exploration work took place for the following 30 years.

In 2012 MMG commenced exploration programme to evaluate the possibility of creating a phosphate operation that would continue economic activity on the Century Mining lease post the open pit closure which is scheduled to take place over 2015-16. During 2012, geological work included a historic data review, 34 hole RC program, 17-hole Sonic drill hole program and the remodelling of the available historical drill data.

The primary purpose of the sonic drill program in early 2012 was to obtain a representative sample of the Phantom Hills phosphorites for metallurgical test work. The secondary purpose of the program was to confirm historic drilling data (Collar locations, assay results and intercept depths) and provide fresh material for geological and geochemical analysis).

In May 2013, a more intensive exploration campaign was completed on the prospect. A preliminary drill program was generated based on historic results (not geo-referenced), geophysics, satellite imagery and the 2012 drilling program results, this program was refined by extensive ground truthing of the target horizon and earth moving machinery was mobilised mid-April 2013.

A total of 14300m of RC drilling was completed over 335 holes and 12 twin Diamond holes were drilled at selected RC drill sites totalling 680.2m of production over the period of 2012-2013. In total 6800 of the RC samples were sent to the lab for assay.

The RC drilling was carried out by Boart Longyear using a UDR-1000[®] reverse circulation rig and two truck mounted UDR-Sandvik-1200 rigs equipped with automatic rod-handlers. All drill holes were drilled vertical with PVC casing was set in every hole to 5-10m below surface. In general, the drill recovery was good. However, cross contamination of samples from the same hole was only an issue after drilling through a cavity in the limestone that filled with water. When apparent this was recorded in the logs by field geologists. At the completion of each drill hole, samples selected for assay, as well as field duplicates, standards and blank reference numbers, were all recorded directly into the logging spreadsheet. The drill hole collar coordinates were logged using a handheld GPS at the time of drilling.

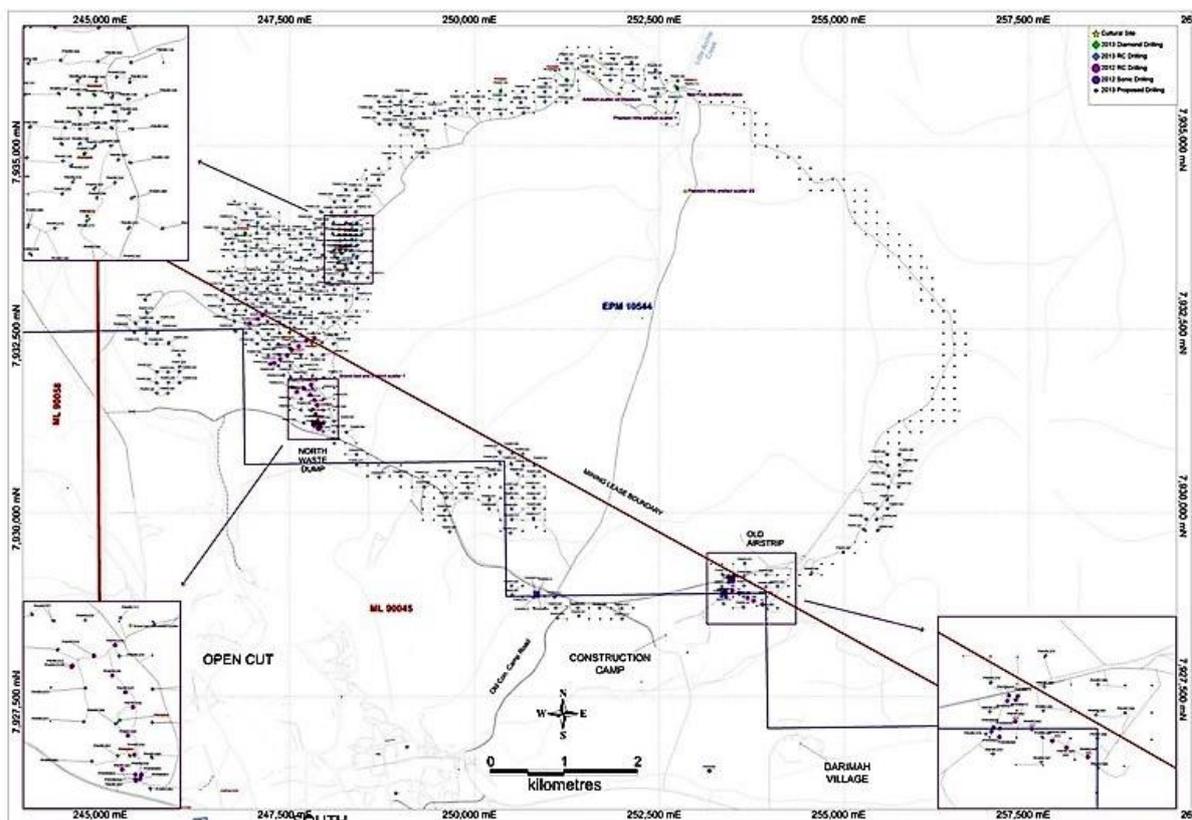
Diamond drilling was carried out in 2013 for the first time at Phantom Hills. A total of 12 diamond drill holes were drilled twining 12 selected RC holes, they provided geological data regarding the style of phosphate mineralisation and sample material for metallurgical test work.

The locations for diamond drilling were selected based on the grade and thickness of intercept in the RC hole and also spatially to ensure material from each region of Phantom Hills was available for analysis. Diamond drilling was conducted UDR Sandvik -1200 rig. All diamond core from the project was logged, photographed and sent to Townsville ALS for bulk density testing, cutting and assaying

Sampling and QAQC protocols throughout the program complied with MMG standards and all QAQC data was evaluated and reported on by IO Global. All drill hole collars and access tracks around the prospect were picked up by DGPS using the control base station located nearby at the Century Zinc open pit (~3km).

Data was stored and managed by the internal MMG GISDB team (Geographic Information Systems and Database) and resource modelling and estimation has taken place across all drilled regions of the deposit from September through November. Fresh data was included from both the 2012 and 2013 drilling programs as well as geological field mapping data. Figure 8:3 shows location of all 2012-2013 Diamond, Sonic and RC Drill Holes.

Figure 9:3 Location of 2012-2013 Diamond, Sonic and RC drill holes



Source: MMG Phosphate Mineral Resource Estimation Report

9.3.2 Surface Mapping 2013

A surface mapping exercise was carried out over a 2-week period in September 2013 once the drilling program was completed.

Surface mapping was done for the inner and out boundary of the Border Waterhole Formation and using a combination of DGPS and handheld GPS pickups defined the two contacts. The inner contact was between the Border Waterhole Formation and the Proterozoic Basement and the outer contact was between the Border Waterhole Formation and the Thornton Limestone. Prior to the field work contacts were interpreted based on the RC drilling data. Some parts of the contacts (in particular the inner basement contact) had to be interpreted due to a lack of outcrop or drilling. The Thornton limestone and Border Waterhole formations are syn-depositional and it is known the two units interfingering around the margins.

Based on the work to-date the exploration programs have been successful and warrant further drilling, trenching and metallurgical /mining analysis.

9.4 Conclusions and Recommendations

The identification of a large phosphate deposit has been rapid and only taken three campaigns and whilst several issues exist relating to less than optimal practice no fatal flaws are identified. It is likely further exploration would result in increased geological confidence. In order to declare a Mineral Resource estimate, it is recommended that a thorough review of the existing data is undertaken, together with appropriate re-sampling and further sampling.

10 Prospectivity and Exploration Targeting

10.1 Prospectivity

In the past, MMG exploration focused on finding a faulted offset or repetition of Century to identify large deposit to capitalised on the Mine Infrastructure including a large throughput concentrator specifically built to the treat the fine-grained sphalerite.

Recent exploration activities were impacted by:

- A short mine life to find additional ore sources to keep the operations going;
- Several years of little or no activity associated with the curtailing of exploration budgets while Pasminco was under during administration, OZ Minerals financial crisis and during the MMG takeover period;
- Numerous changes in direction back and forth from exploring for vein vs. Century style mineralisation;
- Lack of a systematic drill out and development of vein style occurrences.

As the convoluted Cambrian sediments of the annulus are known to be 300m thick in places, the caveat, within 300m of surface, may apply but beneath this depth. Whilst it is unlikely, the annulus has a genetic or preservation relationship to the Century mineralisation is was important in concealing it prior to discovery.

Lately the focus shifted to conceptual style targets concealed by the limestone annulus the widespread base metal anomalism reported from the locations in the annulus and related to the limestone lithology has not been adequately explained. To conclude, the carbonaceous sediments beneath the limestone annulus remain a valid exploration target and potential to find a large deposit of 'Century style' mineralisation still exists.

The prolonged exploration history at the tenement by various mining majors including CRA (now, Rio Tinto) has created significant opportunities, including:

- Systematic review, and development of best the vein style mineralisation occurrences, and create development pipeline through to mining feasibility. Silver King Deposit is an example of one such opportunity, where Mineral Resource has been delineated.
- That only one of many 'vein style' occurrence is drilled out to Inferred status. There are significant opportunities given most of occurrences have been discovered, some previously mined and explored by geophysical surveys and drilling for over 100 years.
- It is not clear how well (if at all) the bottom of drill hole geochemistry for the phosphate drilling is integrated in base metal exploration. There is evidence of carbonaceous shale at the bottom of phosphate exploration drill hole. However, sampling and analysis for metals was limited.

The presence of additional Century style mineralisation cannot be completely ruled out over the licence area, although the author concurs this is very unlikely for exposed Lawn Hill formation rocks within 100m of surface. However, considerable scope still exists at depth anywhere on the licence and at depth concealed beneath the limestone annulus. The development of an underground mine(s) would facilitate the chance to 'stumble' upon Century mineralisation during mining and exploration operation.

11 Recommended Further Exploration Programme

Despite exploration being mature at Century and surrounds significant opportunity exists to:

- Increase confidence of Resource classification at the tailing storage facilities by further in-fill drilling and assess the viability of tailings processing;
- Discover and delineate additional vein style mineralisation and drill out to sufficient density to be able to estimate and report a Mineral Resource at a large number of zinc deposits and prospects; and
- Undertake resource modelling and further in-fill drilling at the Phantom Hills and Mount Jennifer Phosphate prospects.

Furthermore, after the resource upgrade of Tailing Storage Facility (TSF), a follow up work program will be needed to ascertain tailings metallurgical recovery and economic viability.

Exploration will be focused predominantly on defining drilling targets from already defined prospect and regional assessments including reconnaissance, geochemistry and geophysics. This will be followed by it on field drilling and the undertaking of the necessary activities to increase the geological confidence category at Silver King.

Additionally, an exploration program is recommended to target potential phosphate prospects such as Mount Jennifer. Exploration will be focused predominantly on defining drilling targets from already defined prospects. This will be followed by on field drilling and the undertaking of the necessary activities to increase the geological confidence category at Silver King.

Siecap estimates an initial work program of AUD \$1.8M is required to fund the necessary exploration program at the Century Mine, with an additional \$360,000 estimated for feasibility expenses at the Century Tailings Deposit for the next 12 months. An initial work programme is proposed in Table 11:1 listing high priority tasks.

Table 11:1 Proposed exploration work programme

	(A \$000)
Comprehensive drilling of Tailing storage facility to increase geological confidence for feasibility studies	715
Obtain drill hole database and other surface sample data sets and conduct thorough review and prioritize targets according work need to report maiden Mineral Resource	30
Conduct drill out of Watson's lode, suitable the support the estimation and public reporting of Mineral Resource	400
Following review of the drilling and a geostatistical review determine drilling necessary to increase the geological confidence category from Inferred to Indicated at Silver King	40
Begin a pipeline resource drill out of the other known vein style occurrences according to priority and at a speed exploration budgets allow	100
Review phosphate prospect data	50
Incorporate the historical phosphate at Mt Jennifer with the new Phosphate occurrences	40
Resample the bottom of hole in the Phosphate drilling for full base metal suite	300

Plan follow up surface sampling for anomalies with infill soil sampling to better define targets prior to drill testing	100
Collate and review all previous geophysical surveying and determine effectiveness of various techniques and recommend future work	25
Total (A \$000)	1800

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Appendix A: JORC Table 1 - Tailing Storage Facility

This Table 1 is extracted from the Resource Report for the Century Mining Tailings Storage Facility which was prepared by Mr. Ian Glacken of Optiro Pty Ltd as at January and released by Attila in its announcement to ASX on 1 March 2017.

Criteria	Explanation	Comment
Sampling techniques	<p>Nature and quality of sampling (e.g. cut channels, random chips etc.) and measures taken to ensure sample representivity.</p> <p>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</p> <p>Aspects of the determination of mineralisation that are Material to the Public Report.</p> <p>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m 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.</p>	<p>HQ3 diamond drill samples are the main data source for the estimate and were analysed on either 1 m (resource drillholes) or 3 m (metallurgical testwork) downhole intervals. Production data from tailings feed samples over the life of the tailings deposition has also been used. These are flowmeter readings from three sources and have been aggregated to yield tonnes and grade, as well as particle sizing analysis data</p> <p>Twinned holes return very similar results. Core measurements demonstrate that the samples represent the tailings column</p> <p>Due to the wet and unconsolidated nature of the TSF a modified HQ3 diamond drill configuration, using a modified bit, was used. This set up achieved cored samples of up to 3 m lengths (ave. 6.2 kg). During the drilling process no additional water was introduced. Core sampling was completed at the rig at approximately 1 m intervals. Metallurgical samples (3 m) were delivered to the Century Mine Laboratory for sampling.</p>
Drilling techniques	<p>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka 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.).</p>	<p>A total of 166 HQ3 diamond holes for 1,789.5 m were drilled between July and September 2015.</p>
Drill sample recovery	<p>Whether core and chip sample recoveries have been properly recorded and results assessed.</p> <p>Measures taken to maximise sample recovery and ensure representative nature of the samples.</p> <p>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.</p>	<p>Holes were dipped following every completed 3 m drill run using a lead weighted tape measure. This identified any sample being lost down, or drawn up, the sample column. If an issue was identified the hole was re-drilled.</p> <p>Due to the plastic nature and high moisture content of the tailings material, sample recovery was a considerable focus throughout the drilling programme. Modifications were made to both the drilling equipment and processes to achieve optimal recoveries; however, results were nonetheless variable. Areas, or holes, with poor sample recovery (<70%) were abandoned and re-drilled</p> <p>No relationship between sample recovery and grade has been observed</p>

Criteria	Explanation	Comment
Logging	<p>Whether core and chip samples have been logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <p>Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.</p> <p>The total length and percentage of the relevant intersections logged.</p>	<p>Due to the homogenous nature of the TSF geological logging of the sample material was not completed. All core was sampled.</p> <p>Not applicable – no logging carried out</p>
Sub-sampling techniques and sample preparation	<p>If core, whether cut or sawn and whether quarter, half or all core taken.</p> <p>If non-core, whether riffled, tube sampled, rotary split etc. and whether sampled wet or dry.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</p> <p>Measures taken to ensure that the sampling is representative of the in-situ material collected.</p> <p>Whether sample sizes are appropriate to the grainsize of the material being sampled.</p>	<p>Due to the high moisture content of the samples, no further sample splitting was completed at the rig.</p> <p>Resource drilling (1 m samples): Samples were dried in a drying oven at 100C for 24 hours. Once dried, samples were then passed through the Boyd jaw-crusher to only de-aggregate the tailings material. A Rotary Splitting Device (RSD) was then used to produce two 200 g splits of the Primary sample. All reject material was retained for any future requirements.</p> <p>Metallurgical samples (3 m): A single composite sample was created from each tray using the 'cutting and combining' technique to produce a 1-2kg sample for assaying. Composite samples were created by slicing each portion of core lengthwise with a wide-blade spatula then cutting crossways at defined intervals (approximately 15 cm), then combining alternative portions into calico bags for drying and sample preparation. Samples were then dried and split using the above method</p> <p>For both sample types the sample preparation technique is considered appropriate</p> <p>A total of 23 coarse duplicate splits were taken at the Boyd crusher after drying and initial disaggregation of the sample.</p> <p>The duplicates showed excellent correlation with the original sample indicating good homogeneity between sub-samples at the first splitting stage and validating the lack of bias in the crushing and splitting stages.</p> <p>Due to the fine grain size and homogenous nature of the tailings material, the sample size used is considered appropriate.</p>
Quality of assay data and laboratory tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p>	<p>The Century Mine laboratory was used for all sample preparation and all geometallurgical and basic metallurgical testwork for both the resource and metallurgical holes. The Century Mine laboratory is accredited by the National Association of Testing Authorities, Australia (NATA). All methods are considered total with the exception of the soluble zinc component.</p> <p>Resource drilling (1 m): one 200 g split was analysed for gravity analysis by gas pycnometer and particle size fraction analysis. A second 200 g split was pulverised to 53µ (85% passing) and analysed using LECO (carbon speciation), zinc speciation (solubility) and XRF analysis (Fe, Mn, SiO₂, Ag, Pb, Ca, Mg, Al, and S)</p> <p>Metallurgical drilling (3 m): A single 200 g sample was pulverised to assaying and laboratory procedures used and whether 53µ (85% passing). XRF analysis of Zn, Fe, Mn,</p>

Criteria	Explanation	Comment
	<p>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.</p> <p>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.</p>	<p>SiO₂, Ag, Pb, Ca, Mg, Al, and S was completed, with the remaining sample sent to ALS for further testwork.</p> <p>Additional analysis of minor elements with the potential to impact overall metallurgical performance was carried out on the metallurgical samples only by ALS laboratories in Townsville. A total of 105 samples were submitted for basic multi-element analysis, 28 of which were sent for detailed analysis. ALS was also used as an umpire lab for QAQC purposes on the resource samples.</p> <p>Sample analysis methods were chosen by appropriately qualified and trained professionals and are considered fit for purpose and consistent with JORC 2012 guidelines</p> <p>Not applicable – no geophysical tools used to obtain either of the sample types used.</p> <p>A QAQC programme consisting of 5 CRMs (1:20 insertion rate), blanks (1-2 kg coarse crushed quartz sand; 1:30 insertion rate) as well as duplicate samples (1:55 insertion rate) was undertaken. No material issues were identified.</p> <p>Umpire laboratory testing was also completed by ALS. The Century Mine laboratory is regularly audited for continued compliance with ISO/IEC 17025 by NATA. The Laboratory uses matrix-matched well-certified internal standards inserted into every batch as unknowns, performs one repeat sample every batch. Blanks are not used as they are unfeasible in fused-bead XRF analysis. As a requirement of NATA accreditation the laboratory regularly participates in external proficiency testing.</p>
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes.</p> <p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</p>	<p>No verification testing has been carried out.</p> <p>The practice of 'twinning' drill-holes was employed on several holes to assess the repeatability of the sampling method. Three pairs of twinned holes were drilled at a spacing of 1 metre. All holes showed relatively good correlation between the twins for zinc. Alternatively, redrilled holes were also compared which also showed low variance (1.2%) between matching sample intervals.</p> <p>All drilling and sampling data is stored within the MMG standard geological database, GBIS. Data entry and changes are fully auditable and the following controls and measures are in place:</p> <ul style="list-style-type: none"> • MMG has a dedicated team of information geologists and data officers who maintain the company database located in Melbourne, Australia. • The Database team uses NT authentication in SQL, so all users need a valid MMG login and be assigned to groups who have access to the database and edit permissions to edit data. • Regular SQL backups are saved to disk and IT record File and SQLbackups to tape <p>The database, and data management, is considered to be</p>

Criteria	Explanation	Comment
	<p>Discuss any adjustment to assay data.</p>	<p>consistent with industry best practice.</p> <p>No adjustments were applied to the zinc assay data.</p> <p>For the purpose of the estimation of the particle size distribution, samples that had results for both sieve analysis and cyclo-sizing (104 samples) were used to provide an overall particle size distribution from 300μ to 7μ. The sieve and cyclo-sizing data was combined into a single dataset, reporting the cumulative percent passing (%) for 12 defined fraction sizes. As the cyclo-sizing grain size per cyclone is variable (dependent upon the density of the sample, the length of analysis, temperature and flow rate), defined size fractions below</p> <p>38μ were calculated for each sample using linear interpolation between known results.</p> <p>Zinc metal distribution based on particle size was analysed using a</p> <p>combination of the sieve and cyclo-sizing samples. Only samples between 150μ and 7μ (fractions matching the results of the Particle Size Distribution analysis) were estimated (fractions above 150μ had inadequate sample mass for analysis). Results were manipulated in</p> <p>a similar method to particle size data, with the resulting values representing the cumulative proportion of metal passing each fraction size.</p>
<p>Location of data points</p>	<p>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.</p> <p>Specification of the grid system used.</p> <p>Quality and adequacy of topographic control.</p>	<p>The drill collars of all holes at the TSF were located using a TOPCON GPS System, namely a HiPer XT with an FC2500 Field Controller. The collars are accurate to with ± 3cm.</p> <p>All drillhole co-ordinates are stored within the MMG GBIS database in the Australian Map Grid co-ordinate system (Australian Map Grid zone 54, using the Australian Geodetic Datum (AGD84))</p> <p>Annual to biennial aerial surveys were taken over the Century Tailings Dam throughout the operational life utilizing both photogrammetry and LiDAR methods. The accuracy of each survey improved over time from ± 0.3-0.6 m in 1992 to within ± 0.15m in 2015.</p> <p>In section, some inconsistencies between the surveys during 1992 and 2002 are observed and have been addressed in the calculation of the Resource (manual correction to match the concentrator outputs for horizon 1).</p> <p>The quality and accuracy of the topographic control is considered sufficient for the Mineral Resource estimation procedure and classification applied.</p>
<p>Data spacing and Distribution</p>	<p>Data spacing for reporting of Exploration Results.</p> <p>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</p>	<p>Drilling is concentrated on the south-western portion of the TSF. One east (251,100 mE) and one north (7,921,050 mN) transect has been drilled to a 25 m spacing. Expansion of the grid at 50 m and 100 m spacings with some further infill drilling has occurred, including metallurgical drilling.</p> <p>The drill database used in the Resource estimate comprises 166 holes (including 24 metallurgical holes) for a total of 1,789.5 m. A total of 1,273 samples were assayed, all of</p>

Criteria	Explanation	Comment
	<p>estimation procedure(s) and classifications applied.</p> <p>Whether sample compositing has been applied.</p>	<p>which are within the mineralised zone of the Resource.</p> <p>The Resource drilling has been composited to 1 m, and the Metallurgical drilling has been composited to 3 m.</p>
Orientation of data in relation to geological structure	<p>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</p> <p>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.</p>	<p>There is no bias between the angle of the drilling and the depositional angle of the tailings as the holes are roughly perpendicular. The feed samples cannot be related to a position in space.</p> <p>All mineralisation is horizontal, therefore vertical drilling intersects normally.</p>
Sample Security	<p>The measures taken to ensure sample security.</p>	<p>Samples were dispatched from the rig to the Century Mine Laboratory with a uniquely numbered Sample Dispatch Sheet (SDS) which listed all the samples present, analytical requirements and sample characteristics. All details were then entered into the CCLAS Laboratory Information Management System (LIMS) at the laboratory for fully auditable tracking throughout the preparation and sampling process.</p> <p>Samples that required further analysis by an external laboratory were placed into labelled, sealed foil sample bags by the MMG Laboratory personnel. Samples were dispatched to the Australian Laboratory Services Townsville (ALS Townsville) with a new, uniquely numbered SDS outlining the samples present and analytical requirements.</p> <p>All analytical results were delivered to the MMG geological team via electronic format. Upon full validation of the data, all hole and sample information was uploaded to the MMG GBIS database.</p> <p>Feed samples were assayed on site by the in-house laboratory</p>
Audits or reviews	<p>The results of any audits or reviews of sampling techniques and data.</p>	<p>No internal or external audits or reviews of the sampling techniques have been carried out. The CP is an external consultant to MMG Limited.</p>
Mineral tenement and land tenure status	<p>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.</p> <p>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.</p>	<p>MMG holds a mining lease (ML90045) over the Century TSF; this has an expiry date of 18/09/2037. As part of an operating mine the tailings dam is not subject to any operating restrictions, but it is subject to environmental conditions relating to the containment of the tailings.</p> <p>MMG holds a mining lease over the Century TSF area.</p> <p>Author Note: See Solicitor's Report in the prospectus for tenure details as at date of the prospectus.</p>
Exploration done by other parties	<p>Acknowledgment and appraisal of exploration by other parties.</p>	<p>Not relevant; the tailings are the consequence of mining.</p>

Criteria	Explanation	Comment
Geology	Deposit type, geological setting and style of mineralisation.	The deposit is a tailings dam with zinc and silver mineralisation deposited in sub horizontal layers as mine tailings from up to five separate outflow sites.
Drill hole	<p>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:</p> <ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. <p>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.</p>	<p>A total of 166 HQ3 diamond holes for 1,789.5 m were drilled between July and September 2015.</p> <p>Drilling covered the south west corner of the TSF in an area considered safe for drilling. It was conducted in four phases:</p> <ol style="list-style-type: none"> 1. close spaced drilling at a 25 m spacing along one east (251,100 mE) and one north (7,921,050 mN) transect 2. expansion of the grid at 50 m and 100 m spacings 3. metallurgical drilling (MET holes; 3 m samples) 4. opportunistic infill drilling. <p>Collar positions of the 2015 drill program were located using a TOPCON GPS system with an accuracy of ± 3 cm</p> <p>All holes were drilled vertically to an average depth of 10.8 m.</p>
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations and cut-off grades are usually material and should be stated.</p> <p>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.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>Results have not been reported – therefore no averaging or aggregation has been applied.</p> <p>Not applicable – no aggregation applied.</p> <p>Not applicable – the main element of interest is zinc</p>
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down-hole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').</p>	Mineralisation is almost flat-lying and the vertical drill holes therefore approximate true thickness.
Diagrams	Where possible, maps and sections (with scales) and tabulations of intercepts should be included for any material discovery being reported if such diagrams significantly clarify the report.	See body of announcement for photography and Mineral Resource tabulations. As this is not a discovery but a man-made deposit cross-sections are not relevant.

Criteria	Explanation	Comment
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 practised to avoid misleading reporting of Exploration Results.	All information considered material to the reader's understanding of the database, estimation procedure and classification of the Mineral Resource has been reported
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.	<p>The Century Concentrator has comprehensive production data records dating back to the year 2000 within the OSI soft Pi proprietary database. The system collects and stores real time plant production data, relating to mass and rates throughout the entire Concentrator circuit. The system is further supplemented by shift assay grade data and particle sizing analysis from the Century laboratory. Manual user inputs occur for the purpose of mass balance reconciliations.</p> <p>The system provides a comprehensive production history and is fully auditable.</p> <p>2008 Liquefaction Assessment: A programme of five holes was drilled into the TSF as part of a liquefaction assessment carried out by Australian Tailings Consultants (ATC) in 2008. The drilling method utilised was hollow flight auger and were followed up with a series of mechanical measurements including a cone penetrometer. These samples (BH1-5) were characterised and tested for flotation response at the Century laboratory but were not included as part of the 2016 TSF resource evaluation.</p> <p>Bulk sample pilot trial: A pilot trial took place between the 10th and the 14th September 2014 involving the processing of more than 10,000 dry tonnes of recovered tailings through the Century concentrator. An overall zinc recovery of approximately 69%, and a final concentrate grade of 9.5% zinc was achieved over an extended operating period.</p>
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).	A drill spacing study conducted by Optiro determined that a drill spacing of between 100 m by 100 m or 150 m by 150 m would be sufficient to allow the un-estimated portion of the Century TSF to be classified as Indicated.
Database integrity	<p>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.</p> <p>Data validation procedures used.</p>	<p>All drilling and sampling data is stored within a digital database (GBIS) controlled by MMG personnel. Data entry and changes are fully auditable. NT authentication in SQL is used to track access and edit permissions to the database</p> <p>The data was provided to Optiro in the form of a series of spreadsheets which were imported into a Mineral Resource Access DB.</p> <p>Validation of the exported data was confirmed using mining software (Datamine Studio 3) validation protocols, and visually in plan and section views by Optiro prior to use in the estimation</p>
Site Visits	Site Visits undertaken by the Competent Person and the outcome of these visits. If no site visits have been undertaken, indicate why this is the case	A site visit was completed by Mr Ian Glacken of Optiro Pty Ltd, the Competent Person, between 29th April and the 1st May 2015.

Criteria	Explanation	Comment
Geological interpretation	<p>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</p> <p>Nature of the data used and of any assumptions made.</p> <p>The effect, if any, of alternative interpretations on Mineral Resource estimation.</p> <p>The use of geology in guiding and controlling Mineral Resource estimation.</p> <p>The factors affecting continuity both of grade and geology.</p>	<p>There is no geological interpretation, simply the assumption that tailings have been deposited in a sub-horizontal manner. Due to the consistent feed assays, the Tailings Dam is considered relatively homogenous and consistent throughout</p> <p>Volumetrically the resource is constrained by annual to biennial aerial surveys conducted by qualified survey personnel throughout the operational life of the Century Tailings Dam. Both photogrammetry and LiDAR methods have been used to generate estimation domains and constrain the final TSF volume. Accuracy of each of these surfaces range from ± 0.1 to 0.6 m.</p> <p>Some inconsistencies between the aerial surfaces are observed, in particular between the 1992 (basal) and 2002 surveys. Consequently, a manual correction (61% reduction in volume) was applied to the year 1 horizon volume based on the reported tonnages on the concentrator data. This correction has been applied to the final Mineral Resource reporting.</p> <p>The TSF mineralisation was grouped into five time-based domains for estimation based on the average zinc grade of the 1 m composites between the annual topographic surfaces. Domains were chosen to subdivide the depositional history into consistent grade domains demonstrating stationarity for estimation.</p> <p>Moisture, chlorine, fluorine, sulphide sulphur, particle size distribution and zinc distribution were estimated on a deposit- scale as there was no support to subdomain these variables.</p> <p>The TSF mineralisation is considered to be continuous with low grade variability within the defined time periods.</p>
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.	The Mineral Resource area is the entire area of the TSF, i.e. roughly 3 km north-south by up to 2.5 km east-west, with depths averaging between 5 and 25 m.

Criteria	Explanation	Comment
<p>Estimation and modelling techniques</p>	<p>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.</p> <p>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</p>	<p>Estimation was completed in Datamine Studio 3 using ordinary kriging (OK) into parent blocks of 50 mE by 50 mN by 1 mRL. Sub-celling down to 5 mE by 5 mN by 0.25 mRL was employed at domain boundaries for adequate volume resolution. Only the portion of the TSF covered by the detailed drilling was estimated using kriging.</p> <ul style="list-style-type: none"> • A total of 16 grade variables (Zn %, water soluble zinc %, non-sulphide zinc %, total carbon %, total organic and elemental carbon (TOEC) %, total sulphur %, Fe %, SiO₂ %, Al₂O₃ %, MgO %, Mn %, F %, Cl %, moisture %, and SG g/cm³), were estimated and a further 4 variables (Mg %, carbon in carbonates %, sulphate sulphur % and dry bulk density g/cm³) were calculated. Particle size distribution (%) and zinc distribution by particle size (%) for a variety of sieve sizes (P7 to P300) were also estimated. • The estimation was constrained to within a boundary string to avoid extrapolation outside the drilling area. Blocks outside this boundary string were assigned average grades for each variable by domain, with the exception of Zn, which was assigned to maintain the metal balance constrained by the concentrator output and surveyed volumes. • Due to the low variability of the data with very few outliers, top cuts were not applied. • Boundary analysis of the zinc domains demonstrated that the boundaries were relatively soft and therefore a 1 m sample allowance both above and below each boundary was used for all domained variables. • Kriging neighbourhood analysis was performed in order to determine the block size, sample numbers and discretisation levels. • A total of three search passes were used with the first search pass set to the range of the variogram for each domain and variable. For zinc, a search of 180 mE by 180 mN by 4 mRL was used. A minimum of 8 and a maximum of 30 samples were used. For subsequent passes, the search pass was increased; by a factor of 1.5 for the second pass and 3 (up to 5) for the third and final pass. The minimum number of samples for pass 2 and 3 was set to 6. • Un-estimated blocks (less than 7% for Zn) were assigned the domain averages by variable. • Particle size and metal distribution was estimated on a whole of deposit basis. The same search parameters were used for all distribution variables to maintain a consistent search neighbourhood for each search. The first search was set to 155 mNE by 120 mN by 9 mRL, utilising a minimum of 4 and a maximum of 24 samples. The second and third passes were enlarged by a factor of 1.5 and 5 respectively. <p>Production data from the Century concentrator was used to reconcile the total zinc metal contained within the Mineral Resource. Blocks outside the estimation boundary (the area covered by drilling) were assigned the residual metal (per horizon) by depleting the reported metal output (from the Concentrator records) by the proportion of metal estimated. The assigned grades were then back-calculated using surveyed</p>

Criteria	Explanation	Comment
	<p>The assumptions made regarding recovery of by-products.</p> <p>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</p> <p>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</p> <p>Any assumptions behind modelling of selective mining units.</p> <p>Any assumptions about correlation between variables.</p> <p>Description of how the geological interpretation was used to control the resource estimates.</p> <p>Discussion of basis for using or not using grade cutting or capping.</p> <p>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</p>	<p>tonnages. Due to a discrepancy with the first horizon a survey adjustment of 61% was applied.</p> <p>No by-products expected</p> <p>The tailings are already constrained by the containment walls, and any extraction method will need to ensure that there is no acid drainage outside of the current containment. The full list of estimated elements is provided above.</p> <p>The block size was chosen from kriging neighbourhood analysis and to reflect the average drill spacing and best represent to TSF volume.</p> <p>No selective mining units have been assumed in the global estimate.</p> <p>It is assumed that the particle size and zinc metal distributions are correlated and this has been accounted for in the estimation.</p> <p>Estimation search have been orientated to respect the flat depositional nature of the Dam.</p> <p>All variables show very little variance and as such top cuts were considered unnecessary.</p> <p>The estimated block model grades were visually validated against the input drillhole data and comparisons were carried out against the drillhole data and by northing and easting slices. Global comparison between the input data and the block grades for each variable by domain is considered acceptable ($\pm 5\%$).</p>
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Dry tonnages have been estimated from the TSF volume with the application of a suitable dry bulk density from the drillhole measurements. Moisture content has been estimated
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	No cut-off grade has been applied as it is assumed that the entire TSF will be recovered. At this stage, it is not possible to be selective.

Criteria	Explanation	Comment
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It may not always be possible to make assumptions regarding mining methods and parameters when estimating Mineral Resources. Where no assumptions have been made, this should be reported.	It is assumed that a bulk recovery, non-selective mining method, such as hydraulic mining, will be utilised.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It may not always be possible to make assumptions regarding metallurgical treatment processes and parameters when reporting Mineral Resources. Where no assumptions have been made, this should be reported.	Pilot testing has demonstrated recoveries which indicate that there is a reasonable prospect of economic extraction.
Environmental	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 greenfield 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.	It is assumed that during mining there will be no run-off of solution into the groundwater system and that spent tailings can be redeposited into a suitable containment facility (or even the same TSF).
Bulk density	<p>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.</p> <p>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</p> <p>Discuss assumptions for bulk density estimates used in the evaluation process of</p>	<p>The specific gravity of all samples (once dried) was tested using a quantachrome multipycnometer. Analysis was carried out utilizing the gas displacement method of determination. Specific gravity was then estimated on a whole-of-deposit basis.</p> <p>The dry bulk density for each block was calculated using both the estimated specific gravity and moisture content. The average estimated dry bulk density for the modelled area is 1.86 g/cm³. Data within the estimated area of the deposit show little variation. However, the 2015 drilling was restricted to the driest regions of the TSF which may therefore bias the moisture readings low. Natural settling and dewatering of the sediments due to evaporation, seepage and outflow from the dam, as well as compression may lead to reduced porosity results and potentially variable densities across the TSF.</p> <p>For the un-estimated area a total dry bulk density of 1.67 g/cm³ was applied. This is based on the final tails stream mass (from the concentrator data) and the survey volumes.</p> <p>Specific gravity was measured as detailed above using a pycnometer approach and converted to a bulk density using a moisture content as measured. The tailings, being plastic clay-type material, have no vugs or inherent porosity.</p>

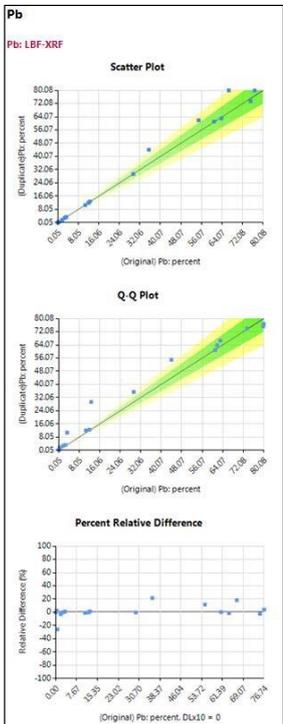
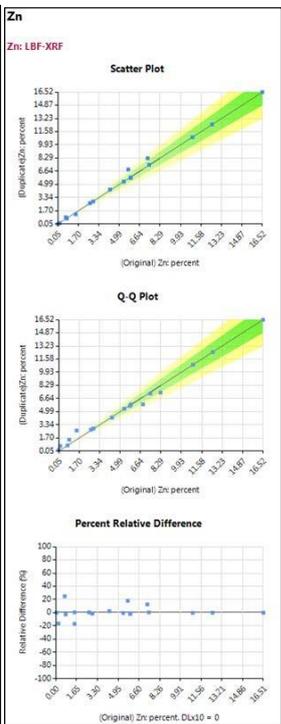
Criteria	Explanation	Comment
	the different materials.	The bulk density estimate is for one material, the tailings.
Classification	<p>The basis for the classification of the Mineral Resources into varying confidence categories.</p> <p>Whether appropriate account has been taken of all relevant factors i.e. relative confidence in tonnage/grade computations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data.</p> <p>Whether the result appropriately reflects the Competent Person(s)' view of the deposit.</p>	<p>The estimated portion of the TSF Mineral Resource, constrained within a boundary string (outlining the drilled region), has been classified as Indicated in accordance with the JORC Code (2012) due to the low variability and high confidence in all of the variables estimated. The area outside this boundary has been classified as Inferred due to the lack of any spatial sampling, although it is highly likely that the zinc grades within this area will also have low variability.</p> <p>The tonnage estimate is based upon the volume of the TSF survey pickups. The grade estimate is based upon the 2015 drilling program with the total metal content reconciled to the final tailings output..</p> <p>The classification reflects the Competent Person's view of the deposit.</p>
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	<p>The Mineral Resource has been audited internally as part of normal validation processes by Optiro.</p> <p>There has been no external review of the Mineral Resource estimate.</p>
Discussion of relative accuracy/confidence	<p>Where appropriate a statement of the relative accuracy and/or confidence 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 which could affect the relative accuracy and confidence of the estimate.</p> <p>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages or volumes, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</p> <p>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</p>	<p>Estimates of the tonnage and zinc metal content are considered to have a high level of confidence, being reconciled to the Century production data. Local estimates within the drilling area are expected to have high confidence due to the low variability of the input data. The Inferred portion of the deposit is expected to be of similar grade to that estimated but at this stage has no spatial information covering the area.</p> <p>The Indicated portion of the deposit has an accuracy which relates to estimates pertaining to mining at a quarterly to annual scale. The Inferred portion of the deposit, based on global plant grades, has a global level of accuracy.</p> <p>Both the Indicated and Inferred portions of the deposit have been compared to, or are in fact based upon, the Century tailings database, containing thousands of assays and accurately reflecting the plant tailings grade. The correlation between the zinc assays from the drilling and the plant assays is very high.</p>

Appendix B: JORC Table 1 - Silver King Deposit

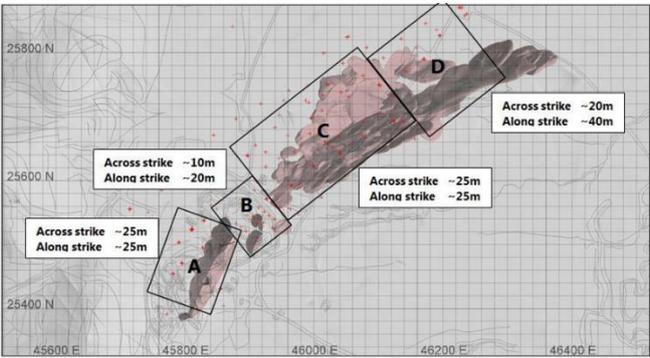
This Table 1 was extracted from the Resource report for Silver King deposit which was prepared by Damian O'Donohue of MMG as at 30 June 2014 and reported as part of the annual report, 2014.

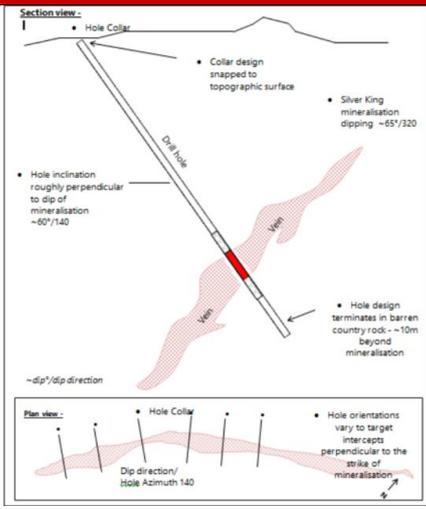
Criteria	Explanation	Comment
Sampling techniques	<p>Nature and quality of sampling (e.g. cut channels, random chips etc.) and measures taken to ensure sample representivity.</p> <p>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</p> <p>Aspects of the determination of mineralisation that are Material to the Public Report.</p> <p>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m 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.</p>	<ul style="list-style-type: none"> All sampling used in the 2014 Silver King Mineral Resource estimate was carried out by both reverse circulation (RC) and diamond drilling (DD). Sample lengths range from 0.3m to 1.3m for diamond core samples, and were a nominal 1m length for RC samples. Sampling of RC chips involved splitting using an 80/10/10 cone splitter at the rig, resulting in 10% sample recovery to the primary split. This approximated a mass of 5kg per metre sampled being submitted to the laboratory for sample preparation. The Competent Person considers the sampling to be of high quality. Measures taken to ensure sample representivity include collection, and analysis of field duplicates.
Drilling techniques	<p>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka 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.).</p>	<ul style="list-style-type: none"> RC drilling was carried out using a truck mounted UDR- 1000 drill rig equipped with automatic rod-handler. A combined, detachable cyclone and dust unit and an auxiliary compressor, was utilised. All holes were drilled using a 5¼ inch hammer. DD was carried out at NQ3, HQ3, and PQ3 diameters. All drilling was carried out using triple tube barrels to maximise core recovery in poor ground. Core orientation was achieved using a single-shot downhole survey tool, which records - azimuth, inclination, magnetic tool face angle, gravity roll angle, magnetic field strength and temperature. From this data, the bottom of hole, or BOH, is marked and an orientation line projected along the length of succeeding coherent core. This may be used for orientating geological structures during the logging process.

Criteria	Explanation	Comment
Drill sample recovery	<p>Whether core and chip sample recoveries have been properly recorded and results assessed.</p> <p>Measures taken to maximise sample recovery and ensure representative nature of the samples.</p> <p>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.</p>	<ul style="list-style-type: none"> • Core recovery was recorded at the drill rig by the driller's assistant, with core blocks denoting drilled metres and recovered metres in between sample runs. Average recovered core exceeds 97% of the drilled interval. Poor core recovery was particularly evident in the first 10m of drilling within the weathered shales. • All values were checked at the core yard by experienced field assistants, prior to detailed logging by geologists. The accepted length of recovered core between drilling intervals was recorded in the detailed logging sheets. These were later loaded into the GBIS database. • For RC drilling, field logging sheets were used to note any small samples encountered. No significant issues were encountered with regards to sample recovery during the 17 hole, RC campaign in 2013. Sample weights were not recorded. • It is the Competent Persons opinion that the nature, quality, and size of the primary samples, and sub-samples are appropriate. • All diamond drilling was carried out using triple tube barrels to maximise core recovery in broken ground. • Diamond core that is orientated is routinely cut along a line 1cm to the right of the bottom of hole orientation line (looking downhole) to limit the potential for sampling bias by the sampler. • The variance in sub-sample size was not considered a risk to the overall comparability and representativeness of the samples. • RC drilling used an 80/10/10 cone splitter. The sample retained represents 10% of the primary mass and approximates 5kg per metre drilled. • Fines loss to air was monitored to ensure no significant loss was occurring leading to size fraction bias. Bags were not weighed, but were visually inspected to ensure consistency of sample size. • The cone splitter was checked to be level and in good order, to ensure effective non-biased sampling. The splitter cone was also routinely cleaned to minimize potential cross-sample contamination through material 'hang-up'. • No relationship has been observed between recovery and grade that is material to the estimation of the Mineral Resource.
Logging	<p>Whether core and chip samples have been logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <p>Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.</p> <p>The total length and percentage of the relevant intersections logged.</p>	<ul style="list-style-type: none"> • 100% of recovered drill samples were logged. • Detailed geological logging has been carried out on all DD holes. The data collected includes - recovery, rock quality designation (RQD), breaks per metre, stratigraphy, lithology, structure, colour, weathering, and mineral proportion estimate along with sample intervals. Geological core logging was carried out in a qualitative manner by geologists using standardised - colour, mineralogical, lithological, and stratigraphic codes. This would be complemented by a brief written log of the observations. Quantitative logging occurred with regards to the measurement of RQD. • Photos of core, in both wet and dry states, were taken for later reference once core had been measured and metre intervals marked. Core photographs are stored electronically on the MMG server. • The length of logged intervals totals 27,059m and represents 100% of relevant intersections.
Sub-sampling techniques and sample preparation	<p>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.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p>	<ul style="list-style-type: none"> • All drill core was cut using an Almonte automatic core saw. Approximately 80% of the core was half core split while the remaining 20% of the core was whole core sampled. A very small sub-sample of quarter core field duplicates was submitted for variability analysis. • RC samples were split using an 80/10/10 cone splitter at the rig. All samples below the surface water table (~10m) were essentially dry. • All sample preparation was in line with industry standards. • Both RC samples and DD core followed the same preparation paths. • Minor variations in the sample preparation process exist between the

Criteria	Explanation	Comment
	<p>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</p> <p>Measures taken to ensure that the sampling is representative of the in-situ material collected.</p> <p>Whether sample sizes are appropriate to the grainsize of the material being sampled.</p>	<p>Century laboratory and the external ALS laboratory.</p> <ul style="list-style-type: none"> In general, samples are received and digitally logged into a Laboratory Information Management System (LIMS). The samples are oven dried then crushed to a nominal 2mm or 3mm depending on the laboratory. The sample is then split with approximately 300g retained and pulverised to either 85% passing 75µm (ALS), or 85% passing 53µm (Century). No studies have been carried out with regards to the liberation particle size of the economic minerals and no comparative analysis has been carried out between the laboratory pulverisation protocols. These methods are considered appropriate for the style of mineralisation. Duplicate samples were collected and analysed at both the coarse crush split and the pulverised split stages. The following shows a comparison of half core duplicate samples, or field duplicates. <div data-bbox="735 734 1299 1458" style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Pb</p> <p>Pb: LBF-XRF</p>  </div> <div style="text-align: center;"> <p>Zn</p> <p>Zn: LBF-XRF</p>  </div> </div> <ul style="list-style-type: none"> Overall, despite a small sample set, the indication is that duplicate samples show good correlation. Sample variance comparison to the modelled nugget values of 13% for lead and 16% for zinc is also good in most cases. Sample sizes appear appropriate based on variability analysis of duplicates. The sample types, nature, quality and sample preparation techniques are considered appropriate by the Competent Person for the style of the Silver King mineralisation.

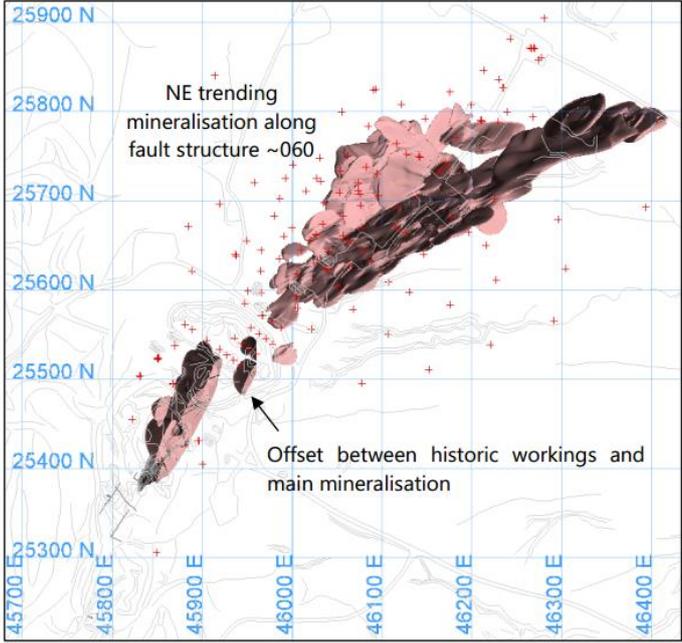
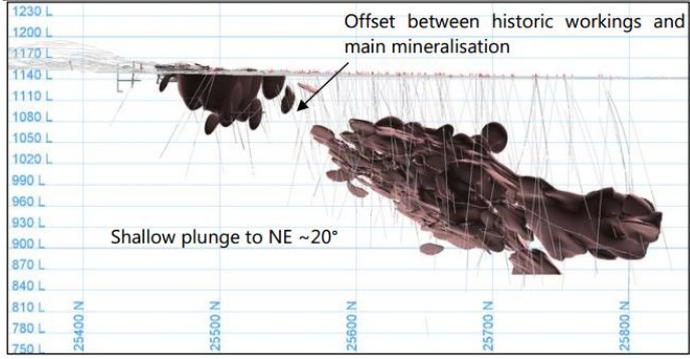
Criteria	Explanation	Comment
Quality of assay data and laboratory tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p> <p>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <p>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.</p>	<ul style="list-style-type: none"> • Samples were analysed by the following methods: <ul style="list-style-type: none"> ○ Century Laboratory & ALS Laboratory 2006-2012: ○ Pb, Zn, Fe, Mn, total sulphur, SiO₂, by XRF ○ Ag by aqua regia digest and AA finish ○ Total carbon and carbon by carbonate by LECO analyser ○ ALS Laboratory 2012-Present: ○ Pb, Zn, Fe, Mn, total sulphur, SiO₂ by XRF ○ Ag by aqua regia digest and AA finish ○ Total carbon and carbon by carbonate by LECO analyser • Both the XRF and ICP-AES methods are considered total methods and are consistent with industry standards. Duplicate analysis of samples by both methods indicates no material bias is introduced between the analysis suites. • The Century laboratory is accredited by NATA to the ISO/IEC 17025 standard. • No geophysical tools, spectrometers or handheld XRF instruments have been used in the analysis of samples external to the commercial laboratories for the estimation of Mineral Resources. • Standards and blanks are inserted at a rate of 1:20 while third party umpire assays are completed at a rate of 10%. Acceptable levels of accuracy and precision have been established.
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes.</p> <p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</p> <p>Discuss any adjustment to assay data.</p>	<ul style="list-style-type: none"> • Verification by independent or alternative company personnel was not undertaken at the time of drilling. Verification of significant intersections was carried out by the Competent Person. • No twinning of drill holes was undertaken. • All drilling and sampling data is stored within the MMG standard geological database, GBIS. All data entry and changes are fully auditable. • For recovered samples, all geological characteristics are logged electronically into excel spreadsheets and the following data is recorded – sample recovery (%), RQD, BPM, stratigraphy, lithology, structure, colour, weathering, mineral proportion estimate and sample intervals. This data is in a standardised format allowing direct importing into the GBIS database. • All primary assay data is received electronically from the laboratory by GBIS through a dedicated email address. • On receipt of analytical results, control standards are charted to ensure they fall within 2 standard deviations of the accepted mean. Samples outside of 2 standard deviations require action. Actions taken include but are not limited to: <ul style="list-style-type: none"> ○ an audit trail check for potential sample swaps or mislabelling; ○ re-analysis of sample batch with new standard; ○ comparative analysis against laboratory control standards; ○ laboratory audit of procedures and standards • Where the issue cannot be resolved the assay, batch is not loaded into the database for use in the Mineral Resource estimate. • Following primary analysis, sample pair statistics were investigated to identify any potential bias between laboratories. No material bias was identified in the process • No adjustments to assay data have been made. • Where data was deemed invalid or unverifiable it was excluded from the Mineral Resource estimation.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and	<ul style="list-style-type: none"> • Drill collars were located using a differential type GPS system with base station with an accuracy of +/- 30mm. Downhole surveys are taken at regular 30m intervals for all inclined drill holes using a single-shot electronic tool. Azimuth, dip, magnetic tool face angle, gravity roll

Criteria	Explanation	Comment
	<p>other locations used in Mineral Resource estimation.</p> <p>Specification of the grid system used.</p> <p>Quality and adequacy of topographic control.</p>	<p>angle, magnetic field strength and temperature are recorded. Surveys which have low confidence due to excessive magnetic deviation are excluded from the database.</p> <ul style="list-style-type: none"> All work at Silver King was carried out in Century Mine Grid. This is a local map grid developed for the adjacent Century Mine open pit operation The digital terrain model (DTM) for the topographic surface at Silver King is supplied by the site survey department. It is assumed to be a compilation of aerial survey data, vehicle driven and hand controller point data utilizing the HiPer XT GPS system, and FC2500 field controller. No documentation exists regarding the generation of this surface. All point elevations and Map grid co-ordinates collected show excellent reconciliation with the surface features and elevations on the DTM when compared to drill hole collar pick-ups.
<p>Data spacing and Distribution</p>	<p>Data spacing for reporting of Exploration Results.</p> <p>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.</p> <p>Whether sample compositing has been applied.</p>	<ul style="list-style-type: none"> Drill spacing across the deposit is generally in the range of 25m-50m along strike and 20m-30m down dip.  <ul style="list-style-type: none"> The complex, multi-phase mineralisation of the Silver King deposit results in high apparent variability at the current drill spacing. The potential for short range, high grade structures is high. The current data spacing provides limited confidence in the ranges and/or continuity of potentially high grade veins, especially with respect to lead. The 2014 Mineral Resource has been categorised as wholly Inferred, to improve this level of confidence further drilling may be required. All RC drill holes used for the Mineral Resource estimate were sampled and sent to the laboratory at 1m intervals, whilst diamond core was sampled to geological boundaries at 1m intervals with a minimal interval size of 0.3m and maximum of 1.3m.
<p>Orientation of data in relation to geological structure</p>	<p>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</p> <p>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.</p>	<ul style="list-style-type: none"> The following diagram illustrates the Silver King drill hole locations.

Criteria	Explanation	Comment
		 <ul style="list-style-type: none"> Where all design criteria are met, or approximated, no sample bias of structures should be incurred. No material bias is created by the angle of the drilling relative to the angle of the mineralisation as the intercepts are roughly perpendicular. There is no known material sampling bias within the 2014 Silver King Mineral Resource.
Sample Security	The measures taken to ensure sample security.	<ul style="list-style-type: none"> Measures to provide sample security include: <ul style="list-style-type: none"> RC samples were collected in individually numbered calico bags at the drill rig. Each sample number was logged against the respective sample interval by the rig geologist. An inventory of samples was taken by field assistants on collection of the samples from the drill rig to ensure all were accounted for. Samples numbers and intervals were entered into the GBIS database along with all logging data, and drill hole details. All samples were registered into the Laboratory Information Management System (LIMS) on arrival and reconciled to the submission list.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	<ul style="list-style-type: none"> No internal or external audits or reviews of the sampling techniques have been carried out.
Mineral tenement and land tenure status	<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> MMG holds a mining lease (ML90045) over the Silver King mine; this has an expiry date of 18/09/2037. As part of an operating mine the Silver King deposit is not subject to any operating restrictions, but it is subject to environmental conditions pertaining to land and water management, as well as adherence to cultural sensitivities pertaining to the local indigenous people. <ul style="list-style-type: none"> MMG currently holds Mining Lease ML90045 over the Silver King area. There are no known impediments to operating in the area. <p>Author Note: See Solicitor's Report in the prospectus for tenure details as at date of the prospectus.</p>

Criteria	Explanation	Comment																																			
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	<ul style="list-style-type: none"> No records of exploration prior to 1987 have been witnessed by the Competent Person. Incomplete mining records exist dating back to 1897. The following table summarises exploration drilling carried out by company since 1987 <table border="1"> <thead> <tr> <th>Company</th> <th>Year</th> <th>Type</th> <th>#Holes</th> <th>Total meters</th> </tr> </thead> <tbody> <tr> <td>-</td> <td>Pre 1980</td> <td>-</td> <td>-</td> <td>unknown</td> </tr> <tr> <td>Diversified Mineral Resources</td> <td>1987-1990</td> <td>60 RC 15 DD</td> <td>75</td> <td>5,083</td> </tr> <tr> <td>CRA</td> <td>1996</td> <td>1 RC collar/DD tail</td> <td>1</td> <td>351</td> </tr> <tr> <td>Zinifex</td> <td>2006-2008</td> <td>1 AC 32 DD 18 RC 15 RC collar/DD tail</td> <td>66</td> <td>12,371</td> </tr> <tr> <td>MMG</td> <td>2010-2013</td> <td>99 DD 17 RC</td> <td>116</td> <td>22,337</td> </tr> <tr> <td>TOTAL</td> <td></td> <td></td> <td>257</td> <td>39,791</td> </tr> </tbody> </table> <p>DD = Diamond drill hole, RC = Reverse Circulation, AC = Air-core</p>	Company	Year	Type	#Holes	Total meters	-	Pre 1980	-	-	unknown	Diversified Mineral Resources	1987-1990	60 RC 15 DD	75	5,083	CRA	1996	1 RC collar/DD tail	1	351	Zinifex	2006-2008	1 AC 32 DD 18 RC 15 RC collar/DD tail	66	12,371	MMG	2010-2013	99 DD 17 RC	116	22,337	TOTAL			257	39,791
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Geology	Deposit type, geological setting and style of mineralisation.	<ul style="list-style-type: none"> Silver King is a structurally hosted Pb-Zn quartz carbonate vein breccia. Mineral relationships in the veins suggest the sphalerite zinc mineralisation occurred in the earlier phases, with later overprinting by massive galena (lead-sulphide). The zinc rich veining is pervasive through the fault zone infilling much of the brecciated rock. There is also significant zinc mineralisation along the western shale/ sandstone lithological contact. The high grade, lead rich veining, overprints the earlier zinc phases and is localised to the main fault structure. 																																			
Drill hole	<p>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:</p> <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. <p>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.</p>	<ul style="list-style-type: none"> No individual drill hole is material to the Mineral Resource estimate hence this geological database is not supplied. 																																			

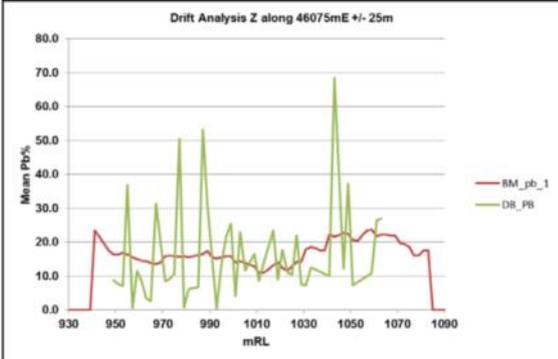
Criteria	Explanation	Comment
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations and cut-off grades are usually material and should be stated.</p> <p>Where aggregate intercepts incorporate short lengths of high grade results 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.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<ul style="list-style-type: none"> • This is a Mineral Resource Statement and is not a report on exploration results hence no additional information is provided for this section. • No Metal Equivalent is reported.
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down-hole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').</p>	<ul style="list-style-type: none"> • Mineralisation true widths are captured by interpreted mineralisation 3D wireframes.

Criteria	Explanation	Comment
Diagrams	Where possible, maps and sections (with scales) and tabulations of intercepts should be included for any material discovery being reported if such diagrams significantly clarify the report.	 <p style="text-align: center;">Silver King Plan view with drill hole collar locations</p> 
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 practised to avoid misleading reporting of Exploration Results.	<ul style="list-style-type: none"> This is a Mineral Resource Statement and is not a report on exploration results hence no additional information is provided for this section.
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	<ul style="list-style-type: none"> This is a Mineral Resource Statement and is not a report on exploration results hence no additional information is provided for this section.

Criteria	Explanation	Comment
	substances.	
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).	<ul style="list-style-type: none"> • A review of the geological and structural models is recommended. It is anticipated this would improve the quality of the estimation domains and in turn the confidence in the Mineral Resource estimate. • Greater understanding of the paragenesis of mineralisation along with macro and micro scale controls will improve the geological understanding and modelling. • Further drilling is required to better define the mineralisation and improve confidence in both the geological model and Mineral Resource Estimate. The viability of which should be assessed following a risk range analysis of the potential NPV's for the project driven by the geological uncertainty.
Database integrity	<p>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.</p> <p>Data validation procedures used.</p>	<p>The following measures are in place to ensure database integrity:</p> <ul style="list-style-type: none"> ○ MMG has a dedicated team of information geologists and data officers who maintain the company database. ○ All data is stored within the MMG standard geological database, GBIS. Data was exported from GBIS as Vulcan compatible .csv format files. ○ Qualitative logging is carried out into standardised Microsoft Excel logging spread-sheets with drop down logging codes for each variable. ○ The logging geologist then completes a commentary for the relevant section which should correspond with the logging codes for the interval. Where there is inconsistency the commentary information is prioritised. ○ Data is loaded from the database into Vulcan mining software and visually inspected for any anomalous logs, surveys or values within the context of the surrounding drill holes. If any areas appear inconsistent with the local trend the original core photos are referred to for confirmation, or alternatively the drill hole is removed from the estimate as a low confidence data source. ○ Assay data transcriptions errors are eliminated by the use of an automated results receipt process which imports data directory from the laboratory to the database. All changes and updates within the GBIS database are fully auditable, and traceable. ○ Partial data may not be imported to the database. Mandatory fields must be completed to allow import to occur. All results must correspond to identical sample dispatch numbers to be accepted. <ul style="list-style-type: none"> • The measures described above ensure that transcription or data entry errors are minimised. <ul style="list-style-type: none"> • Data validation procedures include: • Data used in the Mineral Resource has passed a number of validation checks both visual and software related prior to use in the Mineral Resource.
Site Visits	Site Visits undertaken by the Competent Person and the outcome of these visits. If no site visits have been undertaken, indicate why this is the case	The Competent Person for the Mineral Resource estimate has worked on site for the past five years

Criteria	Explanation	Comment																
Geological interpretation	<p>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</p> <p>Nature of the data used and of any assumptions made.</p> <p>The effect, if any, of alternative interpretations on Mineral Resource estimation.</p> <p>The use of geology in guiding and controlling Mineral Resource estimation.</p> <p>The factors affecting continuity both of grade and geology.</p>	<ul style="list-style-type: none"> ○ The confidence in the geological interpretation at Silver King is highly dependent on the scale of observation. Globally, the extent and characteristics of the deposit are relatively well defined. At the local scale, spatial continuity is short and grade variability is high. ○ All data used for the geological interpretation came from DD core and RC drilling logs. The breakdown of which are as follows: <table border="1" style="margin: 10px auto; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="font-size: 8px;">Data type</th> <th style="font-size: 8px;">No. Holes</th> <th style="font-size: 8px;">Total length (m)</th> <th style="font-size: 8px;">% of total data</th> </tr> </thead> <tbody> <tr> <td style="font-size: 8px;">Diamond core drilling</td> <td style="font-size: 8px;">115</td> <td style="font-size: 8px;">23,024</td> <td style="font-size: 8px;">95</td> </tr> <tr> <td style="font-size: 8px;">Reverse Circulation drilling</td> <td style="font-size: 8px;">17</td> <td style="font-size: 8px;">1,264</td> <td style="font-size: 8px;">5</td> </tr> <tr> <td style="font-size: 8px;">Total</td> <td style="font-size: 8px;">132</td> <td style="font-size: 8px;">24,288</td> <td style="font-size: 8px;">100</td> </tr> </tbody> </table> ○ No alternative geological interpretations have been considered at this point in time. Extrapolation from data points does not exceed half the local drill spacing. ○ The geological boundaries interpreted for use in guiding and controlling the Mineral Resource estimate are based on a nominal 5% Zn or Pb grade cut-off, which has been demonstrated statistically to exhibit the best continuity between drill holes and marks the boundary of a distinct mineralized population. In the view of the Competent Person, this approach is appropriate. ○ As the mineralisation at Silver King is structurally controlled, both the fault model and the lithology model were used to guide the implicit modelling of grade shell domains within the Leapfrog® Geo software. The trends of these surfaces guided the search ellipse orientations for interpolation between drill hole data points. This ensured the mineralisation envelopes honoured the geological interpretation. ○ These mineralisation envelopes formed the basis for the geological domains used in estimation. ○ As previously noted, paragenetic studies have indicated that almost all zinc mineralisation at Silver King predates that of the lead mineralisation. As such, where any conflicts between zinc and lead occur in the geological model, lead will always take precedence, honouring the observed physical relationship. ○ Where high grade lead or zinc was encountered in assays, geological structures may be inferred by proxy, where no primary information is available. This assumption was used in the development of the mineralisation domains in Leapfrog. ○ Historic plans and sections from the underground development were also used as references during development of the geological model. ○ No surface mapping was carried out as the majority of the Silver King deposit does not have a surface expression. For safety reasons limited work may be carried out around the historic excavations. ○ Visual validation was carried out to ensure grade shells honoured drill intercepts, showed continuity of structure consistent with the geological interpretation, and were without unjustifiable interpolation or extrapolation of the envelopes. Manual adjustments were made to the wireframes where required (in Vulcan software) to honour these criteria. ○ The continuity of both grade and geology at Silver King is primarily structurally driven through brittle failure of the local rock mass. This allowed fluids to permeate and crystallise in the Silver King system. The extent of the pathways generated and the fluid compositions determined the grade distribution. ○ Mineralisation events were episodic, with each event showing differing characteristics due to the chemical composition of the fluids and the prevailing conditioning of the rock-mass by earlier events. 	Data type	No. Holes	Total length (m)	% of total data	Diamond core drilling	115	23,024	95	Reverse Circulation drilling	17	1,264	5	Total	132	24,288	100
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Criteria	Explanation	Comment																																																																				
Dimensions	<p>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.</p>	<ul style="list-style-type: none"> The Silver King Mineral Resource is contained within an area which measures 800m along strike, 200 wide (across strike) and 300m deep (down dip). The true width (across strike) of the mineralised zone ranges from 1m to 50m laterally and is highly variable. The Mineral Resource remains open to the north, down plunge. 																																																																				
Estimation and modelling techniques	<p>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.</p> <p>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</p> <p>The assumptions made regarding recovery of by-products.</p> <p>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</p> <p>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</p> <p>Any assumptions behind modelling of selective mining units.</p> <p>Any assumptions about correlation between variables.</p> <p>Description of how the geological interpretation was used to control the resource estimates.</p> <p>Discussion of basis for using or not using grade cutting or capping.</p> <p>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</p>	<p>The estimation of the economic elements of Pb, Zn and Ag were carried out using the Ordinary Kriging method in Maptrek Vulcan mining software applying the following key assumptions and parameters:</p> <ul style="list-style-type: none"> Ordinary Kriging was selected due to the ability to weight samples based on the inherent variability of the dataset through the use of spatial correlation models. It is considered an appropriate technique for estimating these elements in the Silver King Mineral Resource. An inverse distance weighted method was selected for the ancillary elements which included Fe, Mn, S, SiO₂ and C. This method was selected due to time constraints. As none of these elements have been determined to be deleterious, or in any other way material to the Mineral Resource, a lower confidence estimate was considered acceptable. Domains were generated to honour the paragenetic mineralisation model and the orientation of the structural controls. This resulted in three main orientations for lead and zinc zones respectively, totalling six individual estimation domains. Samples were composited to a uniform 1m length within domain bounds for statistical evaluation. Residuals were treated with equivalent statistical weighting. Reasonable variogram models could only be generated by combining the most data rich lead and zinc domains as a single dataset. The variograms for the domains were then applied to all other domains with varying rotations to match the geometry. Overall this resulted in a smoothing of the data estimates within the idealised domains and impacted overall estimation quality. While a single variogram model has been assumed for all domains there are statistical differences between the domains. Interpolation parameters were defined through iterative quantitative Kriging neighbourhood analysis, whereby Kriging metrics were optimised through the adjustment of individual parameters such as sample count and search distance. <p>The following parameters were used</p> <p>Economic Elements:</p> <table border="1"> <thead> <tr> <th rowspan="2">Estimation run</th> <th rowspan="2">Estimation type</th> <th rowspan="2">Elements</th> <th colspan="3">Search Distance</th> </tr> <tr> <th>Major</th> <th>Semi-major</th> <th>Minor</th> </tr> </thead> <tbody> <tr> <td>1</td> <td rowspan="3">Ordinary Kriging</td> <td rowspan="3">Pb-Zn-Ag</td> <td>40</td> <td>30</td> <td>8</td> </tr> <tr> <td>2</td> <td>80</td> <td>60</td> <td>16</td> </tr> <tr> <td>3</td> <td>80</td> <td>60</td> <td>16</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2">Estimation run</th> <th rowspan="2">Octant search</th> <th colspan="4">Samples</th> </tr> <tr> <th>Min.</th> <th>Max.</th> <th>Max. samples per octant</th> <th>Min. octants with sample</th> <th>Min. samples per octant</th> </tr> </thead> <tbody> <tr> <td>1</td> <td rowspan="2">Yes</td> <td>16</td> <td rowspan="2">32</td> <td>4</td> <td>4</td> <td>4</td> </tr> <tr> <td>2</td> <td>8</td> <td>4</td> <td>4</td> <td>2</td> </tr> <tr> <td>3</td> <td>No</td> <td>4</td> <td></td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table> <p>Ancillary elements:</p> <table border="1"> <thead> <tr> <th rowspan="2">Estimation Type</th> <th rowspan="2">Elements</th> <th rowspan="2">Power</th> <th colspan="3">Search Distance</th> </tr> <tr> <th>Major</th> <th>Semi-major</th> <th>Minor</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Estimation run	Estimation type	Elements	Search Distance			Major	Semi-major	Minor	1	Ordinary Kriging	Pb-Zn-Ag	40	30	8	2	80	60	16	3	80	60	16	Estimation run	Octant search	Samples				Min.	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		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Inverse Distance</td> <td style="width: 20%;">Fe, Mn, S, SiO₂, C_org, C_tot</td> <td style="width: 10%;">2</td> <td style="width: 10%;">120</td> <td style="width: 10%;">100</td> <td style="width: 10%;">20</td> </tr> <tr> <td rowspan="2" style="text-align: center;">Octant search</td> <td colspan="5" style="text-align: center;">Samples</td> </tr> <tr> <td style="text-align: center;">Min.</td> <td style="text-align: center;">Max.</td> <td style="text-align: center;">Max. samples per octant</td> <td colspan="2" style="text-align: center;">Comments</td> </tr> <tr> <td style="text-align: center;">No</td> <td style="text-align: center;">2</td> <td style="text-align: center;">8</td> <td style="text-align: center;">N/A</td> <td colspan="2" style="text-align: center;">Minor elements - included for completeness only</td> </tr> </table> <ul style="list-style-type: none"> ○ No previous estimates or mine production records were used within the Mineral Resource estimate. No comparable or reliable data exists for this purpose. ○ The block dimensions for the model were (X, Y, Z) 5m x 20m x 20m. In areas of wider spaced drilling across the deposit this equates to roughly half the drill spacing laterally. ○ It is assumed that this deposit is most likely to be mined from underground. The relative block dimensions were selected based in this assumption which is suitable for the style of deposit, method of assumed mining and SMU. ○ No assumptions regarding correlation between variables were applied in the Mineral Resource estimate. A correlation does exist between lead and silver however these elements were modelled independently. ○ Grade capping was used within the estimate to reduce the influence of extreme grades within the domains, particularly in high grade lead zones. Initial block estimates prior to capping compared poorly with composite statistics where the outliers were inflating local grades excessively. Grade populations were assessed by plotting populations as histograms and log-probability plots and identifying the degradation of the population at the extremes. The values selected were at a minimum in the 95th percentile. Statistics and swath plots were assessed after applying cuts to validate the process ● Validation of the estimation process was carried out in a number of ways: <ul style="list-style-type: none"> ○ Visual comparison of block grades with composite grades was carried out in section to confirm comparable grades were estimated. ○ This was followed by checking the block statistics against the composite statistics to identify any gross errors. ○ The final check carried out was by the generation of swath plots and drift analysis, showing a comparison between composite samples (green) and block estimates (red). Overall checks indicated that the global estimate appears fair, however the model is significantly smoothed resulting in large local variances when compared to sample data. <div style="text-align: center; margin-top: 20px;">  <p>Drift Analysis Z along 46075mE for Lead (BM = block model, DB = Composite)</p> </div>	Inverse Distance	Fe, Mn, S, SiO ₂ , C_org, C_tot	2	120	100	20	Octant search	Samples					Min.	Max.	Max. samples per octant	Comments		No	2	8	N/A	Minor elements - included for completeness only	
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Criteria	Explanation	Comment
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	All tonnages are stated on a dry basis.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	A cut-off grade of 5% Pb+Zn was selected based on the current open pit cut-off grade at Century Mine. No detailed mining study economics were available at the time of reporting.
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It may not always be possible to make assumptions regarding mining methods and parameters when estimating Mineral Resources. Where no assumptions have been made, this should be reported.	A conceptual annual production rate of 500ktpa from underground mining was assumed as a possible option used to assess the variability for the purpose of Mineral Resource classification.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It may not always be possible to make assumptions regarding metallurgical treatment processes and parameters when reporting Mineral Resources. Where no assumptions have been made, this should be reported.	<ul style="list-style-type: none"> No recovery assumptions or impacts of deleterious elements were used in classification of the Mineral Resource No metallurgical issues were identified following initial flotation testing of Silver King samples in the laboratory.
Environmental	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 greenfield 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.	All environmental factors and assumptions are covered by the existing Environmental Authority EPML0088813. There are no known issues material to the Mineral Resource estimate that relate to environmental factors.

Criteria	Explanation	Comment
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.	Block densities were calculated by a grade weighted regression calculation based on density sample data.
Classification	<p>The basis for the classification of the Mineral Resources into varying confidence categories.</p> <p>Whether appropriate account has been taken of all relevant factors i.e. relative confidence in tonnage/grade computations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data.</p> <p>Whether the result appropriately reflects the Competent Person(s)' view of the deposit.</p>	The Silver King Mineral Resource is wholly classified as Inferred. This was considered appropriate due to the uncertainty relating to the geological model.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	<p>An internal review was carried out by MMG Principal Resource Geologist.</p> <ul style="list-style-type: none"> The review highlighted a number of risks within the estimated Mineral Resource, with the focus being the accuracy and confidence in the geological model. The model honours the current geological understanding and data, however shows significant variance at a local scale where data is interpolated at wide spacing. The impact of the lower confidence in the geological is evident in the lower quality of the experimental semi-variogram models.
Discussion of relative accuracy/confidence	<p>Where appropriate a statement of the relative accuracy and/or confidence 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 which could affect the relative accuracy and confidence of the estimate.</p> <p>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages or volumes, which should be relevant to technical and economic evaluation.</p>	<ul style="list-style-type: none"> The relative accuracy and confidence of the Mineral Resource Estimate is highlighted in the classification of Inferred. This is a global estimate which exhibits high local variance. A quantitative statistical approach was taken in the classification scheme for the Mineral Resource. This method assessed the variability within assumed production volumes of the block model. The study concluded that Indicated Mineral Resource may be possible based on the statistics of the samples and the variogram model, however due to the difficulty achieve a quality variogram model combined with the uncertainty with the geological modelling a Mineral Resource category of Inferred is recommended. No production data is available to reconcile against the model.

Criteria	Explanation	Comment
	<p>Documentation should include assumptions made and the procedures used.</p> <p>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</p>	

Appendix C: JORC Table 1 - East Fault Block

This Table 1 was extracted from the Resource report for the East Fault Block which was reported as at 31 December 2014.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p>	<p>Assay results for the Mineral Resource are from whole rock HQ and NQ size diamond drill(DD) core.</p>
	<p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i></p>	<p>Drill core samples were cut in half with an Almonte diamond tip saw at approximately 10 degrees to the orientation line for all samples.</p>
	<p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i></p>	<p>Diamond drill coring was carried out to define the extents of the Zn-Pb-Ag mineralised stratigraphic units of the Century deposit East Fault block.</p> <p>Samples were taken at intervals representing individual stratigraphic units ranging between 0.1m and 5.5m, and at 1m intervals where the unit exceeded 1m in vertical thickness.</p> <p>Half core sub-samples were taken for analysis, whereby they were crushed, pulverised, and combined at a 12:22 ratio to create a lithium borate flux containing 20% Sodium Nitrate as an oxidizing agent. The resulting melt is manually poured to form a fused disk. The fused disc is then analyzed using a wavelength dispersive X-Ray fluorescence (XRF) spectrometer.</p>

Criteria	JORC Code explanation	Commentary
Drilling techniques	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<p>Drilling involved a mix of diamond drill (DD) holes, and percussion drilling (PD) collars with diamond drilling (DD) cored tails through the mineralised zone.</p> <p>Core orientation was achieved using a single shot down-hole survey tool, which records - azimuth, inclination, magnetic tool face angle, gravity roll angle, magnetic field strength and temperature. From this data the bottom of hole, or BOH, is marked and an orientation line projected along the length of succeeding coherent core. This may be used for orientating geological structures during the logging process.</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed</i></p> <hr/> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i></p> <hr/> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>Recovery was recorded for all DD holes. The difference between the length of the recorded drilling interval and the recovered length of the physical core was defined as core loss. Where core loss = 0, core recovery = 100%. Drill core recovery within the mineralised sequence approximated 100%.</p> <hr/> <p>Drilling processes were controlled by experienced drill crew. Geological supervision provides a means of quality control for sample recovery and ensures suitable core presentation.</p> <p>No other measures were taken, or deemed necessary, to maximise core recovery.</p> <hr/> <p>No bias was identified between sample recovery and grade as recovery approximated 100%.</p>

Criteria	JORC Code explanation	Commentary
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p>	<p>All DD drill core has been geologically logged by experienced geologists with the following data recorded: recovery, RQD, breaks per metre (BPM), stratigraphy, lithology, structure, colour, weathering, mineral proportion estimate and sample intervals.</p> <p>The stratigraphy was logged as developed by Solid Geology (2002). Logs were then uploaded into the GBIS database. The logging has been undertaken to an appropriate level of detail to support Mineral Resource estimation, mining studies and metallurgical studies.</p>
	<p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p>	<p>Logging captured both qualitative descriptions such as geological details (e.g. stratigraphy) with some estimated quantitative values (e.g. mineral proportions). Drill core was photographed and catalogued in both wet and dry states as a record of the drill hole.</p>
	<p><i>The total length and percentage of the relevant intersections logged</i></p>	<p>100% of total core recovered was logged.</p> <p>3421m of core in total was drilled in the definition of the East Fault Block Mineral Resource.</p> <p>737m of core intersects the mineralised zone.</p>
	Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p>
<p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p>		<p>N/A</p>

Criteria	JORC Code explanation	Commentary
	<p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p>	<p>All sample preparation was consistent with industry standards. Minor variations in the process exist between the Century laboratory and the external ALS laboratory.</p> <p>Samples are received and digitally logged into a Laboratory Information Management System (LIMS/CCLAS). The samples are then oven dried then crushed to a nominal 2mm or 3mm depending on the laboratory. The sample is then split with approximately 300g retained and pulverised to either 85% passing 75µm (ALS), or 85% passing 53µm (Century).</p> <p>The sample preparation techniques are considered appropriate, and quality control and quality assurance measures would indicate the same.</p>
	<p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p>	<p>Duplicate splits at the Boyd crusher were taken periodically to determine variability at the primary split.</p>
	<p><i>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.</i></p>	<p>A limited number of duplicates for each sub-sample were plotted on Thompson-Howarth plots and analysed for precision, with no suggestion of any material bias being present in the process.</p>
	<p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>No grind size checks were carried out throughout the process. The final grind size of the Century Ultra fine circuit is P80 of 6 µm, far exceeding the standard grind size of any commercial laboratory. Grind size was not considered material to the analytical results and the downstream application.</p> <p>The sample types, nature, quality and sample preparation techniques are considered appropriate for the style of the Century mineralisation (sediment hosted base metal) by the Competent Person.</p>

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<p>The Century site laboratory was accredited by NATA to the ISO/IEC 17025 standard for the analysis of Zn-Pb-Ag by XRF. This accounted for all samples analysed in the 2012 infill campaign.</p> <p>Off-site analysis at Commercial laboratories for Primary and Umpire analysis (1995) of samples is assumed by the Competent Person to have been carried out to industry standard accreditation and standards.</p> <p>The XRF method is considered a total method.</p>
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	<p>Not applicable – no geophysical tools used to obtain either of the sample types used.</p>

Criteria	JORC Code explanation	Commentary
	<p data-bbox="416 1066 842 1200"><i>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.</i></p>	<p data-bbox="890 342 1453 674">The frequency, placement and type of QC used at the Century Laboratory was automated. The LIM system (CCLAS EL) will randomly place repeats and CRMs in a batch samples. The Laboratory was regularly audited for continued compliance with ISO/IEC 17025 by NATA. The Laboratory used matrix-matched well-certified internal standards inserted into every batch as unknowns, performs one repeat sample every batch. Blanks were not used as they were considered unfeasible in fused-bead XRF analysis. As a requirement of NATA accreditation, the laboratory regularly participated in external proficiency testing.</p> <p data-bbox="890 757 1442 1032">Samples in all drilling programs were analysed at high quality commercial laboratories which included AMDEL, Analabs, Genalysis and ALS. Samples were analysed at the Century Mine Lab between 1999 and 2013. Analytical methods include Atomic Absorption Spectrometry (AAS), Induced Coupled Plasma Optical Emission Spectroscopy (ICP-OES) and Leco furnace methods. X-ray Fluorescence was also used during the latter assaying programs. All analyses completed are total or near total digest methods.</p> <p data-bbox="890 1115 1437 1193">Independent control samples were also inserted at given frequencies to test precision and accuracy of the relevant laboratory at given grade ranges.</p> <p data-bbox="890 1272 1453 1608">The QAQC controls for all drilling campaigns included:</p> <ul style="list-style-type: none"> <li data-bbox="938 1301 1406 1379">○ The insertion of laboratory certified standard reference materials matrix matched to the Century mineralisation, <li data-bbox="938 1391 1378 1413">○ Duplicate samples of quarter core (1995), <li data-bbox="938 1424 1414 1469">○ Duplicate samples of 5 mm splits at the Boyd crusher (Century laboratory only), <li data-bbox="938 1480 1453 1525">○ Duplicate samples of pulverised splits were taken to assess variability of the tertiary sub sample, <li data-bbox="938 1536 1358 1581">○ Submission of pulps to off-site “umpire” laboratory, <li data-bbox="938 1592 1238 1615">○ Repeats of assayed pulps. <p data-bbox="890 1686 1414 1765">Analysis of the above quality controls suggests that no material bias exists in the assay database, sampling or sample preparation procedures.</p> <p data-bbox="890 1850 1422 1928">The Competent Person does not consider the change in analysis method from ICP to XRF a material risk to the Resource Estimate.</p>

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	No verification testing has been carried out.
	<i>The use of twinned holes.</i>	No twinned holes have been drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Verification by independent or alternative company personnel was not undertaken at the time of drilling.
		<p>No twinning of drill holes was undertaken due to the assumed low variability across the deposit.</p> <p>Geologists and field assistants worked alongside the drill rig, ensuring drill compliance to the QA/QC procedures with regards to sample collection.</p> <p>Core logging data was recorded in Excel spread sheets (pre-made templates with drop down option lists) by site geologists.</p> <p>All assay results were verified against logging. Drill holes were also viewed in 3D modelling software to confirm no gross errors. All data was reviewed by site geologists or the Group Exploration GISDB (Geographic Information Systems and Database) team before data was entered into the Micromine GBIS system. All required fields were completed prior to import. All data entries and edits are fully auditable. All QAQC data sets from the Century site Lab and ALS Brisbane were reviewed by site geologists who confirmed suitability of data for use in Mineral Resource modelling.</p> <p>Sample or assay data has not been adjusted in any way.</p> <p>Where data was deemed invalid or unverifiable it was excluded from the Mineral Resource estimation.</p>
<i>Discuss any adjustment to assay data.</i>	No adjustments were made.	

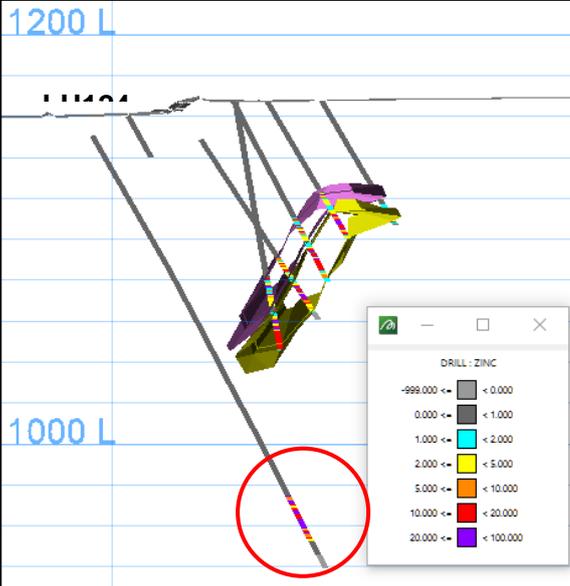
Criteria	JORC Code explanation	Commentary
Location of data points	<i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Collar co-ordinates of all drill holes were determined to an accuracy of 0.1 m in all directions by a licensed surveyor and stored in Century Mine Grid. Downhole surveys were taken at 30 m intervals for all inclined drill holes using single-shot Eastman camera equipment.
	<i>Specification of the grid system used.</i>	Century Mine Grid was originally an Exploration grid based on an interpolated position from 1:100,000 map sheet 6660 Lawn Hill and a compass orientation, i.e. truncated AMG. Subsequent formal survey determined that an exact truncated grid required a shift of 18 m west and 152 m north and a swing of 0°20'. Too many drill holes had been referred to this grid so it was retained and adopted as the master grid for the project. Levels are (AHD+1000).
	<i>Quality and adequacy of topographic control.</i>	Annual aerial surveys are carried out at the mine. Topographic surfaces are updated using point data derived from DGPS, and then converted into Century Mine Grid. Topographic control is considered to be of a high standard.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Not applicable – no exploration results have been reported.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Not applicable – no exploration results have been reported.
	<i>Whether sample compositing has been applied.</i>	Samples were composited by Geology within the pre-defined stratigraphic packages of 'Upper Zone' and 'Lower Zone' at 1m intervals.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Sampling was carried out as close as practicable to perpendicular through the mineralised sequence. Sample orientation is not considered a material risk to the Mineral Resource estimate.

Criteria	JORC Code explanation	Commentary
	<p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p>Drilling orientation is not considered to have introduced any material sampling bias.</p>
<p>Sample security</p>	<p><i>The measures taken to ensure sample security.</i></p>	<p>Measures to provide sample security included:</p> <p>Sample intervals were logged and recorded by geologists, and sample numbers assigned to each interval. DD samples were cut by field assistants and placed into clearly numbered calico bags.</p> <p>The individual calico bags were placed into poly-woven sacks which were tied with either metal wire ties or plastic cable ties.</p> <p>Samples were transported by commercial carriers to off-site laboratories. Sample sheets were entered into the Geological database and a corresponding sample inventory was attached to the freight.</p> <p>Upon receipt, the laboratory staff completed a sample receipt report, noting any missing or damaged samples.</p> <p>No further measures were undertaken.</p>
<p>Audits or reviews</p>	<p><i>The results of any audits or reviews of sampling techniques and data.</i></p>	<p>In 2002 and 2003 Snowden completed reviews on the data quality and QAQC procedures for geology sample data from 1999 to 2003 for the entire Century Resource including the East Fault Block.</p> <p>In 1996 Mining and Resource Technologies (MRT) completed data validation and review of the initial drilling completed by CZL from 1990 to 1995.</p> <p>Data identified in the above reviews that did not pass validation requirements was not flagged as 'Century Resource' within the database, and thus not used in the modelling and estimation process.</p>

Section 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<p>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.</p>	<p>Century Mining Ltd holds a mining lease (ML90045) over the East Fault Block area; this has an expiry date of 18/09/2037.</p> <p>The Gulf Communities Agreement (GCA) was negotiated between Pasminco Century Mine Limited, the Queensland Government and three native title groups - the Waanyi, Mingginda, and Gkuthaarn and Kikatj - under the right to negotiate provisions of the Native Title Act 1993 (Cth). This agreement, which was signed in May 1997, came into effect in September 1997 when Pasminco purchased the Century Mine project from Rio Tinto.</p> <p>The GCA specifies particular benefits and obligations on each party, which exist throughout the life of the mining project. In negotiating the GCA, Traditional Owners intended for the mine to contribute to the social and economic development of the Gulf while protecting and promoting cultural heritage.</p> <p>All activities undertaken are subject to the conditions of the Environmental Authority EPML00888813, issued by the Queensland Department of Environment and Heritage Protection. All activities are monitored by site based environmental scientists.</p> <p>There are no known impediments to operating in the area.</p>
	<p>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.</p>	<p>New Century Resources Ltd holds a mining lease (ML90045) over the East Fault Block area; this has an expiry date of 18/09/2037.</p>
Exploration done by other parties	<p>Acknowledgment and appraisal of exploration by other parties.</p>	<p>N/A – the area was defined as part of the discovery and resource definition of the Century Deposit by CRA.</p>
Geology	<p>Deposit type, geological setting and style of mineralisation.</p>	<p>N/A – no exploration results are being reported.</p>

Criteria	JORC Code explanation	Commentary
Drill hole Information	<p>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:</p> <ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. 	N/A – no exploration results are being reported.
Data aggregation methods	<p>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.</p>	N/A – no exploration results are being reported.
	<p>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.</p>	N/A – no exploration results are being reported.
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	No metal equivalent is reported
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>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’).</p>	N/A – no exploration results are being reported.
Diagrams	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</p>	N/A – no exploration results are being reported.
Balanced reporting	<p>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</p>	N/A – no exploration results are being reported.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	<p>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</p>	<p>N/A – no exploration results are being reported.</p>
Further work	<p>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive</p>	<p>Further drilling will be planned to define the extents of high grade mineralised intercepted below the East Fault Block.</p> <p>Drill hole LH124 pictured below includes 26.1m @ 15.8% Zn from 199.8m and represents a potential replication of the East Fault Block at depth.</p> 

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
<p>Database integrity</p>	<p>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.</p>	<p>All drilling, sampling, assay, density and geological data was migrated from Microsoft Access databases to a central Micromine GBIS database in 2011, this was the source for all drilling data used in the Mineral Resource estimate.</p> <p>The geology databases were previously validated and audited by independent parties; Mining and Resource Technologies (MRT) in 1996 and Snowden in 2002 and 2003 prior to the migration.</p> <p>All data was entered manually into Excel spread-sheets with look up tables, and then uploaded into GBIS.</p> <p>Post 2011 data –</p> <p>Qualitative logging was carried out into standardised Microsoft Excel logging spread-sheets with drop down logging codes for each variable. The logging geologist then completes a commentary for the relevant section which should correspond with the logging codes for the interval. Where there is inconsistency the commentary information is prioritised.</p> <p>Assay data transcriptions errors are eliminated by the use of an automated results receipt process which imports data directory from the laboratory to the database. All changes and updates within the GBIS database are fully auditable, and traceable.</p> <p>Partial data may not be imported to the database. Mandatory fields must be completed to allow import to occur. All results must correspond to identical sample dispatch numbers to be accepted.</p> <p>Data used in the Mineral Resource has passed a number of validation checks both visual and software related prior to use in the Mineral Resource.</p>

Criteria	JORC Code explanation	Commentary
	Data validation procedures used.	The Competent Person assumed all historic data to be sufficiently validated for use in Mineral Resource Estimation; as such only visual inspection to identify any non-logical data issues was carried out – no issues were identified.
Site visits	<p>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</p> <p>If no site visits have been undertaken indicate why this is the case.</p>	<p>The Competent Person worked at Century Mine between 2009-2015, and visited site in April 2017.</p> <p>No issues that may materially impact the Mineral Resource estimate for the East Fault Block have been identified.</p>
Geological interpretation	<p>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</p> <hr/> <p>Nature of the data used and of any assumptions made.</p> <hr/> <p>The effect, if any, of alternative interpretations on Mineral Resource estimation.</p>	<p>The Geology and extents of the East Fault block is well understood and defined.</p> <p>The East Fault block is an isolated mega-clast of the Stratiform Zn-Pb-Ag Century deposit.</p> <hr/> <p>All data is from diamond drill hole analysis and observations, with correlation to the adjacent Century deposit from which the mineralised block originated.</p> <hr/> <p>No alternative interpretations were considered – the mineralisation is well defined and understood.</p>

Criteria	JORC Code explanation	Commentary
	<p>The use of geology in guiding and controlling Mineral Resource estimation.</p>	<p>The well-defined Century Stratigraphic sequence formed the basis for the estimation domains of the East Fault Block.</p> <p>The extents of the stratigraphic units up to fault terminations define hard boundaries within which estimation occurred for economic elements.</p>
<p>Dimensions</p>	<p>The factors affecting continuity both of grade and geology.</p> <p>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</p>	<p>Both grade and geological units are continuous across the East Fault Block until reaching the fault terminations.</p> <p>The East Fault Block Mineral Resource is a steeply dipping tabular ore-body with the following dimensions –</p> <p>160m x 110m x 30m dipping at 60 degrees to the NW.</p> <p>Mineralisation is encountered at 50m below current surface and continues to a depth of 140m.</p>

Criteria	JORC Code explanation	Commentary
<p>Estimation and modelling techniques</p>	<p>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.</p> <hr/> <p>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</p>	<p>The Mineral Resource Estimate was updated in 2012 with the updated drilling data using the original parameters established by Snowdens in 2008.</p> <p>The method used was an Inverse Distance Weighted(IDW) estimate using Maptek Vulcan Software. Based on the spacing of the drill-holes and low variability in the style of deposit, with appropriate constraints it is the Competent Persons opinion that an estimate of sufficient quality may be produced using this method.</p> <p>Subsequent validation of the Estimate has identified a bias in the estimate caused by lack of constraints around high grade values. This is reflected in the inferred classification of the Mineral Resource estimate in its current state.</p> <p>It is the Competent Persons opinion that an Ordinary Kriging approach should be applied in future should the data support the method. Alternatively, appropriate constraints should be applied to the extreme grade values should an IDW approach be maintained.</p> <p>No Mine Production records are available for the East Fault Block as this is an insitu Mineral Resource.</p> <hr/> <p>No assumptions have been made regarding the recovery of by-products.</p> <p>The Century Deposit processing and concentrate characteristics are well understood from 15 years of mining and processing history.</p>
	<p>The assumptions made regarding recovery of by-products.</p>	

Criteria	JORC Code explanation	Commentary
	<p>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</p>	<p>No deleterious elements were estimated as part of the Mineral Resource reported.</p> <p>The following additional variables were estimated within the model – Mn, Fe, S. No detailed validation of these estimates was carried out.</p>
	<p>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</p>	<p>Parent Block sizes are 15m x 15m in the x,y plane which approximates half the distance between drill holes.</p> <p>Drill-hole spacing on average is approximately 30m.</p> <p>The search employed was 100m x 100m x50m within the plane of the deposit. The search was restricted to within unit domains vastly limiting the search distance in practice.</p>
	<p>Any assumptions behind modelling of selective mining units.</p>	<p>The block sizes chosen for the Mineral Resource Estimate were based on appropriateness for the Mineral Resource Estimate only.</p> <p>The deposit is most amenable to open pit mining by conventional load and haul methods and the Mineral Resource block sizes are considered relevant to this method.</p>
	<p>Any assumptions about correlation between variables.</p>	<p>No correlation assumptions have been applied in the estimate.</p>

Criteria	JORC Code explanation	Commentary
	<p>Description of how the geological interpretation was used to control the resource estimates.</p>	<p>The Resource Estimate was constrained within the pre-defined Stratigraphic units of the Century Deposit. The alternating sedimentary bands of the Century Deposit serve as mineral domains for the estimate.</p> <p>Hard boundaries were used due to the fault terminations that define the deposit.</p>
	<p>Discussion of basis for using or not using grade cutting or capping.</p>	<p>No cutting or capping was used in the estimate, this should be reviewed in future iterations to improve local estimates.</p>
	<p>The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.</p>	<p>Block grade and sample composite grade statistics were used to check the quality of the estimate globally.</p> <p>Sectional review was also carried out to visually identify any significant grade variances in the local estimates.</p> <p>No reconciliation data is available for the East Fault Block as the deposit does not have any mining history.</p>
<p>Moisture</p>	<p>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</p>	<p>Tonnages have been estimated on a dry basis.</p>

Criteria	JORC Code explanation	Commentary
Cut-off parameters	<p>The basis of the adopted cut-off grade(s) or quality parameters applied</p>	<p>The East Fault block Mineral Resource was reported at a nominal 3.5% zinc equivalent (ZnEq) Cut-off grade.</p> <p>The zinc equivalent value was based on the following calculation - $ZnEq = Zn + Pb \times 1.03$ based on 2013 assumptions during active mining operations.</p> <p>This is consistent with the reporting value of the Main Century Open pit during operations and represents contiguous mineralisation with realistic potential for economic recovery.</p> <p>It is the Competent Persons opinion that any updates to the ZnEq calculation based on updated metal prices will not prove material to the reported Mineral Resource due to the small weighting of Pb within the total resource.</p>
Mining factors or assumptions	<p>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.</p>	<p>It is assumed the deposit will be mined by excavator at an average 3 m bench height, and hauled by Komatsu 630 or Komatsu 830 trucks respectively.</p> <p>No mining dilution has been applied to the Mineral Resource.</p> <p>The adjacent Century deposit was mined by this method from 2000-2015 and has comprehensive historical production data to support the Mineral Resource estimate and assumptions.</p>
Metallurgical factors or assumptions	<p>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.</p>	<p>Ore from the adjacent Century deposit was processed from 2000-2015 and has comprehensive historical production data to support the Mineral Resource estimate and assumptions.</p> <p>Stockpiled material is at a high risk of spontaneous combustion due to the fine grained sulphide mineral content if left exposed for periods in excess of three months. The material within a combusting stockpile may result in lower metallurgical recoveries.</p> <p>No material impacts are anticipated with regards to the metallurgical assumptions.</p>

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	<p>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</p>	<p>All activities undertaken are subject to the conditions of the Environmental Authority EPML00888813, issued by the Queensland Department of Environment and Heritage Protection.</p>
Bulk density	<p>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.</p>	<p>Average density values were applied to all stratigraphic units.</p> <p>These values were derived from an extensive mining dataset collected from the adjacent Century deposit.</p>
	<p>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,</p>	<p>As above.</p>
	<p>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</p>	<p>Although average density values from the adjacent Century Deposit were applied to the East Fault Block these are considered appropriate due to the provenance of the East Fault Block as part of the Century deposit,</p> <p>The proximity to the proxy dataset being used, along with the size and associated production history all add confidence to the legitimacy of this approach.</p>

Criteria	JORC Code explanation	Commentary
	<p>The basis for the classification of the Mineral Resources into varying confidence categories</p>	<p>The East Fault Block Mineral Resource is considered Inferred in its entirety by the Competent Person.</p> <p>The confidence level assigned to the East Fault Block reflects the confidence in the grade estimate quality as a consequence of the estimation method and estimation parameters applied.</p> <p>Statistical analysis of sample and block grades indicate local bias from high grade samples within the estimate.</p> <p>The volume estimate of the East Fault block is considered of moderate to high confidence as the extents are well defined by the drilling.</p>
	<p>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).</p>	<p>Geological continuity across the deposit is well defined.</p> <p>The tonnage estimate is based upon considerable empirical sample and mining data from the adjacent Century Deposit and is considered a reliable estimate.</p> <p>Data quality is considered good and fit for purpose.</p>
	<p>Whether the result appropriately reflects the Competent Person's view of the deposit.</p>	<p>The classification reflects the Competent Person's view of the existing estimate.</p> <p>Based on the data available it is the Competent Persons opinion that refined estimation parameters will be sufficient to improve confidence in the local grade estimates and remove any bias introduced by the extrapolation of high grade samples.</p> <p>Should confidence in the local grade estimates be improved, the existing data and deposit knowledge should support an Indicated Resource classification.</p>

Criteria	JORC Code explanation	Commentary
	The results of any audits or reviews of Mineral Resource estimates.	There has been no review of the Mineral Resource estimate.
Classification	<p>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</p> <hr/> <p>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</p> <hr/> <p>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available</p>	<p>The Mineral Resource estimate is only valid at a global scale due to local bias identified within the current estimate.</p> <hr/> <p>The Mineral Resource estimate is global.</p> <hr/> <p>No production data is available for the East Fault Block Resource.</p>

8. Independent Solicitors' Report

22 May 2017

The Directors
Attila Resources Limited
Suite 23, 513 Hay Street
Subiaco WA 6008

Our ref: 1720077 - Jonathan Fulcher

Dear Directors

Independent Solicitor's Report

This Independent Solicitor's Report on Tenements is prepared for inclusion in a prospectus for issue by Attila Resources Limited (to be renamed "New Century Resources Limited") ACN 142 165 080 (**Attila**) for the issue of 34,333,333 shares in Attila at an issue price of \$0.15 each in order to raise \$5,150,000 (before costs).

The report relates to the Century Project, which consists of:

1. the Century Mine and associated mining tenements, ML 90045, ML 90058 and EPM 10544 (**Tenements**);
2. associated processing plant, accommodation camps, offices and airstrip located at Lawn Hill;
3. a 304 kilometre slurry pipeline, which is used to transport zinc and lead concentrates from Lawn Hill to Karumba (**Pipeline**); and
4. infrastructure at the port at Karumba, including a concrete dewatering and drying facility, storage shed, ship loading facility and maritime transfer vessel.

1. Opinion

1.1 Title

- (a) We have confirmed that Century Mining Limited ACN 006 670 300 (formerly MMG Century Limited)¹ (**CML**) has title to:
- (1) ML 90045 and ML 90058, the mining leases associated with the Century Mine;
 - (2) an environmental authority (**EA**) for the Century Mine;
 - (3) a term lease over the land under the Century Mine;
 - (4) a licence to use the corridor for the slurry pipeline;

¹ Other former names of the company (ACN 006 670 300) are Oz Minerals Century Limited, Zinifex Century Limited, Pasmaenco Century Mine Limited, Century Zinc Limited, Gulf Minerals & Metals Limited, Blair Athol Finance Limited. The company is referenced as CML or MMG Century Limited interchangeably in this document.



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- (5) a rolling term lease on Lot 4536 on SP204559 (approximately 229,000 ha); and rolling term lease on Lot 4597 on CP PH1605 (approximately 127,000 ha);
 - (6) 14 residential properties at Karumba;
 - (7) an onshore facility lease and an offshore facility lease for the port at Karumba;
 - (8) an EA for the operations of the port at Karumba; and
 - (9) other EAs for operations at Lawn Hill.
- (b) Lawn Hill and Riversleigh Pastoral Holding Company Pty Ltd ACN 083 607 470, is the registered lessee of a rolling term lease on Lot 4 on CP GY805051. CML, through its subsidiary PCML SPC Pty Ltd has a 49% and one special share interest in the Lawn Hill and Riversleigh Pastoral Holding Company Pty Ltd.
- (c) EPM 10544
- (1) CML does not have title to EPM 10544. EPM 10544 is held by MMG Australia Limited. On 28 February 2017 MMG Australia Limited and MMG Century Limited entered into an asset sale agreement for the transfer of EPM 10544 from MMG Australia Limited to MMG Century Limited (now CML). There are various conditions precedent which may still require satisfaction.
 - (2) EPM 10544 expired on 31 December 2016 and a renewal application has been lodged. The rights under EPM 10544 continue until this renewal application is decided.
 - (3) The holder of EPM 10544 is subject to an obligation to make payments to BCKP Limited and Rio Tinto in relation to future mining activities on EPM 10544 (refer to 8.7(g)). There is a caveat over EPM 10544, to protect these rights of BCKP.

1.2 Compliance

- (a) Based on the information available, we have not identified any material non-compliance for ML 90045, ML 90058 and EPM 10544 (**Tenements**). We have not conducted any independent investigations with the Department of Natural Resources and Mines (**DNRM**), beyond the publicly available resource authority reports (referred to in 3.1(b)) in respect of the conditions of the Tenements.
- (b) There have been instances of non-compliance in respect of the EAs (refer to 9.5).

1.3 Native Title

Native title for the mining and land tenures relating to the Century Project was addressed under the Gulf Communities Agreement (**GCA**), which will, unless renegotiated, apply in full to the proposed tailings reprocessing.

1.4 Financial Assurance

- (a) The financial assurance for EPML00888813 (the EA for ML 90045 and ML 90058) is \$191,481,600. Tailings reprocessing on the mining leases will require a revised plan



of operations, which will trigger a new decision on the amount of financial assurance required. There is a risk that the amount of financial assurance for EPML00888813 may increase. Other smaller financial assurance amounts are held in relation to other EAs for the project.

- (b) We have not reviewed any agreements regarding the provision of financial assurance or other bank guarantees and it is beyond the scope of this report to address any of the financial arrangements in respect of the financial assurance provided by CML.

2. Scope

2.1 Scope

This report deals with legal due diligence matters relating to the Century Project and Tenements and has been prepared to:

- (a) confirm (or otherwise) the title to the Tenements;
- (b) where possible, confirm the good standing of the Tenements;
- (c) where possible, confirm that there has been no material noncompliance with the applicable laws affecting the Tenements as at the date of this report;
- (d) where possible, confirm compliance with environmental, land access, security, rental and reporting obligations and native title and cultural heritage statutory requirements (if any);
- (e) identify any encumbrances;
- (f) identify any overlapping tenures;
- (g) confirm (or otherwise) the title to the Pipeline;
- (h) where possible, confirm that there has been no material non-compliance with the applicable laws affecting the Pipeline as at the date of this report; and
- (i) identify other rights or liabilities associated with the Century Project.

2.2 Outside of scope

We were instructed not to undertake litigation or company searches. In the case of the company searches we only obtained searches where it was absolutely necessary to confirm title in the correct entity. As noted at paragraph 1.4(b), we have not reviewed any financing or security agreements that pertain to CML, the Tenements or the environmental authorities.

2.3 Materiality Threshold

As instructed by Attila, the materiality threshold for this Report is AUD\$500,000.



3. Searches

3.1 Searches

The legal due diligence enquiries undertaken by HopgoodGanim Lawyers in relation to the tenement involved reviewing only the following:

- (a) Documents contained in the Data Room.
- (b) Resource authority public enquiry reports obtained from DNRM on 1 February 2017, 10 April 2017 and 24 April 2017.
- (c) Information from MinesOnline Maps obtained on 2 February 2017.
- (d) Tenement searches obtained from DATSIP on 1 February 2017.
- (e) Search results provided by the NNTT on 2 February 2017.
- (f) ESA maps obtained from DEHP on 28 February 2017.
- (g) Environmental authority information obtained from DEHP on 27 February 2017.
- (h) A search of DEHP's suitable operator register undertaken on 6 March 2017.
- (i) Title searches from DNRM obtained on 10 May 2017.

4. Qualifications

4.1 Qualifications

- (a) This report relates only to the relevant laws in force as at the date of the report and except where expressly referenced does not address or consider any future amendments or changes that may be made to any relevant laws.
- (b) Part 2 sets out the scope of this report. No other matters form part of the scope of this report.
- (c) The conclusions and opinions expressed in this report are limited to our review and analysis of the results of the searches identified in part 3 of this report.
- (d) HopgoodGanim Lawyers have not been instructed to nor have we nor do we have expertise in or concerned ourselves with business or financial due diligence or an assessment of business, financial, technical or regulatory risks (apart from those regulatory risks necessarily falling within the scope).
- (e) Where laws are mentioned this report does not purport to mention every requirement in respect of the relevant law and those that are referred to in many cases are not an exhaustive list. Accordingly, specific legal advice should be obtained for specific questions about individual laws.

4.2 Assumptions

We have made the following assumptions in the preparation of this report:



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- (a) our investigations were confined to searches set out in part 3 of this report. We note that this report is accurate and complete only to the extent that the reports extracted from the registers are correct as at the date the searches were conducted;
 - (b) there have been no material changes in the standing of the Tenements since the date of our searches;
 - (c) all information provided by Attila or contained in the Data Room is true, correct, complete and accurate and all documents are properly executed and valid on their face; and
 - (d) the Ministers administering the relevant acts and each of their delegates have been validly appointed and have acted within the scope of their power, authority and discretion in granting the Tenements and are able and willing to grant any required consents and approvals under relevant legislation.

5. Land

5.1 Term Lease over Century Mine

- (a) ML 90045 and ML 90058 are located over Lot 6 on CP 907593 (TL 0/208881). MMG Century Limited holds a term lease over Lot 6 on CP 907593.² This term lease, originally over Lot 6 on CP 892041 was granted to Century Zinc Limited on 19 September 1997, for a term of 40 years, expiring on 18 September 2037. The annual rent under this term lease is determined in accordance with the provision of the *Land Act 1994* (Qld).
- (b) Following the decisions of the High Court of Australia in *North Gananja Aboriginal Corporation & Anor v. State of Queensland & Ors* 185 CLR 595 and *The Wik Peoples v State of Queensland & Ors* 187 CLR 1, section 9 and 10 *Century Zinc Project Act 1997* (Qld) (**Century Zinc Act**) were introduced to remove any doubt about the validity of the term lease over Lot 6 on CP 892041. Under section 9(1) of the Century Zinc Act, term lease 205674 of Lot 6 on CP892041 was cancelled, and under section 9(2) a new term lease of Lot 6 on CP892041 was granted to Century Zinc Limited.

5.2 **Housing at Karumba:** MMG Century Limited (now CML) is the registered owner of 14 properties. .

5.3 Pelicans Inn Hotel

- (a) MMG Century Limited (now CML) leased the Pelican Hotel at Karumba until 2031, taking responsibility for the liquor licence, outgoings, maintenance and repairs. MMG Century is also responsible for the insurance premiums on the property and is required to hold public liability insurance in the amount of \$10 million. MMG Century vacated the hotel, let the liquor licence expire and has not maintained the premises.
- (b) We understand that the lessor and MMG Century have reached agreement pursuant to which MMG Century will provide the lessor with a bank guarantee for 2 years rent and charges (\$520,000) and Attila will provide a parent guarantee of MMG Century's obligations under the lease by 30 September 2017. If MMG Century cannot provide that parent guarantee in that time, MMG Century is required to produce a further

² The registered lessee is still MMG Century Limited and not CML.



bank guarantee for \$780,000 or else a replacement guarantee of \$1.3million (in exchange for the \$520,000 bank guarantee. We have not seen an executed copy of this agreement, but have reviewed a bank guarantee for the sum of \$520,000 provided by CML

6. Pipelines

The Pipeline is licenced to CML as a Transport Corridor under the *Transport Infrastructure Act 1994* (Qld) and operated under:

- (a) a corridor licence dated 19 September 1997, issued by the Department of Transport for and on behalf of the State of Queensland. This licence grants CML rights to occupy the corridor held by the Department under registered easement; and
- (b) an Operational Licence dated 19 September 1997, issued by the Department of Transport for and on behalf of the State of Queensland.

7. Port

7.1 Lease

CML has two leases from Far North Queensland Ports Corporation Limited (**Ports North**) over the Karumba Port facility:

- (a) An onshore facility lease over Lot 71 on SP112359, Lot 72 on SP115210 and Lot 81 on SP125919.
- (b) An offshore facility lease over Lot 505 on SP162436. Both leases were entered into on 18 September 1997 and will terminate on the date that is 42 years after the Lease Commencement Date (as that date is defined in each lease). Operations at the port are presently suspended. In addressing MMG Century's suspension of port operations, the mutually accepted position is as follows:
 - (1) CML will have no obligation for the payment of the ongoing cost charge at all during the period its use of the facility is suspended.
 - (2) Once the period of suspension ends, the channel will required dredging prior to meet CML's operational needs. The cost of this dredging is part of the ongoing cost charge payable by CML. We note that Ports North first recommended this dredging in June 2015.
 - (3) CML will have no obligation to pay the development cost charge during the period of suspension, but when CML's use recommences, the development cost charge, otherwise payable durable the suspension period, will fall due as soon as it is reasonably practicable after use resumes.

7.2 Environmental authority for Karumba Port

The EP Act regulates activities that are likely to have impacts on the environment and these activities are referred to as "environmentally relevant activities" (**ERAs**). The EP Act requires that an EA is obtained for all ERAs (s 426 EP Act). Further information on the requirements for EA is contained in Part 9. The environmental authority for the Karumba Port facility is



EPPR00518513, which applies to Lot 505 on SP 162436, Lot 71 on SP112359, Lot 72 on SP115210 and Lot 81 on SP125919. Refer to section 9.3(a) and 9.5(a)(3) for further information on EPPR00518513.

8. Tenements

8.1 Governing Legislation

(a) Legislation generally

The *Mineral Resources Act 1989* (**MR Act**) establishes a tenure regime that governs the exploration for and production of minerals in Queensland. The *Mineral and Energy Resources (Common Provisions) Act 2014* (**MERC Act**) also governs processes and requirements for resource authorities. The Tenements have been granted under the MR Act.

The EP Act regulates the environmental impact of activities conducted under resource authorities. Obligations under the EP Act are detailed at 9 below.

(b) Exploration Permit – Minerals

Exploration permits (**EPs**) can be granted under the MR Act. Exploration for mineral is carried out under the authority of an EPM. An application for an EPM must be made in accordance with Part 2, Chapter 4 of the MR Act. Section 141 of the MR Act imposes mandatory conditions of all EPMs.

(c) Mining Lease

- (1) The initial term of a ML is the period approved by the Minister and commences on the first day of the month that next follows the day the ML is granted (s 284 MR Act). The term of the ML must not be longer than the period for which compensation has been agreed or determined with land owners (s 284(2) MR Act) (refer to Part 18 of this Report for further detail)
- (2) During the term of a ML, the holder of the ML and any person who acts as agent or employee of the holder may enter and be within the area of the ML and upon the surface area comprised in the ML for any purposes for which the ML is granted or for any purpose permitted or required under the ML or the MR Act (s 235(1) MR Act).
- (3) Each ML is subject to the conditions in section 276 MR Act and any other conditions that the Minister prescribes. Note that the Minister may impose a condition that mining operations under the ML commence within a specified period after its grant or as otherwise approved in writing by the Minister (s 276(3) MR Act).
- (4) All minerals lawfully mined under the authority of a ML cease to be the property of the Crown and become the property of the holder of the ML subject to the rights to royalty payments under the MR Act (s 310 MR Act) (refer to Part 8.6 of this Report for further information in respect to royalty payment obligations).
- (5) Pursuant to section 298(1) of the MR Act, the holder of a ML may apply for the Minister's approval to mine specified minerals which are not specified in



the ML at the time of the application. This can only be done where there is not another ML or MDL (or application for a ML or MDL) in respect to those specified minerals. We note that on 23 September 2011, MMG Century Limited made applications to add phosphate as a mineral to ML 90045 and ML 90058. On 9 March 2012 MMG Century Limited requested that this application be withdrawn, as MMG was not in a position to mine phosphate.

- (6) Pursuant to section 298(6) of the MR Act, the holder of a ML may also apply for the Minister's approval for the addition of purposes not specified in the ML (other than the mining of minerals or coal), so long as such purposes are not inconsistent with the MR Act.

8.2 Title

MMG Century Limited is the registered holder of ML 90045 and ML 90058. The holder name has not been updated to CML with DNRM. MMG Australia Limited is the registered holder of EPM 10544. On 28 February 2017 MMG Australia Limited and MMG Century Limited entered into an asset sale agreement for the transfer of EPM 10544 from MMG Australia Limited to MMG Century Limited (now CML).

A summary of the Tenements is contained in Schedule 1.

8.3 Rent

- (a) Rent is payable on EPs pursuant to section 138 MR Act. If the holder of an EP has failed to pay the rent payable by the due date, the Minister may, at the Minister's discretion, cancel the EP (s 160(2) MR Act). The rent payable is calculated based on the number of sub-blocks within each EP. Currently the rent payable for each sub-block is \$150.50 (item 2, Schedule 4 MR Regulations).
- (b) Pursuant to section 290 of the MR Act, the holders of granted MLs are required to pay rent on the tenements in respect of each rental year or part thereof. Rental is payable in advance prior to grant in respect to the first rental year of the tenement, and not later than 31 August for each rental year thereafter (s 290(3) MR Act). No rental is payable on a ML application.
- (c) We have not undertaken any independent investigations with DNRM beyond the publicly available resource authority reports to verify whether the rental payments for the Tenements are paid and up to date.

8.4 Security prescribed by DNRM

- (a) Under the MR Act, security must be provided before an EP is granted or renewed (s 144 MR Act). The amount of security is determined by the Minister and is calculated as reasonable security for compliance with the MR Act and rectification of damage and other amounts payable to the State under the MR Act.
- (b) Prior to commencing operations under a ML, the holder of the ML must deposit an amount of security, such amount to be fixed by the Minister (s 277 MR Act). The security must be adequate to ensure compliance by the holder of the ML with the MR Act and the conditions of the ML, to rectify any damage caused by activities under the ML to pre-existing improvements for the ML, and to pay amounts (other than penalties) which are payable by the holder of the ML under the MR Act. The Minister may review the amount of security held in respect to a ML at any time and decide that more security is required. The Minister must review the amount of security



deposited at the expiration of 5 years from the grant of the ML or from the previous review.

- (c) We have not undertaken any independent investigations with DNRM beyond the publicly available resource authority reports to confirm the security held for the Tenements.

8.5 **Renewal**

- (a) An application for the renewal of an EP can be made under section 147 of the MR Act. The holder of an EP may apply for a renewal of the EP not more than 6 months and not less than 3 months (unless permitted by the Minister) prior to the expiration of the current term (renewal period).
- (b) The holder of an ML may, not less than 6 months or more than 12 months before the expiry of the term, apply to the Minister for the renewal of the lease (s 286 MR Act).
- (c) ML 90045 and ML 90058 were both granted for a term of 40 years and expire on 18 September 2037. EPM 10544 is currently pending renewal. EPM 10544 has an expiry date of 31 December 2016. A renewal application was lodged on 30 September 2016, during the renewal period. In accordance with section 147C of the MR Act, EPM 10544 will continue in force while this renewal application is being dealt with.

8.6 **Prescribed royalty**

- (a) Pursuant to section 311 MR Act, the holder of a ML must pay the prescribed royalty in respect of all minerals mined or purported to be mined under the authority of a ML.
- (b) The holder of a ML is required to lodge a royalty return (s 320(4) MR Act). Part 2 of Chapter 3 of the MR Regulations outlines the requirements for a royalty return. The current prescribed royalty in Queensland for coal is set out in reg 46 and section 5 of Schedule 3 of the MR Regulations.
- (c) Pursuant to section 308(1) MR Act, if the holder of a ML fails to pay the royalty by the due date for payment, the Minister may cancel the ML or impose on the holder of the ML a penalty not exceeding 1500 penalty units.
- (d) We have not undertaken any independent investigations with DNRM beyond the publicly available resource authority reports to confirm compliance with the royalty obligations for ML 90045 and ML 90058.

8.7 **Encumbrances and registered dealings**

- (a) Section 16 of the MERCP Act states that a “dealing” in relation to a resource authority is:
 - (1) any transaction or arrangement that causes the creation, variation, transfer or extinguishment of an interest in the resource authority; or
 - (2) another transaction or arrangement prescribed by regulation, that affects the resource authority.
- (b) Regulations may prescribe particular dealings that must be registered to take effect (s 17(1) MERCP Act). A prescribed dealing must not be registered without the



Minister's approval and will have no effect unless and until it is registered (s 17 MERC Act).

- (c) Caveats:
- (1) Part 2 of Chapter 2 of the MERC Act provides that a caveat may be lodged against a resource authority. The effect of a caveat is to prevent registration of a dealing over the affected resource authority from the date and time endorsed by the chief executive as the caveat's date and time of lodgement (s 26(1) MERC Act).
 - (2) In circumstances where the lodgement and registration of a caveat is agreed by each holder of the resource authority over which the caveat is being registered, the caveat will lapse at the expiration of the term stated in the caveat, or if the term is not stated, it will continue until it is withdrawn or removed (s 27 MERC Act).
 - (3) In circumstances where the lodgement and registration of a caveat is not agreed by each holder of the resource authority over which the caveat is being registered, the caveat will lapse 3 months after it is registered, or, if the caveat is as the result of a Land Court Order, at the expiration of the term stated in the order (s 27 MERC Act).
- (d) Pursuant to section 33 of MERC Act, an agreement relating to a resource authority may be recorded in the register against the resource authority. The effect of recording the agreement in the register is simply to notify third parties of the existence of an agreement. The recording does not give the agreement any more effect or validity than it would otherwise have and does not create an interest in the resource authority against which it is recorded (s 34 MERC Act).
- (e) There are no registered dealings over ML 90058.
- (f) A sublease to SPC (Nominees) Pty Ltd is recorded against ML 90045 (dealing 991426). The status of this sublease is recorded as "Closed". This dealing request was received on 18 June 1999 and completed on 1 July 1999.
- (g) There are the following registered dealings over EPM 10544:
- (1) Consent caveat registered by BCKP Limited on 21 May 2014. This caveat is registered indefinitely and prohibits transfer, mortgage, release transfer surrender mortgage, sublease, and transfer sublease.
 - (2) Assignment and Assumption Agreement between Rio Tinto Exploration Pty Ltd and BCKP registered (registered indefinitely).
 - (3) Royalty Deed between Zinifex Limited (now MMG Australia Limited) and Rio Tinto Exploration Pty Ltd, registered on 6 February 2014 (EPM 10544 Royalty Deed) (registered indefinitely).
- (h) The caveat over EPM 10544 relates to the royalty granted to Rio Tinto Exploration Pty Ltd under the EPM 10544 Royalty Deed (undated). This royalty is:
- (1) for each tonne of Zinc sold in that Quarter, an amount of \$0.0055 (excluding GST) for each dollar that the Average Zinc Price exceeds \$1,300 per metric tonne; and



- (2) one percent (1%) (excluding GST) of the Net Smelter Return for that Quarter (applies to Other Minerals).
- (i) Under the Royalty Assignment and Assumption Agreement (dated 28 December 2012), Rio Tinto assigned the royalty to BCKP Limited (a Cayman Islands company). Therefore MMG Australia Limited is now required to pay the royalty under the EPM 10544 Royalty Deed to BCKP Limited.
- (j) Given the consent caveat lodged over EPM 10544, one of the conditions precedent to the asset sale agreement between Century Mining Limited and MMG Australia Limited is a consent, waiver or agreement from BCKP Limited and Rio Tinto relating to the transfer of EPM 10544 and the requirements of the Royalty Deed.

8.8 Work programs and expenditure

- (a) It is a condition of an EP that the holder must carry out the program of works and studies for the purposes for which the EP was granted (s 141(1)(a) MR Act). The Minister may include as a condition of grant that the holder comply with minimum expenditure requirements. If the holder of an EP fails to comply with such work program and/or expenditure conditions, the Minister may either cancel the EP or impose a penalty on the holder (s 160(1) MR Act).
- (b) A work program has been submitted with the renewal application for EPM 10544. We have not undertaken any independent investigations with DNRM beyond the publicly available resource authority reports to confirm compliance with the previous work program and expenditure activities for EPM 10544. The proposed work program commitments range between \$360,000 and \$420,000 per year.

8.9 Relinquishment

Section 139 MR Act requires that, unless the Minister otherwise decides, the area of an EP must be reduced by 40% by the end of the first 3 years after the EP's grant and by a further 50% of the remaining area by the end of the first 5 years. On 19 February 2016 DNRM approved a variation to the conditions to EPM 10544 to allow additional sub-blocks to remain part of the EP. The prescribed number of sub-blocks for Year 24 of the EP was amended from 109 to 170.

8.10 Overlapping tenements and authorities

- (a) The P&G Act, the MR Act and the MERCPC Act prescribe the rights and interests of permit holders where there are (and where there can be) overlapping minerals, petroleum, exploration and production permits.
- (b) ML 90058 and ML 90045 are both overlapped 100% by Authority to Prospect Application 1107. When ATP 1107 is granted, an authorised activity for the ATP may only be carried out on the overlapping land if the ML holder has agreed in writing to the carrying out of the activity, a copy of the agreement has been lodged and the agreement is still in force (section 6(4) P&G Act).
- (c) EPM 10544 is also overlapped 100% by Authority to Prospect Application 1107. When ATP 1107 is granted, authorised activities under ATP 1107 can only be carried out on EPM 10544 if the EPM holder has agreed in writing or the activities does not adversely affect activities on EPM 10544 which have already started (s 3A(6) MR Act, s 6(5) P&G Act). That is, preference is given to whichever holder has commenced activities first in any given overlapping area.



- (d) ML 90045 and ML 90058 is partially overlapped by the following EPMs: EPM 10544; EPM 19850 (application lodged 2 October 2012) and EPM 25240 (application lodged 9 April 2013). Where, at the time an EP application is made, the land overlaps a mining lease, that area will be taken to be excluded from the area of the EP Application (s 132 MR Act). Accordingly, the area of ML 90045 and ML 90058 will be excluded from EPM 19850 and EPM 25240. Upon termination of the mining lease, the land within the boundaries of the EP will become part of the land in respect of which the EP is granted (s 132(2) MR Act).

9. Environmental Authorities

9.1 Legislative regime

The EP Act regulates activities that are likely to have impacts on the environment. Such regulated activities are referred to as "environmentally relevant activities" (**ERAs**). The EP Act requires that an EA is obtained for all ERAs (s 426 EP Act). Resource activities are included as ERAs and accordingly, the EP Act requires that an EA is obtained for all mining activities (ss 18, 107 and 110 of the EP Act). Activities involving mineral processing and chemical storage are also ERAs (Schedule 2 EP Regulations).

9.2 Tenement EAs

- (a) The EA for ML 90045 and ML 90058 is EPML00888813. This EA is held by MMG Century Limited.³ This EA was amended on 18 March 2016.
- (b) The EA for EPM 10544 is EPVX00939013. This EA is held by MMG Australia Limited, This EA will be transferred to the holder of EPM 10544 (MMG Century Limited/CML) when EPM 10544 is transferred to MMG Century Limited.

9.3 Other EAs

- (a) EA EPPR00518513 held by MMG Century Limited⁴ applies to the port operations at Lot 505 on SP162436, Lot 71 on SP112359, Lot 72 on SP115201 and Lot 81 on SP125919.⁵
- (b) EA EPPR01406613 held by MMG Century Limited⁶ dated 24 December 2014 applies to the operations at Lawn Hill on Lot 6 on CP907593.⁷
- (c) EA EPPR02651114 held by MMG Century Limited⁸ dated 22 January 2015 applies to the operations at Lawn Hill on Lot 6 on CP907593.⁹
- (d) EA EPPR02651914 held by MMG Century Limited¹⁰ dated 28 November 2014 applies to Lot 5 on SP111112 (Lawn Hill Riversleigh Pastoral Holding Company).¹¹

³ The EA has not been updated to record CML as the holder

⁴ The EA has not been updated to record CML as the holder

⁵ The authorised ERAs are ERA 8 Chemical storage Threshold 3(a); ERA 31 Mineral processing Threshold 2(b); ERA 50 Bulk material handling Threshold 1(a); ERA 58 Regulated waste treatment; ERA 63 Sewage treatment Threshold 2(b)

⁶ The EA has not been updated to record CML as the holder.

⁷ The authorised ERA is "60-(1)(a) Waste Disposal <50,000t". This EA gives approval to dispose of regulated waste until 1 November 2015 (condition A1), but remains current on DEHP's environmental authorities register

⁸ The EA has not been updated to record CML as the holder.

⁹ The authorised ERAs are ERA 56 Receiving and storing regulated waste; ERA 60(1)(a) Waste disposal.

¹⁰ The EA has not been updated to record CML as the holder.



9.4 Duties and offences under the EP Act

- (a) Under the EP Act there is a general duty not to carry out any activity that causes, or is likely to cause environmental harm unless the person takes all reasonable and practicable measures to prevent or minimise harm (s 319(1) EP Act).
- (b) is an offence under the EP Act to:
 - (1) unlawfully cause serious environmental harm (maximum penalty: 4500 penalty units, increasing to 6250 penalty units or 5 years imprisonment if the harm is caused wilfully) (s 437 EP Act), material environmental harm (maximum penalty: 1665 penalty units, increasing to 4500 penalty units or 2 years imprisonment if the harm is caused wilfully) (s 438 EP Act) or environmental nuisance (maximum penalty 600 penalty units, increasing to 1665 penalty units if the nuisance is caused wilfully);
 - (2) release a contaminant into the environment other than under an authorised person's emergency direction (maximum penalty: 600 penalty units, increasing to 1665 penalty units if the release is wilful) (s 442 EP Act);
 - (3) contravene a condition of the environmental authority (maximum penalty: 4500 penalty units, increasing to 6250 penalty units or 5 years imprisonment if the contravention is wilful) (s 430 EP Act).
- (c) The penalties set out in paragraph 9.4(b) above are for individuals only. Under section 181B of the *Penalties and Sentences Act 1992* (Qld) the court may impose a maximum fine on a corporation of an amount equal to 5 times the maximum fine for an individual.
- (d) In addition the holder of an environmental authority must ensure everyone acting under the authority complies with the conditions of the authority (s 431(1) EP Act). If another person acting under the authority commits an offence against s 430 of the EP Act, the holder also commits an offence (s 431(2) EP Act).
- (e) There are also specific offences relating to noise standards in Chapter 8 Part 3B and water contamination in Chapter 8 Part 3C of the EP Act.

9.5 Compliance with conditions of Century Zinc EAs

- (a) The Data Room documentation identifies four cases where DEHP has currently, or has recently investigated non-compliance issues with MMG Century EAs, or a compliance action is in process:
 - (1) There have been exceedances in the sediment sampling limits for Zinc and Manganese in the receiving waters of Page Creek (Zinc and Manganese) and North Mitton Creek (Zinc) (initial results from July 2016, first notified to DEHP in November 2016). We understand that this is a current matter, with DEHP still investigating. MMG Century was required to provide a report investigating the potential for environmental harm to DEHP by 16 February 2017. As of 9 March 2017 MMG Century did not provide a report and a formal warning (WARN7085) was issued for breach of section 430(3) of the EP Act. Under the warning notice MMG Century was required to provide specified reports and results to DEHP by 17 March 2017. We have seen

¹¹ The authorised ERA is "16(1)(a) Dredging >1000t but <10000t yr".



correspondence from MMG Century advising that one report was provided on 16 March 2017, and requesting further time to provide the requested sediment quality monitoring programme and results. As at the date of this report, we have no further information on this issue.

- (2) On 15 December 2016 DEHP issued a formal warning (WARN6938) to MMG Century for breaches under section 430 of the EP Act due to non-compliance with conditions of EA EMPL0088813 (the EA for ML90045 and ML 90058). MMG Century must apply to amend the EA to address non-compliance with sediment dams 8 and 10. At the compliance inspection DEHP also noted construction of a dirty water diversion drain which has not been assessed or authorised by DEHP. MMG Century is required to provide a hazard category assessment for this dirty water diversion plan and DEHP is still investigating this matter. DEHP also identified other areas of non-compliance, relating to tailings storage facility seepage; water storage in pit; borrow pit seepage; dam volumes and design storage allowances (DSA) and inconsistencies with the water management strategy.
 - (3) In February 2016 MMG Century was issued with a notice to conduct or commission an environmental investigation for Karumba Port EA (EPPR00518513), relating to lead and cadmium emissions (DEHP reference STAT 956). Environmental reports relating to STAT 956 were accepted on 23 February 2016 and 29 April 2016.
 - (4) In April 2015 MMG Century was issued with a notice to conduct or commission environmental investigation for the Century Mine EA EPML0088813, relating to contaminated seepage from the evaporation dam on ML 90045 (DEHP reference STAT 913). An environmental report relating to STAT 913 was accepted 29 April 2016.
- (b) Reports in the Data Room also indicate issues with the stability of the main pit void, with potential risk of pit wall failure. A Geotechnical Review Board Meeting Report into the West Wall Stability and potential impacts on the levee and Page Creek diversion channel concludes that the integrity of the levee and consequently the diversion is at risk.

9.6 Plans of Operations – Tenement EAs

- (a) Where an EA is for a mining activity authorised under a ML, the EA holder must not carry out, or allow the carrying out of activities under the ML unless a plan of operations for all relevant activities has been given to DEHP (section 287 EP Act).
- (b) Correspondence in the Data Room indicates that a plan of operations was lodged by MMG Century on 21 October 2016 for EA EMPL0088813. This plan of operations will expire on 31 December 2018. We have not reviewed this plan of operations. If Attila's proposed tailings reprocessing activities differ from the activities detailed in this plan of operations, Attila will need to submit a replacement plan of operations before commencing these activities. This will trigger a new decision on financial assurance by DEHP (refer to section 12 below).

9.7 Environmental obligations under the Gulf Communities Agreement

In addition to the statutory environmental obligations under the EP Act, contractual environmental obligations have also been placed on the Century Project under the GCA, the native title agreement for the Project (refer to section 0 below). The environmental



management regime under the GCA imposes environmental protection requirements (EPRs) for identified “Managed Activities”.

10. Environmental Protection Chain of Responsibility legislation

10.1 CoRA Act

- (a) The CoRA Act was given assent on 27 April 2016. The CoRA Act amends the EP Act to give DEHP greater powers to pursue companies, entities and individuals who fail to uphold their environmental responsibilities.
- (b) DEHP has powers to issue EPOs to a person or company to secure compliance with environmental obligations. The CoRA Act amended the EP Act, so that where an EPO is issued to a person or company, DEHP may also issue an EPO to a “related person” of that person or company. This expands the class of people who can be given an EPO.
- (c) Related persons are:
 - (1) A holding company
 - (2) An associated entity which owns land on which the company carries out a relevant resource activity
 - (3) Any person that DEHP decides under section 363AB of the EP Act has a “relevant connection” with the person or company, being:
 - (A) A person who is capable of significantly benefitting financially, or who has significantly benefited financially from the carrying out of a relevant activity; or
 - (B) A person who is, or has been at any time during the past 2 years, in a position to influence the company's conduct in relation to the way, or the extent to which the company or person complies with its obligations under the EP Act. This includes by giving a direction, or approval, by making funding available or in another way.
- (d) The CoRA Act also gives the DEHP further powers where a company is an externally-administered body corporate or an associated entity (as defined in the Corporations Act) of an externally administered body corporate.

10.2 CoR Guidelines

- (a) DEHP has developed a statutory guideline (dated 27 January 2017) to provide detail on how the CoRA Act laws will be applied (CoR Guidelines). While the CoR Guidelines give numerous examples of when a person will be determined to be a “related person”, these examples are fairly “black and white” and focus on the extreme ends of the spectrum.
- (b) In considering whether a significant financial benefit has occurred and gives rise to a “relevant connection”, DEHP will assess significance within the context of the specific circumstance, and what is 'significant' may be considered in relation to:



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- (1) the proportion of the benefit relative to the total assets or benefit available from the activities carried out under the EA; or
 - (2) the proportion of the benefit, relative to the costs of restoring or rehabilitating the environment, or protecting the environment from harm; or
 - (3) the abnormality of benefit received, for example where a benefit received as a wage was above normal market value.
- (c) In considering whether a person is in a position to influence the company's conduct, DEHP will consider the legal and practical ability of a person to influence the company's conduct in relation to environmental activities, including:
- (1) the nature and duration of the relationship between them;
 - (2) the potential for the related person to exercise decision making powers to direct the company's conduct; and
 - (3) the potential for the related person to provide advice or expertise to influence the company's conduct.
- (d) The main things that DEHP will consider under the CoR Guidelines when deciding whether to issue an EPO to a related person are:
- (1) the culpability of a related person in the circumstances leading to an EPO; and
 - (2) whether a related person took reasonable steps to ensure environmental compliance.
- (e) In determining whether reasonable steps were taken, DEHP will consider:
- (1) the state of knowledge at the time, and in the lead up to, the issue or incident (including the extent of actual or expected knowledge of the related person in relation to the environmental obligations of the company); and
 - (2) the foreseeability and probability of the issue or incident occurring.
- (f) The effect of the CoRA Act amendments is that in some circumstances, directors, executives, shareholders and investors of Attila may be issued with a CoR EPO in respect of the environmental operations of CMRP. The best way for potential related persons to limit their exposure to a CoR EPO is to ensure they are complying with all obligations under the EP Act, and have appropriate environmental risk management processes in place.

11. Registered suitable operator under the EP Act

A registered suitable operator is a person whose name and address is entered in the register of suitable operators under section 318I(1)(b) of the EP Act (Schedule 3 EP Act). This occurs following approval by the chief executive of DEHP of an application for registration as a suitable operator of an ERA (section 318I(1)(b) EP Act). MMG Century Limited has been registered as suitable operator under the EP Act. MMG Australia Limited, as the current registered holder of EMP 10544 is also registered as a suitable operator.



12. Security under the EP Act

12.1 Security

- (a) Under section 292 of the EP Act, the holder of an EA may be required to give the administering authority financial assurance (as security) for compliance with the EA, and costs or expenses mentioned in section 298 of the EP Act. The requirement to provide financial assurance is a condition of EPML00888813 and EPVX00939013. The administering authority, DEHP, decides the form and amount of security.
- (b) In April 2014, the Queensland Audit Office prepared a report on Environmental regulation of the resources and waste industries, which identified significant problems with the State's supervision, monitoring and enforcement of environmental conditions, and reported that the financial assurance held by the state has historically been insufficient. As a result of this report, there was increased effort by DEHP to address inadequacies with the amount of financial assurance held by the State.
- (c) Where an EA holder submits a plan of operations, the holder must state a proposed amount of financial assurance for the EA for the plan period (s 288(2) EP Act) and DEHP must then make a decision on the amount and form of financial assurance required for the EA (s 295 EP Act). This means that when Attila submits new plans of operations (which will be required as part of the tailings reprocessing activities as detailed at 9.6(b) above), DEHP will make a new decision on the amount of financial assurance required for the Century Project. Consequently, there is a real risk that the Government may increase the financial assurance.
- (d) DEHP may also, at any time, required the holder of the EA to change the amount of financial assurance, by giving notice to the EA holder and inviting the EA holder to make, within a stated period, submissions on the proposed requirement (s 306 EP Act).
- (e) The method for calculating financial assurance is set out in the statutory Guideline on Financial Assurance under the Environmental Protection Act (Financial Assurance Guideline). For certain mining activities (mining claims, EPs and mineral development licences), there are standard codes of environmental compliance under the EP Regulations, outlining how FA is to be calculated. For a ML, the approved calculation method involves:
 - (1) Step 1: Calculate total (100%) rehabilitation liability with respect to significantly disturbed land.
 - (2) Step 2: If applicable, apply a discount. In recognition of the low incidence of non-compliance, low risk of default and good environmental performance/lower risk of environmental harm by some operators, DEHP has adopted a discount system so that operators may reduce the amount of financial assurance payable, to an amount below 100% rehabilitation liability for significantly disturbed land.
 - (3) Step 3: The final financial assurance amount is calculated by subtracting the discount amount from the 100% rehabilitation liability amount.



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- (f) The Queensland Government has developed a Mining Financial Assurance Calculator to be used in calculating the total rehabilitation liability.¹² Where an EA holder wishes to use alternative rates for proposed rehabilitation activities, they must have their own calculator approved by DEHP, or these the costs they use must be a site-specific independently certified, third party quote or a contracted rate to undertake the full extent of work necessary to meet all EA conditions. The rehabilitation calculation must also include certain activities.
- (g) An EA holder who is dissatisfied with a decision on the amount of financial assurance required by DEHP may seek internal review (s 521 EP Act) and external review to the Land Court (s 524 EP Act).
- (h) On 10 November 2016, DEHP made a decision on financial assurance for EPML00888813, deciding:
- (1) That the total cost of rehabilitation is \$239,352,000 (excluding GST).
 - (2) To apply a 20% discount, as the application demonstrated compliance with the mandatory pre-requisites and the criteria applicable to the Financial (10%) and Waste Management (10%) discounts. This discount applies for the plan of operations 7 October 2016 to 31 December 2018, after which time the discount will expire and the amount of financial assurance will revert to its undiscounted value.
 - (3) That the amount of financial assurance to be paid is \$191,481,600 (excluding GST) in the form of a bank guarantee for the period 7 October 2016 to 31 December 2018.
- (i) We have not undertaken any independent investigations with DEHP beyond publicly available information to confirm that this bank guarantee has been lodged with DEHP. We note that the Queensland Government has recently released a discussion paper on Financial Assurance framework reform.¹³

13. Environmentally sensitive areas

13.1 Restrictions

- (a) Exploration and mineral development projects may be restricted in ESAs by the conditions of an EA. ESAs are categorised as category A, category B or category C.
- (b) The following restrictions apply to ESAs pursuant to the EA standard conditions for exploration and mineral development projects, and will apply to EPM 10544:
- (1) the holder of an EA must not carry out activities in a category A or B ESA;
 - (2) the holder of an EA must not carry out any activity involving machinery within 1 kilometre of a category A ESA or within 500 metres of a category B ESA;

¹² This calculator is available to download from <https://www.business.qld.gov.au/running-business/environment/licences-permits/rehabilitation/security-deposit>.

¹³ Available: <https://www.treasury.qld.gov.au/projects-infrastructure/initiatives/improving-outcomes-resources-sector/financial-assurance-framework-reform.php>



- (3) prior to carrying out activities in a category C ESA, the holder of the EA must consult with the relevant administering authority and the environmental protection agency.
- (c) The following restrictions apply to ESAs pursuant to the EA standard conditions for mining lease projects:
 - (1) the holder of an EA must not carry out activities within, or within 2 km of a category A ESA;
 - (2) the holder of an EA must not carry out activities within, or within 1 km of, a category B ESA
- (d) Prior to carrying out activities in a category C ESA, the holder of the EA must consult with the relevant administering authority and the environmental protection agency.

14. Regional Planning Interests Act

14.1 Overview

The RPI Act and RPI Regulation came into force on 13 June 2014. The purpose of the RPI Act is to identify and protect areas of Queensland that are of regional interest. The RPI Act seeks to manage the impact and support the coexistence of resource activities with other regulated activities in areas of regional interest. One of the main components of the RPI Act is the repeal and replacement of the previous SCL Act. The areas of regional interest are as prescribed in the Regulation or set out in a 'region plan' or SCL trigger map. A regional interests development approval may be required when a resource or regulated activity is proposed to be located in an area of regional interest.

14.2 Regional interests development approval

A person must not carry out a resource activity or a regulated activity in any area of regional interest unless the person is acting under an exemption (discussed at part 14.3 below), or holds the new form of approval created under the RPI Act, a regional interests development approval (**RIDA**). As the requirement to have a RIDA is activities-based, practically speaking it may be possible in many cases to avoid the need to obtain an RIDA by avoiding carrying out resource activities in areas of regional interest. This requires a detailed understanding of where the areas of regional interest exist in conjunction with careful planning of exploration activities. We believe that a regional interests development approval will not be required for the Century Project, as it will fall within the exemption of a 'pre-existing resource activities'.

14.3 Exemptions

There are five exemptions in the RPI Act for resource activities. Section 24 of the RPI Act provides industry with an exemption for fully authorised existing projects. The exemption applies if immediately before the land became an area of regional interest, a resource activity could be carried out lawfully. However, the wording used in the section is potentially problematic where further approvals are required, or where the nature and extent of the surface impact of the activity was not disclosed in the original application for the relevant authority.



15. Water

In Queensland, water resources are regulated by the Water Act, regulations, and water plans. All rights to the use, flow and control of all water in Queensland are vested in the State (s 26 of the Water Act). A person may take or interfere with water without a water entitlement or licence in certain circumstances (ss 93, 94 of the Water Act). Holders of mining tenure are also authorised under section 334ZP of the MR Act to take or interfere with underground water in the area of the tenure if the taking or the interference happens during the course of (or results from) the carrying out of an authorised activity for the tenure.

In 2016, the Queensland Government reformed the State's water planning framework. The amendments replaced water resources plans with water plans, and introduced new requirements for the environmental assessment of new projects. The EP Act requires specific information relating to underground water use must be included in environmental authority applications for mining tenure holders (s 126A of the EP Act).

MMG holds water licences 17801K (expiry 31 December 2020) 92456K (expiry 31 December 2020), 7872K (expiry 31 December 2020) and 92982K (expiry 31 December 2020).

16. Native Title

16.1 Commonwealth native title law

- (a) On 3 June 1992, the High Court of Australia found in *Mabo v Queensland (No. 2)* (1992) 175 CLR 1 that Australian law does recognise a form of native title. In direct response to this High Court case, the Australian Parliament introduced the NT Act to govern native title in Australia.
- (b) Native title in Queensland is governed by the NT Act and by complementary State legislation - NTQ Act. The NT Act prescribes a regime by which persons claiming to hold native title may lodge a claim to that effect for determination; by which any future act affecting native title (such as the grant of petroleum tenements) may be validly undertaken; and by which registered claimants may be afforded certain procedural rights including the "right to negotiate".
- (c) Under the NT Act, native title can be confirmed to have been either totally or partially extinguished by certain grants. These grants are called Previous Exclusive Possession Acts or Previous Non-Exclusive Possession Acts, respectively.
- (d) A grant will be a Previous Exclusive Possession Act and therefore will have extinguished native title where it:
 - (1) is valid; and
 - (2) took place on or before 23 December 1996; and
 - (3) consists of the grant or vesting of any of the following:
 - (4) an interest listed in Schedule 1 of the NT Act;
 - (5) a freehold estate;



- (6) a commercial lease that is neither an agricultural lease nor a pastoral lease;
 - (7) an exclusive agricultural lease or an exclusive pastoral lease;
 - (8) a residential lease;
 - (9) a community purposes lease;
 - (10) what is taken by s 245(3) NT Act (which deals with the dissection of MLs into certain other leases) to be a separate lease in respect of land or waters mentioned in paragraph (a) of that subsection; or
 - (11) any lease (other than a mining lease) that confers a right of exclusive possession over particular land or waters.
- (e) Previous Exclusive Possession Acts are considered to be so inconsistent with the continued enjoyment of native title rights that they completely extinguish native title, and once extinguished, native title cannot revive.
- (f) Tenures which may co-exist with native title are generally non-exclusive leases such as pastoral leases, pastoral development holdings, some special leases and term leases for grazing or pastoral purposes, occupation licences, permits to occupy, etc. Such grants and interests are known as Previous Non-Exclusive Possession Acts and will be confirmed to have extinguished native title to the extent of any inconsistency.
- (g) It should be noted that the existence of a native title claim over an area of land is not evidence for the existence or otherwise of native title. The existence of native title is a question of fact to be determined by an assessment of the extent to which native title has been adversely affected or extinguished by adverse government action. A claim is an expression of interest by a native title group, which is subject to a detailed assessment by the government and ultimately the Federal Court. A native title group receives a procedural right to negotiate in relation to land the subject of their native title claim where the grant of a mining tenement is proposed by the State.

16.2 Native title and procedure for grant

- (a) Where native title is found not to have been extinguished over an area of land, any act that will affect that native title will be subject to the future act procedures under the NT Act. For a ML, this procedure could be either:
- (1) Agreement; or
 - (2) an indigenous land use agreement (ILUA).
- (b) Where the State indicates that the RTN procedure applies, the parties must enter into the RTN process under the NT Act. There are RTN guidelines which should be followed in the process however ultimately the NNTT administers the future act processes that attract the RTN. The NNTT's role includes mediating between parties, conducting inquiries and making decisions ('future act determinations') where parties cannot reach an agreement. The outcome of the RTN process is known as a "Section 31 Agreement" which is an agreement between the parties to the doing of the future act. A "Section 31 Agreement" must be registered with the State. An Ancillary Agreement may also be made between the parties (to which the State is not a party) which will deal with matters relating to compensation and usually ACH.



- (c) The time frame for the RTN negotiations can vary between 6 and 12 months. The process begins with the State issuing a Section 29 Notice indicating that it proposes to grant the tenement. A notification period follows during which native title parties have 3 months to lodge claims and an additional month to register their claims with the NNTT. If at the end of the 4 month period there is a registered claim, there is a further 2 months to undertake good faith negotiations towards establishing a Section 31 Agreement. If a Section 31 Agreement cannot be reached in this time, the established tenure holder may apply for arbitration (provided that a total of 6 months has passed since the notification period began). If a party elects to go to arbitration, the arbitration period will run for a period of 6 months. At the end of the arbitration period, the NNTT determines whether the tenure may be granted.
- (d) An ILUA is a voluntary agreement between a native title claimant group and others about the use and management of land and waters. ILUAs may deal with topics such as access to an area, how native title rights coexist with the rights of others, native title holders agreeing to a future development and matters of compensation. The State must be a party to an ILUA and an ILUA must be registered on the Register of Indigenous Land Use Agreements. It is imperative that all native title parties authorise the ILUA and this can make the exercise rather time consuming and expensive. As a general rule, an ILUA can take 12 to 18 months to complete.

16.3 Application to Century Project

- (a) Native title for the Century Project was addressed through RTN negotiations, and the GCA was entered into as a Section 31 Agreement between the Waanyi Native Title Group, the Mingginda Native Title Group, the Gkuthaarn and Kukatj Native Title Groups, the State of Queensland and Century Zinc Limited (now CML).
- (b) The GCA is dated 13 February 1997 and was signed by the last party (the State of Queensland) on 7 May 1997. The GCA establishes the Gulf Aboriginal Development Corporation (**GADC**) to represent and act as agent for the Native Title Groups in the administration of the GCA. The GADC is required to become a party to the GCA. We understand that there is uncertainty as to whether this has actually occurred.
- (c) The GCA contains the native title authorisation for the following acts:
 - (1) the grant of ML 90045 and ML 90058
 - (2) the compulsory acquisition under the *Acquisition of Land Act 1967* of any native title rights and interests for the purpose of granting a term lease over the mine site (this is now Lot 6 on CP 907593)
 - (3) the compulsory acquisition under the *Acquisition of Land Act 1967* of any native title rights and interests in the miscellaneous transport and infrastructure corridor, and the grant of an interest to Century Zinc Limited of an interest in this transport and infrastructure corridor, for the purpose of construction, operation and maintenance of the Pipeline;
 - (4) the compulsory acquisition under the *Acquisition of Land Act 1967* of any native title rights and interests for the purposes of granting leases to Century Zinc Limited over the port; and to grant leases to Century Zinc Limited over the port for the purposes of works associated with the design and construction of:



- (A) a facility for receiving, processing, storing, loading and unloading products and materials, office premises, tanks, detwatering plant, storage sheds and ancillary facilities; and
 - (B) a wharf facility for receiving, loading and unloading products and materials and ancillary facilities, and uses consistent with its operation; and
- (5) granting a permit to occupy land being part of Lot 117 on NM140 for the purposes of getting quarry material and to grant a permit or licence under the *Forestry Act 1959* to get quarry material from that land.
- (d) The non-extinguishment principle applies to the grant of these project rights. This means that when the project rights are surrendered to the State, the native title will revive.
 - (e) The GCA will terminate at the end of the Project Life, being the date on which (now CML) fulfils all the obligations under the GCA to rehabilitate the mine site. Particular obligations under the GCA with respect to employment and training, the GADC and the liaison and advisory committee will cease at the End of Economic Life of the Project. End of Economic Life of the Project occurs with CML permanently stops shipping concentrate derived from ore that is mined pursuant to ML 90045 and ML 90058. The annual payments under the GCA are also tied to the End of Economic Life of the Project plus 3 years.
 - (f) Unless its compensation provisions can be renegotiated, the GCA will apply in full.
 - (g) A summary of the GCA is contained in the material contracts section of the prospectus.
 - (h) EPM 10544 was granted subject to the expedited procedure under section 32 of the NTA, meaning that the RTN process did not apply. EPM 10544 is subject to the native title protection conditions, which satisfy the requirements of the expedited procedure¹⁴
 - (i) Details of the native title overlaps for the Tenements are contained in Schedule 2

17. Aboriginal Cultural Heritage

The *Aboriginal Cultural Heritage Act 2003* (Qld) (**ACH Act**) aims to protect Aboriginal areas and objects of cultural significance irrespective of the underlying tenure of the land (sections 4 and 5 ACH Act). The existence of ACH is in no way an indication that native title exists in an area (1.3 ACH Guidelines).

The Aboriginal Cultural Heritage obligations with respect to the Century Project are addressed comprehensively in the GCA.

¹⁴ The Native Title Protection Conditions are available from https://www.dnrm.qld.gov.au/_data/assets/pdf_file/0005/192623/native-title-protection-conditions.pdf.



18. Land Access

18.1 Legislative Regime

- (a) MERCPA commenced on 27 September 2016, creating a new regime for land access. The land access regime for private land is contained in Part 2 of Chapter 3 of MERCPA. The land access regime for public land is contained in Part 3 of Chapter 3 of MERCPA.
- (b) ML 90045 and ML 90058 are located on Lot 6 on CP 907593, where MMG Century is the registered lessee under a term lease. A compensation agreement for the purposes of section 279 MR Act dated 28 September 1995 was entered into between Century Zinc Limited (as the initial holder of ML 90045 and ML 90058) and the Minister for Lands, who was the owner in respect of:
 - (1) land described as “Lot 2 on Plan GY 13 being Camping and Water Reserve R1, County of Gregory”, which falls within the area of land the subject of ML 90045; and
 - (2) a dedicated road which falls within the area of land the subject of ML 90045 and ML 90058.¹⁵
- (c) We have not identified any conduct and compensation agreements that apply for EPM 10544, and CML/Attila will need to comply with the requirements set out in the MR Act and MERCPA in order to carry out any activities over EPM 10544.

19. FIFO

- (a) The *Strong and Sustainable Resource Communities Bill 2016 (SSRC Bill)* was introduced into the Queensland Parliament on 9 November 2016. This Bill aims to promote the employment of workers from regional communities situated close to large resource projects, by requiring large resource projects to source workforce from nearby regional communities. At present, the Century Project will not be captured by the SSRC Bill. However, the March 2017 report of the Infrastructure, Planning and Natural Resources Committee has recommended extending parts of the operation of the SSRC Bill to all resource projects, regarding of the size of the resource project or the date of its commencement.
- (b) While we do not believe this is a material risk for the Century Project these current policy considerations should be considered when determining future workforce requirements for the Century Project.

20. Safety

The MQSH Act seeks to ensure that the risk to health and safety of persons at a mine is at an acceptable level. We have not undertaken any review to determine previous compliance with obligations under the MQSH Act.

¹⁵ Data Room document 04.03.01.13



Glossary

Term	Meaning
ACH Act	<i>Aboriginal Cultural Heritage Act 2003 (Qld)</i>
ATP	Authority to prospect
Attila	Attila Resources Limited (to be renamed "New Century Resources Limited")
Century Bull	Century Bull Pty Ltd
CML	Century Mining Limited ACN 006 670 300 (formerly MMG Century Limited)
CMRP	Century Mine Rehabilitation Project Pty Ltd
DATSIP	Department of Aboriginal and Torres Strait Islander Partnerships
DEHP	Department of Environment and Heritage Protection
DILGP	Department of Infrastructure, Local Government and Planning
DNRM	Department of Natural Resources and Mines
Data Room	The "Century Zinc Dataroom" created in Dropbox by Patrick Walta on 30 January 2017
ESA	Environmentally sensitive area
EP Act	<i>Environmental Protection Act 1994 (Qld)</i>
EPO	Environmental Protections Order
EP Regulations	<i>Environmental Protection Regulation 2008 (Qld)</i>
ERA	Environmentally relevant activity
GCA	Gulf Communities Agreement
MR Act	<i>Mineral Resources Act</i>
MR Regulations	<i>Mineral Resources Regulation 2013</i>
MERCPA	<i>Mineral and Energy Resources (Common Provisions) Act 2014 (Qld)</i>
MinesOnline Maps	DNRM online mapping service available: https://www.business.qld.gov.au/industry/mining/mining-online-services/minesonlinemaps
NT Act	<i>Native Title Act 1993 (Cth)</i>
NTQ Act	<i>Native Title (Queensland) Act 1993</i>
NNTT	National Native Title Tribunal
OSR	Office of State Revenue
P&G Act	<i>Petroleum and Gas (Production and Safety) Act 2004 (Qld)</i>
RIDA	Regional interests development approval
RPI Act	<i>Regional Planning Interests Act 2014 (Qld)</i>
RTN	Right to negotiate
SCL Act	<i>Strategic Cropping Land Act 2011 (Qld)</i>
Water Act	<i>Water Act 2000 (Qld)</i>

22 May 2017



Yours faithfully

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Schedule 1 – Tenement Information

Tenement	Holder	Status	Term	Grant date	Expiry date	Purpose/minerals	Area
EPM 10544	MMG Australia Limited	Granted (Renewal Lodged)	5 years	23/06/1995	31/12/2016	Prescribed minerals: All minerals other than coal	170 Sub-blocks
ML 90045	MMG Century Limited	Granted	40 years	19/09/1997	18/09/2037	Minerals: Cadmium Ore, Dolomite, Gold, Lead Ore, Lime/Limestone, Pyrite, Silver Ore and Zinc Ore	14688.0000 Hectares
ML 90058	MMG Century Limited	Granted	40 years	19/09/1997	18/09/2037	Purpose: Stock pile ore/overburden. Minerals: Cadmium Ore, Dolomite, Gold, Lead Ore, Lime/Limestone, Pyrite, Silver Ore and Zinc Ore	8496.0000 Hectares



Schedule 2 – Native Title

Tenement	Native Title		
	Claim or determination	Overlap	Comments regarding grant of Tenement
EPM 10544	Waanyi People determination (QCD2010/007)	92.12%	Granted with native title protection conditions
ML 90045	N/A	0.00%	Native title addressed in Gulf Communities Agreement
ML 90058	Waanyi People determination (QCD2010/007)	10%	Native title addressed in Gulf Communities Agreement

9. Board, Management and Corporate Governance

9.1 Board of Directors

With effect from Settlement of the Acquisition, Ms Oonagh Malone will retire as a Director of the Company and Messrs Patrick Walta, Tolga Kumova and Tom Eadie will be appointed to the Board of the Company. Mr Bryn Hardcastle will remain as Non-Executive Director of the Company, Mr Evan Cranston will transfer from a Non-Executive Director to the Executive Chairman of the Company and Ms Oonagh Malone will remain as Company Secretary.

Upon Settlement of the Acquisition, the new Board of the Company will comprise:

- (a) Mr Patrick Walta - Managing Director;
- (b) Mr Evan Cranston - Executive Chairman;
- (c) Mr Tolga Kumova - Corporate Director;
- (d) Mr Tom Eadie - Non-Executive Director; and
- (e) Mr Bryn Hardcastle - Non-Executive Director.

9.2 Director profiles for the Existing Board

Details of the existing Directors comprising the Board upon until Settlement of the Acquisition are set out below.

(a) Evan Cranston - Non-Executive Director

Mr Evan Cranston is a corporate lawyer with a broad experience in the areas of capital raising, IPOs, joint ventures, mergers and acquisitions, corporate governance and liaison with market analysts and potential investors. He holds both a Bachelor of Commerce and Bachelor of Laws. Mr Cranston was appointed to the Board on 10 October 2012 as an Executive Director. In April 2015, Mr Cranston transitioned to a non-executive director role.

Mr Cranston is currently a director of ASX-listed companies Boss Resources Ltd, Carbine Resources Ltd, Clancy Resources Ltd and Primary Gold Limited.

(b) Bryn Hardcastle - Non-Executive Director

Mr Bryn Hardcastle is a partner of Perth-based law firm, Bellanhouse, specialising in corporate, commercial and securities law. He advises on equity capital markets, takeovers & schemes and corporate acquisitions, reconstructions and disposals predominantly in the energy and resources sector. Mr Hardcastle has previously worked in London, Melbourne and Dubai at Freehills and Allen & Overy and is a former partner of Perth boutique law firm, Hardy Bowen Lawyers.

Mr Hardcastle is currently a director of ASX-listed companies Cre8tek Limited, ServTech Global Holdings Ltd and MHM Metals Ltd.

(c) Oonagh Malone - Non-Executive Director (resigning post-Settlement)

Ms Oonagh Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over 7 years'

experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia. She currently acts as company secretary for ASX-listed Boss Resources Ltd, Carbine Resources Ltd, Draig Resources Ltd, Primary Gold Limited, Hawkstone Mining Ltd, Matador Mining Ltd and ServTech Global Holdings Ltd. Ms Malone is also currently a director of Hawkstone Mining Ltd.

9.3 Director profiles for the Proposed Board

Details of the Proposed Directors who will comprise the Board upon Settlement of the Acquisition are set out below.

(a) **Patrick Walta - Managing Director**

Mr Patrick Walta is a qualified metallurgist, mineral economist and board executive with experience across both technical and commercial roles within the mining and water treatment industries. Graduating from Melbourne University with degrees in Chemical Engineering and Science, Mr Walta has gone on to complete postgraduate studies including an MBA, Masters of Science (Mineral Economics) and a Diploma of Project Management. In addition, Mr Walta is a graduate of the AICD's Company Directors Course. Mr Walta's experience within the mining industry includes public & private company management, mineral processing, mergers and acquisitions, initial public offerings, project management, feasibility studies, exploration activities, competitive intelligence and strategic planning. In 2009 Mr Walta co-founded the Raging Bull Group of entities, targeting acquisition and 'economic rehabilitation' of historic mine sites via extraction of remnant mineralisation. The Raging Bull Group now manages interests in several mining and water treatment assets.

Previously, Mr Walta was Executive Director of Carbine Resources Limited following the 2014 takeover of a subsidiary of the private mineral resources group Raging Bull Mining. His role at Carbine involved the development of all facets of the Mount Morgan Gold & Copper Project, as well as general management and continued business development of the Company. Mr Walta also has a broad level of resource industry experience through Rio Tinto, Citic Pacific Mining, Cradle Resources, Primary Gold and Clean TeQ.

Mr Walta is currently a director of ASX-listed companies Primary Gold Limited and Matador Mining Ltd.

(b) **Evan Cranston - Executive Chairman**

Please refer to Section 9.2(a) above for Mr Cranston's profile.

(c) **Tolga Kumova - Corporate Director**

Mr Tolga Kumova has 15 years' experience in stockbroking, corporate finance and corporate restructuring, and has specialised in initial public offerings and capital requirements of mining focused companies. He has raised in excess of \$500 million for mining ventures, varying from inception stage through to construction and development. Mr Kumova is currently an advisor of Syrah Resources Limited, an ASX 200 mining company. Mr Kumova was a founding shareholder of Syrah Resources in 2010 and served as an Executive Director from May 2013 to October 2016, and as Managing Director from October 2014 to October 2016. During his tenure at Syrah Resources, Mr Kumova led the business from resource stage through to full funding through

to development, gaining experience negotiating offtake agreements with numerous globally recognised counterparties.

(d) Tom Eadie - Non-Executive Director

Mr Eadie is a well-credentialed mineral industry leader and explorer with broad experience in both the big end and small end of town. He was the founding Chairman of Syrah Resources, Copper Strike and Discovery Nickel as well as a founding Director of Royalco Resources. At Syrah, he was at the helm during acquisition, discovery and early feasibility work of the huge Balama graphite deposit in Mozambique which is due to start production in mid-2017. Copper Strike, where he was also Managing Director for 10 years, made several significant copper/gold and lead/zinc/silver discoveries in North Queensland, and while at Discovery Nickel (later to be renamed Discovery Metals) Mr Eadie assisted with gaining control of the Boseto copper deposit in Botswana. Prior to this, Mr Eadie was Executive General Manager of Exploration and Technology at Pasminco Limited, at the time the largest zinc producer in the world. This came after technical and later management responsibilities at Cominco and Aberfoyle in the 1980s. Mr Eadie has a Bachelor of Science (Hons) in Geology and Geophysics from the University of British Columbia, a Master of Science in Physics (Geophysics) from the University of Toronto and a Graduate Diploma in Applied Finance and Investment from the Security Institute of Australia. He is a Fellow (and past board member) of the AusIMM and a Member of the Financial Services Institute of Australasia (FINSIA).

Mr Eadie is currently a director of ASX-listed Strandline Resources Ltd, and director of Alderan Resources Ltd and chairman Everlight Resources Ltd, both of which are expected to list on the ASX imminently.

(e) Bryn Hardcastle - Non-Executive Director

Please refer to Section 9.2(b) above for Mr Hardcastle's profile.

9.4 Company Secretary

Oonagh Malone - Company Secretary

Please refer to Section 9.2(c) above for Ms Malone's profile.

9.5 Interests of Directors

Except as disclosed in this Prospectus, no Director of the Company (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

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

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director to induce him or her to become, or to qualify as, a Director; or

- (e) any Director of the Company for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers.

9.6 Security holdings of Directors

The current and proposed Directors and their related entities have the following interests in Securities as at the date of this Prospectus:

Director	Shares	% Shareholding	Options
Evan Cranston ¹	72,800	0.04	-
Bryn Hardcastle	180,000	0.09	-
Oonagh Malone (resigning)	203,336	0.11	-
Patrick Walta ²	500,000	0.26	-
Tolga Kumova ³	3,333,333	1.76	-
Tom Eadie	-	-	-

Note:

- Shares held by Mr Cranston as executor of a deceased estate.
- Shares held by Mr Walta as trustee for the FJB & Associates Trust.
- Shares held by Mr Kumova through Kitara Investment Pty Ltd <Kumova Family A/C>.

Based on the information known as at the date of this Prospectus, set out in the table below are details of the anticipated relevant interests of the existing Directors and Proposed Directors in the Shares of the Company upon completion of the Offers:

Director	Shares ¹	% Shareholding	Options ²
Evan Cranston	72,800	0.02	-
Bryn Hardcastle	1,180,000	0.40	4,000,000
Oonagh Malone (resigning)	203,336	0.07	3,000,000
Patrick Walta ³	500,000	0.17	7,000,000
Tolga Kumova	16,666,666	5.64	30,000,000
Tom Eadie	2,000,000	0.68	5,000,000

Notes:

- The figures above assume that there are 295,724,757 Shares on issue at Settlement of the Acquisition.
- Options exercisable at varying exercise prices on or before varying expiry dates to be issued on the terms and conditions set out in Section 11.3, as approved by Shareholders at the General Meeting.

3. Mr Walta will receive Consideration Options under the Acquisition Agreement as a nominee of Century Bull.

9.7 Remuneration of Directors

The Company's constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive Directors must not exceed in aggregate the amount fixed by the Company in a general meeting, or until so determined, as the Directors resolve. The current maximum amount of remuneration that may be paid to all non-executive Directors has been set at \$500,000 per annum.

The remuneration of the executive Directors will be determined by the Board. A summary of Messrs Walta, Kumova and Cranston's respective executive agreements is set out in Sections 10.3(d)(i) to 10.3(d)(iii). A summary of Messrs Eadie and Hardcastle's non-executive director agreements is set out in Section 10.3(d)(iv).

9.8 Related Party Transactions

Century Bull is related to the Company by virtue of being controlled by Mr John Carr and proposed Managing Director of the Company, Mr Patrick Walta.

Kingslane Pty Ltd and associated entities (**Kingslane**) are related to the Company by virtue of being controlled by the father of Mr Evan Cranston, a current Director of the Company. Mr Cranston is also a director of Cranston & Sons Pty Ltd trading as Konkera Corporate (**Konkera**).

The Company has entered into the following related party transactions on arms' length terms:

- (a) Acquisition Agreement with Century Bull, which is controlled by Mr John Carr and Proposed Managing Director Mr Patrick Walta (refer Section 10.3(a) for details);
- (b) convertible notes in favour of Kingslane (refer Section 10.3(c) for details);
- (c) letters of appointment or executive services agreements with each of the Proposed Directors (including continuing existing Directors) on standard terms (refer Section 10.3(d) for details);
- (d) deeds of indemnity, insurance and access to be entered into with each of the Proposed Directors on standard terms (refer Section 10.3(e) for details);
- (e) agreement with Kingslane for the lease of serviced offices in Subiaco to the Company for \$5,000 per month;
- (f) agreement with Konkera for the provision of administrative, bookkeeping and accounting services to the Company for \$10,000 per month; and
- (g) agreements with Konkera for the provision of Company secretarial services and director services, for \$2,500 per month for Ms Oonagh Malone and \$2,000 per month for Mr Cranston respectively.

Entities held by Kingslane also hold a 10% non-controlling interest in the Kodiak project and Kodiak Mining Company LLC through a non-controlling shareholding in 70% owned Attila Resources US LLC.

Current Director Mr Bryn Hardcastle is also a director of Bellanhouse, the legal advisors for the Company. Bellanhouse will be paid the fees in relation to the Offers as set out in Section 11.6(e). Outstanding fees of \$165,000 are owing to Bellanhouse as at the date of this Prospectus for legal services provided in 2015 which are intended to be paid using funds raised under the Public Offer (see Section 2.4).

In addition, CMRP is party to royalty deeds with Century Bull, pursuant to which proposed Managing Director Patrick Walta and current Director Evan Cranston are entitled (by virtue of their holdings in Century Bull) to a share of royalty income received by Century Bull (see Section 10.3(b)).

At the date of this Prospectus, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

9.9 ASX Corporate Governance Council Principles and Recommendations

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition). The Company's practices are largely consistent with those ASX guidelines.

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below. The Company's full corporate governance policies are available in a dedicated corporate governance information section of the Company's website at www.attilaresources.com.

(a) Board of Directors

The Directors are responsible for overseeing the Company's business operations and its management for the benefit of Shareholders, employees and other stakeholders and to enhance Shareholder value. The Board is responsible for the overall corporate governance of the Company and its subsidiaries.

(i) Responsibilities and Functions of the Board

Under the Board charter, the Board's responsibilities include:

- (A) setting the strategic direction of the Company and monitoring management's performance within that framework;
- (B) ensuring there are adequate resources available to meet the Company's objectives;
- (C) appointing and removing Executive Directors and overseeing succession plans for the senior executive team;
- (D) evaluating the performance of the Board and its Directors on an annual basis and determining remuneration levels of Directors;
- (E) approving and monitoring financial reporting, capital management and the progress of business objectives;

- (F) ensuring that adequate risk management procedures exist and are being used;
- (G) ensuring that the Company has appropriate corporate governance structures in place, including standards of ethical behaviour and a culture of corporate and social responsibility; and
- (H) ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company.

(ii) **Responsibilities of Executive Management**

The role of senior executives within the organisation is to:

- (A) develop with the Board, implement and monitor the strategic and financial plans for the Company;
- (B) plan, develop and implement the annual budgets and business plans and continuously monitor all capital expenditure, capital management and all major corporate transactions, including the issue of any Securities;
- (C) develop all financial reports, and all other material reporting and external communications by the Company, including material announcements and disclosures, in accordance with the Company's external communications policy;
- (D) manage the appointment of the chief financial officer, the general counsel and company secretary and any other specific senior management positions;
- (E) develop, implement and monitor the Company's risk management framework;
- (F) keep the Board fully informed of all material matters which may be relevant to the Board, in their capacity as directors of the Company; and
- (G) provide effective management of the Company in order to:
 - (1) encourage cooperation and teamwork;
 - (2) build and maintain staff morale at a high level;
 - (3) build and maintain a strong sense of staff identity with, and a sense of allegiance to the Company;
 - (4) ensure a safe workplace for all personnel;
 - (5) ensure that the Company has regard to the interests of employees and customers of the company and the community and environment in which the company operates; and

- (6) otherwise carry out the day-to-day management of the Company.

(iii) **Composition of the Board**

The proposed Board will consist of three Executive Directors and two Non-Executive Directors (one of whom the Company considers independent).

The Constitution requires a minimum number of three directors. The maximum number of Directors is fixed by the Board but may not be more than 10, unless the members of the Company in general meeting resolve otherwise. The relevant provisions in the Company's Constitution and the Corporations Act determine the terms and conditions relating to the appointment and termination of Directors. All non-executive Directors are subject to re-election by rotation every three years.

Identification of potential Board candidates includes consideration of the skills, experience, personal attributes and capability to devote the necessary time and commitment to the role. Details of the Company's policy in relation to the nomination and appointment of new directors is available on the Company's website.

The Company's current Directors believe that the proposed composition of the Board has the necessary skills and motivation to ensure that the Company can perform strongly. Any changes to Directorships will, for the foreseeable future, be considered by the full Board subject to any applicable laws. Accordingly, a nominations committee has not been established.

(iv) **Director Independence**

One of the five proposed Directors satisfies the criteria for independence as outlined in recommendation 2.3 of the ASX Corporate Governance Principles and Recommendations. Although this does not comprise a majority as outlined in this recommendation, the Board considers that each Director is capable of bringing to bear independent judgement when considering matters before the Board.

(v) **Conflicts of Interest**

In accordance with the Corporations Act and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the Director concerned does not receive the relevant papers and is not present at the Board meeting whilst the matter is being considered.

(vi) **Independent professional advice**

In fulfilling their duties, each Director dealing with corporate governance matters may obtain independent professional advice at the Company's expense, subject to prior approval of the Board, whose approval will not be unreasonably withheld.

(vii) **Board committees**

The Board of Directors considers that the Company is not currently of a size, or its affairs of such complexity, to justify the establishment of separate committees. Accordingly, all matters that may be capable of delegation to committees will be dealt with by the full Board.

(b) **Corporate governance policies**

The Board has adopted the following corporate governance policies:

(i) **Continuous Disclosure**

The Board places a high priority on communication with Shareholders and is aware of the obligations it has under the Corporations Act and Listing Rules to keep the market fully informed of information which is not generally available and which may have a material effect on the price or value of the Securities.

(ii) **Communication to Shareholders**

The Board recognises the importance of communicating regularly with Shareholders and aims to have transparent and effective communications. The Company will post all reports, ASX and media releases and copies of significant business presentations and speeches on the Company's website. Shareholders will be encouraged to attend and participate in general meetings.

(iii) **Share Trading**

The Company has in place a share trading policy which restricts all Directors, employees or consultants of the Company from dealing in shares of the Company whilst in possession of price sensitive information or similarly passing information to other parties to buy or sell the Shares.

In addition to insider trading prohibitions arising from the Corporations Act, Directors, executive officers and senior management are prohibited from trading as follows:

- (A) no Director or executive officer should buy or sell Shares without the prior approval of the Board;
- (B) no senior manager should buy or sell Shares without the prior approval of the Board;
- (C) unless there are unusual circumstances, trades in Shares by Directors and members of senior management are limited to stipulated periods; and
- (D) Directors and senior management are generally prohibited from trading Shares for a short term gain.

Before trading in Shares, Directors, employees and consultants must request in writing authorisation to trade in Securities from their relevant authorising officer.

(iv) **Confidentiality**

In addition to obligations under the Corporations Act in relation to inside information, all Directors, employees and consultants also have a duty of confidentiality to the Company in relation to confidential information they possess.

(v) **Matters for Approval by the Board of Directors**

The Board has adopted a list of matters required to be brought before the Board of Directors for approval. This provides an important means of dividing responsibility between the Board and management, assisting those affected by corporate decisions to better understand the respective accountabilities and contributions of the Board and the Senior Executives.

(vi) **Evaluation of Board and Senior Executives**

The Board of the Company considers the evaluation of its own and senior executive performance as fundamental to establishing a culture of performance and accountability. The Board also considers the ongoing development and improvement of its own performance as critical input to effective governance. The Board undertakes an annual evaluation of its effectiveness as a whole.

The basis of the review is on goals that have been set for the Company based on corporate requirements and any areas for improvement identified in previous reviews. The Board does not endorse the reappointment of a Director who is not satisfactorily performing the role.

All senior executives of the Company are subject to an annual performance evaluation. Each year, senior executives establish a set of performance targets with her or his superior. These targets are aligned to overall business goals and requirements of the position.

An informal assessment of progress is carried out each half year. A full evaluation of the executive's performance against the agreed targets takes place once a year. This will normally occur in conjunction with goal setting for the coming year. Since the Company is committed to continuous improvement and the development of its people, the results of the evaluation form the basis of the executive's development plan.

The Company is also committed to continuing development of its Directors and executives. Any Director wishing to undertake either specific directional training or personal development courses is expected to approach the Board for approval of the proposed course.

(vii) **External Auditor Selection Process**

Should there be a vacancy for the position of external auditor, the Company, through the Audit Committee and the Board, conducts a formal tendering process, either a general or selective tender. Tenders are evaluated in accordance with the criteria, as appropriate from time to time, provided to tenderers. Tenders are

not assessed solely on the basis of price, but on a number of issues such as:

- (A) skills and knowledge of the team proposed to do the work;
- (B) quality of work;
- (C) independence of the audit firm;
- (D) lead signing partner and independent review partner rotation and succession planning;
- (E) value for money;
- (F) ethical behaviour and fair dealing; and
- (G) independence from the Company.

The Board identifies and recommends an appropriate external auditor for appointment, in conjunction with senior management and/or the Company in general meeting. The appointment is made in writing.

The external auditor is required to rotate its audit partners so that no partner of the external auditor is in a position of responsibility in relation to the Company's accounts for a period of more than five consecutive years. Further, once rotated off the Company's accounts no partner of the external auditor may assume any responsibility in relation to the Company's accounts for a period of five consecutive years. This requires succession planning on the part of the external auditor, a process in which the Company is involved.

(viii) **Risk Management Policy**

Risk recognition and management are viewed by the Company as integral to the Company's objectives of creating and maintaining Shareholder value, and the successful execution of the Company's mineral exploration and development. The Board as a whole is responsible for oversight of the processes by which risk is considered for both ongoing operations and prospective actions.

Management is responsible for establishing procedures which provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

Not all aspects of risk management can be formalised and the Company places considerable reliance on the skill, experience and judgement of its people to take risk managed decisions within the policy framework, and to communicate openly on all risk related matters.

There are a range of specific risks that have the potential to have an adverse impact on the Company's business. The Company has developed a framework for a risk management policy and internal compliance and control system which covers organisational, financial and operational aspects of the Company's affairs.

Key elements of the framework for the management of risk by the Company are:

- (A) oversight of the Company's financial affairs by the Directors;
- (B) the formulation of programmes for exploration and development;
- (C) regular reporting against established targets;
- (D) approval guidelines for exploration and capital expenditure;
- (E) regulatory compliance programmes and reporting in key areas such as safety and environment;
- (F) management of capital and financial risk;
- (G) an annual insurance program; and
- (H) oversight of the conduct of contractors.

In assessing and managing identified risks:

- (I) risks are assessed in terms of potential consequences and likelihood;
- (J) risks are ranked in accordance with their likely impact;
- (K) the acceptability of each identified risk is assessed;
- (L) proposed actions to eliminate, reduce or manage each material risk are considered and agreed; and
- (M) responsibilities for the management of each risk are assigned.

(ix) **Diversity Policy**

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

The Company's strategies are to:

- (A) recruit and manage on the basis of an individual's competence, qualification and performance;
- (B) create a culture that embraces diversity and that rewards people to act in accordance with this policy;

- (C) appreciate and respect the unique aspects that individual brings to the workplace;
- (D) foster an inclusive and supportive culture to enable people to develop to their full potential;
- (E) identify factors to be taken into account in the employee selection process to ensure we have the right person for the right job;
- (F) take action to prevent and stop discrimination, bullying and harassment; and
- (G) recognise that employees at all levels of the Company may have domestic responsibilities.

The Board is accountable for ensuring this policy is effectively implemented. Each employee has a responsibility to ensure that these objectives are achieved.

9.10 Departures from Recommendations

The Company is required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are detailed in the table below.

Principles and Recommendations	Explanation for Departures
2.1 The board of a listed entity should have a nomination committee.	<p>The Company does not comply with Principle 2.1. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.</p> <p>Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to Security holders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.</p>
2.4 The majority of the board of a listed entity should be independent.	The Company does not comply with Principle 2.4. However, the Directors are of the opinion that they will act in the best interest of the Company and Shareholders.

Principles and Recommendations	Explanation for Departures
2.5 The chair of the board of a listed entity should be independent.	The Company does not comply with Principle 2.5. The Board will seek to appoint an independent chair with the appropriate experience at a time that is appropriate for the situation of the Company.
4.1 The board of a listed entity should have an audit committee of at least three members that are non-executive.	<p>The Board has not established a separate audit committee. The full Board carries out the duties that would ordinarily be assigned to the audit committee.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate audit committee.</p>
7.1 The board of a listed entity should have a risk committee.	<p>The Board has not established a separate Risk Management Committee. The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are considered by the Board.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk committee.</p>
8.1 The board of a listed entity should have a remuneration committee of at least three members, a majority of whom are independent	<p>The Board as a whole performs the function of the Remuneration committee which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board.</p> <p>The Board may obtain external advice from independent consultants in determining the Company's remuneration practices, including remuneration levels, where considered appropriate.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate remuneration committee.</p>

10. Material Contracts

10.1 Introduction

The Directors consider that certain contracts entered into by the Company and/or CMRP are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for Shares under the Offers. The provisions of such material contracts are summarised in this Section.

10.2 MMG Agreements

(a) Introduction

Century Bull, through CMRP, has recently acquired 100% of all Century Project assets and infrastructure from MMG via the completion of the following agreements:

- (i) an agreement between Century Bull, CMRP, and MMG's wholly-owned subsidiary, Album Investment Private Limited (**Album**), to:
 - (A) transfer Album's 100% equity interest in each of CML, SPC1 Pty Ltd (**SPC1**) and SPC2 Pty Ltd (**SPC2**) to CMRP; and
 - (B) procure MMG's wholly-owned subsidiary MMG Management Pty Ltd (**MMG Management**) to make a \$12.1 million contribution to the Gulf Communities Interim Support Fund, a trust fund to be established pursuant to the GCA Trust Deed to support CML meeting its existing obligations contained in the GCA and agreed community projects for the benefit of the Lower Gulf communities, (**Share Transfer Deed**). The Company is also a party to the Share Transfer Deed as guarantor of CMRP's obligations under the Share Transfer Deed in the event the Acquisition occurs;
- (ii) an agreement between CML and MMG's wholly-owned subsidiary, MMG Australia, to transfer Century Project's exploration permit for minerals (EPM10544) from MMG Australia to CML (**Asset Sale Agreement**);
- (iii) a deed between MMG Australia and CML to provide CML with \$34.5 million funding support in respect of near-term operational, rehabilitation, and care and maintenance costs associated with the Century Project, to be paid in equal biannual instalments over 3 years (**Funding Deed**);
- (iv) an agreement between MMG Management and CML to procure the provision, for CML's benefit, of bank guarantee support for certain obligations CML is required to perform in operating the Century Project business (**Bank Guarantee Support Agreement**); and
- (v) various guarantee and security agreements between the Company, Century Bull, CMRP, Album, CML, MMG Management, MMG Australia, SPC1 and SPC2 to mitigate MMG's economic exposure resulting from the agreements set out above, including:

- (A) a cross guarantee and indemnity deed;
- (B) a specific security deed;
- (C) a general security deed; and
- (D) a corporate guarantee.

CML is also party to various native title agreements, such as the GCA, in respect of the Century Project.

Further information on the above agreements is set out below and also in MMG's announcement to ASX dated 1 March 2017.

(b) Share Transfer Deed

On 28 February 2017, Album, Century Bull, CMRP and the Company entered into the Share Transfer Deed pursuant to which CMRP acquired 100% of the shares in CML, SPC1 and SPC2 from Album in consideration for the mutual exchange of promises under the Share Transfer Deed (including the entering into of the Asset Sale Agreement, the Corporate Guarantee and the Funding Deed).

Under the Share Transfer Deed, Century Bull and, subject to Settlement of the Acquisition, the Company guarantee to Album the due and punctual performance by CMRP of CMRP's obligations under the Share Transfer Deed.

Also pursuant to the Share Transfer Deed, Album procured MMG Management to make a \$12.1 million contribution to the Gulf Communities Interim Support Fund, a trust fund established pursuant to the GCA Trust Deed (summarised below) to support:

- (i) CML in meeting its existing obligations contained in the GCA; and
- (ii) agreed community projects for the benefit of the Lower Gulf communities.

Completion under the Share Transfer Deed took place on 28 February 2017.

(c) GCA Trust Deed

On 28 February 2017, MMG Management, CML and Equity Trustees Limited entered into the GCA Trust Deed to establish the Gulf Communities Interim Support Fund. The purpose of the CGA Trust Deed is to ensure that there are monies available to support certain obligations and discretionary payments of CML under certain existing agreements with local aboriginal communities, including the GCA.

Pursuant to the Share Transfer Deed, Album procured MMG Management to make a \$12.1 million contribution to the Gulf Communities Interim Support Fund. Under the GCA Trust Deed, these funds are for Equity Trustees Limited, as trustee, to:

- (i) hold on trust and invest in accordance with the GCA Trust Deed; and

- (ii) release in authorised payments to satisfy requests by eligible beneficiaries, including CML, GADC and ADBT, up to the limits set in the GCA Trust Deed.

The aggregate authorised payments to be released may not exceed \$736,670 for the 2017 calendar year and/or \$851,000 for the 2018 calendar year.

(d) **Asset Sale Agreement**

On 28 February 2017, MMG Australia and CML entered into the Asset Sale Agreement for the sale of Century Project's exploration permit (EPM10544) from MMG Australia to CML for nominal consideration of \$1.

The transfer of the exploration permit is subject to written indicative approval from the relevant minister among other conditions.

(e) **Funding Deed**

On 28 February 2017, MMG Australia and CML entered into the Funding Deed pursuant to which MMG Australia has agreed to make the following payments to CML to provide funding support in respect of near-term operational, rehabilitation, and care and maintenance costs associated with the Century Project, subject to the completion under the Share Transfer Deed:

Date for payment	Support payment amount
Support funds start date (being the date which is 3 business days after MMG Australia receives CML's request for the commencement of support payments)	\$5,750,000 (Note this payment has already been received by CML)
1 July 2017	\$5,750,000
5 January 2018	\$5,750,000
1 July 2018	\$5,750,000
5 January 2019	\$5,750,000
1 July 2019	\$5,750,000
TOTAL	\$34,500,000

CML must only use the support funds for permitted purposes, which include complying with environmental laws and making payments required under laws or regulations in connection with the Tenements. No consideration is payable by CML under the Funding Deed.

(f) **Bank Guarantee Support Agreement**

On 28 February 2017, MMG Management entered into the Bank Guarantee Support Agreement with CML to procure the provision, for CML's benefit, of bank guarantee support for certain obligations CML is required to perform (primarily ensuring compliance with rehabilitation obligations on the Century Project) (**Principal Obligations**). MMG Management has agreed to allow such

bank guarantees to remain in place until and including 31 December 2026 (**Termination Date**).

MMG has procured bank guarantees amounting to \$193,731,600 (**Initial Bank Guarantees**) but has the right to replace the Initial Bank Guarantees with guarantees from other authorised financial institution/s (together, **Supported Bank Guarantees**).

CML must perform punctually all Principal Obligations and must use best endeavours to ensure that no demand is made under the Support Bank Guarantees.

In consideration for the procurement of the Supported Bank Guarantees, CML must pay MMG Management a fee (**Bank Guarantee Support Fee**) equal to 1.35% per annum of the sum of:

- (i) the face value of all outstanding Supported Bank Guarantees; and
- (ii) the aggregate amount outstanding under CML's indemnification obligations to MMG Management (such obligations arising in situations including the failure by CML to pay the Bank Guarantee Support Fee when due and the occurrence of an event of default under the Bank Guarantee Support Agreement),

(together, **Outstanding Sum**).

Assuming the Initial Bank Guarantees remain outstanding in full until the Termination Date, the estimated aggregate amount of Bank Guarantee Support Fees payable to MMG Management is up to approximately \$26.15 million.

The Bank Guarantee Support Fee accrues daily from 28 February 2017 up to and including the Termination Date, and is payable quarterly in advance from 28 February 2017.

CML must ensure that, within 90 days of the end of each financial year, the Outstanding Sum is reduced by not less than an amount, in respect of a financial year, equal to 40% of the aggregate earnings before interest, tax, depreciation and amortisation of the following companies for that financial year: CML, SPC1, SPC2, PCML and Investment Co.

To the extent that MMG Management:

- (i) deposits any amount of cash collateral in respect of any bank guarantee issued in support of a Principal Obligation, CML is required to provide an equal amount of cash to be applied against MMG Management's and CML's obligations in respect of any Supported Bank Guarantee;
- (ii) provides CML with a notice of any regulatory change that will make a relevant facility illegal or impractical, or demands upon an event of default, CML must immediately pay MMG Management cash to cover any amounts owing concerning the Supported Bank Guarantees at the time; and
- (iii) pays or is required to pay any amount in connection with a Supported Bank Guarantee or related document, CML is required to

cover those amounts, subject to CML failing to pay any due Bank Guarantee Support Fees, an event of default or a claim being made or threatened, or any payment being made, under a Support Bank Guarantee.

CML must also indemnify MMG Management against and pay on demand the amount of all losses incurred by MMG Management in connection with any payment or claim made or attempted to be made under a Supported Bank Guarantee or related document.

On the Termination Date, CML must assume or discharge MMG Management from the uncalled amount of all Supported Bank Guarantees, any accrued but unpaid interest and fees, and any other amounts outstanding under relevant transaction documents concerning the Support Bank Guarantees.

(g) **Guarantee and Security Arrangements**

To mitigate MMG's economic exposure resulting from the Asset Sale Agreement, Funding Deed and Bank Guarantee Support Agreement, the following guarantee and security arrangements have been entered into:

- (i) pursuant to a cross guarantee and indemnity deed dated 28 February 2017, each of CML, SPC1, SPC2, PCML and Investment Co (each, a **Guarantor**) guarantees to MMG Management the due and punctual payment by any Guarantor for amounts owing to MMG Management in connection with the Bank Guarantee Support Agreement, the Guarantee and Indemnity Deed, the General Security Deed, the Specific Security Deed and any other related agreement (**Guarantee and Indemnity Deed**);
- (ii) pursuant to a specific security deed dated 28 February 2017, each of CML, SPC1, SPC2, Century Bull, CMRP and the Company (each, a **Grantor**) grants security interest in the Grantor's interest in all securities and related rights in CML, SPC1, SPC2, Investment Co, PCML and CMRP, to secure the payment of amounts owing by any Grantor to MMG Management in connection with the Bank Guarantee Support Agreement, the specific security deed, the General Security Deed or any related security interest or guarantee or agreement (**Specific Security Deed**). The Company shall become a Grantor if the Acquisition occurs;
- (iii) pursuant to a general security deed dated 28 February 2017, each of CML, SPC1, SPC2, PCML, Investment Co, CMRP and Century Bull (each, a **General Grantor**) grants security interest in the Grantor's present and after-acquired property to secure the payment of amounts owing by any General Grantor or any related guarantor (in respect of the secured money) to MMG Management in connection with the Bank Guarantee Support Agreement, the general security deed, the Specific Security Deed or any related security interest or guarantee or agreement (**General Security Deed**); and
- (iv) pursuant to a corporate guarantee dated 28 February 2017, each of the Company, CMRP and Century Bull (each, a **Corporate Guarantor**) guarantees to each of MMG Management and MMG Australia (each, a **Beneficiary**) the due and punctual payment by each principal obligor (namely:

- (A) CML, in respect of the Asset Sale Agreement, Funding Deed and Bank Guarantee Support Agreement; and
- (B) a General Grantor and a Grantor respectively, in respect of the General Security Deed and Specific Security Deed),

of amounts owing by any principal obligor to any Beneficiary in connection with the Asset Sale Agreement, Funding Deed, Bank Guarantee Support Agreement, Guarantee and Indemnity, General Security Deed and Specific Security Deed and the due and punctual performance by each principal obligor of its obligations under such agreements (**Corporate Guarantee**). The Company shall become a Corporate Guarantor if the Acquisition occurs. Upon the acquisition by the Company of 100% of the shares of CMRP, Century Bull shall cease to be a Corporate Guarantor.

Further, each Corporate Guarantor indemnifies each Beneficiary against, and must pay the Beneficiary on demand the amount of any loss that may be suffered by the Beneficiary as a result of the default of any obligations under the guarantee and security arrangements.

The net effect of the above guarantee and security arrangements is that MMG retains a security interest over the Century Project. Pursuant to the arrangements:

- (A) there are various restrictions placed on the CMRP group entities and the Company with respect to dealing with Century Project assets (including the creation of further security interests unless with consent or if in relation to project finance for the Century Tailings Deposit);
- (B) there are various obligations placed on the CMRP group entities such as in relation to (among others):
 - (1) maintaining secured property;
 - (2) maintaining company statuses;
 - (3) complying with relevant laws;
 - (4) maintaining appropriate insurances;
 - (5) not incurring indebtedness over \$5,000,000 without consent; and
 - (6) provision on financial reports;
- (C) the Company and CMRP indemnify relevant MMG entities against, and must pay them on demand the amount of any loss that may be suffered by a relevant MMG entity as a result of the default of any obligations under the guarantee and security arrangements.

A breach by the Company or CMRP group entities of their various obligations under the guarantee and security arrangements could result in the assets

comprising the Century Project being returned to MMG or being dealt with by an external administrator such as a receiver or manager.

(h) **Gulf Communities Agreement (GCA)**

The GCA is an agreement between the Waanyi, Mingginda, Gkuthaarn and Kukatj Peoples (**Native Title Groups**), the State of Queensland and Century Zinc Limited (now CML) signed in 1997.

The GCA was entered into to provide native title consent for the Century Project. It establishes structures for the provision of benefits to Native Title Groups, including employment, training and development programs, an environmental management regime, cultural heritage management, and an interest in the Pastoral Company, in consideration for the native title approval to the grant of the Century Project mining leases and other tenures.

The GCA was a historic agreement as it was the first agreement in Queensland negotiated under the right to negotiate provisions of the *Native Title Act 1993* (Cth).

Implementation of the GCA is administered through three committees that include representatives of each Native Title Group, CML and the State of Queensland:

- (i) the Century Employment and Training Committee (**CET Committee**);
- (ii) the Century Environment Committee; and
- (iii) the Century Liaison and Advisory Committee (**CLAC**).

CML also engages with the Native Title Groups through the following entities established under the GCA for the delivery of benefits to the Native Title Groups:

- (i) the Aboriginal Development Benefits Trust (**ADBT**);
- (ii) the Lawn Hill and Riversleigh Pastoral Holding Company (**Pastoral Company**); and
- (iii) the Gulf Aboriginal Development Company Limited (**GADC**), which represents the Native Title Groups.

The implementation of the GCA and achievement of its objectives is required to be reviewed every five years. Reviews have been undertaken at the 5, 10 and 15 year milestones of the GCA. The 15 year review report was prepared by the Centre for Social Responsibility in Mining, Sustainable Minerals Institute, the University of Queensland, in 2013.

The GCA has effect until CML fulfils its rehabilitation obligations under the GCA which will mark the end of the project life. However, many provisions of the GCA terminate sooner than the end of project life. In particular, most annual payments end on, or shortly after, the "end of the economic life of the project", which was declared to have been reached in January 2016 following the cessation of mining operations and shipments of concentrate.

The CET Committee and CLAC cease to operate at the end of the economic life of the Project.

The cost to CML under the GCA in 2015 was approximately \$6 million. The ongoing cost following the end of mining at Century Project will be different as a number of substantial payment obligations cease at this point. However, payment obligations may resume or continue depending on the nature of any new activity.

At the time the GCA was entered into none of the parties contemplated a tailings reprocessing operation to commence following the cessation of mining activities at the Century zinc mine itself and a declaration of the end of the economic life of the project. The Company and CMRP will seek to renegotiate the GCA with the various counterparties. See Section 4.2(d) for further information.

10.3 Company Agreements

(a) Acquisition Agreement

The Company, Century Bull and CMRP have entered into a legally binding earn-in and shareholders' agreement (**Acquisition Agreement**) pursuant to which the Company will acquire an interest in CMRP and the Century Project as set out below conditional upon Settlement.

The key terms of the Acquisition Agreement are as follows:

(i) Earn-in right

Century Bull has agreed to transfer the Earn-in Interest Shares to the Company at Settlement for the consideration set out in Section 10.3(a)(iii) below.

(ii) Conditions Precedent

Completion of the Acquisition is subject to the satisfaction or waiver by the parties of the following conditions:

- (A) the Company entering into an agreement with Mr Patrick Walta to be appointed Managing Director of the Company (see Section 10.3(d)(ii)) (this condition has been satisfied); and
- (B) the Company obtaining all necessary shareholder and regulatory approvals to the matters set out in the Acquisition Agreement, including receipt of a conditional reinstatement letter from the ASX on terms reasonable to the parties.

If the conditions are not satisfied (or waived) on or before 31 December 2017 or such other date as the parties agree, then the Acquisition Agreement shall automatically terminate.

(iii) Consideration

In exchange for the Company acquiring the Earn-in Interest Shares, the Company agrees to:

- (A) solely fund CMRP and the Century Project from Settlement through to payment of \$10,000,000 of project development costs within 3 years (**Funding Obligation**); and
- (B) grant 30,000,000 Consideration Options to Century Bull or its nominees.

Mr Walta will receive 7,000,000 Consideration Options as a nominee of Century Bull. The Company expects all of the Consideration Options to be escrowed by ASX for a period of up to 24 months from the date of grant. The grant of the Consideration Options was approved by Shareholders at the General Meeting.

In the event the Company does not satisfy the Funding Obligation it will be in breach of the Acquisition Agreement and Century Bull will become entitled to legal action, which may include (among other things) seeking the Company comply with its Funding Obligation or seeking the Company return the Earn-in Interest Shares.

(iv) **Call Option**

Century Bull has granted a call option to the Company pursuant to which the Company may acquire the Remaining Shares (**Call Option**).

Upon satisfaction of the Funding Obligation, the Company has 6 months to exercise the Call Option for a purchase price based on a simple mechanism representing 30% of the fully diluted enterprise value of the Company, payable in cash or shares at the Company's election.

It is noted that the exercise of the Call Option will likely require Shareholder approval at the time, and is ordinarily subject to compliance with the applicable ASX Listing Rules at the time of exercise (such as, if applicable, the requirement to provide an independent expert's report to Shareholders under Listing Rule 10.1).

(v) **Joint venture and shareholder reserved matters**

The Acquisition Agreement also sets out the rights and obligations of the Company and Century Bull as the shareholders of CMRP.

Subject to the below, all decisions of CMRP's directors and shareholders will be made by simple majority decision unless any applicable law requires otherwise. Matters requiring the unanimous approval of CMRP's shareholders include:

- (A) a decision to mine based on a bankable feasibility study (also subject to unanimous approval of the board of CMRP);
- (B) ceasing or suspending mining operations, or resume mining operations previously suspended;
- (C) relinquishing or disposing of any Tenement or, except to the extent required by mining laws, abandoning or surrendering of any part of the Tenements;

- (D) incurring capital expenditure or entering into contract involving a commitment to expenditure in excess of \$1,000,000 in a financial year;
- (E) selling or otherwise disposing of assets with a fair market value in excess of \$1,000,000 per asset or \$1,000,000 for more than one asset if those assets are usually acquired or disposed of in combination or in multiples;
- (F) creating an encumbrance over any assets;
- (G) entering into any loan agreement as lender or borrower;
- (H) issuing any CRMP securities or reorganising the CRMP share capital other than in accordance with the Acquisition Agreement;
- (I) instituting, defending, compromising or settling any court or arbitral proceedings or insurance claim involving an amount in excess of \$1,000,000;
- (J) appointing or removing an auditor of the Company;
- (K) amending the Acquisition Agreement or CMRP's constitution;
- (L) entering into any significant corporate restructure of CMRP; and
- (M) presenting any petition or issuing any summons for the winding up of CMRP.

(vi) **Obligations during the Sole Funding Period**

During the period of satisfying the Funding Obligation (**Sole Funding Period**), the Company and CMRP will have sole and exclusive possession and use of the Century Project with the exclusive right to carry out exploration and mining operations upon the Century Project.

During the Sole Funding Period, the Company must:

- (A) use its best endeavours to complete a bankable feasibility study and make a decision to mine;
- (B) be the Manager of the Century Project and conduct all activities in relation to the Century Project;
- (C) solely determine, in its absolute discretion, the nature, location, timing and conduct of development activities (including any drilling) and the development program, and how project development costs are committed;
- (D) be responsible for and meet all costs of the Century Project, including all title holding fees and expenses due to governmental agencies;

- (E) be responsible for all accounting, legal, ASX, ASIC, office and general administrative costs of CMRP and Century Bull; and
- (F) comply with the conditions of any mining titles, leases, licences, permits, approvals or other rights in relation to the Century Project and ensure that it does not breach any statutory requirement or any order, direction or requirement of any governmental agency relating to the Century Project.

Century Bull, whenever possible, shall assist the Company with submissions, liaison and interaction with the relevant governmental agencies during the Sole Funding Period.

Following the Sole Funding Period, the funding obligations of CMRP and the Century Project shall be in proportion to each shareholder's respective shareholding in CMRP, which may be diluted in the event a shareholder elects not to contribute to funding.

(vii) **Manager responsibilities**

As Manager of the Century Project, the Company will be responsible (amongst other things) for:

- (A) keeping the Tenements in good standing and free from any liability to forfeiture or non-renewal under mining laws;
- (B) preparing and implementing the work program and budget;
- (C) overseeing, directing and having sole control over the conduct of all exploration, prospecting, mining and ancillary activities in connection with the Century Project (subject to any required approval of CMRP's board of directors);
- (D) meeting all outgoings in respect of the Tenements;
- (E) observing and performing all stipulations and conditions relating to the Tenements and all mining laws relating to the activities of the Manager on the Tenements; and
- (F) observing all mining laws relating to the administration of the Tenements.

(viii) **Pre-emptive, drag-along and tag-along rights**

Before selling any CMRP shares to a third party, the selling shareholder must notify other shareholders, who have the pre-emptive right to acquire those shares on the same terms.

If the Company intends to sell, assign, transfer or dispose of its CMRP shares to a third party purchaser and Century Bull elects not to purchase the offered shares, the share sale may be subject to Century Bull electing to 'tag along' and also sell some or all of its shares to the purchaser on the same terms.

If the Company intends to sell, assign, transfer or dispose of its CMRP shares to a third party purchaser and it is a condition of the sale that the purchaser acquire all of the CMRP shares, the Company may 'drag along' Century Bull and require it to also sell its CMRP shares to the purchaser on the same terms.

The remainder of the terms and conditions of the Acquisition Agreement are considered standard for an agreement of this nature.

(b) Royalty deeds

CMRP has granted a 2% net smelter royalty from operations at the Century Project to Century Bull pursuant to royalty deeds dated September 2016. The liability to pay the royalty only arises in respect of any products from the Century Project that are mined, irrespective of if they are subsequently milled or treated or sold without further treatment and notwithstanding that operations may be undertaken by or behalf of CMRP or any other entity associated with the Century Project. The royalty is payable quarterly.

As mentioned in Section 3.2, Messrs Cranston (existing Company Director), Walta (proposed Managing Director) and Carr (Century Bull director) each hold 25% of the voting shares of Century Bull as well as additional non-voting shares. In the event the net smelter royalty above becomes payable by CMRP, Messrs Cranston, Walta and Carr's shareholding in Century Bull entitle them to an equal share of the net smelter royalty income received by Century Bull from CMRP (i.e. any net smelter royalty income is apportioned in 3 equal parts).

(c) Convertible Notes

The Company currently has on issue Convertible Notes with an aggregate book value of approximately \$17.4 million (face value of approximately \$14.3 million and accrued interest of approximately \$3.1 million) (as at 31 December 2016). This accrued interest was calculated based on the assumption that a 30% redemption premium would be payable on the redemption of the notes by the Company. Shareholder approval was previously obtained for the conversion of such Convertible Notes to Shares on 30 November 2015 and in February 2016, ASX granted the Company a waiver permitting the issue of such Shares to occur no later than 26 June 2017.

Of the existing Convertible Notes on issue, Kingslane Pty Ltd and its associated entities hold Convertible Notes amounting to approximately \$4.25 million (approximately \$4.5 million with accrued interest) and are related to the Company by virtue of being controlled by the father of Evan Cranston, an existing Director of the Company.

The Company has received conversion notices from all holders of Convertible Notes for the conversion of all outstanding moneys into Shares, subject to completion of the Acquisition by no later than 26 September 2017. Noteholders have agreed to forgive the redemption premium. The deemed conversion price is therefore \$0.20 per Share.

The Company obtained Shareholder approval at the General Meeting for the issue of up to 71,538,905 Shares upon conversion of the Convertible Notes for the purpose of refreshing Shareholder approval in the event that the ASX waiver expires.

(d) **Director agreements**

(i) **Executive Consultancy Agreement - Evan Cranston**

The Company has entered into an executive consultancy agreement (**Cranston Agreement**) with Konkera Holdings Pty Ltd (**Consultant**) pursuant to which the Consultant, through Mr Evan Cranston, will provide the following consultancy services (among others) commencing from the date the Company's Shares are reinstated to official quotation on the ASX:

- (A) serve the Company in the capacity of Executive Chair responsible for the overall strategic direction and control of the business of the Company;
- (B) subject to the approval of the Board to the contrary, devote at least 50% of his available time and attention to the business of the Company and other members of the Merged Group during normal work hours and at such other times as may be reasonably necessary;
- (C) provide the Company with information and reports as to the business and affairs of the Company as reasonably requested by the Board, and generally so as to keep the Company fully informed of all material developments in or relevant to the Company's affairs within the scope of his duties; and
- (D) in providing the services, comply with the Listing Rules, Corporations Act, Constitution and the Company's policies and procedures generally.

A consultancy fee of \$180,000 per annum plus GST (if applicable) is payable to the Consultant for the consultancy services, subject to annual review by the Board. The Company will also reimburse the Consultant for reasonable expenses necessarily incurred in the performance of the consultancy services.

The consultancy is for a fixed term of 3 years, but may be extended for further periods of one year by agreement between the parties. The Cranston Agreement may be terminated by either the Company or the Consultant for any reason on 6 months' notice, in which case the Company can elect for the Consultant to serve out the whole or part of 6 months' notice and to pay the Consultant an amount equivalent to the remaining portion of the 6 months' consultancy fees.

The Cranston Agreement may also be terminated by the Company summarily at any time, in which case the Company need not make any payment to the Consultant other than accrued entitlements. The Consultant may terminate the consultancy immediately if the Company breaches a material term of the Cranston Agreement.

In the event of a change of control, the Consultant will receive a bonus payment equal to 12 months' consultancy fee. However, if the Cranston Agreement is terminated within 6 months after a change

of control, the Consultant will not be entitled to any notice of termination or payment in lieu.

Any discoveries and inventions, including geological, mining or exploration discoveries, made or discovered by the Consultant or Mr Cranston during the consultancy which relate to the Company's business must be disclosed to the Company and will remain the sole property of the Company.

The Consultant is also subject to restrictions in relation to the use of confidential information during and after the consultancy ceases, on terms which are otherwise considered standard for agreements of this nature.

The Cranston Agreement contains additional provisions considered standard for agreements of this nature.

(ii) **Executive Consultancy Agreement - Patrick Walta**

The Company has entered into an executive consultancy agreement (**Walta Agreement**) with Patrick Walta trading as Stoker Consulting pursuant to which the Mr Walta will provide the following consultancy services (among others) commencing from 28 February 2017:

- (A) serve the Company in the capacity of Managing Director responsible for the overall management and supervision of the activities, operations and affairs of the Merged Group, subject to the overall control and direction of the Board;
- (B) subject to the approval of the Company to the contrary and as reasonably necessary, devote up to 90% of his available time and attention to the business of the Company and other members of the Merged Group;
- (C) provide the Company with information and reports as to the business and affairs of the Company as reasonably requested by the Board, and generally so as to keep the Company fully informed of all material developments in or relevant to the Company's affairs within the scope of his duties; and
- (D) in providing the services, comply with the Listing Rules, Corporations Act, Constitution and the Company's policies and procedures generally.

A consultancy fee of \$20,000 per month plus GST (if applicable) is payable to the Mr Walta for the consultancy services, subject to annual review by the Board. The Company will also reimburse Mr Walta for reasonable expenses necessarily incurred in the performance of the consultancy services.

The consultancy is for a fixed term of 3 years, but shall continue after that date until terminated in accordance with the Walta Agreement. The Walta Agreement may be terminated by either the Company or Mr Walta for any reason on 6 months' notice, in which case the Company can elect for Mr Walta to serve out the whole or

part of 6 months' notice and to pay Mr Walta an amount equivalent to the remaining portion of the 6 months' consultancy fees.

The Walta Agreement may also be terminated by the Company summarily at any time, in which case the Company need not make any payment to Mr Walta other than accrued entitlements. Mr Walta may terminate the consultancy immediately if the Company breaches a material term of the Walta Agreement.

In the event of a change of control, Mr Walta will receive a bonus payment equal to 12 months' consultancy fee. However, if the Walta Agreement is terminated within 6 months after a change of control, Mr Walta will not be entitled to any notice of termination or payment in lieu.

Any discoveries and inventions, including geological, mining or exploration discoveries, made or discovered by Mr Walta during the consultancy which relate to the Company's business must be disclosed to the Company and will remain the sole property of the Company.

Mr Walta is also subject to restrictions in relation to the use of confidential information during and after the consultancy ceases, and being directly or indirectly involved in a competing business during the consultancy without the prior written consent of the Company, on terms which are otherwise considered standard for agreements of this nature.

The Walta Agreement contains additional provisions considered standard for agreements of this nature.

(iii) **Executive Consultancy Agreement - Tolga Kumova**

The Company has entered into an executive consultancy agreement (**Kumova Agreement**) with Kumova Consulting Pty Ltd (**Consultant**) pursuant to which the Consultant, through Mr Tolga Kumova, will provide the following consultancy services (among others) commencing from the date the Company's Shares are reinstated to official quotation on the ASX:

- (A) ensure that Mr Kumova serves the Company in the capacity of Corporate Director responsible along with the Board for the strategic direction and control of the business of the Company;
- (B) provide the Company with information and reports as to the business and affairs of the Company as reasonably requested by the Board, and generally so as to keep the Company fully informed of all material developments in or relevant to the Company's affairs within the scope of the Consultant's duties; and
- (C) in providing the services, comply with the Listing Rules, Corporations Act, Constitution and the Company's policies and procedures generally.

The following consultancy fees are payable to the Consultant for the consultancy services:

- (A) Director's fees of \$50,000 per year plus GST (if applicable), reviewed annually; and
- (B) the grant of an aggregate total of 30,000,000 Options on the terms and conditions set out in Section 11.3.

The Company will also reimburse the Consultant for reasonable expenses necessarily incurred in the performance of the consultancy services.

Mr Kumova is also entitled to participate in bonus and/or other incentive schemes that may be implemented in the future.

The Kumova Agreement is for a term of 3 years, but may be terminated by the Company on 3 months' notice, in which case the Company must pay the Consultant the aggregate of all Director's fees which would have been payable for the duration of the term. The Kumova Agreement may also be terminated by the Company summarily at any time, in which case the Company need not make any payment to the Consultant other than accrued entitlements.

The Consultant may terminate the consultancy immediately if the Company breaches a material term of the Kumova Agreement.

Any discoveries and inventions, including geological, mining or exploration discoveries, made or discovered by the Consultant or Mr Kumova during the consultancy which relate to the Company's business must be disclosed to the Company and will remain the sole property of the Company.

The Consultant and Mr Kumova are also subject to restrictions in relation to the use of confidential information during and after the consultancy ceases.

The Kumova Agreement contains additional provisions considered standard for agreements of this nature.

(iv) **Non-Executive Director Agreements - Tom Eadie and Bryn Hardcastle**

The Company has entered into non-executive director letter agreements with each of Messrs Eadie and Hardcastle pursuant to which the Company has agreed to pay them \$50,000 each excluding superannuation per year for services provided to the Company as Non-Executive Directors. As approved by Shareholders, Mr Eadie's appointment will commence upon the Company gaining successful re-admission to the Official List.

(e) **Deeds of indemnity, insurance and access**

The Company intends to be a party to a deed of indemnity, insurance and access with each of the Proposed Directors and the Company Secretary upon reinstatement. Under these deeds, the Company will indemnify each Director and the Company Secretary to the extent permitted by law against

any liability arising as a result of the Director or Company Secretary acting as a director or company secretary of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant Director or Company Secretary and must allow the Directors and Company Secretary to inspect board papers in certain circumstances. The deeds will be considered standard for documents of this nature.

11. Additional information

11.1 Rights attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

- (a) **(Ranking of Shares):** At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
 - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
 - (ii) has one vote on a show of hands; and
 - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

- (f) **(General meetings):** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

- (g) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

11.2 Terms and conditions of Consideration Options

The terms of the Consideration Options are as follows:

- (a) **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price):** Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**).
- (c) **(Expiry Date):** Each Option will expire at 5:00 pm (WST) 5 years from the date of grant (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **(Exercise Period):** The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **(Notice of Exercise):** The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **(Exercise Date):** A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **(Timing of issue of Shares on exercise):** Within 15 Business Days after the Exercise Date, the Company will:
 - (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy

section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (h) **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **(Quotation of Shares issued on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (j) **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (l) **(Change in exercise price):** An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (m) **(Unquoted):** The Company will not apply for quotation of the Options on ASX.
- (n) **(Transferability):** The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

11.3 Terms and conditions of Director and Employee Options

The terms of the Options to be issued to Directors and employees are as follows:

- (a) **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price):** Subject to paragraph (j), the amount payable upon exercise of each Option will be as follows **(Exercise Price):**

Option holders	No. of Options	Exercise Price	Expiry Date
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Option holders	No. of Options	Exercise Price	Expiry Date
Tolga Kumova	7,500,000	\$0.25	The date which is 4 years after the date of grant
	7,500,000	\$0.50	
	7,500,000	\$0.75	
	7,500,000	\$1.00	
Tom Eadie	2,500,000	\$0.25	The date which is 3 years after the date of grant
	2,500,000	\$0.50	
Bryn Hardcastle	2,000,000	\$0.25	
	2,000,000	\$0.50	
Oonagh Malone	1,500,000	\$0.25	
	1,500,000	\$0.50	
Employees	10,500,000	\$0.25	

- (c) **(Expiry Date):** Each Option will expire at 5:00 pm (WST) on the relevant Expiry Date. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **(Exercise Period):** The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **(Notice of Exercise):** The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **(Exercise Date):** A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **(Timing of issue of Shares on exercise):** Within 15 Business Days after the Exercise Date, the Company will:
- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (h) **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **(Quotation of Shares issued on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (j) **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (l) **(Change in exercise price):** An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (m) **(Unquoted):** The Company will not apply for quotation of the Options on ASX.
- (n) **(Transferability):** The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

In addition, in the event of termination of employment or office with the Company or a member of the Merged Group (in circumstances other than as provided for under the Plan) of an employee directly or indirectly holding Employee Options, all Employee Options will lapse if not exercised within the shorter of the relevant termination notice period provided under their contract of employment or 60 days, unless otherwise agreed with the Board.

11.4 Summary of Employee Share Option Plan

The Company's employee share option plan (**Plan**) was last approved by Shareholders at the Company's annual general meeting held on 24 November 2014. An overview of the terms and conditions of the Plan is below:

- (a) **(Ranking):** Shares issued on exercise of Options will upon issue rank equally with other Shares of the Company.

- (b) **(Vesting and exercise)** An Option may only be exercised after that Option has vested (if any vesting conditions are imposed), after any conditions associated with the exercise of the Option are satisfied and before its expiry date. The Board may determine whether any vesting conditions will apply and what those vesting conditions will be. The Board may in its absolute discretion determine any further conditions on the exercise of an Option.
- (c) **(Exercise Price):** The Exercise Price of each Option issued under the Plan will be determined by the Board when it resolves to offer the Options, and will be not less than 80% of the average closing sale price of the Shares on ASX over the 5 trading days immediately preceding the date of offer to a proposed participant.
- (d) **(Expiry Date):** The expiry date of an Option will be determined by the Board, and will be no later than 5 years from the date of issue.
- (e) **(Lapse):** An Option will lapse:
 - (i) immediately upon the first to occur of its expiry date, or the participant acting fraudulently, dishonestly or in breach of the participant's obligations to the Company;
 - (ii) after 10 days of the Company issuing a notice of meeting to convene a Shareholders' meeting to enter into a scheme of arrangement which would result in any person having a relevant interest of not less than 90% of the Shares;
 - (iii) after 30 days of the employee voluntarily resigning or of any person acquiring a relevant interest of not less than 90% of the Shares; and
 - (iv) after 6 months of a participant's death, permanent illness or physical or mental incapacity or a participant's redundancy other than as a direct result of the sale of the Company.
- (f) **(Change of control):** If the Board considers that a change of control event has occurred or is likely to occur, or if any person having a relevant interest in not less than 90% of the Shares proposes to enter into a scheme of arrangement which would result in any person having a relevant interest in not less than 90% of the Shares, then the Board may declare that an Option may vest.
- (g) **(Transfers):** Options may not be transferred other than to a nominee of the participant, within the meaning prescribed under tax legislation in Australia.
- (h) **(Quotation):** Quotation of Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of Options.
- (i) **(No participation rights):** There are no participating rights or entitlements inherent in the Options and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 9 Business Days after the issue is announced.
- (j) **(Bonus issues):** If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves (**Bonus Issue**), each participant

holding any Options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him or her upon exercise of any of those Options, the number of Shares which would have been issued under the Bonus Issue (**Bonus Shares**) to a person registered as holding the same number of Shares as that number of Shares to which the participant may subscribe for, pursuant to the exercise of those Options immediately before the record date determining entitlements under the Bonus Issue (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise).

- (k) **(Reorganisation):** In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each participant is entitled or the exercise price of his or her Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules.

11.5 Effect of the Offers on control and substantial Shareholders

Those Shareholders (and their related entities) holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows:

Name	Shares	% Shareholding
Kingslane Pty Ltd ¹	22,090,028	11.64
Pershing Australia Nominees Pty Ltd <Patersons Securities A/c>	10,287,500	5.42

Notes:

1. Kingslane Pty Ltd also holds Convertible Notes with an aggregate face value of approximately \$4.25 million (approximately \$4.5 million with interest). Kingslane Pty Ltd is a related party of the Company by virtue of being controlled by the father of current Director, Evan Cranston.

Based on the information known as at the date of this Prospectus, upon re-admission of the Company's Shares to Official Quotation, the following persons (and their related entities) are expected to have an interest in 5% or more of the Shares on issue:

Name	Shares	% Shareholding
Kingslane Pty Ltd ¹	44,611,535	15.09
Tolga Kumova ²	16,666,666	5.64

Notes:

1. Kingslane Pty Ltd is a related party of the Company by virtue of being controlled by the father of current Director, Evan Cranston. The figures above assume that 22,521,507 Shares are issued to Kingslane Pty Ltd on conversion of Convertible Notes as approved by Shareholders at the General Meeting.
2. The figures above assume that 13,333,333 Shares are issued to Mr Kumova under the Public Offer as approved by Shareholders at the General Meeting.

11.6 Interests of Promoters, Experts and Advisers

(a) No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offers.

(b) Share Registry

Security Transfer Australia Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

(c) Auditor

Bentleys Audit & Corporate (WA) Pty Ltd has acted as auditor to the Company. During the 24 months preceding lodgement of this Prospectus with ASIC, Bentleys Audit & Corporate (WA) Pty Ltd has received fees from the Company in the amount of \$12,334 (including GST).

(d) Investigating Accountant

Deloitte Corporate Finance Pty Limited has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 6 of this Prospectus. The Company estimates it will pay Deloitte Corporate Finance Pty Limited a total of \$50,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Deloitte Corporate Finance Pty Limited has not received fees from the Company.

(e) Legal Adviser

Bellanhouse has acted as the Legal Adviser to the Company in relation to the Offers. The Company estimates it will pay Bellanhouse \$60,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Bellanhouse has received fees from the Company in the amount of \$152,000 (excluding GST).

(f) Independent Geologist

Siecap Pty Ltd has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Section 7 of this Prospectus. The Company estimates it will pay Siecap Pty Ltd a total of \$40,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Siecap Pty Ltd has received fees from the Company in the amount of \$25,000 (excluding GST).

(g) Independent Solicitors

HopgoodGanim has acted as the Independent Solicitors to the Company in relation to the Offers and has prepared the Independent Solicitors' Report which is included in Section 8 of this Prospectus. The Company estimates it will pay HopgoodGanim \$50,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, HopgoodGanim has not received fees from the Company.

11.7 Consents

(a) General

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

In light of the above, each of the parties referred to below:

- (i) does not make the Offers;
- (ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- (iii) only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

(b) Share Registry

Security Transfer Australia Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

(c) **Auditor**

Bentleys Audit & Corporate (WA) Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Auditor to the Company in the form and context in which it is named.

(d) **Investigating Accountant**

Deloitte Corporate Finance Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Investigating Accountant's Report in the form and context in which it is included (unless Deloitte Corporate Finance Pty Limited notifies the Company in writing of the withdrawal of this consent before that time).

(e) **Legal Adviser**

Bellanhouse has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Legal Adviser to the Company in the form and context in which it is named.

(f) **Independent Geologist**

Siecap Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Independent Geologist to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Geologist's Report in the form and context in which it is included.

(g) **Independent Solicitors**

HopgoodGanim has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Independent Solicitors to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Solicitors' Report in the form and context in which it is included.

11.8 Expenses of Offers

The total approximate expenses of the Offers payable by the Company are:

Items of expenditure	Amount (\$)
ASX and ASIC fees	107,000
Legal fees	110,000
Investigating Accountant fees	50,000
Independent Geologist fees	40,000

Items of expenditure	Amount (\$)
Administration fees	13,000
TOTAL	320,000

11.9 ASX Waiver

The Company has obtained an ASX waiver from Listing Rule 2.1 Condition 2 to allow Shares under the Public Offer to have an issue price of less than \$0.20 each.

11.10 Continuous Disclosure Obligations

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's Securities.

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

11.11 Litigation

As noted in the Company's 2016 Annual Report, the Company has been named as part of a group that received a statement of claim filed at the Circuit Court of Shelby County, Alabama relating to an alleged unfair dismissal claim by Mr Don Brown. The claim is for approximately US\$1,000,000. The Company intends to defend this matter and the Directors are of the opinion that the claim can be successfully defended.

So far as the Directors are aware, there is no other current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

12. Authorisation

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

In accordance with section 720 of the Corporations Act, each existing Director and Proposed Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to be 'Bryn Hardcastle', with a long horizontal stroke extending to the right.

Bryn Hardcastle
Non-Executive Director
Dated: 20 June 2017

13. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ or \$A means Australian dollars.

Acquisition means the Company's proposed initial acquisition of 70% of the issued share capital of CMRP in accordance with the Acquisition Agreement.

Acquisition Agreement means the binding earn-in and shareholders' agreement between the Company, Century Bull and CMRP for the initial acquisition of 70% of the issued capital of CMRP by the Company.

ADBT means the Aboriginal Development Benefits Trust, a charitable trust established pursuant to the GCA.

ADBT Pty Ltd means ADBT Pty Ltd ACN 082 313 433.

Album means Album Investment Private Limited (a company incorporated in Singapore).

Applicant means a person who submits an Application Form.

Application means a valid application for Securities pursuant to this Prospectus.

Application Form means the Public Offer Application Form or the Consideration Offer Application Form, as the context requires.

Application Monies means application monies for Shares under the Public Offer received and banked by the Company.

ASIC means the Australian Securities and Investments Commission.

Asset Sale Agreement means the asset sale agreement between CML and MMG Australia dated 28 February 2017 summarised in Section 10.2(d).

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Rules means ASX Settlement Operating Rules of ASX Settlement.

Bank Guarantee Support Agreement means the bank guarantee support agreement between MMG Management and CML dated 28 February 2017 summarised in Section 10.2(f).

Board means the board of Directors of the Company as at the date of this Prospectus.

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

Century Bull means Century Bull Pty Ltd ACN 614 817 686.

Century Project means the Century zinc mine, Century Tailings Deposit and all associated infrastructure located in far north Queensland and owned by CMRP through its wholly-owned subsidiaries.

Century Tailings Deposit means the tailings deposit located at the Century Project.

CHESS means the Clearing House Electronic Sub-register System operated by ASX Settlement.

Closing Date means the date that the Offers close which is 5.00pm (WST) on 23 June 2017 or such other time and date as the Board determines.

CML means Century Mining Limited (formerly MMG Century Limited) ACN 006 670 300.

CMRP means Century Mine Rehabilitation Project Pty Ltd ACN 614 818 683.

Company means Attila Resources Limited (to be renamed "New Century Resources Limited") ACN 142 165 080.

Company Secretary means the secretary of the Company.

Consideration Offer means the offer of Consideration Options to Century Bull (or its nominees) under this Prospectus.

Consideration Offer Application Form means the Application Form in respect of the Consideration Offer.

Consideration Options means the 30,000,000 Options exercisable at \$0.25 each on or before the date which is 5 years after the date of grant to be issued to Century Bull (or its nominees) pursuant to the Acquisition Agreement.

Constitution means the constitution of the Company.

Convertible Notes means the existing convertible notes issued by the Company with an aggregate book value of approximately \$17.4 million as described in Section 10.3(c).

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

Director means a director of the Company.

Earn-in Interest Shares has the meaning given in Section 3.2.

Electronic Prospectus means the electronic copy of this Prospectus located at the Company's website www.attilaresources.com.

Employee Share Option Plan means the Company's Employee Share Option Plan as summarised in Section 11.4.

Equity Security has the same meaning as in the Listing Rules.

Equity Trustees Limited means Equity Trustees Limited ACN 004 031 298.

Funding Deed means the funding deed between MMG Australia and CML dated 28 February 2017 summarised in Section 10.2(e).

GADC means Gulf Aboriginal Development Company Limited ACN 080 906 805.

GCA means the Gulf Communities Agreement between the Native Title Groups, the State of Queensland and CML dated 13 February 1997 and signed by the last party on 7 May 1997 regarding native title in connection with the Century Project.

GCA Trust Deed means the trust deed between MMG Management, CML and Equity Trustees Limited dated 28 February summarised in Section 10.2(c).

General Meeting means the general meeting of Shareholders held on 31 May 2017.

GST means Goods and Services Tax.

Gulf Communities Interim Support Fund means the fund created under the GCA Trust Deed.

Independent Geologist means Siecap Pty Ltd ACN 127 834 262.

Independent Geologist's Report means the report contained in Section 7 prepared by the Independent Geologist.

Independent Solicitors means HopgoodGanim ABN 54 105 489 661.

Independent Solicitors' Report means the report contained in Section 8 prepared by the Independent Solicitors.

Indicative Timetable means the indicative timetable for the Offers on page vi of this Prospectus.

Investigating Accountant means Deloitte Corporate Finance Pty Limited ACN 003 833 127.

Investigating Accountant's Report means the report contained in Section 6.

Investment Co means Investment Co Pty Ltd ACN 083 405 627.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Karumba Port means the concentrate dewatering and drying facility at Karumba, Queensland, which includes a fully-mechanised storage shed, ship-loading facility and port.

Kodiak Project means the property and coking coal leases located on the Gurnee and Seymour properties in Shelby and Bibb Counties, Alabama, USA.

Listing Rules means the listing rules of ASX.

Merged Group means the Company and its 70% owned subsidiary, CMRP (and its subsidiaries), after completion of the Acquisition.

Minimum Subscription means the raising of \$5,150,000 pursuant to the Public Offer.

MMG means MMG Limited ARBN 150 889 151 (a company incorporated in Hong Kong).

MMG Australia means MMG Australia Limited ACN 004 074 962.

MMG Management means MMG Management Pty Ltd ACN 115 312 680.

Native Title Groups means the Waanyi, Mingginda, Gkuthaam and Kukatj peoples.

Offer Price means \$0.15 per Share under the Public Offer.

Offers means the Public Offer and the Consideration Offer.

Official List means the official list of ASX.

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

Opening Date means the first date for receipt of completed Application Forms under the Public Offer which is 24 May 2017.

Option means an option which entitles the holder to acquire a Share.

Option holder means a holder of an Option.

Original Prospectus means the prospectus dated 23 May 2017 and lodged with ASIC and ASX on that date.

Pastoral Company means Lawn Hill and Riversleigh Pastoral Holding Company Pty Ltd ACN 083 607 470.

PCML means PCML SPC Pty Ltd ACN 083 652 500.

Proposed Directors means Messrs Patrick Walta, Tolga Kumova and Tom Eadie, further details of whom are provided at Section 9.3.

Prospectus or Replacement Prospectus means this replacement prospectus dated 20 June 2017.

Public Offer means the offer by the Company, pursuant to this Prospectus, of 34,333,333 Shares at the Offer Price to raise \$5,150,000 (before costs).

Public Offer Application Form means the Application Form accompanying this Prospectus in respect of the Public Offer.

Remaining Shares has the meaning given in Section 3.2.

Section means a section of this Prospectus.

Securities mean all Equity Securities of the Company.

Security holder means a holder of one or more Securities.

Settlement means settlement under the Acquisition Agreement of the sale by Century Bull and purchase by the Company of the Earn-in Interest Shares.

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

Share Registry means Security Transfer Australia Pty Ltd ACN 008 894 488.

Shareholder means a holder of one or more Shares.

SPC1 means SPC1 Pty Ltd ACN 083 405 538.

SPC2 means SPC2 Pty Ltd ACN 083 405 574.

US\$ means United States dollar.

WST means Western Standard Time, being the time in Perth, Western Australia.